# Journal of Marketing and Consumer Behaviour in Emerging Markets

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### **Contents**

Bianka Mfodkowska Influencers on Instagram and YouTube and Their Impact on Consumer Behaviour 4
Madalina Balau Symbolic and Affective Motives, Constraints and Self-Efficacy among Romanian Car Buyers
Lorenza Kirana and Nila A. Windasari Motivation and Value of Low-Cost Green Car (LCGC) Purchase Intention Across Generations
Wiryanta Muljono, Sri Setiyawati Exploring the Effects of Service Quality, Shipping Cost, Brand and Attitude on Consumer's Intention to Choose Express Courier Services in E-Commerce 42

# Influencers on Instagram and YouTube and Their Impact on Consumer Behaviour

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#### **ABSTRACT**

Nowadays we are faced with a growing number of people using social media. The most popular of these are YouTube and Instagram. Their users are exposed to the content generated by influencers – social media creators with loyal audiences. The aim of this paper is to investigate the impact that influencers on Yotube and Instagram have on consumer behaviour. The research method employed in this study was a quantitative survey on the sample of 160 social media users. 160 individuals answered an online questionnaire. The results of the survey showed that Instabloggers and YouTubers are seen as a credible source of information and consumers find them trustworthy. Moreover, positive reviews on YouTube and pictures posted on Instagram affect consumers buying decisions. The results of the research suggest that engaging influencers to collaborate with brands is a new effective marketing tool which is especially efficient in reaching young people who use social media every day. Collaboration with influencers can result in gaining new customers, sharing positive information about new products and increasing sales.

JEL classification: M31, M37

Keywords: influencers, consumer behaviour, social media.

#### 1. INTRODUCTION

The statistics show that there were more than 4 billion Internet users in June 2018 (Internet World Stats, 2018). In the Internet area, social media have become significantly popular among people around the world. The number of those having an Instagram or YouTube account is also growing. Not only do they use those sites to post their own pictures and videos, but also to interact with brands and products (Phua & Ahn, 2016) and to exchange reviews about them (Zalega, 2013). Consumers can talk about products with both friends and strangers (Vinerean et al., 2013, p. 66). Social media are used as a way of communication, particularly between peers, and have a great influence on their buying decisions as well as on marketing strategies (Vinerean et al., 2013, p. 66). Consequently, social media have changed the way of communication between brands and consumers (Vinerean et al., 2013, p. 66) as they enable direct and two-way communication. Now, individuals can react to brand content instead of only absorbing information as it used to be before. What is more, they are active creators of brand content (Stewart & Pavlou, 2002). They are engaged in marketing done by brands, which is influenced by more aware consumers (Heinonen 2011, p. 356).

Social media have an impact on consumer behaviour and brands. As a result, marketing tools have been changed. For businesses, it is a unique opportunity to encourage prospects and regular consumers to be engaged in social media in order to build a personal relationship with them (Mersey et al., 2010). Instagram and YouTube are examples of social media. They bring together Internet users who upload their private content there and also communicate with others about brands and products. Social media have changed modern consumers and created influencers whose videos and pictures reach people in nearly all countries.

The aim of this study is to investigate the impact of influencers from Instagram and YouTube on consumer behaviour. The paper tries to give answers to the following three questions: Are influencers seen as a credible source of information concerning buying decisions? Do *YouTubers'* positive reviews impact buying decisions of viewers? Do *Instabloggers'* posted pictures and videos of products influence buying decisions of followers? A literature review and a qualitative study in the form of an online survey were conducted to answer these questions.

The paper is constructed as follows: in the first part, the theoretical background, hypotheses, the research model and empirical results are described. In the second part, conclusions and study limitations are presented. In the last part, all used references are listed.

## 2. THEORETICAL BACKGROUND, HYPOTHESES, RESEARCH MODEL, EMPIRICAL RESULTS

#### 2.1. Literature Review

#### 2.1.1. Instagram and YouTube as Places of Influencer Marketing

Instagram was launched in 2010 by Kevin Systrom and Mike Krieger (Instagram Press, 2019). The number of users reached over 1 billion in June 2018. More than 500 million users use Instagram every day (Instagram Press, 2019). Those daily actives are undertaken by people who not only scroll the application passively but also like, comment, share or post their own pictures.

What makes Instagram such a successful app? First of all, it was made for smartphones in order to make posted pictures easily viewed on small screens. So, there is no need for enlarging or minimising pictures. Secondly, we can associate Instagram with the most popular social media – Facebook. Indeed, there are many similarities between these two portals. In both cases, users are able to create profiles, post pictures and follow interesting people. The famous "thumbs up" was replaced by a heart, which has exactly the same meaning – users are fond of a picture or, from 2013, a short video (Instagram Press, 2019). To make a post famous and easy to find among billions of pictures, it can be marked with a short description, localisation, and a hashtag (represented by "#"). Moreover, it can be marked with another profile or even a brand, which feature enables users to share the sources of their latest purchases and create e-WOM.

The growing popularity of Instagram has created a new type of bloggers. They post only using the app without having an additional site on WordPress or Blogger. To make a profile profitable, they are eager to collaborate with brands which send their products to users with a high number of followers. Then, *Instabloggers* post a picture with a product, for instance, a coat or a face cream, and finally they mark a brand. Followers may see what kind of products influencers use. An actress and singer, highly popular among Millennials, Selena Gomez has got over 6 million likes, or rather hearts, for a picture showing her drinking Coca-Cola beverage.

YouTube is the second social media site I have chosen to investigate the impact of influencers. The portal was established by Chad Hurley, Steve Chen and Jawed Karim in 2005. The site enables users to view, comment and upload a variety of videos (Dehghani et al., 2016, p. 165). YouTube combines entertainment and professional contents in a video form. Moreover, it can be

used as a marketing tool to create brand-consumer communication and a brand image (Wyrwisz & Żydek, 2016, pp. 413–414).

YouTube offers all kind of videos: from music videos, movie trailers to lifestyle content like travelling, makeup, and video games. A user's site is called a *channel* and its popularity is measured by a number of *subscribers*, people who follow posted videos. For instance, we can find channels of famous singers (Rihanna VEVO), magazines (British Vogue) and brands (Porsche). Brands upload advertisements (Chanel), videos about their history (Burberry), and short videos of new products (Citroën).

Similarly to Instagram, anyone who has an account can try to become a popular *vlogger*. This term comes from a word *blogger*; the main difference between bloggers and vloggers is that instead of writing posts, an author uploads short films (SJP, 2018). So, YouTubers can be definitely seen as vloggers. Many people post on the site different kinds of content – gaming, fashion, beauty, travelling and many more. They represent all age groups, countries and interests. Many brands are looking for vloggers who are ready to collaborate and promote their products. As an example, we can take Zoella's channel. Zoella is a British beauty and lifestyle YouTuber with nearly 11.855,000 subscribers (YouTube Zoella, 2019). On her channel, we find videos in which she shows bought cosmetics and clothes (known as *hauls*). Those are seen by more than 1 million people. She also reviews products that she got from brands for free (*reviews* and *opening boxes*). Subscribers can participate in many competitions by sharing or commenting on a video to win reviewed products. We can conclude that by sharing opinions about products, viewers may follow influencers' buying decisions. The research conducted by Deghani et al. (2016, p. 170) demonstrated that YouTube advertising has great effects on the consumer purchase intention.

Thanks to regular publications and interactions, YouTubers and viewers start having a close mutual bond. Videos showing daily routine, honest reviews and answering subscribers' questions make influencers seen as friends. People sometimes know them better than their acquaintances as they are able to follow their life. Solomon, Bamossy, Askegaard and Hog (2016) claim that we absorb information coming from our friends more easily. As a result, those looking for advice will look for vloggers' videos. Furthermore, many immediate interactions occur because blogs, and also vlogs, are two-way communication channels, unlike commercial advertisements (Bernoff & Li, 2008).

#### 2.1.2. eWoM

Word of mouth or WOM is an informal way of exchanging information from person to person none of whom is a marketer (Blythe, 2013, p. 22). Richin and Root-Shaffer (1988) say that word of mouth is an important part of customer buying decisions. WOM is based on communication between families, friends and others in a social network. It may represent positive or negative content and is also a form of communication among current or potential customers and independent specialists (Ennew et al., 2000). When it comes to which opinion – either positive or negative one – has a greater influence on people, there are doubts. In research done by Herr, Kardes and Kim (1991), negative comments had a stronger effect than positive ones. The same result was confirmed by Wangenheim (2005). However, Liu (2006) reported different findings. According to her studies, negative comments may not only have no effects on the sales of a product but they also can result in promoting it.

Positive eWOM is seen as a powerful marketing tool for companies as a way to influence customers (Jensen et al., 2009, p. 2169). Interestingly, people trust word-of-mouth marketing more than any other kind of marketers' tools (Wiley, 2016, p. 31). Studies have shown that eWOM is perceived as more trustworthy and persuasive than traditional media, such as TV advertising and print ads (Cheung & Thadani, 2012, p. 462). Moreover, the findings of the research carried out by Hsu, Lin and Chiang (2013, p. 69) suggest that sales can be increased by using bloggers' electronic word of mouth as it is a promising marketing strategy. Bloggers and vloggers can post

reviews on their sites (Instagram) and channels (YouTube) by doing videos about a product or taking pictures of it. Researchers explored the consequences of eWOM and found that it impacts buying decisions and attitudes toward a featured product (Christodoulides et al., 2012; Lee & Youn, 2009). It also has an influence on the willingness to recommend a product (Sun et al., 2006). One of the forms of eWOM is influencer marketing.

#### 2.1.3. Influencer Marketing

Development of social media has created influencer marketing. Wiley (2016, p. 30) describes it as "the art and science of engaging people who are influential online to share brand messaging with their audiences in the form of sponsored content". Their biggest advantage lies in the possibility to employ everyday people as brand advocates who consumers find easier to identify with (Belch & Belch, 2011). Internet, especially social media, can make every user a credible opinion leader whose reviews impact their followers. The biggest achievement for a company is to find an appropriate person to establish successful collaboration.

In comparison to traditional advertisement like ads on TV, consumers find opinions posted on blogs more credible (Haugstvedt, 2005), more useful and trustworthy (Johnson & Kaye, 2009), and more reliable and valuable than commercial information (Wu, 2011). Furthermore, consumers trust bloggers more than brands because they communicate with them directly, describing their own experience with a product (Wu & Wary, 2011). Doyle points out that many customers buy certain products purely and simply because they were reviewed on the blog before.

Sponsored posts on Instagram and films on YouTube and sending products to the influencers are examples of influencer marketing. The effectiveness of these actions is dependent on the way in which influencers communicate with followers. Wiley (2016, p. 31) mentions that the more freedom to share views about the brand an influencer has, the more credible, and as a result, more effective the brand message will be. The brand should allow the influencer to be authentic (Wiley, 2016, p. 31).

Lee and Watkins (2016) examined how vlogs influence consumer perception of a luxury brand. The results showed that people who had watched video reviews about luxury products, better perceived luxury brand and were more eager to buy its products than the experimental group, who had not watched vlogs. Consumers compare themselves to followed vloggers and because of their influence, they want to buy luxury products in order to reach the same social status. If marketers want to engage YouTube vloggers, they should look for those who share similar views and target an attractive consumer group full of prospects (Lee & Watkins, 2016, p. 5757).

Collaboration with influencers can result in gaining new customers and sharing information about new products. Also, awareness of the brand can be built by working with them (Wiley, 2016, p. 38). The aim of influencer marketing is to engage real people whose messages are read and watched by customers and prospects. Still, many companies have problems with the proper use of this marketing tool. Hence, marketers should engage influencers in campaigns only if they are seen as a credible source of information. A popular way of choosing collaborators is to rely on factors such as the number of followers, the number of posts and videos seen daily, and the number of times posts are shared. However, marketers have to remember that online influence is about quality, not quantity of publications (Basille, 2009; Straley, 2010).

Many companies are eager to collaborate with influencers as they are aware of how credible they are regarded by their customers. *Blog marketing*, for instance, is seen as both inexpensive and fast way to reach a target audience (Halvorsen et al., 2013, p. 222). In order to find information about a product, customers used to visit blog sites and read the reviews. Nowadays, they watch YouTube videos and like pictures on Instagram with marked or tagged goods. Those are seen as non-commercial hence consumers find them authentic. To gain new consumers, marketers send to influencers *giveaways*-free products to be tasted and *discount codes* for products which can be used by their followers. Discount codes primarily can be found on Instagram. The watch company

Daniel Wellington offers them willingly to popular social media users all around the world. Influencers do not have to be in top-ten most popular people on Instagram to get a free watch and a personalised discount code. We will find them on the account of a popular model Kendall Jenner (@kendalljenner around 105 million followers), a Polish fashion blogger Katarzyna Tusk (@ makelifeeasier\_pl 313k followers) as well as on the account of a less popular blogger Aleksandra Jagłowska (@jaglowska 24k followers).

As a result of the literature review presented above, three hypotheses were established as follows:

- **Hypothesis 1:** Influencers on Instagram and YouTube are treated by consumers as credible sources of information.
- **Hypothesis 2:** Influencers on Instagram and YouTube have an impact on consumers' buying decisions.
- **Hypothesis 3:** The perceived credibility of influencers on Instagram and YouTube is related to the propensity to buy recommended products.

#### 2.2. Research Method

The research method used to verify the hypotheses was a qualitative study in form of an online survey. The purposeful sampling was employed to reach the group of 160 social media users who follow influencers on YouTube and Instagram.

The research questionnaire had two parts. In the first part of the survey, individuals were asked to fill out the metrics and answer the questions concerning their overall activity on social media. In the second part, they had to evaluate items concerning Instagram and influencers publishing there. Each item was measured using a five-point Likert scale. YouTube and vloggers were topics of the third part of the survey. Four scales were created, each consisting of 4 items to measure the consumers' inclination to treat influencers on Instagram and YouTube as credible sources of information and their propensity to buy products recommended by influencers. The reliability statistics (coefficient alphas) for all four scales are presented in Table 1 and all are above the suggested threshold of 0.8 (Churchill and Peter, 1984).

Table 1

Scales	Cronbach's alpha
Credibility of Instagram influencers scale	Alpha = 0.827
Credibility of YouTube influencers scale	Alpha = 0.848
Propensity to buy products recommended by influencers on Instagram scale	Alpha = 0.835
Propensity to buy products recommended by influencers on YouTube scale	Alpha = 0.897

Source: own research.

Among the respondents, women represented slightly above 80% of the total and men accounted for just under 20%. The highest number of respondents were aged 20–24 years (77.5%). In total, 160 individuals participated in this study.

#### 2.3. Empirical Results

The conducted researched showed that 90.6% of participants use social media to communicate with friends a few times per day. Nearly all of them (97%) use social media to follow others'

(4-13)

Bianka Młodkowska

activity and nearly 68% follow bloggers and vloggers. Interestingly, 88% of the individuals keep track of brands' activities on social media.

In Tables 2 and 3, the results of the study verifying hypothesis 1 are presented. When it comes to the credibility of influencers on Instagram (Table 2), the majority of respondents rather agreed that they willingly scroll pictures with marked brands/products posted by bloggers (39.6%) and they willingly watch InstaStories posted with marked brands/products by bloggers they follow (41.7%). 39.6% of participants neither agreed nor disagreed with the statement that they find pictures in which bloggers recommend particular brands or products credible. Also, roughly 44% neither agreed nor disagreed that bloggers recommending particular brands are credible. As far as the credibility of influencers on YouTube is concerned (Table 3), nearly half of respondents rather agreed that they willingly watch videos posted by vloggers. Slightly fewer individuals (40.2%) rather agreed that they willingly watch product reviews posted by vloggers. 34.3% of participants rather find vloggers' reviews credible, however, 36.3% neither agreed nor disagreed. Similarly, 33.3% rather find vloggers' videos on recommended brands and products interesting and nearly the same number of respondents neither agreed nor disagreed (32.4%).

Despite having a high number of indecisive respondents, hypothesis 1 was confirmed and influencers' reviews are seen by most of respondents as a reliable source of information.

 Table 2

 Credibility of influencers on Instagram

	I totally agree	I rather agree	Neither agree nor disagree	I rather disagree	I totally disagree
I willingly scroll pictures with marked brands/products posted by bloggers.	19.8%	39.6%	27.1%	8.3%	5.2%
I willingly watch InstaStories posted with marked brands/products by bloggers I follow.	13.5%	41.7%	21.9%	10.4%	12.5%
I find pictures in which bloggers recommend particular brands or products credible.	4.2%	20.8%	39.6%	20.8%	14.6%
In my opinion, bloggers recommending particular brands are credible.	3.0%	16.7%	43.8%	24.0%	12.5%

Source: own research, N = 160.

 Table 3

 Credibility of influencers on YouTube

	I totally agree	I rather agree	Neither agree nor disagree	I rather disagree	I totally disagree
I willingly watch videos posted by vloggers.	40.2%	46.0%	8.9%	3.9%	1.0%
I willingly watch product reviews posted by vloggers.	25.5%	40.2%	15.7%	6.9%	12.5%
I find vloggers' reviews credible.	9.8%	34.3%	36.3%	12.7%	6.9%
I find vloggers' videos on recommended brands and products interesting.	11.8%	33.3%	32.4%	12.7%	9.8%

Source: own research, N = 160.

Tables 4 and 5 present the research results verifying hypothesis 2. When it comes to YouTube influencers (Table 4), most of respondents rather agreed that they happen to buy products reviewed by a vlogger (35.3%), thanks to vlogs they found out about new/interesting brands and products (39.2%) and they happen to buy products seen on vlogs (35.3%). Interestingly, 34.3% of individuals neither agreed nor disagreed that they often want to buy a product reviewed by

(4-13)

Bianka Młodkowska

a vlogger. As far as Instagram influencers are concerned (Table 5), we can see similar results – most of respondents rather agreed that they often want to buy a product appearing in a blogger's picture (38.5%), check online sites of marked products in bloggers' pictures (34.4%) and claim that thanks to marked brands in bloggers' pictures, they have found out about new and interesting brands and products (32.3%). Moreover, 35.4% of participants totally agreed that they happen to buy products seen on bloggers' accounts. However, exactly 24% rather disagreed with this statement.

Taking into account those results, hypothesis 2 was confirmed and consumers' purchase decisions are impacted by influencers' reviews on YouTube and recommendations made on Instagram.

**Table 4**Propensity to buy products recommended by influencers on YouTube

	I totally agree	I rather agree	Neither agree nor disagree	I rather disagree	I totally disagree
I often want to buy a product reviewed by a vlogger.	11.8%	26.5%	34.3%	16.7%	10.8%
I happen to buy products reviewed by a vlogger.	13.7%	35.3%	14.7%	18.6%	17.6%
Thanks to vlogs, I've found out about new/interesting brands and products.	34.3%	39.2%	9.8%	10.8%	5.9%
I happen to buy products seen on vlogs.	13.7%	35.3%	14.7%	18.6%	17.6%

Source: own research, N = 160.

 Table 5

 Propensity to buy products recommended by influencers on Instagram

	I totally agree	I rather agree	Neither agree nor disagree	I rather disagree	I totally disagree
I often want to buy a product appearing in a blogger's picture.	6.3%	38.5%	21.9%	17.7%	15.6%
I check online sites of marked products in bloggers' pictures.	12.5%	34.4%	18.8%	21.9%	12.5%
Thanks to marked brands in bloggers' pictures, I've found out about new and interesting brands and products.	32.3%	44.8%	6.3%	10.4%	6.3%
I happen to buy products seen on bloggers' accounts.	35.4%	16.7%	13.5%	24.0%	10.4%

Source: own research, N = 160.

To test the 3rd hypothesis concerning the influence of perceived credibility of influencers on Instagram and YouTube and propensity to buy recommended products, a regression analysis was performed (see: Table 6). In the case of both analysed social media, the impact of perceived credibility on propensity to buy recommended products is significant and strong (B = 0.572 for Instagram and B = 0.693 for YouTube).

**Table 6**Results of regression analysis

Model	Unstandardis	ed Coefficients	Standardised Coefficients	t	p	R2		
	В	Std. Error	Beta					
Perceived credibility of influencers on Instagram → Propensity to buy recommended products								
Constant	1.256	0.315		3.984	0.0001			
Perceived credibility of influencers on Instagram	0.656	0.097	0.572	6.754	0.0001	0.327		
Perceived credibility	y of influencers of	on YouTube → Pro	opensity to buy rec	ommended p	products			
Constant	0.131	0.338		0.388	0.698			
Perceived credibility of influencers on YouTube	0.877	0.091	0.693	9.601	0.0001	0.480		

Source: own research, N = 160.

#### 3. CONSLUSIONS, STUDY LIMITATIONS

The results of my research show that influencers are an important part of customers' buying decisions. Instabloggers and YouTubers are seen as a credible source of information and consumers find them trustworthy. They rely on their reviews and posted pictures, videos with marked brands. My conclusions can be used especially by marketers who want to make effective use of social media to promote brands and increase sales. The literature review and the results also reveal that companies should not only use traditional marketing tools like advertising through the radio, television and magazines. It will be both more effective and cheaper to use Instagram and YouTube influencers. Nevertheless, managers should be aware of the fact that YouTubers and Instabloggers have to associate with the brand identity. As a result, influencers and companies will be depicted as more credible. Social media are still developing and they offer more and more possibilities to users due to their continuous upgrades.

The conducted research presents the power of influencers who use social media to express their views. Consumer behaviour is impacted by their pictures and videos. Collaboration with YouTubers and Instabloggers is an effective marketing tool which should be used by brands. Especially if their targeted group is represented by young people, the most frequent users of social media.

As far as study limitations are concerned, there are a few which have to be mentioned. The main limitation of this study is the sample size in the conducted research as most of participants represented Millennials. Consequently, the results of my study are not representative enough and conclusions cannot be made for the whole population. Moreover, participants were residents of big cities, which also could have impacted the results. Future research should employ a larger and more diverse sample.

Future research should further investigate the impact of influencers. The study could examine an influence of bloggers' and vloggers' negative reviews on buying decisions. It would also be useful to see how other social media (like Facebook, Pinterest) affect consumers.

Bianka Młodkowska (4–13)

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# Symbolic and Affective Motives, Constraints and Self-Efficacy among Romanian Car Buyers

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#### **ABSTRACT**

Cars have long been considered goods that symbolize status, yet few studies integrate the impact of symbolic and affective motives on the car buying decisions, with even fewer studies focusing on the influence of these motives on Eastern European consumers' buying behaviour. The aim of this paper is to propose and test an integrative model, derived from the MOA model, which accounts for consumer motives (instrumental, symbolic and affective), constraints and abilities. The model is tested on a sample of Romanian consumers owning a driving licence. The data analysis was based on structural equation modelling. Findings indicate that symbolic and instrumental car use motives positively influence the intention to buy a car sooner, while affective motives have a negative influence, leading consumers to postpone the intention to buy a car. Results also show a significant positive effect of self-efficacy on intention implementation. Thus, the stimulation of symbolic motives may increase car buying intentions, while the presence of affective motives may lead consumers to still enjoy their current car. The paper contributes to expanding our understanding of consumer behaviour through an integrative model, which includes psychological motives, external factors and consumer abilities.

JEL classification: D11, D12, M31

Keywords: symbolic motives, affective motives, instrumental motives, car buying, MOA model, self-efficacy.

#### 1. INTRODUCTION

Consumers buy and use goods for multiple competing reasons which sometimes complement one another or conflict with each other. Goods are consumed for their instrumental function, as they enable the individuals to perform actions and exert control over the environment, and they are consumed for hedonic reasons, as they enhance emotions and provide pleasure. Nonetheless, goods also fulfil symbolic functions for consumers: they are used to socially signal and communicate positive aspects of the consumer's personality and they may be perceived as extensions of the self (Dittmar, 2008; Belk, 1988). Consumer satisfaction with a product is often the result of a certain degree of fulfilment of all these functions.

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(14 - 29)

Madalina Balau

The personal car is recognized as being used not only for its instrumental function, i.e. moving the consumer from one place to another, but also for awakening passion for driving and symbolizing social status. The presence of instrumental, affective and symbolic car use motives has been confirmed by several studies conducted in different cultural contexts in Western Europe. Steg (2005) identified the presence of these motives for commuters in Rotterdam and discovered that symbolic and affective motives are positively correlated with commuting by car. Lois and Lopez-Saez (2009) analysed the impact of these motives on car use frequency in Spain and found an important influence of symbolic motives, which, in turn, increase affective car use motives.

However, the studies focusing on the car buying behaviour mainly explore the influence of instrumental motives from which researchers derive the expected utility of consumers (Helfand & Wolverton, 2011). These studies concentrate on the financial costs, the amount of time dedicated to travelling, the comfort and flexibility associated with owning a car, with the aim to identify maximization possibilities of the consumer's expected utility from that means of transportation (Wardman et al., 2001). However, the driving experience, such as feelings of security, autonomy and thrill, or the feelings of stress associated with it are also correlated with the choice of the transportation means, as other studies have found (Mann & Abraham, 2006; Ory & Mokhtarian, 2005). Thus, few studies have explored the influence of affective and symbolic motives on the intention to buy a car along with the instrumental ones, or whether these motives influence differently the future buying intention.

The studies on symbolic and affective motives in car related behaviours stem from a research stream concerned with the environmental problems associated with the generalized car use in today's society. Since instrumental motives have historically validated the need for increased use of the personal car, the research on symbolic and affective motives in car use comes with a possible promise of better understanding consumers' behaviour. This, in turn, could help consumer societies find behavioural solutions for reducing car use and the environmental damage associated with it. Following this interest, some studies have already embraced the hybrid and electric car as solutions to solving the environmental problems associated with the personal car use (Noppers et al., 2014; White & Sintov, 2017). However, the influence of symbolic and affective motives on buying traditional cars has not yet been studied, so this study strives to improve our understanding of the car buying behaviour by offering a possibility for comparison.

Considering the complexity of decision-making in car buying, the aim of this paper is to propose and test an integrative consumer behaviour model that accounts for multiple consumer motives (instrumental, symbolic and affective) as well as consumer constraints and abilities. For this purpose, the MOA (Motivation-Opportunities-Abilities) framework proposed by Olander and Thogersen (1995) was adapted in order include the instrumental, affective and symbolic car use motives within the motivation concept. Motivation alone cannot explain the decision about buying a car, therefore the opportunity of purchase as well as the consumer's ability to enact his/her intentions were relevant factors in the framework.

The study focused on a less studied group of consumers in the context of car buying and that of symbolic consumption motives: Romanian consumers. The consumer studies carried in this part of the world have shown that the symbolic dimensions of goods are highly valued (Belk, 1999; Šefara et al., 2015), and the context of deprivation has been considered an enhancing factor. Romanian consumers represent a group for whom the personal car is increasingly becoming a commonly owned good, but less frequently than in other EU countries (European Commission, 2018). The motorization index in Romania is amongst the lowest in the EU, with only 261 passenger cars per 1.000 inhabitants, in spite of Romania being a large country. Moreover, the car buying decision in such a context has important financial and long-term impact on individuals, so along with the importance of instrumental, affective and symbolic motives it was interesting to also understand the consumer context in terms of buying opportunities and buying abilities.

Madalina Balau

#### 2. LITERATURE REVIEW

Consumer behaviour modelling has always included a tension in the degree of representation of internal (psychological) and external (contextual) determinants, yet there are integrative models that have tried to account for both in spite of more challenges in their operationalization (Jackson, 2005). Olander and Thogersen (1995) proposed an integrative model which could account for both types of factors and they named it the Motivation-Opportunities-Abilities (MOA) model. This framework is considered better in understanding complex consumer behaviour (Parkinson, Schuster, & Russell-Bennett, 2016) and it posits that the consumer will perform an action if he/she has the motivation to do it, as well as the abilities and opportunities to enact the behaviour. The MOA model was used in several studies: Binney et al. (2003) applied it in social marketing in order to segment the market and guide interventions aimed at behaviour change; Gruen et al. (2007) used it as a framework for studying the online exchange behaviour; Laufer et al. (2005) studied the attributions of blame in product harm crises. More in line with the purpose of this study, Hung and Petrick (2012) applied the MOA model in order to explain consumer intentions to go on a cruise.

#### 2.1. Motivation

Car use is motivated by symbolic and affective (hedonic) factors, as several studies have revealed (Belgiawan et al., 2016; Gatersleben, 2014; Lois & Lopez-Saez, 2009; Mann & Abraham, 2006; Ory & Mokhtarian, 2005). Steg (2005) and Lois and Lopez-Saez (2009) identified in their studies three types of correlated motives for car use: instrumental, affective and symbolic. The instrumental motivation refers to the financial costs of owning and using a car, the time spent travelling and the convenience and flexibility offered by the car. Behind this type of motivation lies the wish to maximize the expected utility through the chosen transportation means (Wardman, Hine, & Stradling, 2001). In addition, the affective motivation of using a car is based on the driving experience and the perceived stress associated with driving, since the choice of car as a transportation means is correlated with excitement, security, autonomy and thrill felt while using it (Kent, 2014). The car also fulfils a symbolic function by which the buyer expresses the desired self-image. Thus, the car facilitates social interaction and social acceptance among consumers, and it enables the expression of essential values related to the consumer's self-concept.

Although the affective and hedonic motives might be considered synonyms, there is an important conceptual difference between them: the hedonic motives focus on pleasure or the lack of it, while affective motives relate to the importance of emotions in consumption, among which pleasure is only one such positive emotion (Kringelbach & Berridge, 2017). Thus, the affective motives relate to a wider array of positive emotions a consumer might be looking forward to in consumption. This perspective is proposed also by Dittmar (2008) in her model of material possessions, where the affective motives are considered to be connected with "deeper individual needs and desires" that evoke various emotions in the consumer while using the product. This study adopts a more encompassing perspective on the emotional motives in consumption, thus using the term "affective" motives.

Moreover, in her hierarchical model of material possessions, Dittmar (2008) highlights that the emotional functions of goods draw on both instrumental and symbolic dimensions, so she suggests that there might be a positive relation among these three functions. The emotional aspect is derived from the control and mastery obtained through the instrumental function and from a good mood drawn from a sense of identity provided by the symbolic function. Thus, according to this theory, there would be a positive relation between these functions. This hypothesis was tested in the study of Lois and Lopez-Saez (2009), who reported such a positive relation. They

Madalina Balau

tested and confirmed that the three motives are correlated with each other and the instrumental and symbolic motives determine car use through the mediation of affective motives.

Steg (2005) also tested and validated the model proposed by Dittmar and confirmed that the symbolic, affective and instrumental motives are indeed to be distinguished empirically in the car use behaviour. However, her results indicated different signs for the correlations between motives. Thus, the symbolic and affective motives were positively correlated, while the instrumental motives correlated negatively with the affective and symbolic motives.

In sum, the literature appears to show contradictory results regarding the relationships between the car use motives, yet all studies highlighted their presence. Thus, the hypotheses of this study propose that there is a correlation between the motives. These correlations might be all positive, as some studies show, or there might also be negative correlations, as other studies have found. The theory of Dittmar (2008) was used in formulating the hypotheses, so a positive relation will be assumed. The proposed hypotheses are:

H1a: Instrumental and affective car use motives are positively correlated.

H1b: Instrumental and symbolic car use motives are positively correlated.

H1c: Symbolic and affective car use motives are positively correlated.

Although the impact of symbolic and affective motives in car use behaviour has been confirmed, fewer studies have explored their influence on future car buying behaviour (Oliver & Lee, 2010; Noppers et al., 2014; White & Sintov, 2017; Xu et al., 2018). Most studies have analysed the influence of instrumental and symbolic motives on buying electric and hybrid vehicles and found symbolic motives to play an important role in the buying intention. The instrumental motives had a varying influence depending on whether respondents were asked directly or not about their appreciation of symbolic and instrumental attributes of an electric car (Noppers et al., 2014). The affective motives have not been considered as separate determinants of the buying intention, but, when taken into account, they were considered under a common symbolic-affective factor.

Based on the reviewed studies, there is an expectation that symbolic and instrumental motives are positively linked to the buying intention. However, there is not certain expectation as to the relationship between affective motives and the buying intention derived from the previous studies. Since we expect the three motives to be correlated, we will also hypothesize that all motives positively influence the car buying intention. Thus, the following hypotheses were posited:

H2a: Instrumental car use motives positively influence the intention to buy a car in the future.

H2b: Symbolic car use motives positively influence the intention to buy a car in the future.

H2c: Affective car use motives positively influence the intention to buy a car in the future.

#### 2.2. Intention and Behavioural Estimation

Although Ajzen (1985) suggests that the intention construct offers a good approximation of the future behaviour performance, Shepherd et al. (1988) observe that consumers frequently have hard times putting their intentions into practice. Three possible explanations are offered for this situation: the constraints on implementing the intentions may increase, the necessary financial resources may become unavailable or the intention may lose its importance due to the influence of significant others around the individual consumer.

Madalina Balau

Shepherd et al. (1988) argue that consumers are capable of estimating the probability of implementing their intention and including a variable that captures this estimation could improve the predictive capacity of consumer behaviour models. The individual behavioural estimation may include an assessment of all the favouring and inhibiting factors behind performing the action of interest, as well as an evaluation of alternative behaviours available to the individual.

Venkatesh et al. (2008) tested the relationship between intention, facilitating conditions and behavioural estimation and discovered that the latter concept contributed to an increase in the model's predictive capacity. Considering that the car buying behaviour implies complex decision-making, the inclusion of the behavioural estimation may contribute to our understanding of consumers' behaviour. Thus, the following hypothesis was proposed:

H3: Intention positively influences behavioural estimation.

#### 2.3. Opportunity

The opportunity to implement one's intentions is a first condition for enacting it (Ajzen, 1985), however this concept can be studied from an objective perspective or a subjective one. Under the subjective perspective, the opportunity refers to an individual's awareness about the circumstances that facilitate the enactment of the behaviour or about a lack of constraints. Several studies have operationalized the opportunities construct as the lack of constraints (Hung & Petrick, 2012; Nadirova & Jackson, 2000). Constraints are defined as the factors which inhibit behaviour, lead to the inability to put the behaviour into practice and negatively impact the experience of behaviour performance.

Crawford et al. (1991) propose classifying constraints into three dimensions: intra-personal, inter-personal and structural constraints. Intra-personal constraints consist of inhibitors related to internal factors of the consumer, such as the lack of personal interest in that behaviour. Interpersonal constraints relate to the interaction with others in performing the behaviour and inhibitor factors that come from those around the consumer. Structural constraints refer to external factors which prevent the consumer from putting into practice his/her intentions.

Hung and Petrick (2012) tested whether the presence of constraints negatively influences the intention to travel and the data supported their proposition. Thus, constraints contribute to diminishing the intentions to perform a specific behaviour. Moreover, exploring the importance of each type of constraint may reveal important insights on how the constraints can be reduced. Thus, the following hypothesis was proposed:

H4: Constraints negatively influence the intention of buying a car in the future.

#### 2.4. Ability

In consumer information processing, the ability is defined as the skills or experience required to enact the intended behaviour (MacInnis & Jaworski, 1989). In various studies on consumer decision and choice, the ability was operationalized in four different ways: (1) the experience in using the product, such as the ownership period, the frequency and quantity used (Bettman & Park, 1980); (2) the subjective evaluation of the consumer's knowledge on that product, brand or consumption situation (Brucks, 1985); (3) the evaluation of objective knowledge on the product, brand or consumption situation; and (4) a mix of objective and subjective evaluation items of the shopping situation (Kanwar et al., 1990).

The ability to perform a behaviour has been operationalized in many studies through the concept of self-efficacy, which refers to the perceived capacity to perform an action by an individual (Bandura, 1977). Self-efficacy consists in a self-judgement of the individual on his/her

Madalina Balau (14–29)

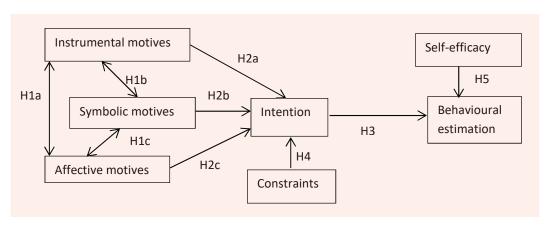
capability to perform a given behaviour, thus it consists in a set of beliefs about own abilities. In performing behaviours, the self-efficacy beliefs influence the propensity of the individual to try that activity, as well as the perseverance that will be displayed and also the success in the actual performance of the activity.

Kim and Kim (2005) investigated the impact of self-efficacy on increasing trust in e-commerce and thus influencing the intention to buy online. Their results confirm that self-efficacy influences positively the trust in online transactions and the buying intentions. Hung and Petrick (2012) tested the influence of self-efficacy in a consumer buying context and proposed that self-efficacy plays a role in reducing the influence of constraints on the intention to travel. Their results indicated that self-efficacy influences the relationship between motivation and the intention to travel. The following hypothesis was derived:

H5: Self-efficacy positively influences the behavioural estimation to enact intention.

Figure 1 presents the model proposed and the hypotheses derived from the literature.

Figure 1
Adapted MOA model



Source: Author's elaboration.

#### 3. METHOD

A survey among consumers owning a driving licence and living in Romania was conducted and a questionnaire developed in three phases. The scales used by Steg (2005) to measure car use motives were translated and adapted and for the rest of the constructs new measurement scales, specific to the research context, were developed, based on similar scales used in other contexts. Thus, the scale measuring constraints was adapted from Hung and Petrick (2012) and consisted of three constraint categories: personal constraints, financial constraints and lack of interest. The self-efficacy scale was developed for measuring consumers' beliefs on their own confidence in buying a car, following the recommendations of Bandura (2006), who argues that self-efficacy measurements should be specific to the studied task. Finally, the proposed items for measuring the intention were inspired by Ajzen's (2002) suggestion to define the behaviour of interest in terms of target, action, context and time and by Hung and Petrick's (2012) measurement of intention which reflects the loyalty of consumers towards the intended action. The measurement of behavioural estimation consisted in requiring respondents to rate their estimated probability of enacting their intentions.

After developing the scales, the questionnaire was pretested on a small sample (n = 30) using a qualitative approach: the cognitive interrogation (Collins, 2003). This method enabled us to

explore whether questions were easy to understand and respondents correctly understood the requested information and whether the questionnaire design was coherent. The implementation of cognitive interrogation consisted in asking participants to "think out loud", i.e. they read and answered the questions aloud while the researcher analysed the way the questions were understood, the easiness of retrieving information and possible biases towards desirable responses. The pretesting stage had an important contribution to adjusting the final form of the questionnaire, especially for the scales that were developed for the car buying context: constraints, self-efficacy and intention scales. The answers were recorded on a 7-point Likert scale for each of the items.

The sampling procedure was a convenience one and the sample is not statistically representative for the Romanian population owning a driving licence. However, the size of the sample was analysed in terms of suitability for model testing. For this purpose, Kline (2005) suggested that the size of the sample should correspond to the number of parameters in the model tested, i.e. the number of variables and items used. Tinsley and Tinsley (1987) suggest that there should be around 5 to 10 respondents for each item in the survey. In our case, since there was a total of 43 items measuring the constructs of interest, a good sample size should be between 215 and 430 respondents. Our total number of complete answers was 363 cases, thus the sample size seemed suitable for testing the model.

The structure of the sample is presented in Table 1. Among the 363 respondents, 56.2% were men and 43.8% women. Regarding age, most of the respondents were in the 25-39 age range (54.5%), followed by respondents aged between 40 and 54 years, who accounted for 21.2%. Young and old respondents constituted smaller but similar samples, 11.8% and 12.4% respectively. With respect to the educational level, most of respondents completed higher education, 81.8%, while respondents who only graduated from secondary schools only accounted for 18.2% of the sample. The income was assessed in relation to respondents' estimation of the difficulty to cope with usual household expenses. Most of the respondents rated their income as covering their expenses 'quite easily' or 'with a slight difficulty'.

The collected data were then analysed using structural equations modelling, by performing a confirmatory factor analysis and model testing in AMOS 18.0.

Demographic characteristics of participants

	Frequency	Percentage
Sex		
Men	204	56.2%
Women	159	43.8%
Age		
18-24	43	11.8%
25-39	198	54.5%
40-54	77	21.2%
Over 54	45	12.4%
Education		
Secondary education	66	18.2%
Higher education	297	81.8%
Does your family income cover usual expenses?		
With great difficulty	12	3.3%
With difficulty	28	7.7%
With slight difficulty	137	37.7%
Quite easily	128	35.3%
Easily	42	11.6%
Very easily	16	4.4%

Source: Author's elaboration.

Madalina Balau

#### 4. RESULTS

#### 4.1. Reliability and Validity of Measured Variables

All Cronbach's alphas for all the scales were above 0.70 indicating satisfactory reliability. Likewise, using a confirmatory factor analysis, the composite reliability of factors was analysed, which also indicated good reliability of the scales. The results of the confirmatory factor analysis are presented in Table 2.

**Table 2** Confirmatory factor analysis – results

	Cronbach's alpha	Composite reliability	Factor loadings	Mean	Standard Deviation	P
Symbolic motives • A car can offer me status and prestige (M2)	.860	.864	.830	2.98	1.845	
• A car can show who I am and my occupational status (M5)			.875	2.75	1.822	***
<ul> <li>I could envy someone owning a good/ beautiful/new car. (M8)</li> </ul>			.700	2.46	1.635	***
• For me, the car brand is more important than its options. (M14)			.722	2.41	1.350	***
Affective motives • I love driving. (M3)	.783	.798	.956	5.89	1.437	
• I like driving just for fun. (M12)			.611	3.99	1.320	***
• I feel free and independent when I drive. (M15)			.670	5.44	1.352	***
Instrumental motives  • I use my personal car only for moving from one place to another. (M1)	.805	.811	.803	5.74	1.589	
• I own a car just for travelling from A to B. (M7)			.792	4.81	1.733	***
• For me, car functionality is more important than its brand. (M10)			.648	5.60	1.316	***
• If I did not need a car, I would give it up immediately. (M13)			.623	4.43	1.627	***
Self-efficacy     I can calculate the annual rate of a car credit. (SSE1)	.893	.886	.836	4.97	1.418	
• I can find relevant information on the Internet for buying a car. (SSE2)			.829	5.49	1.126	***
• I can negotiate the price. (SSE7)			.651	4.60	1.333	***
• I can buy exactly what I want. (SSE8)			.670	4.56	1.484	***
• I can find a trustworthy sales person. (SSE9)			.675	4.19	1.412	***
• I can estimate the maintenance costs of a car. (SSE10)			.884	4.77	1.386	***
• I can find solutions if I discover a problem with the car after my purchase. (SSE11)			.568	4.09	1.393	***

Madalina Balau

	Cronbach's alpha	Composite reliability	Factor loadings	Mean	Standard Deviation	P
<ul> <li>Constraints</li> <li>Personal constraints</li> <li>Available car models are not satisfying for me. (constr1)</li> </ul>	.859	.857	.636	3.19	1.670	
<ul> <li>Heavy and stressful traffic demotivates me. (constr5)</li> </ul>			.783	2.53	1.685	***
<ul> <li>I don't have someone to advise me on buying a car. (constr7)</li> </ul>			.840	2.35	1.413	***
• Buying a car is difficult and risky. (constr8)			.719	3.20	1.579	***
• I lack time to look for car offers. (constr11)			.706	2.80	1.630	***
Financial constraints • Car price is too high. (constr2)	.779	.779	.679	5.02	1.459	
<ul> <li>My workplace situation is not favourable. (constr4)</li> </ul>			.703	4.39	1.584	***
• I don't have the necessary money. (constr6)			.828	5.23	1.645	***
<ul><li>Lack of interest</li><li>I am not interested in buying a car. (constr12)</li></ul>	.885	.909	.825	2.94	1.900	
• I didn't think of buying a car. (constr13)			.972	1.98	1.344	***
<ul> <li>For my family it is not important to own a car (constr14)</li> </ul>			.825	2.52	2.044	***
Intention • Intention 1 (I1)	.943	.944	.918	3.80	1.616	***
T (10)				3.80 4.76	-,,,,	***
			.938	,	1.549	***
• I encourage others to buy a car (I3)			.856 .883	4.13 4.47	1.499	
• I say good things about buying a car (I4)	0.62	0.65	.883	4.4/	1.424	
<ul><li>Behavioural estimation</li><li>The probability of buying (BE1)</li></ul>	.963	.965	.861	6.40	2.308	***
• I will surely buy (BE2)			.996	6.07	2.368	***
• I certainly estimate I will buy (BE3)			.985	5.29	2.370	

\*\*\* p < .001

Source: Author's elaboration.

Construct validity was ensured by analysing convergent and discriminant validity for each latent variable. Convergent validity tests whether items meant to measure a construct indeed strongly correlate based on collected data, while discriminant validity is ensured when items in one scale are not correlated with items in other scales. Convergent validity is achieved in a scale when the factor loadings are above .60 (Bagozzi & Yi, 1988) and each item has enough predictive power, as resulting from t-tests. (Bollen, 1989). Thus, when each item contributes to the associated factor at 0.01 statistical significance, then the measurement indicates adequate convergent validity (Marsh & Grayson, 1995; Netmeyer et al., 1996). Our measurements showed satisfactory convergent validity: almost all factor loadings were above 0.6, with a single exception in the case of the self-efficacy scale, where one item was slightly below 0.6 but above 0.5. Convergent validity of the self-efficacy scale can still be considered satisfactory.

Madalina Balau

Discriminant validity was determined with the concepts of shared variance and AVE – average variance extracted. Shared variance refers to the variance in a variable explained by another variable (or construct) and AVE is determined by averaging the amount of variation explained by a latent construct in the observed variables assigned to it. Discriminant validity is established when AVE for each construct is at least 0.5. Table 3 presents the AVE values and the correlations between constructs, showing the discriminant validity of the constructs. The AVE values can be found on the diagonal and the correlations are presented below the diagonal. The table shows that the common variance between constructs is much lower than the AVE value for each construct. Thus, the discriminant validity requirement is met.

**Table 3** AVE values and shared variance

	Correlations										
	BE <sup>a</sup>	SM <sup>b</sup>	AM <sup>c</sup>	$IM^d$	SEe	<b>Constrp</b> <sup>f</sup>	Constrfg	Disregard	Intent		
$BE^a$	0,901										
$SM^b$	-0,043	0,590									
$AM^c$	0,161	0,241	0,576								
$IM^d$	-0,075	-0,227	-0,120	0,520							
SE <sup>e</sup>	0,298	0,030	0,060	0,071	0,529						
$Constrp^f$	-0,067	0,118	-0,150	0,094	0,017	0,547					
Constrf <sup>g</sup>	-0,434	0,009	0,044	0,047	-0,149	0,133	0,546				
Disregard	-0,246	0,138	-0,131	0,205	0,026	0,202	0,255	0,770			
Intent	0,175	-0,003	0,007	-0,129	-0,052	-0,134	0,028	-0,437	0,809		

a. BE – Behavioural estimation

Source: Author's elaboration.

#### 4.2. Model and Hypothesis Testing

In order to examine the fit of the model to data, several fit indices were analysed, since the  $\chi 2$  is sample size sensitive (Byrne, 2001), while others are less sensitive, such as CFI (Comparative Fit Index) and RMSEA (Root Mean Square Error of Approximation). Some of the indices showed an acceptable to good fit of the model: the  $\chi 2$  was below '3' (CMIN/DF = 2.472), the Comparative Fit Index was .90 and RMSEA showed a moderate fit (RMSEA = .064). Another index, however, showed a weaker fit of the proposed model: AGFI = .789, being close, but under the threshold of good fit: .80 (Hair, Black, Babin, Anderson, & Tatham, 2006). The model presents a satisfactory fit to the data.

The multiple squared correlation for the endogenous variables, intention and behavioural estimation, was also analysed. The instrumental, affective and symbolic car use motives, together with the constraints, explain 54% of the variance of intention, while only 30% of the behavioural estimation variance is explained by intention and self-efficacy. Then, the proposed hypotheses were tested and correlation and regression coefficients are presented in Table 4.

b. SM – Symbolic motives

c. AM – Affective motives

 $d. \quad IM-Instrumental\ motives$ 

 $e. \quad SE-Self\text{-}efficacy$ 

f. Constrp – Personal constraints

g. Constrf - Financial constraints

Madalina Balau (14–29)

 Table 4

 Correlations and regression coefficients among the constructs

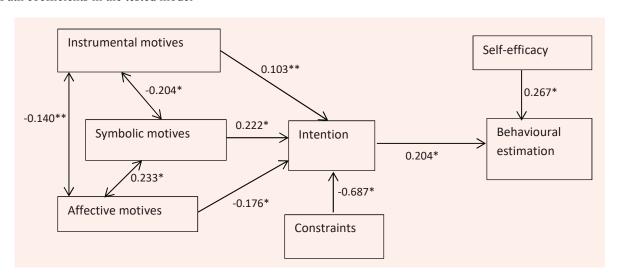
	Standard path	Standard Error	Critical ratio	p
Correlations				
Instrumental motives <-> Symbolic motives	204	.061	-3.802	***
Symbolic motives <-> Affective motives	.233	.064	4.312	***
Instrumental motives <-> Affective motives	140	.086	-2.630	.009
Regressions				
Instrumental motives -> Intention	.103	.040	2.817	.005
Symbolic motives -> Intention	.222	.055	5.959	***
Affective motives -> Intention	176	.038	-4.777	***
Constraints ->Intention	687	.183	-19.283	***
Intention -> Behavioural estimation	.204	.077	4.603	***
Self-Efficacy -> Behavioural estimation	.267	.112	5.639	***

<sup>\*\*\*</sup> p < .001

Source: Author's elaboration.

Six of the hypothesized relationships were accepted as in the proposed model, and three relationships were partially accepted, meaning that the relationships were statistically significant, but instead of positive, the link proved to be negative. The instrumental motives were negatively correlated with symbolic and affective motives and the affective motives negatively influenced the intention to buy a car in the future. The whole model with path coefficients is presented in Figure 2.

**Figure 2** Path coefficients in the tested model



<sup>\*</sup> p < .001, \*\* p < .01.

Source: Author's elaboration.

Hypothesis 1c was accepted ( $\beta$  = .233, p < 0.001), as there was a positive correlation between the symbolic and affective motives. However, hypotheses 1a and 1b were partially accepted since the correlations of the instrumental car use motives with symbolic and affective ones were statistically significant, but negative. Thus, individuals valuing instrumental car use motives less

Madalina Balau

appreciate the symbolic ( $\beta$  = -.204, p < 0.001) and affective motives ( $\beta$  = -.140, p < 0.009), while individuals valuing symbolic or affective motives will disregard instrumental car use motives. Although this finding is different from the proposed hypotheses, it corresponds to the findings of Steg (2005).

The symbolic (H2a) and instrumental (H2b) car use motives influence positively the intention to buy a car, so these hypotheses were accepted ( $\beta$  = .222, p < 0.001;  $\beta$  = .103, p < 0.005, respectively). However, affective motives (H2c) influenced the intention negatively ( $\beta$  = -.176, p < 0.001). Thus, the more an individual holds symbolic motives, the sooner he/she will intend to buy a car in the future, while if an individual holds affective motives, this intention will be postponed more distantly in the future. Amongst these motives, the instrumental ones play the smallest but positive role in influencing the intention.

The negative influence of the affective motives on the intention might be considered surprising, yet there is a methodological explanation as well as a logical one that could be used to interpret this finding. Firstly, since the motives were not all positively correlated, it follows that they cannot all positively influence the buying intention. Secondly, according to the studies of Steg (2005), not all motives influenced positively the behaviour analysed, namely the car commuting behaviour. In that case, the symbolic and affective motives influenced positively the car commuting behaviour and the instrumental motives influenced it negatively. In that case, individuals commuted by car if they appreciated the driving experience or the status signalling offered by the car, but not if they just needed to go from A to B. In the current study, with a different type of behaviour analysed, the results indicate the following interpretation: individuals will intend to buy a car sooner if they need it for transportation (instrumental motives) or if they use it as a status symbol (symbolic motives), but they will postpone a buying intention if they love their current car (affective motives). This interpretation will be further discussed in the next section.

The presence of constraints reduces the intention (H4) and the path coefficient indicates a strong relationship ( $\beta$  = -.687). Intention and self-efficacy influence positively the behavioural estimation (H3 and H5), although the coefficients indicate a stronger influence of self-efficacy ( $\beta$  = .204, p < 0.001; and  $\beta$  = .267, p < 0.001, respectively).

#### 5. DISCUSSION

The findings suggest that the presence of car use symbolic motives increases the intention to buy a car sooner, while the affective car use motives will make individuals postpone the buying intention. As expected, constraints negatively impact intention formation, while self-efficacy increases the behavioural expectation to implement the intention.

The symbolic and affective car use motives proved to be positively correlated, while the instrumental ones were negatively correlated with both types of psychological motives. These results are in line with the findings of Steg (2005), but contrary to those of Lois and Lopez-Saez (2009). One possible explanation for this difference can be found in the motives measurement. The current study adopted the scale proposed by Steg (2005), while Lois and Lopez-Saez (2009) included in the measurement of instrumental motives aspects related to independence and relaxation, which were considered to be associated with affective motives in other studies.

The interpretation of the influence of affective motives on the buying behaviour should be tackled with caution. The theoretical background explaining this relationship is not very solid, since this type of motive is sometimes confounded with the symbolic ones (Belgiawan et al., 2016; Gatersleben, 2011; Oliver & Lee, 2010) or it is lacking altogether (Noppers et al., 2014). The affective motives may also be understood as hedonic motives, which have traditionally been discovered as positively related to the buying intention (Rezvani et al., 2018; Schuitema et al., 2013). Although Dittmar (2008) conceptualizes the affective motives as the emotional

Madalina Balau (14–29)

impact of goods on the individual, which is more encompassing that the solely hedonic aspect, it remains a concept that should receive more attention in research if it could really improve our understanding of the consumer behaviour.

On the other hand, the scale measuring the affective motives has its own weaknesses: not all of the five initial items loaded strongly on the latent variable, so in the confirmatory factor analysis two items were excluded. Overall, the affective motives can be considered for now as a complicating construct: its methodological elaboration is only satisfactory and its presence is associated with a decrease of the buying intention. However, it could be an important differentiating construct for modelling the environmentally conscious consumer behaviour, since the symbolic and instrumental motives yield similar results whether applied to traditional or ecofriendly cars.

Behavioural estimation was used in this study as a proxy for estimating intention implementation, especially due to the complexity of the buying decision in this context, since it includes individual expectations of possible future changes of own intentions. Our findings show that intention has a small influence on behavioural estimation, with  $\beta$  coefficient of only 0.204. Yet, the positive influence of self-efficacy on behavioural estimation reveals that the subjective evaluation of buying abilities plays an important role in transforming the intention into performance. These findings contribute to the idea that consumer buying abilities can be developed and are relevant for intention implementation. This aspect might be even more relevant for groups of individuals who started their decision making as consumers less than three decades ago and were socialized in consumer societies at an adult age, such as the case of Romanian consumers.

The consumer buying abilities constitute a subject that was ignored by some behaviour models based on the philosophy of consumer rationality, which assumes inborn and perfect consumer choice abilities, while other studies oriented towards protecting vulnerable consumers have tried to propose objective measures for consumer skills. In consumer research, the perceived behavioural control has been often used as a subjective proxy of consumer abilities, which sometimes has been operationalized as self-efficacy. The current study proposes a scale for measuring self-efficacy in buying durable goods that might be particularly relevant for certain consumer groups, especially those that are newly entering the consumer society in emerging or developing countries.

The findings from this study offer interesting insights mainly for sales managers, yet there are relevant implications for consumers' well-being as well. As the symbolic motives prove to have the highest influence on intention, the stimulation of these types of motives may increase the propensity to buy a car in the future. This link was also found in studies that focus on environmentally friendly products (Oliver & Lee, 2010; Noppers et al., 2014; Xu et al., 2018), highlighting that symbolic motives determine buying behaviour at both ends of the materialistic-ecological values continuum.

Constraints have been proven to play an extremely important role in reducing intention, although specific self-efficacy may increase the implementation of the intention. Thus, marketers may try to reduce consumer personal constraints or stimulate self-efficacy. Self-efficacy can be enhanced by observation and persuasion in this context, so that consumers could be more openly informed about future maintenance and usage costs, as well as about financial alternatives for buying the car. Another way to diminish constraints related to the choice context could be an open comparison between models and brands, which is not currently possible in the single brand dealership business model. Consumers rarely have the possibility to compare different brand models on the spot, which leads to an increase in choice uncertainty. Sales managers could encourage the observation experience, like sharing consumer edited information available through fan-clubs or other forms of associations of car buyers.

If the results obtained in this study are compared with those in studies on electric or hybrid vehicles buying intention, it can be observed that symbolic motives have a strong influence on

Madalina Balau

intention in all cases, whether we refer to old or new technologies. This could mean that as long as a good is signalled and promoted as the right symbol, it will increase sales, while old symbols will become obsolete and their popularity and sales will decrease. However, from an environmentally conscious consumer behaviour perspective, chasing a new symbol may not be the right solution all the time, as all produced goods alter the environment no matter the good image of the symbol associated with them. On the other hand, the current results suggest that the affective motives lead consumers to postpone their intention to buy, so consumers seem to have an 'enjoying what they own' mind-set. Thus, including the affective motives and better elaborating this construct might also contribute to advancing our understanding of environmentally conscious consumer behaviours and maybe finding solutions to reduce consumerism.

#### 6. CONCLUSIONS

The proposed model contributes to the literature studying the impact of psychological motives on the buying behaviour while testing an integrative consumer behaviour model that also accounts for the opportunities and consumer abilities in performing that behaviour. The model presented a quite satisfactory fit to the data, so it can be used in understanding car buying behaviour. However, future research is needed to improve the model, so that it can become more accurate in predicting future consumer behaviour.

This study was a first attempt to apply the Motivation-Opportunities-Abilities framework in the context of car buying and it has several limitations. First, the research was conducted on a convenience sample and results are not generalizable to the population in Romania. Another limitation comes from the pretesting procedure which was based only on qualitative methods, so the robustness of the scales was tested statistically only on a single sample. Finally, consumer behaviour was studied from the perspective of individuals owning a driving licence and the influences from other family members were not studied, although they usually participate in the car buying decision.

Future research could try to identify how the three types of car use motives influence the choice of a particular brand compared to another and the extent to which the different car characteristics reflect the satisfaction of these use motives. It would also be interesting to deepen the research by exploring the evolution of symbolic motives, as symbols are socially constructed and an increasing popularity of symbols generally decreases their power to signal an exclusive group and determines individuals' quest for a new symbol. Furthermore, future research could explore and test whether symbolic motives indeed enhance consumerist tendencies, and if affective motives diminish them.

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# Motivation and Value of Low-Cost Green Car (LCGC) Purchase Intention Across Generations

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#### **ABSTRACT**

The low-cost green car (LCGC) is becoming one of interesting research topics in the automobile industry along with its unique characteristics of a vehicle product, tax incentives, and industry growth. The characteristics of this green product and its economic value are ultimately shifting customer behavior. Therefore, an understanding of the purchase motivation and value perception is crucial to determine the purchase intention. Perceived value acted as a full experience that customers received as a combination of thinking and feeling dimensions which are consistent with the utilitarian and hedonic motivations. Besides, LCGC sales have also been growing recently from the first car owner until more senior customers who are predicted to have different motivations and values across generations. This study explores the LCGC car purchase intention of 240 customers in Indonesia to find relationships of buyers' motivation and perceived value to the LCGC purchase intention across generations X, Y, and Z. The result shows that hedonic motivation significantly differs particularly between generation Y versus Z, and X versus Z. However, utilitarian motivation does not significantly differ among generations. Further, perceived value also significantly differs between generations X and Y.

JEL classification: M30, M31

Keywords: customer motivation, hedonic, LCGC, perceived value, purchase intention, utilitarian.

#### 1. INTRODUCTION

With a growing middle-class segment, the GDP of a particular country can significantly grow complemented with car ownership, including in Indonesia. The low-cost green car (LCGC) is becoming one of interesting research topics in the automobile industry along with its phenomenon, tax incentives, industry growth, as well as a shift in consumer behavior. The business nature of the automotive industry is highly rigid due to its high R&D cost and a long product life-cycle. Hence marketers need to have deep understanding of customers' purchase motivation and perceived value as considerations before launching the product.

Slightly different from a hybrid car, LCGC is known to consume little fuel and to be targeted to the lower-income customer (Suhud & Willson, 2019). Thus, besides the environmentally friendly image, LCGC is also identified as a cheap and second-class product. Therefore, some

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(30-41)

studies associate LCGC purchase with its product attributes, such as the price and product quality perception (Komaladewi & Indika, 2017; Suhud & Willson, 2019).

There is a clear upward trend of LCGC sales from 2014 to 2020 and LCGC is predicted to seize the market share of a multi-purpose vehicle (MPV). MPV is the most adaptive car of all and has earned the largest market share for its functionality but has been recently overshadowed by the new trend and demand for LCGC cars (IPSOS Automobile Report, 2016). Customers are now more attracted to LCGC variants. In fact, a recent survey about Toyota and Honda market shares shows Honda acquiring some of Toyota's market share after it launched an LCGC product, then Toyota stroke back and regained its lost market share by launching a new LCGC product (Nusantoro & Tjahjono, 2018). It is reflected in the automotive industry's response to adapt to the new environment by releasing new LCGC models, creating new variants and more (Banister, 2017). It also indicates a shift in the buying behavior in correlation with a shift in the generation that dominates car purchases.

Studies on LCGC purchasing and customer decision have been widely conducted in academia, particularly regarding LCGC as a green product (Olson, 2013), pricing (Komaladewi & Indika, 2017), quality and brand image (Hudrasyah, 2015; Suhud & Willson, 2019). All these factors are embedded in the product attributes that are given and uncontrollable by the customers. However, studies on individual-related factors, such as motivation among different groups of buyers, have rarely been conducted. This research aims to specifically determine the relationship of the buyer's motivation and perceived value to the LCGC purchase intention. Ultimately, this study sheds light on how these relationships vary across different generations.

#### 2. LOW-COST GREEN CAR (LCGC)

There are several terms and conditions for cars that are classified as green cars. First, in Indonesia cars can be classified as green cars if they consume maximum 1 liter of fuel per 20 km. Even if the engine capacity is small, it does not mean that a car will be classified as green if it consumes more than a liter to travel that distance. The advantage of being classified as a green car is tax exemption based on Government Regulation (PP) Number 41 of 2013 (Sanjaya & Indriani, 2014).

LCGC car is the short name for 'Low-Cost Green Car'. Highlighting the name 'Low-Cost' will refer to the LCGC core value as value for money. LCGC cars are made to be affordable whilst still limiting negative environmental impact, given their mass production strategy. Referring to the topic of LCGC car, value for money will be one of the core points of this research. There are also other core values in focus in this study: an LCGC car considered as a 'good' buy, and overall good value delivered by LCGC car. The researcher will define what makes an LCGC car a good buy and what makes good value of an LCGC car (Miao et al., 2014), these are two also important values of buying an LCGC car.

#### 2.1. LCGC Car Purchase Intention

Being part of decision-making studies, purchase intention concentrates on human reasons for purchasing a particular brand (Shah et al., 2012). As defined by Morinez et al. (2007), an event or condition where the consumer is individually pushed to purchase a certain product is regarded as purchase intention. In predicting the buying process, purchase intention is regarded as an effective tool (Ghosh, 1990). According to Gogoi (2013), during the buying process, internal or external motivations affect customers' buying patterns and ultimately their purchasing decision. In addition, some researchers have proposed six stages before deciding to buy the product, which

are: awareness, knowledge, interest, preference, persuasion, and purchase (Kotler & Armstrong, 2010; Kawa et al., 2013).

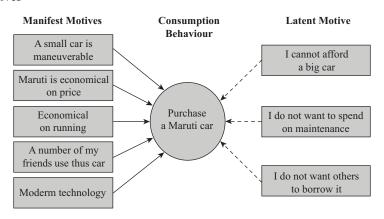
The probability and willingness to prefer to purchase the product which has eco-friendly features are conceptualized as the purchase intention for a green product (Rashid, 2009; Chan, 2001). Numerous studies have found that consumers who have shown their concern for the environment, also defined as having an environmental value, are more inclined to purchase green products (Manaktola & Jauhari, 2007; Ali et al., 2011).

LCGC purchase intention is more complex than merely purchasing a green product. Besides its "green" value, it also holds a "low-cost" value. The low-cost value has several implications for customer decision-making and for the company in market positioning and targeting. Therefore the motivation and value perception by customers should be explored for LCGC products.

## 2.2. Relationship Between the Buyer's Motivation (Manifest) and the Consumer's Perceived Value

Motivation has emerged in the study of consumer behavior, especially to understand the customer's predisposition to act. Motivation has evolved from biological needs as the result of unmet needs into more social-cognitive motivations (Pincus, 2004). Motivation develops purchasing behavior. It works subconsciously, thus making it difficult to measure. Buying behavior is also affected by a certain level of motivation. As shown in Figure 1, latent motives are usually hidden deep inside customers' subconscious level and will be hard to notice, not to mention costly. A smart marketer will focus on noticing a manifest motive rather than latent motives for its visibility and time effectiveness.

Figure 1
Manifest & latent motives



Hildden motives are shown by the dotted line

Source: Olson & Peter, 1998.

In the study of green vehicle purchase, motivational constructs are widely established as drivers of the purchase intention. The study of Ozaki and Sevastyanova (2011) divides the motivational factors of purchasing a hybrid or electric car into five, which are: financial and policy advantage, environmentalism, social norms, technology attractiveness, and independence of petrol consumption. A study by Nayum et al. (2016), in turn, recognized multifaceted motivation through the socio-psychological profile to explore different car buyers. Therefore, in our study of LCGC car, we highlight the importance of different motivations among the distinct age group.

Consumer motivation generally can be measured by two factors, which are hedonic and utilitarian motives (Shah, et al., 2011; Herabadi, Verplanken, & Knippenberg, 2009). The fundamental difference between the two is that a utilitarian motive is task-related and cognitively

driven to one's mind and logic, whilst a hedonic motive has a greater focus on emotive opinions and responses, multisensory, fanciful and exciting aspects of a product as well as appreciation of the experience rather than simply task completion (Overby & Lee, 2006; Nili, Delavari, Tavassoli, & Barati, 2013). In short, utilitarian motives focus more on the task and functionality whilst hedonic ones rely more on the experience and emotions.

The term "value" used in this study refers to a judgment of preference by consumers (Gan et al., 2005). According to Cronin et al. (2000), perceived value is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Sweeney and Soutar (2001) define customer value as a customer-perceived preference for and evaluation of product attributes, attribute performance and consequences in terms of the customer's goals and purposes. Value is always determined by the consumer, depending on the customer context, such as terms, timing and testaments. Value is a perception, a view, or understanding made up of measurable components (Sweeney, 1992). Perceived value is a comprehensive form of customer evaluation (Rust & Oliver, 1994). Value perception may also differ according to the usage situation (Anckar & D'Incau, 2002), and could be the function of the overall quality and price of the firm's products and services compared to the competition (Mokhtar et al., 2005).

In our study, we defined perceived value as Miao et al. (2014) did. It consists of economical value in terms of cost-benefit calculations, low-price value, simplicity (of the features), and environmental value. These values are the most relevant for the customer perceived value ensuing particularly from a green vehicle and are predicted to be the most relevant in light of the previous study on the motivational factors of green car purchase.

This study will also uncover the effect of buyers' motivations on perceived value. The buyer's motivation acts as an antecedent of perceived value (Prebensen et al., 2012). Hence, logically, there will be a relationship between the buyer's motivation (hedonic and utilitarian) and the consumer's perceived value. A high utilitarian value will reduce an individual's need to seek alternatives, but when perceived value is low, customers will switch to other products/services (Yuskel & Ozsoy, 2015). This further proves that utilitarian value has a negative correlation with perceived value. Besides, perceived value is also seen to be comprised by utilitarian and hedonic values, which may imply that perceived value and utilitarian and hedonic values have a positive correlation (Mathews, Ambroise, & Brignier, 2011). These facts further corroborate the author's hypotheses:

H1a: Hedonic motivation is positively correlated with the consumer's perceived value. H1b: Utilitarian motivation is positively correlated with the consumer's perceived value.

#### 2.3. Relationship Between Consumer Perceived Value and Purchase Intention

Perceived value identified as hedonic and utilitarian is noted to have a significant positive correlation with purchase intention (Gan & Wang, 2017), with the utilitarian one having the highest positive correlation of all. In another analysis, customers' perceived value also has a significant positive contribution towards purchase intention (Wu & Chang, 2016). Another study in China also revealed that perceived value is a significant predictor of purchase intention (Hu, 2019). All the evidence above further supports and corroborates the author's hypothesis. Lastly, research on LCGC driver's purchase intention revealed that perceived value also plays a significant role in contributing positively towards purchase intention (Dewi, Putra, & Wahyudi, 2018).

*H2: The consumer's perceived value is positively correlated with purchase intention.* 

#### 2.4. Relationship Between the Buyer's Motivation (Manifest) and Purchase Intention

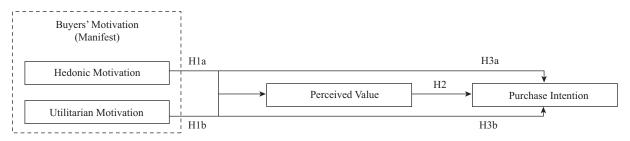
The buyer's motivation connoted as utilitarian and hedonic motivation has been proved to be a significant contributor towards purchase intention (Chen, Chang, & Chen, 2019; Yu & Lee, 2019). Specifically, research in India focusing on the automobile industry revealed hedonic and utilitarian motivation to have a strong relationship with car purchase intention (Krithika & Rajini, 2017). Moreover, a hedonic act is an important predictor of purchase intention. Previous research, especially that concentrated on the relationship of hedonic and utilitarian motivation with purchase intention, led to the author's next hypotheses:

*H3a: Hedonic motivation is positively correlated with purchase intention.* 

*H3b*: *Utilitarian motivation is positively correlated with purchase intention.* 

To simplify the relationships and hypotheses proposed, the research framework is drawn as follows:

Figure 2
Research framework



#### 2.5. Generations X, Y, Z and Their Buying Motivation and Perceived Value

Everyone talks about lifestyles, habits, preferences, and ways to involve these generations. There are 3 generations defined today in the modern world.

#### Generation X

Generation X was born between 1962 and 1980 (Pendergast, 2010). Most remember being at school without computers and then later, the introduction of computers in junior high school or senior high school. Unlike the previous generations, they are more interested in philosophy than settling into long-term careers and families. The social networks and individual relations in generation X are dynamic and rapidly changing. Gen X is often called the MTV Generation, experiencing the emergence of music videos, new wave music, electronics, etc., and is referred to as "digital immigrants".

#### Generation Y or Millennial

Generation Y was born between 1980 and 1994 (Pendergast, 2010). Known as sophisticated, tech savvy, immune to the most traditional marketing and sales, they have seen it all and have been exposed to everything since childhood. Millennials value products for their necessity to their lives and are skeptical about advertising (Lodes & Buff, 2009). While older generations lament the ever-increasing usage of technology by the Millennials, this technology is just a tool used by Millennials to satisfy their desire to be part of a community (Beirne & Howe, 2008). With unlimited access to information, they tend to be firm, with strong views. Generation Y is less loyal

to brands. The speed of the internet makes them flexible, leads to rapid changes in their lifestyle and determines how it is communicated. They are often called "digital natives".

#### Generation Z

Generation Z was born after 1995 and they have never known the world without computers and cellphones. Their age is now from preschoolers to teenagers and they are digital integrators, have integrated technology into their lives, and have used it since the youngest age. They are smart consumers, they know what they want and do not stick to brands. They are globally focused, visually involved, changing education, socially defined. Below is a summary that explains each generation's (X, Y, and Z) characteristics and the workings of each generation (Brizgis, 2017).

Generation Y is argued to have a strong inclination towards hedonic motivation as compared to utilitarian motivation (Illah et al., 2014). Another study also supported the statement. Generation Y or Millennial is more inclined to exhibit hedonic behavior as opposed to utilitarian behavior (Salim et al., 2019). Another research in the UK revealed differences between generation X and Y as regards the key values that drive luxury item purchase (Foulkes, 2019). Hence, it is suggested that marketers differ approaches when they market products to these segments. The statements by previous researchers further support the author's hypothesis:

H4: There are different manifest motivations and perceived values among generations X, Y and Z.

**Table 1**An overview of the characteristics of generations X, Y, Z

	Generation X	Generation Y	Generation Z
Born Between	1965–1980	1981–1995	1996–2017
Current Age	37–52	22–36	21 and younger
Values	Entrepreneurship, information, access	Diversity, structure, technology	Connectivity, self-direction, innovation
Preferences	Talk in short sound bites, be direct and truthful, communicate the 'why', get feedback often, keep them in the loop	Use action words, challenge them, promote two-way feedback, have fun, do not take yourself too seriously	Be open to cross-from communications, promote independence and creativity, provide clear direction and accountability

Source: Brizgis, 2017.

#### 3. METHODS

This study used a quantitative approach, a closed-ended survey for data collection. The questionnaire was divided into 4 parts. The first part was the customer profile containing the demographics of respondents including gender, age, monthly income, and occupation. Besides, respondents were asked about the current transportation that they used and whether they owned an LCGC car. The second part covered motivation including measuring consumer behavior related to the buyer's motivation. The third part encompassed perceived value including measuring the consumer's thoughts about the LCGC car and the last part was purchase intention including measuring consumers' intent to buy an LCGC car.

The respondents for this research were both female and male, aged above 17 years, living in Jakarta (as one of the largest LCGC sales locations in Indonesia), who either already had an LCGC car, intended to buy an LCGC car, and planned to buy an LCGC car in the last 3 years.

In total, we collected 240 respondents with similar proportions for generations X, Y, and Z. The detailed characteristics of the respondents are depicted in Table 2.

**Table 2** Participants' profile

Age		Gender	
17–24	71 (29.6%)	Male	154 (64.2%)
25–38	80 (33.3%)	Female	86 (35.8%)
Above 39	89 (37.1%)	Current daily mode of transport	
Monthly Income		Motorbike	145 (60.4%)
Below Rp.2.800.000	80 (33.3%)	Car	80 (33.3%)
Rp.2.800.000-Rp.5.000.000	110 (45.8%)	Online Transportation	112 (46.7%)
Above Rp 5.000.000	50 (20.8%)	Public Transportation	42 (17.5%)

We did the validity test using Pearson correlations and the reliability test using Cronbach's alpha (as shown in Table 3). All items are considered as valid and reliable. We also checked normality using the Kolmogorov-Smirnov test and the significant value is less than .05. This indicates that our data is not normal. We therefore used a non-parametric test, which is Spearman's rank correlation to test hypotheses 1 and 2. The interpretation of the strength of the relationships follows Mukaka (2012) by examining the correlation coefficient ranging .00–.30 (negligible correlation); .30–.50 (low correlation); .50.70 (moderate correlation); until above .70 (high correlation). For the third hypothesis, we used the Kruskal-Wallis test to test the differences of the buyer's motivation and perceived value across generations X, Y, and Z.

**Table 3** Operational variables

Variables	Sub-Variable	Code	Questions	Cronbach's Alpha
Buyer's Motivation (Manifest)	Hedonic Motivation	H1	For me, buying an LCGC car is an adventure	.796
(Shin Kim, 2006)		Н2	I have the pleasure of being able to buy an LCGC car	
		НЗ	I enjoy the time when searching for information about LCGC cars	
		H4	I bought an LCGC car to keep up with the current automotive trend	
	Utilitarian Motivation	U1	It is important for me to buy the LCGC car that I am looking for	.688
		U2	I feel successful if I get an LCGC car that I have wanted for a long time	
		U3	I don't like spending time entering various car dealerships to get the best prices	
		U4	I want to get a lot of information about LCGC without wasting a lot of time	

Variables	Sub-Variable	Code	Questions	Cronbach's Alpha
Perceived Value	Economical	PV1 In my opinion, the Low-Cost Green Car is economical		.787
(Miao et al., 2014)	Simple Features (Compact)	PV2	In my opinion, LCGC (Low-Cost Green Car) car features is simple (compact)	
	Environmental Benefit	PV3	In my opinion, LCGC (Low-Cost Green Car) car is environmentally friendly	
Purchase Intention	Mean to buy an LCGC car	PI1	If I have the chance, I intend to buy an LCGC car	.859
(Degirmenci and Breitner, 2017)	Plan to buy an LCGC car	PI2	I estimate that I will buy an LCGC car	
	Intend to buy an LCGC car in 3 years	PI3	I might buy an LCGC car in the near future	

#### 4. RESULTS AND DISCUSSION

The overall result of this study revealed several interesting findings. First, utilitarian and hedonic motivations have positive correlations with perceived value. However, the values are negligible with r = .274 and r = .261 respectively. This indicates negligible or near no correlation between manifest motives and perceived value. It is contrasted with Mathews, Ambroise, and Brignier (2011) but can be explained by Woodruff (1997), namely that perceived value is a trade-off between what is considered benefit and cost. Hence, there may be many more contributing variables that form perceived value other than hedonic and utilitarian manifest motivation. Hence, H1a and H1b are rejected.

Second, perceived value has a positive significant correlation with purchase intention (r = .350, p < .005), consistently with previous research (Gan & Wang, 2017). Further, utilitarian motivation has a low correlation (r = .336. p < .005) with purchase intention, while hedonic motivation has negligible correlations (r = .282, p < .005) respectively. This finding is contrasted with previous studies by Chen, Chang, and Chen (2019) and Yu and Lee (2019). Looking at the unique nature of a vehicle product being a sign of affluence, buyers' attitude towards vehicle purchase might be different than in the case of everyday products. Further, even though it has a price tag above 100 million rupiahs, LCGC cannot be considered as luxurious as other premium car products due to poor brand image and quality perceptions (Suhud & Willson, 2019). Thus, hedonic motivations might not play such an important role as in the case of other car products. On the other hand, utilitarian motivation might still play some role since it covers the basic function of a vehicle, even though not much due to limited features of the LCGC. Thus, H2 is accepted, H3a is rejected, and H3b is accepted.

**Table 4**Results of the Kruskall-Wallis test: Differences of variables among generations

Variables	Age Group (Generation)	Mean Rank	Chi-Square (Asymp. Sig.)
	X	125.00	
Hedonic Motivation	Y	102.20	9.529 p = .009**
	Z	94.95	- P .007
	X	114.53	
Utilitarian Motivation	Y	102.16	1.741  p = .419 (n.s.)
	Z	103.24	p r r (m.s.)
Perceived Value	X	110.78	
	Y	119.16	6.645 $p = .036*$
	Z	94.19	P .030

At last, the most interesting finding by the author is that there is a difference of means for generations X, Y and Z in terms of perceived value and hedonic motivation as posited in hypothesis 4. There is no significant difference in utilitarian motivation among the three generations (p = .419). This might imply that the generations hold the same utilitarian value. An interesting pattern occurs in hedonic motivation. However, there is a significant difference in distribution and means for perceived value and hedonic manifest motivation among generations X, Y, and Z (p = .036 and p = .009, respectively). The results of the Kruskall-Wallis test can be seen in Table 4.

**Table 5**Results of post-hoc Mann-Whitney U test

Variables	Age Group Comparison	Mean Rank	Asymp. Sig. (2-tailed)
	X and Y	75.75 ; 71.06	.504 (n.s.)
Hedonic Motivation	Y and Z	70.31 ; 56.95	.040*
	X and Z	88.69 ; 66.89	.002**
	X and Y	83.28 ; 65.74	.011*
Perceived Value	Y and Z	61.87 : 66.38	.475 (n.s.)
	X and Z	82.91 : 71.45	.103 (n.s.)

The Mann-Whitney test is used to elaborate the Kruskal-Wallis test to see more specifically which generations differ, as shown in Table 5. It turns out that a significant difference in perceived value occurs between generations X and Y (p = .011). A significant difference also occurs in hedonic motivation between generations Y and Z and X and Z (p = .040 and p = .002, respectively). Our analysis shows that generation Z has the highest average hedonic value of all generations. Generation Y has the second highest average value, and generation X has the lowest. This might imply that with the advancement of generations, generations to come will be more driven by hedonic motivation.

From the findings, we can imply that hedonic motivation shows a significant difference, particularly between generations Y and Z, and X and Z. Perceived value also reveals a significant difference among generations, particularly between generations X and Y. Hypothetically, those aged 17–24 tend to be driven by hedonic motivation for buying an LCGC car because of their life stage. These people would most likely be high school to college students with occasional first jobbers who might still be financially dependent. With financially dependent status, they would

psychologically be less concerned with utilitarian value (Zhou, Arnold, Pereira, & Yu, 2010). However, for the 25–38 age range might be dominated by early-career strugglers who are setting their place in the world. Hence, they will be more concerned about money (Ballard et al., 2013). For this life stage, utilitarian value is logical to be put forward for LCGC car purchase. As for the age range above 38 years, they are in a later life stage with a more stable career and a much broader option when purchasing a vehicle. Further, gen X has developed higher trust with car dealers, which might affect their decision-making when considering more reasonable factors (Parment, 2013). Hence, there would be one more variable other than utilitarian or hedonic motivation that will drive them to purchase. However, further research is needed to reveal one deeper level of each age range's purchase driver. The summary of hypotheses testing is presented in Table 6.

**Table 6** Summary of hypothesis testing

	Hypotheses	Results
Н1а	Hedonic motivation is positively correlated with the consumer's perceived value	Rejected
H1b	Utilitarian motivation is positively correlated with the consumer's perceived value	Rejected
H2	The consumer's perceived value is positively correlated with purchase intention	Accepted
НЗа	Hedonic motivation is positively correlated with purchase intention	Rejected
НЗЬ	Utilitarian shopping is positively correlated with purchase intention	Accepted
H4	There are different manifest motivations and perceived values among generations X, Y and Z	Accepted

#### 5. CONCLUSIONS AND RECOMMENDATIONS

Based on our study findings on LCGC purchase in Indonesia, the buyer's latent motivation (hedonic and utilitarian motivation) is not highly correlated with perceived value. Further, the comparison between generations X, Y, Z shows that there is no difference for utilitarian manifest motivation, but significant differences exist in hedonic motivation between generations Y and Z and X and Z.

## 5.1. Recommendations for Automotive Companies

In Jakarta, LCGC car purchase intention is not generally correlated with hedonic motivation, yet it has a low correlation with utilitarian motivation. Hence, product features with utilitarian values like the ABS system, low fuel consumption rate, safety airbags will be more likely to be accepted by the overall market. Also, generally generations X, Y, and Z show no significant difference in the utilitarian motive distribution. Hence, utilitarian value seems to be generally accepted by all the generations and possibly by generations to come. Highlighting utilitarian value in an LCGC product feature and creation is a safe bet generally.

Further, even though hedonic motivation has a negligible correlation with purchase intention of the general market, the average mean seems to continually increase with each generation. Hedonic motivation becomes an important value for generations to come. Hence, in the future, marketers might want to develop product features with a hedonic value like speakers with a high brand value like the Harman Kardon audio set, technology with higher perceived coolness such as a display system, and new technology adaptation like cruise control, smart entry, Tiptronic transmission, and others. We recommend the automotive industry to create a precise product segmentation and to undertake a marketing effort for different age groups with a different message on its promotion content.

#### 5.2. Further Research Recommendations

For further research, we propose several recommendations to overcome our study limitations. The three variables are factors from the individual level of analysis. The three variables are also triggered by internal motives. Currently, there are several external marketing factors that impact purchase intention and have not as yet been researched in marketing and advertising studies regarding customer behavior. Further research can include external stimuli, such as different promotion efforts, marketing content, and other external stimuli provided by a car maker or car dealer, in the model to obtain a complete picture of customers' drivers towards purchase intention Also, future research analyzing other internal factors such as perceived risk related to the product life cycle of LCGC will be beneficial to measure customer tolerance and trade-off in customer decision-making. Further, due to the natural limitation of this study settings, the current results only capture the current life stage of the customer, which might change once the customer grows up and enters different life stages.

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# Exploring the Effects of Service Quality, Shipping Cost, Brand and Attitude on Consumer's Intention to Choose Express Courier Services in E-Commerce

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#### **ABSTRACT**

The growth of e-commerce has highlighted the importance of express courier service (ECS). We empirically study consumer's choice of ECS in purchasing goods online. This research aims to examine the effect of service quality (SQ), shipping cost, brand, and attitude towards customers' intention to choose ECS on e-commerce. This research was conducted using a quantitative approach among customers who intended their goods to be shipped using ECS. Data of 100 respondents were collected and then analyzed using the structural equation model technique. We find that there is no correlation between SQ and shipping cost and the attitude towards choosing a courier service. However, the analysis indicates that brand has an influence on the customer's attitude towards choosing a courier service acts as a mediator between SQ, shipping cost, and brand as regards the consumer's intention to choose an ECS. It is worth noting that brand has a stronger influence on the consumer's attitude compared to the former factors.

JEL classification: M39; Y90

Keywords: service quality, shipping cost, brand, attitude, intentions, express courier service, e-commerce.

## 1. INTRODUCTION

The growth and evolution of the e-commerce sector has highlighted the importance of courier services for business models that involve a connection between consumers and retailers. The existence of an obvious separation between customers and products creates opportunities for courier business that are not present in conventional retailing.

The rapid growth of e-commerce has also revolutionized relationships within startups, courier services and consumer transaction settings. Further, it has influenced the business development

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of shipping companies, one of them is SiCepat Ekspres, which is focused on serving online shopping. SiCepat Ekspres currently serves around 40,000–50,000 package shipments per day. SiCepat Ekspress has also worked with around 4,600 Small and Medium Enterprises (SMEs) that run their businesses online. The company is also working with 10 e-commerces and large online marketplaces such as MatahariMall.com, Tokopedia, Bukalapak, JakMall, and PlanetSurf Online (InvestorDaily, 2017). We are interested in reviewing the SiCepat courier as a multinational company because it ranks fourth most in favor of customers and as a newcomer (founded in 2014) it has high customer growth.

Competitive advantage is likely to depend on market orientation, in the sense that a service provider should be able to attend to the consumer's wants and needs. In this case, ECS should be able to cater for the consumer's needs and address consumer orientation. Therefore, the phenomenon of the attitude and intention to choose ECS in e-commerce as a novelty of technology adoption is an interesting issue to study.

Witnessing the strong growth of e-commerce, academics have directed increasing attention to e-commerce research because unlike traditional commerce, e-commerce does offer an option regarding the courier service that delivers the items purchased. For this reason, a number of challenges have been addressed. This study highlights the potential challenges associated with achieving success in courier services and proposes relevant recommendations to overcome them.

A behaviour-based explanation shows that there is inconsistency between attitude and intention models relating to ECS (Li & Petrick, 2008). This is because each study is based on the object and different settings. These conditions provide opportunities to design an alternative model capable of elaborating on the phenomenon to be observed. The alternative model is built based on five variables, namely SQ, shipping cost, brand, and attitude, which explain their effect on the intention to choose ECS.

This research contributes to understanding SQ, shipping cost, and brand efect and their attributes that alter the consumer's will and intention to choose ECS in e-commerce. In an effort to give a clearer picture of the relationships between SQ, shipping cost, brand, and attitude which explain their effect on the consumer's intention to choose ECS in e-commerce, a SEM techniques analysis is employed to give a predictive answer.

## 2. LITERATURE REVIEW

Many researchers have been exploring the various markets in which the e-commerce strategy generates significant excess profit. In the context of online sales, SMEs contributed 57.84% of total transactions (As'ad & Ahmad, 2012). The sharing economy business model contributes to the Indonesian economy. For example, a digital pilot business like GoJek with SME partners contributed a transaction volume of IDR 1.7 trillion in the 2017 period (Demographic Institute, 2018). This means that e-commerce and courier service sectors have a great potential for improvement.

# 2.1. Attitude Towards Choosing a Courier Service

Today, attitude occupies a central role in the theories and research regarding consumer behavior. An attitude is a relatively enduring organization of beliefs, feelings, and behavioral tendencies towards socially significant objects, groups or symbols (Hogg & Vaughan, 2005). The attitude represents what one likes and dislikes or the amount of positive and negative feelings one has towards an object (Blackwell et al., 2001). Consumer attitudes have been and still are a key factor for companies. From a business perspective, consumer attitudes are responsible for an evaluation of a product or service and consequently the purchase or not of this product or service.

Previous studies stated that consumer attitude determines the favorability of a person's intentions but not a given intention (Ajzen, 2001; Fishbein & Ajzen, 1975). For example, two customers may hold the same attitude towards a service, but they may hold different intentions concerning their behaviors towards it. Regarding consumer attitude towards a service in general, previous studies claimed that attitude is an important factor in influencing consumers' intention towards the service (Chaniotakis et al., 2010). We have concentrated on uncovering the factors that affect the attitude towards choosing a courier service for shipments of goods purchased online. Consumers' attitude to online shopping is an important factor that influences the intention of online shopping (Andrews & Bianchi, 2012). Attitudes toward online shopping are defined as a consumer's positive or negative feelings related to accomplishing the purchasing behavior on the internet (Chiu et al., 2005). In order to investigate consumers' attitudes, we need to know what their attitude to online shopping is.

Online shopping is defined as buying a basket of commodities and its related services (e.g. courier service) over the internet (Chaffey, 2009). A customer can be attracted to a shopping website or startup depending on its commodity, quality of service and finally payment security and privacy. These factors affect the consumer's attitude and intention when shopping online. In turn, the quality of service especially includes delivery time, quality of offered goods, and technology used for processing and delivering the consumer's orders (Meschi et al., 2011). Consumer attitude plays a central role in intentions to buy online and at the same time choose ECS. In the context of online shopping, the first dimension of attitudes is consumers' acceptance of the online mode as a shopping channel. The second dimension is consumer attitudes toward a specific online store and its courier service partners (Jahng et al., 2001).

We begin by considering the definition of attitudes because no measurement procedure can be designed until the construct of interest has been specified. Attitudes are individually attributed emotions, beliefs and behavioral tendencies an individual has towards a specific object. Attitude also varies in degrees, which impels individuals to react to the object.

Attitude is a construct of three components: cognitive, affective and conative (Jin, 2011; Rosenberg & Hovland, 1995). Though most attitudes have all three components mentioned above, they can be more strongly rooted in either the cognitive or the affective component. One of the underlying assumptions about the link between attitudes and intention is that of consistency. This means that we often or usually expect someone's behavior intention to be consistent with the attitudes that they hold. The principle of consistency reflects the idea that people are rational and attempt to behave rationally at all times and that a person's behavior should be consistent with their attitude. Thus, attitude is used to see consistency as a mediation of customer goodwill. In this case, the researcher wanted to perceive the individual's desire through the attitude dimension as a mediating variable.

**Hypothesis 1:** Attitude towards choosing a courier service positively influences the intention to choose ECS.

# 2.2. Service Quality

Service quality (SQ) is a fundamental criterion of success for shipping companies which are focused on serving online shopping (Shankar et al., 2003); high SQ has been shown to boost online channel usage (Cho, 2004; Devaraj et al., 2002) and enhance customer satisfaction with websites of online companies that cooperate with an online-based shipping company (Xu et al., 2013). SQ is influenced by the expected service and the perceived service. If services are received as expected, SQ is satisfactory, but if the services received exceed their expectations, customers will be delighted and will perceive SQ as excellent and vice versa (Parasuraman et al., 1988).

The study of SQ was pioneered by marketing scholar Parasuraman (Parasuraman et al., 1988) and has been a long-standing and highly relevant construct within customer service contexts

(Dabholkar & Overby, 2005). According to these scholars, SQ is a consumer's global, subjective assessment of the quality of an interaction with a vendor, including the degree to which specific service needs have been met. SQ is based on the level of excellence in satisfying consumers' desires. The service company is required to improve the service as per consumer or consumers demand. So, improving SQ depends on the couriers' ability to consistently meet the needs as well as satisfy desires of consumers. Couriers can benefit and achieve competitive advantage by doing their best to create and maintain SQ, which can lead to consumer satisfaction. Thus, couriers must realize the strategic importance of quality, rather continuously upgrading quality as it is an investment that will generate greater profits in the future.

The evaluation of service is generally assessed through the SQ procedure known as SERVQUAL, which contains five dimensions: tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 2005). Several recent studies were conducted using the SERVQUAL model to examine SQ in different service-based organizations such as 313 members of the Korean Port Logistics Association (Yeo et al., 2015), 253 passengers of Dubai International Airport Terminal 3 (Hussain et al., 2015). These surveys reported that the capability of service providers to appropriately implement tangible, responsive, reliable, assured and emphatic dimensions in performing daily job had enhanced positive customer outcomes, especially customers' satisfaction. Despite its widespread application, it might not be suitable for measuring all aspects of the service provider due to different characteristics and features of SQ in the service industries. In other words, each sector of the service provider has its own characteristics.

Prior research on courier service found that most emphasized multiple components and conceptualized different dimensions. For example, in research on the business of courier service, Sze et al. (2013) suggest that the measure of SQ consists of three dimensions: (1) technical quality; (2) functional quality; and (3) image. Liu et al. (2014) indicate the ECS timeliness. Cakravastia and Takahashi (2004) and Kannan and Tan (2002) indicate the costs (e.g. freight rates and prices) and risk (reliability, losses, and collateral). The SQ assessment is mirrored by consumer perception on the ECS performance.

Hence, this study adopts the standards of the Global Express Association (GEA) to measure SQ. The GEA standard has been widely applied by courier companies in Europe and the United States (Oxford Economic Forecasting, 2009). The GEA standard consists of five dimensions as follows: global reach, reliability, transparency, speed, security. To apply the SQ framework to this research, the researchers have ensured that the selection of questions and dimensions of the framework are commensurate with the SQ of the courier company under investigation. For the purposes of the present research, SQ is measured by making use of the GEA standard. Accordingly, we have proposed the following hypothesis:

• **Hypothesis 2:** Service quality positively influences the attitude towards choosing a courier service.

## 2.3. Shipping Cost

Shipping cost was a critical factor for consumers in e-commerce (Heim & Sinha, 2001). Basically, shipping cost is a fee applied to ship items to a buyer. As a seller lists an item, he or she can determine and disclose the shipping cost. The buyer can choose a courier company that is an e-commerce company partner and promises excellent service and competitive costs before payment is made.

E-commerce companies need to consider the cost of shipping and how it will be incorporated into pricing or passed along to consumers. The shipping service business has increased rapidly along with the rise of e-commerce. Shipping is defined as a package that contains items such as shoes, clothing or accessories that can be packaged and sent immediately to the customer (APS Fulfillment, Inc., 2017).

The shipping cost is defined as all surcharge fees paid for shipping items to a the buyer. The separation of the shipping fee from the price of a product is an example of pricing where the total price is divided into components such as the base price and a surcharge (Hamilton et al., 2010). However, our focus is on the shipping cost in the context of e-commerce. It is considered important in the formation of the attitude toward ECS. This is due to the cost used by a consumer to evaluate both service and goods. In this research, the shipping cost needs to be investigated because there still is an inconclusive effect between shipping cost and intentions to choose ECS. The main reason why customers are unwilling to choose an ECS or switch from one to another is that the shipping charge is expensive.

Consumers are sometimes more sensitive to changes in the shipping charge than to changes in the price of the goods. According to the findings by Koukova et al. (2012), consumers are more sensitive to the price of partitioned components that are less important and provide relatively low consumption benefits (e.g., shipping) than to the price of components that are more important and provide relatively high consumption benefits (e.g., the product). On the contrary, the on-time delivery factor from ECS can be accepted by consumers even though they have to pay more for shipping costs (Rahman, 2006; Mentzer et al., 2001).

We have to take into consideration the fact that complaints are often voiced by consumers about the shipping cost. Shoppers often incur shipping charges when placing online orders and on average they pay 30% of their orders for shipping (Freedman, 2019). Therefore, it is important that there is a flat-rate shipping cost for shipping goods in online shopping. Some online shopping outlets offer flat-rate shipping to consumers. This makes it easier for consumers to understand how much they will be charged for shipping so they do not get surprised at the checkout time, and it helps stores anticipate how much they will spend on shipping costs.

Flat-rate shipping means that the price of shipping is not connected to the weight, shape, or size of the shipped item, hence the flat rate is based on how much you can stuff into the courier company-issued box. Flat-rate shipping involves a reasonable, rational, affordable, general and fair rate. According to Lopienski (2019), positive customer perceptions regarding flat-rate shipping can increase orders and are believed to increase the order value. Accordingly, we have proposed the following hypothesis:

• **Hypothesis 3:** Shipping cost positively influences the attitude towards choosing a courier service.

#### 2.4. Brand

Today, brand is a powerful instrument of change. It is tightly connected with consumers and profoundly incorporated into their choices. Consequently, a company that owns a successful brand which is followed by loyal consumers have the power to shift consumers' attitudes and behavior. A challenging task for marketing managers of e-commerce companies and marketing managers of courier companies is to convince consumers that products purchased online are of good quality and will be sent immediately to the customer's address.

Brand is defined as a name, term, sign, symbol, or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competitor (Kotler, 2000). Another definition of a brand, stated by Burgess (2011), is a reason to choose. Both definitions imply that a company thinks about powerful brands that are built on singular positioning that is not only meaningful but relevant to its target consumer or Business to Customer (B2C). For example, consumers who buy our products are people who want to get the convenience from these products. Finally, consumers feel satisfied with the product and recommend other consumers to buy a specific product.

Often, in an e-commerce environment, brand is referred to the startup's and courier company's reputation as well consumer loyalty (Haig, 2001). Therefore, it should be concluded that brand

is a perception in customers' minds of a good impression of a brand (Hawkins & Coney, 2004). A good impression can arise if a brand makes an impression of being superior, popular, as well as a promising excellent service (Kotler & Keller, 2012; Ogba & Tan, 2009). Other researchers found that the attitude towards a brand had an effect on the product or service choice (Vahid & Aidin, 2012). Accordingly, we have proposed the following hypothesis:

**Hypothesis 4:** Brand positively influences the attitude towards choosing a courier service.

#### 2.5. Intentions

The notion of intentions to choose ECS is adopted from several earlier studies that designed intention as a dependent variable (Wang et al., 2010). The first attempt to formalize intention was made by Cohen and Levesque (1990). A choice is a consequence of the scenario which a consumer chooses to pursue. The choice is closed under a logical consequence which is the most preferred. Intentions are considered to be choices, but not all choices are intentions. Thus, an intention is the consumer's idea or plan to buy goods or use certain courier services, beginning with the use and acceptance of information technology to buy something in the future.

In this research, the concept of intention is analyzed by using the Technology Acceptance Model or TAM as developed by Davis et al. (1989). TAM is one of the most popular research models to predict the use and acceptance of information systems and technology by individual users. TAM represents an important theoretical contribution to understanding the behavior of the use and acceptance of information technology (Maholtra, 2007; Davis et al., 1989). The theoretical basis of the model was Fishbein and Ajzen's (2010), Theory of Reasoned Action or TRA. TRA is based on these three stages, namely beliefs, intentions, and actions with the following components: beliefs and aims of assessment, response to beliefs and motivation to follow behavior, attitudes towards behavior, subjective norms, and intentions to behave. Under the TRA, a decision to act is the best prediction of individual intentions.

TAM uses TRA as a theoretical basis for specifying causal linkages between two key sets of constructs: (1) Perceived Usefulness (PU) and Perceived Ease of Use (PEOU), and (2) user's attitude, behavioral intentions and actual information technology usage behavior. PU is defined as the consumer's subjective probability that using the internet will increase his or her benefit within an online transaction context. In turn, PEOU refers to the degree to which the consumer expects ease to use the internet for online transactions. Both PU and PEOU predict the attitude toward using information technology, defined as the consumer's desirability of his or her using the information technology. Attitude and PU influence the individual's behavioral intentions to use information technology. The actual use of information technology is predicted by behavioral intentions. According to TAM, ease of use and perceived usefulness are the most important determinants of the actual system use. Further, the attitude to use is concerned with the user's evaluation of the desirability of using a particular information technology platform. Intention is the measure of the likelihood of a person using the platform. The TAM model was adopted in this study because, as a model of the acceptance and use of technology, it has emerged as one of the most influential models. The TAM represents an important theoretical contribution toward understanding the platform usage and acceptance. Based on the attitude and intention preferences above, we have proposed the following hypothesis:

• **Hypothesis 5:** The attitude towards choosing a courier service mediates the effect of service quality, shipping cost, and brand on the customer's intention to choose ECS.

#### 3. METHODOLOGY

The research employs the intention model followed by the original exploratory method by Maholtra (2007). This method is adopted to explain the phenomenon observed in this study. The research was conducted in Jakarta using a survey technique. The questionnaire is used as a data collection tool. Each item in a variable was measured using a five-point Likert scale.

The population of the study consists of consumers who use ECS for shipment of items purchased online in Jakarta. The non-probabilistic samples were selected with the following criteria: (1) the respondents must have knowledge about the courier service which they intended to choose; (2) the respondents intended to choose ECS at SiCepat during September 17 – October 19, 2018. The determined size of the sample was 100 respondents, as a minimum criterion for the structural equation model / SEM (Hooper et al., 2008).

The SEM is used in this study because it has characteristics of an analysis technique to confirm whether a certain model is valid or not. The SEM is the preferred method for the mediation analysis (Vanderweele & Vansteelandt, 2014). For the purposes of the SEM, specifically, mediation refers to a situation that includes three or more variables, such that there is a causal process between all variables. In a mediation relationship, possibly there is a direct effect between an independent variable and a dependent variable. There are also indirect effects between an independent variable and a mediator variable, and between a mediator variable and a dependent variable. When the analysis is carried out, it is possible to determine to what extent the attitude variable mediates the effect of service quality, shipping cost and brand on the intention to choose ECS.

# 3.1. Validity of Instrument

In the initial stages of statistical testing, the validity and reliability testing is carried out. Validity testing uses factor analysis techniques (Hair et al., 2006). Using construct validity, it is expected to find dimensions, indicators and strong items forming the construct of the tested variable. The item selection criteria are based on a factor analysis, with a degree of sample confidence or the Kaiser Meyer-Olkin Measure of Sampling Adequacy (KMO) value> 0.50 if the KMO value is above 0.50 and a loading factor > 0.40 (Hair et al., 2006), then a valid item can be further analyzed. In the aftermath of scrutinizing the reliability and also the validity of the scale, the researchers decided to test appropriateness of the collected data for the purpose of running a factor analysis. MacCallum et al. (2001) explained that if each and every communality is higher than 0.5, then a comparatively small sample size of 100 is entirely sufficient.

**Table 1**Validity value

Construct	KMO value	Loading factor
Attitude	0.80	0.69
Service quality	0.82	0.65
Shipping cost	0.88	0.72
Brand	0.81	0.67
Intention	0.80	0.70

Source: Author's elaboration.

The variation of KMO statistics is between 0 and 1. According to Field (2009), values that are greater than 0.5 are satisfactory. Therefore, values between 0.5 and 0.7 are second-rate, values between 0.7 and 0.8 are superior, and values between 0.8 and 0.9 are outstanding. The factor

analysis in this study is outstanding and significant as its values are between 0.8 and 0.9. The validity test results showed that all 50 items were declared valid, because all variables had a KMO value> 0.50 and a loading factor> 0.4. As a result of the analysis, it is recommended that the researchers should retain all variables planned at the beginning because of their validity.

## 3.2. Reliability of Instrument

The reliability value for all constructs of the five variables, namely: attitude, SQ, shipping cost, brand and intention exceeds 0.70. The reliability test shows that the value of a for attitude is 0.83; the value of a SQ is 0.87; the value of a shipping cost is 0.75; the value of a brand is 0.82 and the value of a for intention is 0.79. This shows that all questions can be used to collect data because the reliability of the instrument is satisfactory.

The reliability test is carried out to measure the reliability or internal consistency of a research instrument. The reliability test used is Cronbach's alpha coefficient, with a degree of reliability if Cronbach's alpha value obtained exceeds 0.7, which is considered a good reliability value (Maholtra, 2004).

**Table 2**Reliability value

Variables / Construct	Number of items	Corrected item	Cronbach's alpha (α)
Attitude	5 items	-	0.83
Service quality	25 items	_	0.87
Shipping cost	5 items	_	0.75
Brand	5 items	_	0.82
Intention	5 items	_	0.79

Source: Author's elaboration.

## 3.3. Normality

The normality of data in the study was tested by means of the Jarque-Bera statistical test. The results of the normality test are presented in Table 3 below.

**Table 3**Normality test

	Attitude	Service quality	Shipping cost	Brand	Intention
Mean	18.58	90.74	17.96	19.09	18.28
Median	19.00	91.00	18.00	19.00	18.00
Maximum	25.00	105.00	23.00	25.00	25.00
Minimum	12.00	72.00	10.00	12.00	12.00
Std. Dev.	2.78	8.02	2.45	2.66	2.63
Skewness	0.05	-0.44	-0.29	0.01	0.20
Kurtosis	2.50	2.58	3.17	2.80	2.53
Jarque-Bera	1.08	3.93	1.49	0.16	1.59
Probability (p)	0.58	0.14	0.47	0.92	0.45

Source: Author's elaboration.

The results of the Jarque-Bera statistical test show the overall variable value p > a = 0.01. This is a proof that the null hypothesis was accepted. This means that the variables of attitude, SQ, shipping costs, brand and intention are normally distributed, and are eligible for multiple regression.

## 4. RESULTS

For the demographic section, the respondents are divided into 5 different characteristics which are gender, age, level of education, employment as well as total annual household income. However, for the significance of the research, gender, age and total household income were analyzed. In terms of gender, 68% of the respondents are male and 32% are female.

In terms of age, 22% of the respondents are in the age range of 18–22 years while 39% are 23–38, 28% are 39–50 and only 11% are 51 and above. The variations in the age percentages show that those in the age group of 23–38, that is the millennial generation, choose ECS more often for shipping their goods purchased online.

In terms of the level of household income, 22% of low-income households choose ECS for shipping their online purchased goods. For middle-income households, 53% choose ECS for shipping goods they buy online. In turn, 25% of high-income respondents choose ECS for shipping goods purchased online (see Table 4).

**Table 4** Demographic characteristics of the sample (n = 100)

Characteristics	Categories	Frequency	Percent
	Male	68	68
Gender	Female	32	32
	Total	100	100
	Junior high school	1	1
	Senior high school	31	31
Education	Diploma	16	16
Education	Undergraduate	38	38
	Postgraduate	14	14
	Total	100	100
	18–22	22	20
	23–38	39	39
Age group	39–50	28	28
	51 and above	11	13
	Total	100	100
	Government employees	41	41
	Private employees	47	47
Employment	Entrepreneurship	9	9
	Other	3	3
	Total	100	100
	Low	22	22
A manual II amaala al d Imaa a ma	Medium	53	53
Annual Household Income	High	25	25
	Total	100	100

In Table 5, the measurement of indicators was presented as a means to find the main measures. The results for the measurement of the attitude towards choosing a courier service are shown by the following dimensions: like ( $\alpha$  = .89), charmed by ( $\alpha$  = .84), know about ( $\alpha$  = .83), and happy with ( $\alpha$  = .81). All four of them become the main measures of the attitude towards choosing a courier service. The results of the study show that speed with  $\alpha$  = .89 and reliability with  $\alpha$  = .81 are the main measures of SQ. The shipping cost shows that all the dimensions (e.g., fair rate, affordable rate, reasonable rate, rational rate and common rate) are the main measures. The measurements for brand are: famous brand ( $\alpha$  = .87), familiar brand ( $\alpha$  = .86), favorite brand ( $\alpha$  = .80) and impression brand ( $\alpha$  = .80), all four being the main measures. As for the measurement of the intention to choose ECS, the result showed reliable with  $\alpha$  = .88, friendly with  $\alpha$  = .87, and desirable with  $\alpha$  = .84 as primary measures of the intention to choose ECS.

**Table 5**Measuring indicators

Like	Dimensions	Variables	Estimate	S.E.	α	C.R.	P
Excited by  Charmed by  Charme	Happy with		.20	.02	.81	13.89	***
Security	Like	<u>9</u>	.22	.01	.89	19.38	***
Security	Excited by	→ trituo	.19	.02	.79	12.62	***
Security   Common rate   Co	Charmed by	A	.18	.01	.84	15.43	***
Reliability   Common rate   Fair rate   Common rate   Favorite   Famous   Famous   Famous   Famous   Expending of the first of the fi	Know about		.21	.01	.83	14.68	***
Security   1.19   .02   .73   10.48   ***   Reasonable rate   .20   .01   .85   15.70   ***   Rational rate   .23   .01   .82   19.19   ***   Affordable rate   .20   .01   .88   14.28   ***   Common rate   .22   .01   .80   17.98   ***   Fair rate   .16   .01   .89   13.18   ***   Favorite   .22   .02   .80   13.47   ***   Superior   .18   .02   .75   11.13   ***   Famous   .19   .01   .86   16.38   ***   Impression   .20   .02   .80   13.30   ***   Desirable   .19   .01   .87   17.93   ***   Reliable   .23   .01   .84   15.30   ***   Fiexible   .21   .02   .79   12.77   ***   Friendly   .21   .01   .87   17.76   ***	Global reach		.24	.02	.76	13.71	***
Security   1.19   .02   .73   10.48   ***   Reasonable rate   .20   .01   .85   15.70   ***   Rational rate   .23   .01   .82   19.19   ***   Affordable rate   .20   .01   .88   14.28   ***   Common rate   .22   .01   .80   17.98   ***   Fair rate   .16   .01   .89   13.18   ***   Favorite   .22   .02   .80   13.47   ***   Superior   .18   .02   .75   11.13   ***   Famous   .19   .01   .86   16.38   ***   Impression   .20   .02   .80   13.30   ***   Desirable   .19   .01   .87   17.93   ***   Reliable   .23   .01   .84   15.30   ***   Fiexible   .21   .02   .79   12.77   ***   Friendly   .21   .01   .87   17.76   ***	Reliability	lality	.20	.01	.81	13.71	***
Security   1.19   .02   .73   10.48   ***   Reasonable rate   .20   .01   .85   15.70   ***   Rational rate   .23   .01   .82   19.19   ***   Affordable rate   .20   .01   .88   14.28   ***   Common rate   .22   .01   .80   17.98   ***   Fair rate   .16   .01   .89   13.18   ***   Favorite   .22   .02   .80   13.47   ***   Superior   .18   .02   .75   11.13   ***   Famous   .19   .01   .86   16.38   ***   Impression   .20   .02   .80   13.30   ***   Desirable   .19   .01   .87   17.93   ***   Reliable   .23   .01   .84   15.30   ***   Fiexible   .21   .02   .79   12.77   ***   Friendly   .21   .01   .87   17.76   ***	Transparency	↓ ↓ ↓	.15	.01	.74	10.92	***
Security   1.19   .02   .73   10.48   ***   Reasonable rate   .20   .01   .85   15.70   ***   Rational rate   .23   .01   .82   19.19   ***   Affordable rate   .20   .01   .88   14.28   ***   Common rate   .22   .01   .80   17.98   ***   Fair rate   .16   .01   .89   13.18   ***   Favorite   .22   .02   .80   13.47   ***   Superior   .18   .02   .75   11.13   ***   Famous   .19   .01   .86   16.38   ***   Impression   .20   .02   .80   13.30   ***   Desirable   .19   .01   .87   17.93   ***   Reliable   .23   .01   .84   15.30   ***   Fiexible   .21   .02   .79   12.77   ***   Friendly   .21   .01   .87   17.76   ***	Speed	Servie	.22	.01	.89	19.84	***
Rational rate  Affordable rate Common rate  Fair rate  Favorite  Superior Familiar  Famous  Impression  Desirable  Reliable  Flexible  Firendly	Security	<b>— 9</b> 1	.19	.02	.73	10.48	***
Fair rate  Favorite  Superior  Familiar  Famous  Impression  Desirable  Reliable  Flexible  Friendly  1.16  .01  .89  13.18  ***	Reasonable rate		.20	.01	.85	15.70	***
Fair rate  Favorite  Superior  Familiar  Famous  Impression  Desirable  Reliable  Flexible  Friendly  1.16  .01  .89  13.18  ***	Rational rate	cost	.23	.01	.82	19.19	***
Fair rate  Favorite  Superior  Familiar  Famous  Impression  Desirable  Reliable  Flexible  Friendly  1.16  .01  .89  13.18  ***	Affordable rate	↑ ping	.20	.01	.88	14.28	***
Fair rate  Favorite  Superior  Familiar  Famous  Impression  Desirable  Reliable  Flexible  Friendly  1.16  .01  .89  13.18  ***	Common rate	Ship	.22	.01	.80	17.98	***
Superior         Familiar       ←       East 1.9       .01       .86       16.38       ***         Famous       .21       .01       .87       17.93       ***         Impression       .20       .02       .80       13.30       ***         Desirable       .19       .01       .84       15.30       ***         Reliable       .23       .01       .88       18.15       ***         Flexible       .21       .02       .79       12.77       ***         Friendly       .21       .01       .87       17.76       ***	Fair rate		.16	.01	.89	13.18	***
Familiar ← E Famous	Favorite		.22	.02	.80	13.47	***
Famous .21 .01 .87 17.93 ***  Impression .20 .02 .80 13.30 ***  Desirable .19 .01 .84 15.30 ***  Reliable .23 .01 .88 18.15 ***  Flexible ← .21 .02 .79 12.77 ***  Friendly .21 .01 .87 17.76 ***	Superior		.18	.02	.75	11.13	***
Famous .21 .01 .87 17.93 ***  Impression .20 .02 .80 13.30 ***  Desirable .19 .01 .84 15.30 ***  Reliable .23 .01 .88 18.15 ***  Flexible ← .21 .02 .79 12.77 ***  Friendly .21 .01 .87 17.76 ***	Familiar	↑ 3ranc	.19	.01	.86	16.38	***
Desirable       .19       .01       .84       15.30       ***         Reliable       .23       .01       .88       18.15       ***         Flexible       .21       .02       .79       12.77       ***         Friendly       .21       .01       .87       17.76       ***	Famous	Щ	.21	.01	.87	17.93	***
Reliable         Flexible       ←       .23       .01       .88       18.15       ***         .21       .02       .79       12.77       ***         .21       .01       .87       17.76       ***	Impression		.20	.02	.80	13.30	***
Flexible  Friendly  - 19	Desirable		.19	.01	.84	15.30	***
.21 .01 .87 17.70	Reliable	uc	.23	.01	.88	18.15	***
.21 .01 .87 17.70	Flexible	↑ tentic	.21	.02	.79	12.77	***
Valuable .17 .01 .79 12.60 ***	Friendly	Int	.21	.01	.87	17.76	***
	Valuable		.17	.01	.79	12.60	***

Note: CR = Critical Ratio

\*\*\* p < .01

Source: Author's elaboration.

The SEM technique is applied to several dependent variables directly or indirectly related to consumers' intention to choose ECS in e-commerce simultaneously. Hypothesis testing using the SEM analysis is done to determine model suitability and items used in the research through an absolute test of goodness-of-fit. According to Hair et al. (2009), there are six tests that need to be done on a model that should be considered to reach the stage of absolute goodness-of-fit, where four of six tests indicate that the model has reached the stage of absolute goodness-of-fit. The SEM analysis shows that the six absolute goodness-of-fit tests are good and have met the model suitability requirement as follows: the probability values of chi-square ratio statistics 6.79 (df = 3, p = 0.08); GFI = 0.97; RMSEA = 0.08; AGFI = 0.89; CFI = 0.98; and NFI = 0.97. Thus, this model is declared eligible to be used as a tool to confirm the theory that has been put forward based on observational data

**Table 6**Determination of goodness-of-fit via SEM

Model	Dk	$X^{2}$ (p)	GFI	RMSEA	AGFI	CFI	NFI
Attitude, service quality, shipping cost, brand and intention	3	6.79 (0.79)	0.97	0.83	0.89	0.84	0.97

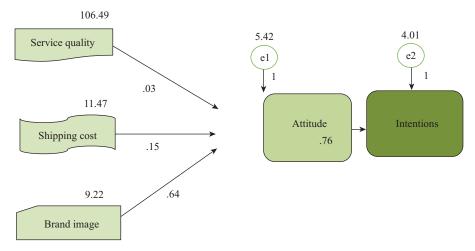
Note: GFI = Goodness-of-fit index, RMSEA = Root mean square error of approximation, AGFI = Adjusted goodness of fit index, CFI = comparative fit index, NFI = normed fit index

\*\*\* p < 0.01

Source: Author's elaboration.

Figure 1 shows that the coefficient value between SQ and attitude is 0.03; shipping cost and attitude is 0.15; brand and attitude is 0.64; while attitude towards intention is 0.76.

**Figure 1** Model of service quality, shipping cost, brand, attitude and intention



Source: Author's elaboration.

In this research, the hypotheses are tested by comparing p-value <0.01 to determine the significance level. When p-value <0.01, then Ho is not supported, whereas if p-value is >0.01, Ho is supported. Table 7 shows the results of the test as follows.

As described, SQ does not influence the attitude towards choosing a courier service, although the effect is not significant as indicated by the p-value of 0.39> 0.01 and the regression coefficient of 0.03, which indicate that increased SQ does not affect the attitude towards choosing a courier service. The critical ratio value is 0.86, which indicates that no relationship effects were detected. Thus, the hypothesis stating that there is a positive influence of SQ on the attitude towards choosing a courier service is not supported.

Furthermore, shipping cost does not influence the attitude towards choosing a courier service, although the effect is not significant as indicated by p = 0.07 > 0.01 and the regression coefficient of 0.15, which indicate that increased shipping cost does not affect the attitude towards choosing a courier service. The critical ratio value is 1.80, which indicates that no relationship effects were detected. Thus, the hypothesis stating that there is a positive effect of shipping cost on the attitude towards choosing a courier service is not supported.

Brand is positively associated with the attitude towards choosing a courier service, which is indicated by a positive regression coefficient of 0.64 with the critical ratio at 6.06 and p = 0.00 < 0.01. In other words, the results of this research show that brand has a significant effect on the attitude towards choosing a courier service. Thus, the hypothesis is supported. The attitude towards choosing a courier service also has a significant influence on the intention to choose ECS (regression coefficient of .76 with critical ratio at 12.61 and p-value = 0.00 < 0.01); thus, the hypothesis that the attitude towards choosing a courier service positively influences the intention to choose ECS is supported.

**Table 7** Path coefficients of variables

	Variables	Estimate	S.E.	C.R.	P
attitude	← service quality	0.03	0.03	0.86	0.39
attitude	← shipping cost	0.15	0.08	1.80	0.07
attitude	← brand	0.64	0.11	6.06	***
intentions	← attitude	0.76	0.06	12.61	***

Note: CR= Critical Ratio

\*\*\*p < 0.01

Source: Author's elaboration.

This finding shows that indirect effects of SQ and shipping cost on the intention to choose ECS are very low,  $\alpha = 0.03$  and  $\alpha = 0.15$  respectively. Meanwhile, the indirect effect (via attitude) of brand on the intention to choose ECS is adequate, namely  $\alpha = 0.64$ , while the direct effect of the attitude towards choosing a courier service on the intention to choose ECS is high, that is  $\alpha = 0.76$ , thus, H5 is supported.

## 5. DISCUSSION

The findings suggest that the presence of SQ does not affect the customer's attitude towards choosing ECS. Although the SQ was measured using the standard GEA, which required shipping attributes including global reach, reliability, transparency, speed and security. It is found that speed and reliability are SQ main measures. This proves that SiCepat is known as a courier company that fulfills its promises of reliability and speed of shipment of goods. The findings of this research are somehow similar to other research (e.g., Liu et al., 2014; Cakravastia & Takahashi, 2004; Kannan & Tan, 2002). Indeed, SQ is assessed by the customer's perception of ECS performance.

The results of this study disprove the idea that shipping cost positively influences the attitude towards choosing a courier service, which is exactly consistent with the findings of previous empirical studies (Rahman, 2006; Mentzer et al., 2001). Further, the study identifies five dimensions that affect the shipping cost, namely: fair rate, affordable rate, reasonable rate, rational rate, and common rate. The identified shipping cost dimensions are consistent with the shipping cost cluster identified by Lopienski (2019), which is known as a flat rate.

Brand affects the attitude towards choosing a courier service, which means that there is an effect of a respective brand on the attitude towards choosing a courier service. The brand indicators show that a famous brand, familiar brand, favorite brand and impression brand are the main measures. This result supports Kotler and Keller's (2012) ideas that quality perception can show a superior differentiation of services and makes consumers selectively use brands and services. Besides, the company's brand affects a positive attitude towards choosing a courier service and customers' intention to choose ECS, which is in line with Ogba and Tan's (2009) investigation indicating that brand affects attitude. Good customer perception can be developed if the brand has a unique advantage and good reputation, provides the best service as well as is good and popular (Kotler & Keller, 2012).

The results of this study confirm that the attitude towards choosing a courier service positively influences the intention to choose ECS, which is consistent with the findings of previous empirical studies (Meschi et al., 2011; Chaniotakis et al., 2010). Furthermore, the study identifies five attitude dimensions that affect the attitude towards choosing a courier service, namely: like, charmed by, know about, happy with and excited by, which are strongly rooted in either the cognitive or the affective component. The identified several attitude dimensions are consistent with the attitude cluster identified by Chaffey (2009).

In this research, the intention is analyzed by using the TAM to find causal linkages between two key sets of constructs as follows: reliability and flexibility are elements of the PU and user-friendliness of technology is used as an element of PEOU. Other constructs of intention such as the user's attitude and behavioral intentions are reflected by one's perceived likelihood that one will engage in a given behavior such as using the technology.

Moreover, we have found that there is no direct effect of SQ and shipping cost on the consumer's intention to choose an ECS. On the other hand, brand exerts a direct effect (via attitude) on the consumer as regards choosing an ECS, while the attitude towards choosing a courier service has a strong direct effect. In short, the attitude towards choosing a courier service acts as a mediator amongst SQ, shipping cost and brand towards the intention to choose an ECS.

## 6. CONCLUSIONS

To summarize, we have found that there are effects between variables in the SEM. In general, SQ and shipping cost do not affect customers' attitude towards choosing a courier service. Their attitude towards using a courier service is affected by the brand. Furthermore, this research confirms the link between brand and their attitude, it has been found that the indicators of brand can change the positive attitude of the customer. It can be concluded that brand directly describes the quality of goods received. However, although both brand and customers' attitude towards choosing a courier service exert an adequate effect on customers' intention to choose ECS, the effect of customers' attitude towards choosing a courier service on customers' intention to choose ECS is higher than that of brand.

It is also proved that the mediating role of customers' attitude towards choosing a courier service as regards the intention to choose ECS has sharpened the previous attitude models in the cyberspace context. The construct of cognitive, affective and conative elements can explain individual desires to determine a positive attitude. The construction of a positive attitude towards choosing a courier service is a critical factor closely related to the SQ perceived, the flat rate of shipping cost and the brand which is offered.

Finally, this research found that the attitude towards choosing a courier service is a mediator of the relationship between SQ, shipping cost, brand and intention to choose ECS. Thus, the advantage of this research lies in lies in the adoption of the main model of service quality

standards set by the GEA and used globally, which require the attributes of global reach, reliability, transparency, speed and security in support of the e-commerce business.

## 6.1. Managerial Implications

Significantly, a number of managerial implications discussed in this research are relevant to these three major areas, namely SQ, shipping cost and brand. We structure the implications in three facets as follows.

The confirmation of the research model has the potential to help managers better understand how customers assess the SQ. The results from the study suggest that SQ should be measured to fully capture an individual's overall perception of SQ. Traditionally, SQ is no longer a problem because it is believed that customers already know the company's performance, either from previous experience or recognition from others. One implication of these findings for managers of both e-commerce and courier companies is to assess the organizational image as part of an assessment of perceptions of SQ. A positive image makes it easier for a firm to communicate effectively, and it makes people more perceptive to favorable messages.

The implication is that while the flat rate of shipping cost has no effect in terms of consumers' attitude towards choosing a courier service, there may be a negative effect in that consumers purchase goods online, where these items are available in several stores. This resulted in consumers having to pay shipping costs for several packages of goods that they had bought. The idea that the flat rate of shipping cost may make consumers satisfied applies only if e-commerce companies can coordinate producers of goods of various types for the closest area. So that consumers only pay the cost of shipping goods in one package. Drawing attention away from shipping costs may encourage consumers to scale up their order values and complete the online purchase process.

The proposed model and the empirical results have several important implications for the practice of business-to-business management. For the first time, the empirical results confirm the intuitively reasonable idea that brand is vital to market success in the business sector, having a clear positive direct effect on the attitude towards choosing a courier service and an indirect one on customers' intention to choose ECS. Small and medium-sized companies organized in e-commerce particularly need to catch up with business-to-consumer levels of brand. The study also emphasizes the importance of internal implementation of the branding concept and brand within both e-commerce and courier companies. The model further contributes to the prognosis of the brand's future by recommending a process for the implementation of brand strategy. Companies also need to pay attention to the composition of their brand teams and be aware of their strengths and weaknesses, but this will require emphasis on integration to arrive at congruent brand perceptions.

## 6.2. Limitations and Future Work

This study also has certain limitations. First, this research analyzes the effect of attitude towards choosing a courier service, SQ, shipping cost, brand and intention to choose ECS. Because there might be some other variables which can affect the intention to choose ECS, the author strongly suggests that in the future research, these other variables should be explored and analyzed as well an indicators in this study need to be more widely developed. Second, this research has been conducted exclusively on courier companies serving the shipping of goods purchased from e-commerce companies and the results and conclusions of this research might not be generalizable to other industries. Third, due to a shortage of time, the researchers did not manage to select a greater number of subjects to meet the requirement of a large sample size. Those who were chosen from Jakarta only could not represent the whole population of Indonesian

customers. Therefore, future research should be done with an increased sample size with various characteristics.

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