



# International Journal of KIU

Journal home page : <https://ij.kiu.ac.lk/>  
DOI: <https://doi.org/10.37966/ijkiu2023041040>



## Original Article

### Factors That Affect Consumers' Online Purchase Intention with Special Reference to Colombo District

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#### Abstract *Lanka*

**Background:** Due to the rise of e-businesses and e-commerce, the majority of consumers have shifted their purchasing habits from in-store to online shopping. In response to this trend, businesses in Sri Lanka are now offering both online and in-store shopping options for their customers. However, Sri Lankan customers have shown a lack of interest in online shopping.

**Objective:** This study aimed to identify the factors that influence consumers' intention to make online purchases.

**Methodology:** A quantitative research approach was employed using a structured questionnaire. A sample of 700 internet users from the Colombo district was selected through convenience sampling. The study examined subjective norms, attitude, and website usability as independent variables, and consumers' intention to make online purchases as the dependent variable. Data were analyzed using correlation and regression analyses.

**Results:** The study found that both attitude and website usability significantly and positively impact consumers' intention to make online purchases ( $r = .385, p < 0.001$ ;  $r = .324, p < 0.001$ ). However, subjective norms did not have a significant impact on consumers' online purchase intention ( $r = .056, p = 0.183$ ).

**Conclusion:** Based on these findings, the study emphasizes the importance for organizations to shape their marketing strategies based on consumers' attitudes. Additionally, organizations should consider developing new products and services that are tailored to the online platform to attract customers.

**Keywords:** Attitude, Online Purchase intention, Subjective norms, Website usability

#### Article history:

Received: 09.10.2022

Received in revised form -  
21.03.2023

Accepted - 25.05.2022

Cite as: Mosses U. D. S., Perera, K. O. E., Sajeewanie, L. A. C., (2023) Factors That Affect Consumers' Online Purchase Intention with Special Reference to Colombo District, International Journal of KIU, 4 (1), 33 - 40. <https://doi.org/10.37966/ijkiu2023041040>

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## **Introduction**

With the introduction of the internet in the 1990s, it, has come to revolutionize the world paving way for industrial performance and daily life change of humans. Further emergence of the internet has made it easy to purchase products and services through the internet. This has been defined as E-commerce (Miles et al., 2006).

More than in the past, e-commerce has become a blessing for many customers and with the invention of new tools and technology, it has become easy to use e-commerce to fulfill customers' needs and wants. Since more consumers have access to the internet, the customer's perception regarding online purchasing has changed (Bhatti et al., 2020). More and more consumers have changed their purchasing behavior from their traditional ways to more internet-based due to the ease, comfort, convenience, cost-saving, and time-saving factors as compared to conventional or traditional shopping (Hooria, 2014). Improvement in information technology has elevated people's standard of living across the world. The sophisticated capabilities of this technology provide incredibly effective communication and access to accurate, reliable, and useful information, which is essential to manage the overall quality. In the industrialized world, ICT is becoming more and more prevalent in most critical economic contexts. Online shopping has a wide-reaching effect on all industries including business, travel, and the economy. Online purchasing practices also impact time consumers. Moreover, online purchasing is mainly adopted by groceries, restaurants, etc. to deliver food items to customers' doorsteps (Bhatti et al., 2020). Online purchasing practices have affected both the private and public sectors. According to the statistics, soon, the digital literacy of younger generations (ages between 15-34 years old) will increase up to 40% - 65% when compared to other generations (Department of Census and Statistics, 2021).

According to the Department of Census and Statistics of Sri Lanka (2021), the internet penetration rate of Sri Lanka in 2019 was 33.5% and was low when compared to India (40.6%), Maldives (68.4%), and Indonesia (62.6%). In the Sri Lankan context, the Western province (45.9%) population uses the internet more than any other province. Further Colombo district has the highest number of people using internet. (Department of Census and Statistics, 2021).

Many merchants offer their products through online websites and has now become a major part of Sri Lankan Business. For numerous reasons, individuals now prefer to shop online as it is convenient. Nevertheless, Sri Lanka still lack financial records of such online sales. According to a previous study, consumer adoption of online purchasing is low in the Sri Lankan context (Wanniarachchi et al., 2017). Privacy and security concerns are the top most concerns for web users for not purchasing over the web (Godwin, 2001). On the other hand, consumers' lack of acceptance is not merely due to the concern about the security and privacy of their data but also due to the lack of trust and reliability of web vendors (Thaw, Mahmood, & Dominic, 2009). Furthermore, it is emphasized that customers do not have considerable awareness of online shopping. Hence, there exists a practical disparity between what merchants offer and consumers' knowledge regarding online shopping. Nevertheless, Sri Lanka possesses significant potential for the growth of online shopping if consumer awareness is enhanced. Due to the relatively new nature of online purchasing in Sri Lanka, there is limited existing research on consumers' intention to buy online. Therefore, the objective of this study was to fill this practical gap.

In the local and global context, previous researchers have used different theories to study consumers' online purchase behavior. The Theory of Reasoned Action (TRA), Technology Acceptance Model (TAM), Theory of Planned behavior (TPB), Expectation-Confirmation Theory (ECT), and Unified Theory of Acceptance and Use of Technology (UTAUT) are significant

theories that have been used to study the consumer behavior.

Several researchers have used the extended and revised TPB models to increase the predictive and explanatory ability of TRA on human behavior (Zhang, 2018). The present study is based on the extended model of the Theory of Planned Behavior which explains the relationship between Attitude, Subjective Norms, Website Usability, and Purchase Intention. The intention is known to be an indicator to measure the degree of a customer's willingness to approach a certain behavior and how many attempts they try to perform a certain behavior (Rahi, Ghani, & Muhamed, 2017). Attitude is one of the main components used in the Theory of Planned Behavior to evaluate human behavior. It is a learned predisposition to behave in a consistently favorable or unfavorable way concerning a given object (Mengli, 2016), Subjective norms are another factor which is significant in evaluating human behavior. Subjective norms are perceived as pressure obligatory by others such as a neighbor, friends, or any person, who performs the behavior of interest (Ajzen & Fishbein, 1980). Website usability is a vital factor should be considered in line with online purchase intention. Website usability consists of simplicity, readability, consistency, interactivity, learnability, navigability, content relevance, supportability, and credibility factors (Perdana & Suzianti, 2015).

## Methodology

Explanatory research design has been used in the study to explain the relationship among attitude, subjective norms, website usability, and online purchase intention while this research attempted to achieve the research objectives through hypothesis testing. Due to the rapid expansion of online shopping in the last few years, more customers have used online methods to purchase products to fulfill their requirements. Furthermore, due to the COVID restrictions and safety requirements, the researchers selected a convenient sampling method to collect data from

the respondents. The researchers distributed a structured questionnaire among the respondents to collect the data.

According to the Hootsuite (2021) report, the Sri Lankan active internet users have been identified as 10.90 million. In Sri Lanka, the highest percentage of internet users has been recorded from the Colombo district. Therefore, the Colombo district's active internet users were selected as the study sample. Since the population of the study is more than 1,000,000, the sample size has been calculated as 700 by using Krejcie & Morgan, table. In this study, face validity was used to measure the validity of the instrument. The study has tested the constructed hypothesis of the study by using correlation analysis and regression analysis. The researchers used SPSS software to analyze the collected data set.

## Results

In the data cleaning process, 535 responses were accepted for the analysis out of 700 responses (response rate 76.42%). Since the Skewness value (-0.720) is between -2 to +2 and the Kurtosis value (1.302) is between -7 to +7 the data set has been identified as normally distributed. According to Table 1, Cronbach's Alpha values of all variables are above 0.7 (Sekaran & Bougie, 2016). Therefore, all the variables are reported as reliable.

Table 1: Test of Reliability

Variable	Cronbach's alpha value	Number of items	Comment
Attitude	.912	7	Accepted
Subjective Norms	.827	4	Accepted
Website Usability	.900	6	Accepted
Online purchase intention	.874	8	Accepted

(Source: Survey Data 2021)

Out of the 700 complete cases, 66% (n=462) are male, and 33% (n=238) are female. The respondents' age is significantly different in each social group. A large number (n=259, 37%) of the respondents are in the age group of 26-35, while 32 % (n=224) are represented by the age group of 18-25. The remaining 8% (n=56) and 23% (n=161) belong to the age group of above 46 and

between 36-45 respectively. According to the results of the study, 49% (n=343) of respondents completed their G.C.E A/L while 28% (n=196) of respondents were diploma holders. Further 23% (n=161) of respondents were graduates. With regards to the Monthly Income respondents in this study frame, who hold a monthly family income between 25,000-39,999 were 49% (n=343), while respondents, who hold a monthly family income between 40,000 and 54,999 were 24% (n=168). Moreover, 10% (n=70) of the respondents hold a monthly family income above 55,000 and 17% (n=119) of respondents were below the income of 25,000.

Table 2: Descriptive Statistics

Variable	N	Mean	Std. Deviation
Attitude	535	3.4280	0.67935
Subjective Norms	535	3.4150	0.76101
Website Usability	535	3.5268	0.73877
Intention to online shopping	535	3.3315	0.69545

(Source: Survey Data 2021)

The mean value for the consumer intention to online shopping was 3.33±0.69 (table 2) Overall, the mean values of all variables are more than 3 and it indicates that variables are performing up to the standard level.

Pearson’s correlation coefficient for attitude is between 0.5 and 0.8 (0.710) which is a moderate degree of the positive relationship between attitudes and consumers’ online purchase intention. Furthermore, Pearson’s correlation coefficient for subjective norms indicates 0.593 and it is directed to identify a moderate degree of a positive relationship between the subjective norms and consumers’ online purchase intention. Pearson’s correlation coefficient of website usability indicates a 0.709 value, and it also recorded a moderate degree of a positive relationship between website usability and consumers’ online purchase intention.

According to the analysis of the study, the ANOVA table p-value is 0.000 (< 0.05) the model can be identified as significant. Furthermore, according to table 03, p-values of attitude and website usability indicate 0.000 value. Since it is

less than 0.05, the impact of attitude and website usability on customers’ online purchase intention has been identified as significant. But the p-value of the subjective norms is 0.183 and it is not less than 0.05. Therefore, the impact of subjective norms on customers’ online purchase intention cannot be identified as significant.

Furthermore, concerning table 03, the following regression equation can be created using the beta coefficient

Table 3: The coefficient table of variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	.677	.108		6.270	0.000
Attitude	.385	.057	.376	6.795	.000
Subjective Norms	.056	.042	.062	1.334	.183
Website Usability	.324	.057	.344	5.672	.000

(Source: Survey Data, 2021)

$$Y (\text{Consumers' online purchase intention}) = 0.677 + 0.385A + 0.324WU + e$$

According to the regression equation, it has been concluded that when the attitude (A) increases by one unit the consumers’ online purchase intention will be increased by 0.385, and when the website usability (WU) increases by one unit the consumers’ online purchase intention will be increased by 0.324. The R-Square value is 0.547, which means 54% of the variation in customers’ online purchase intention can be explained by attitude and website usability. In the current study, hypotheses have been tested by using correlation analysis and regression analysis at a 95% of the confidence interval.

Based on the analysis conducted, the study ultimately found that consumers’ online purchase intention is significantly influenced by attitude

Table 4: Summary of Hypothesis Testing of the Study

No	Hypothesis	P value	Result
H1	Attitude has a significant impact on consumers’ online purchase intention	0.000	Accepted
H2	Subjective Norms have a significant impact on consumers’ online purchase intention	0.183	Rejected
H3	Website Usability has a significant impact on consumers’ online purchase intention	0.000	Accepted

(Source: Survey Data, 2021)

and website usability, while subjective norms do not have a significant impact. Therefore, it can be concluded that website usability and consumer attitudes play a crucial role in influencing individuals in the Colombo district to make online purchases.

## **Discussion**

The primary objective of the present research is to investigate the influence of three key factors, namely attitude, subjective norms, and website usability, on consumers' intention to make purchases online. The findings of the study indicate that attitude plays the most significant role in shaping consumers' online purchase intention ( $B = .385$ ). This outcome is supported by previous literature, which has demonstrated the significant impact of attitude on customers' intention to purchase online (Peña-García, Gil-Saura, Rodríguez-Orejuela, & Siqueira-Junior, 2020). Previous research by Alam & Sayuti (2011) has also highlighted a direct positive relationship between attitude and intentional behavior, emphasizing that customers' attitude directly influences their online purchasing behavior. Moreover, a study conducted in 2002 (Karjaluoto, Mattila, and Pentto, 2002) revealed that trust in online stores,

The study has concluded that attitude and website usability has a significant positive impact on consumers' online purchase intention while subjective norms do not have a significant impact on consumers' online purchase intention. Since the findings of the study elaborate a significant impact of attitude and website usability on online purchase intention, as such, it can be stated that website usability and consumer attitudes are most important in influencing clients in the Colombo district to make an online purchase.

Perceived ease of use, perceived usefulness, and attitude toward online purchasing have a positive relationship, while perceived risk is negatively related to attitude. Consequently, individuals make choices and decisions based on their

attitude, which in turn influences their purchase intention, depending on their different attitudes.

The positive impact on customers' intention to purchase online is influenced by the usability of a website. Consumers' online purchase intention is linked to the usability of an online website (Childers, Carr, & Peck, 2001). Additionally, the primary gateway to attract customers and exert greater influence on online shopping is the design of the website (Lim, Lim, & Trakulmaykee, 2011). Previous studies indicate that customers not only prioritize the design and interface of a website but also consider its ease of use (Belanche, Casaló, & Guinalú, 2012). Before making a purchase, individuals prefer to obtain genuine and trustworthy information from the source.

According to a study conducted by Khalil and Pearson in 2008, the presence of family members and colleagues as subjective norms positively affects individuals' inclination to make online purchases. In a separate study by Hasbullah et al. in 2015, it was emphasized that social interaction and interrelation play a crucial role in predicting high levels of satisfaction with online shopping. Additionally, the researchers found that social influences stem from subjective norms, which encompass consumers' perceptions of other consumers' beliefs, while subjective norms themselves have only a minor impact on individuals' intentions to engage in online shopping. Furthermore, the researchers confirmed a significant correlation between discussing online shopping with friends and the intention to shop online (Hasbullah et al., 2015).

Nevertheless, the results underscored that subjective norms have not exerted a substantial influence on customers' intention to make online purchases. As customers increasingly make independent decisions regarding their purchases, subjective norms may not hold significant sway over their online purchase intentions. Instead, it is likely that other factors play a more influential role in shaping customers' inclination to make online purchases (Irawan & Hurriyati, 2020).

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## **Conclusion**

In conclusion, this research study has shed light on the various factors that significantly impact consumers' online purchase intention, specifically in the Colombo District. The findings of this study provide valuable insights into the factors that influence consumers' decision-making process in online shopping, contributing to the existing body of knowledge in the field of e-commerce. Online shopping is an increasingly important aspect of the modern economy, playing a crucial role in its growth. The findings of the study indicate that consumers' intention to make online purchases in the Colombo district is significantly influenced by their attitude and the usability of the websites they visit. However, subjective norms do not have a significant impact in this regard. Given that attitude is identified as the most influential factor affecting consumers' online purchase intention, organizations should focus on developing effective marketing and promotional strategies to alter customers' perceptions and attitudes towards online shopping, thereby optimizing their overall performance. Additionally, it is crucial to regularly assess and monitor customers' attitudes to gain a deeper understanding of changes in consumer behavior. Based on these attitudes, organizations can tailor their marketing strategies accordingly. Furthermore, organizations should strive to create user-friendly and visually appealing websites to enhance customer retention and encourage increased time spent on the site, ultimately positively impacting consumers' purchase intentions. Overall, this research study sheds light on the factors that influence consumers' online purchase intention in the Colombo district. By understanding and leveraging these factors, businesses can develop effective marketing and website design strategies that enhance consumers' attitudes towards online shopping and ultimately drive their intention to make purchases online.

## **Future research directions**

The current research proposes methods to identify more influential factors that impact consumers' inclination to make repeated online purchases. To gain a deeper understanding of consumer behavior and acquire further knowledge about the online business landscape, it is advisable to expand the study on a larger scale. It is recommended to conduct the research in other districts of the country in order to obtain more insightful findings. While subjective norms did not emerge as a significant factor influencing consumers' online purchase intention in this study, it is essential for businesses to consider broader social influences and cultural factors that may play a role in shaping consumers' attitudes towards online shopping. Conducting further research to explore these aspects could provide valuable insights for businesses aiming to tailor their strategies to the specific context of the Colombo district.

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