

Low transaction cost via application and 7-Eleven online shopping



An Independent Study Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Arts in Business and Managerial Economics

Field of Study of Business and Managerial Economics

FACULTY OF ECONOMICS

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This study investigates benefits of online technology that influence the intention to purchase on online channel or an intention to switch from non online shopping mode choice to online shopping mode, focus on an influence of time saving and cost saving benefits of online shopping on an intention to purchase products on a mobile application of 7-Eleven Thailand. As for both saving benefits of online shopping are duplicate with competitive advantages of convenience store as well. Therefore, this paper was direct by whether these time and cost saving benefits will also have significant effect on the intention to purchase from convenience store on online application or customers would see that by purchasing in store of 7-Eleven is already provided convenience and their satisfaction in time and cost saving has already met.

Theory of planned behavior is used as based theory in developing the model to investigate effects of online shopping benefits. Data collection is done by online survey on customers of 7-Eleven who reside in Bangkok Metropolitan. The proposed research model is tested by regression analysis to inspect relation between perceived time saving, perceived cost saving, online promotion, financial security and privacy risk, consumer's attitude and experience, online shopping experience, gender, average income, education level and occupation on the intention to purchase on the application of 7-Eleven.

The result shows significant effect of both cost and time saving benefits on consumer's intention to purchase products on mobile application of 7-Eleven in positive ways. Moreover, the benefits of these two have higher effects than an online promotion which have been highly use in many of 7-Eleven marketing campaigns. The result from this study could be benefits for the company of 7-Eleven and also other companies of convenience store that wish to accommodate the online shopping strategies and use the benefits of cost and time saving as an attraction in any marketing campaign.

Field of Study: Business and Managerial Economics Student's Signature

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Chapter 1

Introduction

By steady growth of internet users around the world, thousands of elements have been changed tremendously. Human habits have been changed as internet provide more convenience in many activities, rapid in communications and information of almost everything on the planet and beyond are accessible by anyone at any time. Also, internet eases some of the complicated activities such as in financial field. For example, before the creation of mobile or online banking in order to transfer money to someone, a trip to a bank is required, all details of the transaction have to be written in a paper form and wait for the bankers to finish the process. But with the online or mobile banking application, nowadays the money transfer processes could be done from anywhere in almost less than five minutes. The convenience of internet does not stop by only personal use but also totally change the world of business.

Nowadays, most of businesses use the internet in their business operations, because consumer's behavior has been changed, not only their personal behavior but also consumer's shopping behavior has been dramatically changed by the use of internet as well. These days, most of internet users should know what an online shopping is and at least have tried to shop on some online channels once. Main attract benefits of the online shopping is convenience, the freedom of time and cost constrain that free consumers from geographic limits. Same with the example of financial transaction mention above, to purchase something now is possible anytime from anywhere in the world. With online shopping, consumers are free from location and time limitation constrains, they can purchase and get the product without leaving their home or workplace. Moreover, with an advanced in delivery services now consumers can get the order purchased online within an hour if the online

shop that they purchased from is located in nearby area. These convenience in shopping processes have totally changed consumer's buying decisions and expectations. Given the fierce competition of online shopping and on-demand delivery services in Thailand as online shopping segment has been sharing extensive portion of market share from retail industry. Many retailers have adopted this trend and provide online shopping with delivery service, in order to remain the share and meet the satisfaction of potential online customers.

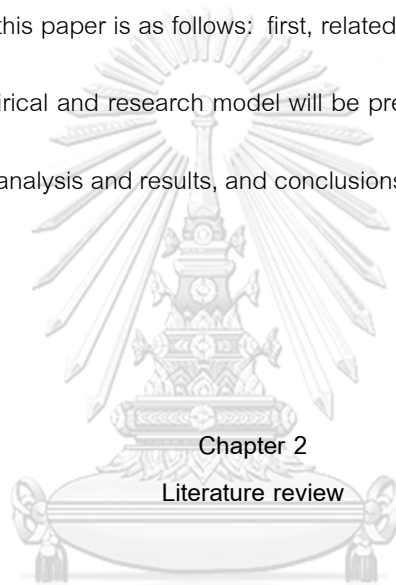
The advantages of the internet share the same core competitiveness with convenience store business, as the convenience stores tend to locate near the living or working area to provide the most convenience in accessibility. An operation hour is also the strength of convenience store, as its open for twenty-four hours every day, similar to the online shopping that also accessible twenty-four hours every day. These same in competitive advantages and strength in both businesses could be disadvantage for the traditional convenience store business that provide online offline in store shopping if consumers switch to use online shopping instead because it can give the same or better convenience.

Therefore, with the current enormous growth of internet raise a question of what the direction for convenience store in the future should be. To understand more in Thai consumer's evaluation in the benefits of online shopping and offline convenience store shopping, this study chooses the largest of convenience store chain in Thailand to investigate.

Top domestic convenience store retailers in the country, CP All Public Company Limited, the owner of 7-Eleven Thailand. Now operating with more than 11,000 stores across the country, the greatest number of branches chain convenience store in Thailand. Given the resourceful in distribution and logistics systems, 7-Eleven Thailand has deployed the 7-Delivery application providing online shopping mode option for their customers. This application also provides two options of delivery,

customers can either choose to wait for the product to be delivered or they can choose to pick up the product in nearby stores after the order has been placed. However, this service is now only operating in Bangkok metropolitan and the majority of 7-Eleven's customers still choose to go in store for purchasing instead of purchasing on the application. This situation backing the fact that both share the same benefits and consumers might not feel the need to use an online channel when buying from convenience store. Therefore, this study will try to understand more on this duplicate of benefits.

The sequence for this paper is as follows: first, related studies and theoretical theory will be presented. Secondly, empirical and research model will be presented, followed by presentations of the research method, data analysis and results, and conclusions from the findings.



In past ten years, consumer's purchasing pattern has dramatically changed with the advancement of technologies. Traditional retailers are under the pressure of the advance in technology, shift in consumer's behaviors and packed competitions, every companies try to follow the changes to retain their consumers and maintain position in the market. Apart from traditional way of shopping by travel to a physical store, with the advance in technologies, consumers are able to shop through online platform. This kind of shopping mode has different names, online shopping, e-shopping, internet shopping and etc. But no matter what it called, the essential is that they are freeing consumers from having to personally visit physical stores, hence, this new shopping mode choice has changed consumer's shopping behavior.

This online shopping is expected to expand remarkably in this upcoming year and this new shopping mode choice will be a key challenge to many industries, especially the retail industry. Regardless of the economy slowdown in many countries, the growing of online shopping revenue tends to be in the opposite direction. In the research result done by J.C Williams Group (1999) shown that Internet users repeatedly rated their online shopping experience as highly pleasant for its rich in product selection and its convenience. Similar to one study of Yusen Xia and Peter Zhang (Xia and Zhang 2010) that indicate the advantageous of online shopping as its ability to give a detailed information of the product and provide more convenient in exploring even allow consumers to check for price comparison with other competitors, even with some exclusive online discount. For business side, the expansion of online channel allows traditional retailers to expand their market and provide significant improvements in almost every department.

One study intend to list the factors influencing online purchase in term of behavioral (Lee 2002). The result from this paper was categorized into different phrases of online shopping what internet users experience when attempt to do an online purchase. First phase is the phase of building trust and confidence is the phase where consumers try to find online shop that provide good product description and background information of company. Main concern in this phase is privacy, online customers often seek for the protection of their information providing by the website. Second phase is by the constrain of online shopping that consumers cannot inspect the product before they decide to purchase but this has trade off with the extensive in doing comparison for similar products with different price and conditions. Online customers who want to purchase products online will seek for a website that provide an ease shopping experience, completed product information and securing option in making online payment. Customers will buy from the online retailer that provide lower price under the same other conditions. Lastly, the phase after purchasing, after they placed an order online customer

want fast delivery and the guarantee of product damage or return policy in the case of unsatisfactory. In this stage, the sellers have to ship the product as soon as the order is done and minimize the chance of mistake in shipping details which will delay the delivery time to maximize customer's satisfaction.

From the previous studies, it has been clear that there are two main saving benefits that pursue consumers to do an online shopping, time saving and cost saving. By doing online purchase, consumers have saved their travel time to actually commute to the shopping place, but this saving also has a tradeoff that they will have to wait for the delivery to be arrived. One study has used the utility theory as a base of their research model to investigate how consumers will maximize their utility when making online purchase with the tradeoff of time and cost attributes (Hsiao and Review 2009). This study uses four main variables in explore how consumer will decide the shopping mode choice; commuting cost, commuting time, price and delivery period. An interesting point from the result in this study is that the choice making patterns is totally different between those who have experience in online shopping and those who don't have. Consumers with online shopping experience is found to value the time resources more than those who does not have experience; hence, they are the group that dominant in adopting the changes of shopping mode choice to online shopping mode. Moreover, in terms of monetary values, avoiding shopping trip procedures has more benefits than bearing waiting for delivery.

Many studies on the intention to purchase online have use the theory of planned behavior by (Ajzen and processes 1991) as base theory and adopt into their research model in trying to explain the factors effect in the intention and behavior in the context of online shopping. The initial explanation of the theory is that a person positive or negative perception has an impact on intention to perform a relevant behavior. One study has also use this theory in explaining the relation between attitude of customers on the retailer and the intention to change the shopping channel from offline to online (Kim,

Park et al. 2005). The hypothesis of this study is that customer's initial attitude on the retailer has a positive relationship with the attitude toward online shopping and the intention to try purchase from that retailer on the online channel. The result supported the hypothesis that customer's attitude on the retailer has a positive effect on their intention. Customer's attitude in this study includes familiarity with repetition in number of shopping and the experience received when shop at that retailer traditionally.

Another study uses the same base theory is done with intention to find a relation between trust in privacy protection and reliability on the online purchasing behavior (George 2002). With privacy concerns have been listed as one of the most reason consumers do not want to purchase product online. This study assumes that online consumers with online shopping experience know how to inspect and dodge from deceitful behaviors, hence, this group of consumers should perceive online shopping as more reliable than those who does not have experience. All hypotheses were support by the result, more internet experience result in less worry and unsafe perception when making online purchase and customer's belief about the reliability of internet has an important role in influencing the online purchase intention as well. The result from this study can implied that new online consumers can increase their online experience by doing more online actions, which will eventually result in the less risky perception of online shopping and they will do online shopping more frequently.

From the above benefits that consumers seek for in online purchase are convenience in time and travel conditions, which both of them are the competitive advantages of the convenience store as well. And as the online shopping has been sharing significant amount of market from retail including supermarket and chain convenience store, this bring the challenge into retail and convenience store industry on how to maintain the market and the customers. As in retail industry, many retailers have adopted the online channel and implement the multi-channel strategies to compete in this online competition. The multi-channel retailer provides both online and offline options from their consumer to

choose, consumers can search for products detail on the website and go to buy that product in store or consumers can order the product online and choose to pay and pick up in store as well. The internet has formed new direction to many businesses as it changed consumer shopping behaviors.

However, convenience stores feature in general hold some competitive advantages in online shopping, first of all, with some consumers don't trust in the system of online payment, therefore, these consumers will chose to pay via offline method, even better if they can pay and pick up the products at the convenience store which hold the biggest share in chain convenience store in the country. One study points out some constraints in making online purchase such as concerning of being trick by a fraud, uncertainty in internet transaction and the requirement of return or reject to accept the product if the quality require is nor met or the product has been damaged by the distribution process (Wang and Sie 2012) . This research has studied the system of convenience store in Taiwan that developed an online retail model, by providing choice of picking up goods at the convenience store when consumer making purchase online. The hypothesis of this research is to examine the relationship between pick up goods service and consumer's trust in online purchasing. The finding is as expected, most of the data collected by questionnaire have list the pick-up product in convenience store service as an important factor in increasing their trust in online purchasing.

Previous study of online shopping by Troy (2002) indicates that the main benefits of internet is convenience, by freeing customers from limitation of time and geographic boundaries. This advantage of the internet shares the same core competitiveness with the convenience store, therefore with the current enormous growth of internet what should be the direction for convenience store in the future. (Hsu and Huang 2006) studied on the future of chain convenience store under the growing of online shopping. They investigated business model of 7-Eleven in Japan and Taiwan under the integrating of online channel. They have concluded that e-business has strengthen 7-Eleven

performance, with the rich resources and business connection of the company, 7-Eleven has a competitive advantage in developing e-commerce strategies. Compare to other retailers, convenience stores have competitive advantages as their physical stores is close to the customers in order to delivery or pick up the product, and their reputation is quite good enough to get the trust from the customer. Even with the most listed concerns as payment security problem, has been ease with the reliability of the brand and customers feel more secure doing online transaction on 7-Eleven website.

Another research study under the developing of online technology in combination with its existing strategy on chain convenience store(Liu 2018) .In this study, a definition of new retail of chain convenience store is by integrating new online adaptation with existing strategies and resources. Chain convenience stores are different from large supermarkets and department stores, with their wide coverage network, its closer location to customers that can solve the last mile problem that large supermarket cannot. Compared with the traditional convenience store, the new retail in this study has five main difference attributes; first is that its business model is a deep integration between offline, online and modern logistics to provide consumers an Omni-channel and comprehensive services. Second is the difference in target group, online target group is often dominated by young customers who good at doing online comparison. Third is that new retail can sell all kinds of goods on the physical store and online platform, while the traditional store can only sell product that can be displayed on shelves. The fourth difference is a distribution mode, the new retail consisted of more complicated distribution processes than the traditional one. Last is the difference that caused most concerned by consumers is the payment method.

While many studies have provided evident that chain convenience store or multi-channel retailers benefit the business in this online competition, but the reason why consumer would want to pick up product in the store when doing online purchase if they desire to save their travel time is

uncovered. One study on this matter is done to understand online consumer's decision better by examine the relation of purpose of purchase and constraint on a decision to use an order online and pick up in store (Chatterjee and Research 2010) . The result from this study provide some interesting information such as different purpose of shopping is also result in different mode of shopping choice. Additionally, consumers with higher price awareness will often choose to pick up in store when order online, while consumers with lower price awareness tend to use a delivery service. Another distinguish between these two choices is the basket size, in this study found that consumers who choose to pick up online order are prone to have larger purchased sizes and those who need to acquire the product immediately. In conclusion, the multi-channel retailers with provide both pick up in store and delivery options will be able to attract two group of consumers and benefits from the extensive in online shopping competition.

Beside all the advantages of online shopping that could encourage online purchasing, online purchasers also have some major concerns that retain them from making an online purchase, which are insecurity, lack of trust for online transaction and privacy. Even with understanding that some personal information is used to benefit them in term of personalization communication, but most consumers are preferring some information to be more private such as home address, phone number and credit card numbers. Because some consumers are perceived that online retailers would attempt to unauthorized collect and use their information, whether it is personal, financial or shopping behavior information. Therefore, for business owner, it is important that your online channel is perceived as much as safe as they would provide such information more importantly when making online transaction.

One research has also studied about a relationship between concerning of payment security and online purchase (Kwon, Lee et al. 2003), they tried to find the connection of consumer's attitude of online shopping and the intention to do an actual purchase. This study researched by using the

theory of reasoned action by Ajzen & Fishbein (1980) as a based theory. The hypotheses went by whether consumer's concerning on payment security would change if the sellers provide an additional option of offline payment method. The result is as expect, an offline payment option can reduce consumer's concerning on payment security and increase an intention to do an online purchase accordingly. The implication from this study is form as the attitude toward online shopping can be changed by improving online payment security that reduce consumer's concern.

Another study examine the risk perception of online shopping in difference level of experience in online shopping and internet usage in general (Miyazaki and Fernandez 2001). They tried to find whether more internet experience and the more numbers of online shopping performed are related to lower in risk perception. Their hypotheses were test by multi regression analysis and their finding supported that both two related to each other's in an opposite direction. Another interesting result from their survey is that respondent's concern over online shopping can be classified into four categories. First, Privacy, as a concern that an online retailer will misuse or unauthorized their information to other retailers. Second, System security, a concern towards financial system provider to unauthorized access to their financial or transaction information. Third, concerns regarding to trustworthiness of the online retailer. Lastly, Inconvenience of online shopping, consisted of the limitation of online shopping behavior such as unable to physically see the quality of product. Some of these respondent's concerns listed in Privacy and System security categories will be used as the question evaluating customer's concern of privacy and security in this study.

Another study related to consumer's privacy concern is done by with intention to study the effect of privacy policy on trust and willing to provide information online (Wu, Huang et al. 2012). Regarding to previous studies, some consumers realize that some information that they provided when

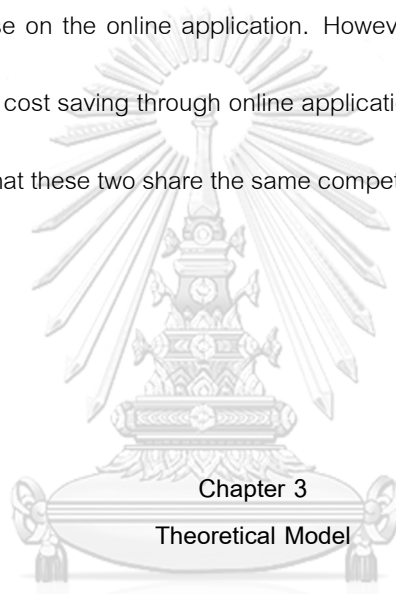
making online purchase is beneficial, as the website can monitor consumer's buying patterns and preferences and use this information to later be used as personalize services. However, their concerns about their personal information or shopping behaviors will be misused or revealed. Therefore, online privacy concerns often lead to intention to not provide their personal information online and reject online shopping. From their review on empirical researches, the privacy protection policy can be used to reduce consumer concerns about the unauthorized use of their information. There are two interesting hypotheses that the study has examined, whether privacy protection policy result in increasing of trust and whether trust influence consumer's willingness to provide personal information. The findings indicate that protection policy has positively effect on consumer's trust and trust also influences on consumer's willingness to provide personal information. By inform consumers in detail on which information would be collected and how the website will use the data on the privacy protection policy help relax the mistrustful and increase consumer's trust.

Another study has also study an impact of trust on consumer's perception of the reliability of the online shopping website and whether consumer's loyalty to the company help increase the trust (Özgüven 2011). The result from this study indicate that relationship between trust and perception of the reliability is strongly positive and customer loyalty in online shopping increases as trust increases. An important conclusion from Özgüven's study is that consumer's trust comes from authentic appearance of the website, as consumers tend to shop on the website that they perceived as trustable and do continue to shop on that website if satisfaction is met.

Another research study related to consumers' security concerns was done with intend to find factors related to consumer's trust in online shopping (Cheung and Lee 2000). The result from this study categories the origin of consumer's trust into four groups; reliability of an online retailer, reliability in website mechanism, structural factors and other factors. From this study, it can be implied that if an

online retailer wants to increase or gain trust from online consumers, they should target on these four original factors in creating trust and use clear and honest communication when inform about the policy on privacy protection or financial transaction.

For this paper, which focus on the intention to purchase on online application of 7-Eleven Thailand, will adopt some of the factors and concepts mention in the literature reviews such as a relation of consumer's familiarity and attitude of 7-Eleven or consumer's online shopping experience on the intention to purchase on the online application. However, the main focus is to examine the benefits of time saving and cost saving through online application of the convenience store business which have some evident that these two share the same competitive advantages.

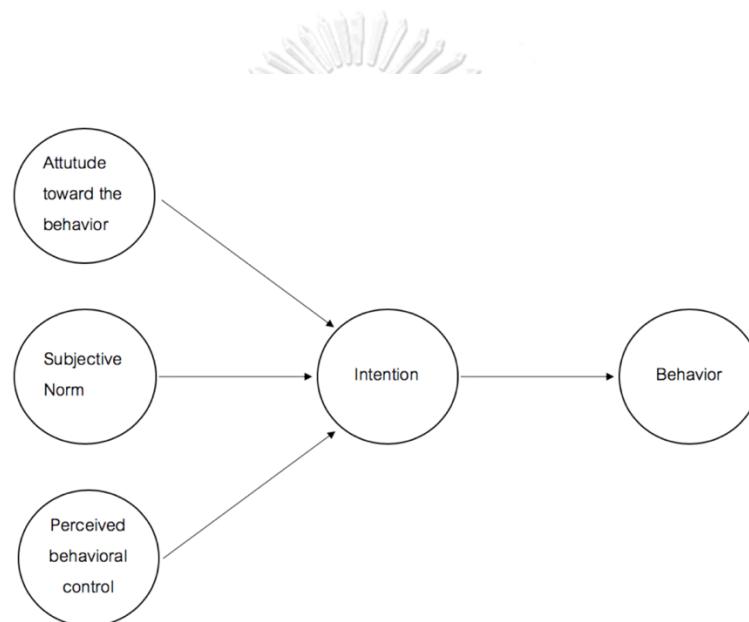


Chapter 3

Theoretical Model

Throughout these related studies, there are several studies that use the theory of planned behavior (Ajzen and processes 1991) as an initial framework to develop their own model. Theory of planned behavior has been using a base theory for many research studies focusing on intention and behavior. Originally, there are three core factors influencing on intention in this theory; first is an attitude toward behavior indicates a direction of attitude of an individual toward selected behavior. Secondly, a subjective norm refers to a social criterion on which an individual should or should not perform that behavior. Lastly, a perceived behavioral control refers to individual' perception on his or her ability to perform and control that behavior. In general, all three sources influence intention in the same direction,

which is as a reinforcement factor. In conclusion, an outcome of positive effects of all three factors is a forceful intention to perform that behavior and later with required opportunities and resources, an individual should successfully perform that behavior. There are some conditions in this theory, in order to precisely predict the behavior that is the perception and intention must be in the same condition and same environment. The importance in study an individual's intention is that, the intention can indicate how much an individual is willing to try and put effort into performing that behavior.



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Figure 1 Theory of Planned Behavior

Chapter 4 Empirical Model

With using theory of planned behavior mentioned in previous chapter as base theory, this study will be focusing on only the first stage of the theory which is to study on factors influencing

intention. The conceptual of this study is adopted by using factors that have been evidently prove in previous researches as factors effected intention to purchase on online shopping. Moreover, this conceptual framework has added some specific elements based on the scope of this study that is the consumers of 7-Eleven Thailand.

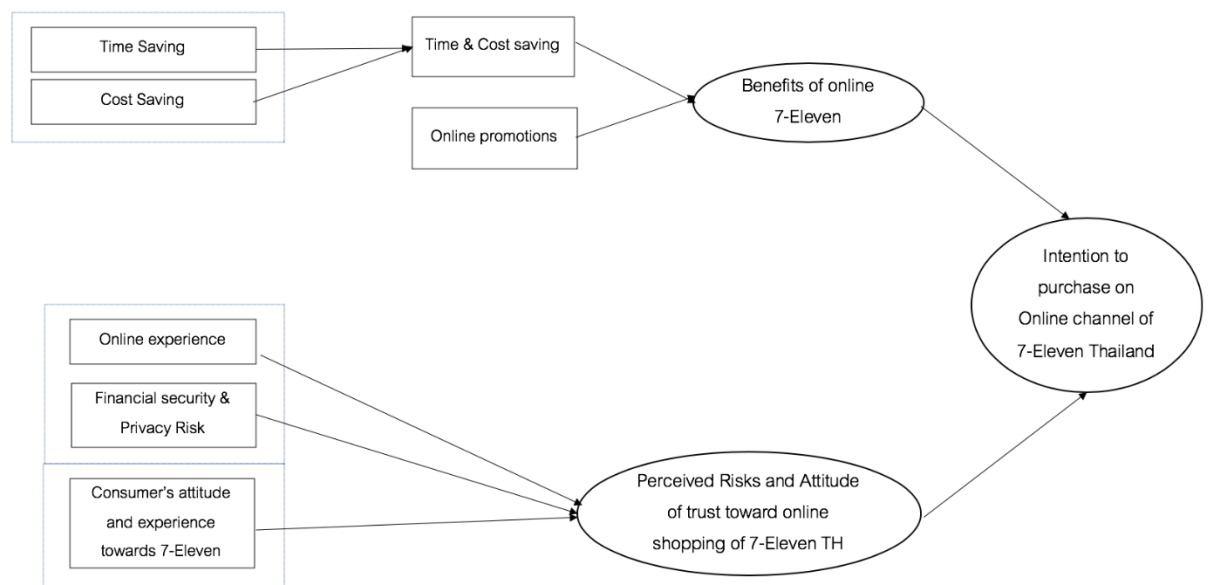


Figure 2 Conceptual Framework

From the conceptual framework above, first group of factors influence intention to purchase on a mobile application of 7-Eleven is the benefits of online shopping, which consists of time saving, cost saving and online promotions. Most of online customers reveal that they prefer online shopping mode choice because it provides more benefits than traditional way of shopping in store. Compare to in-store shopping mode, online shopping provides benefits of time saving as consumers don't need to commute from one place to the actual store. Consumers are able to place an order online and waiting for its to be delivered while working on other works without leaving their place. As in area of Bangkok metropolitan with massive traffic, particularly in area that department stores or supermarkets are located, avoiding struck in the traffic can save lots of time. From different point, online shopping

also gives the benefits of time saving with its feature that expand products selections for its customers in one place.

With the wider range of product selection providing by online channels, lead to the benefit of cost saving of online shopping as customers can compare the price between each online seller and can choose to buy from the shop that give the lowest price. Moreover, many online shops tend to give lower price than the traditional stores, since they have eliminated some fixed cost such as commercial space rental cost.

Online promotion is one of the sale marketing that work quite effective on traditional 7-Elevens store, this also can imply to the online service of the convenience store as well. 7-Eleven has been continuously implemented sale promotions both in offline and online. For online promotions, most likely it is a mixed use of shopping in a store but provide some exclusive benefits if using their online application with membership. For example, in the stamps collecting campaign, consumers who collected their stamps with mobile application will gain higher point than those who collected physically. In this paper, it is expected to see a positive effect of 7-Eleven online promotions on consumer's intention to purchase on online channel of 7-Eleven Thailand.

However, as core advantage of convenience store is also convenient, consumers choose to shop at CVS because they can by things fast and the accessible locations is almost everywhere. In the case of 7-Eleven Thailand, consumers might not see the need to use the online channel as the choice of offline mode can give the same benefits and even can get the product right away.

Next group of factors that play an important role in influencing consumer's intention to purchase on online application of 7-Eleven is *Consumer's Perceived Risks and Attitude of trust* toward online shopping of 7-Eleven TH. Experience helps reduce uncertainty by eliminate unexpected disadvantageous future actions of other parties. Many previous studies have evidently proved that the

more online shopping experience consumer, the less perceived risk of online shopping. Therefore, this online shopping experience is expected to have a positive effect on consumer's intention to purchase on online channel of 7-Eleven Thailand.

Consumer's perceived financial security, primary related to reliability of the online transaction methods or tools that use to process the transaction which will require them to provide financial information. For this reason, customers tend to shop on online shops that provide payment options of offline methods such as cash on delivery or bank account transfer. This also include the risk of not getting products after money has been transferred, as the customers lost their money because of the online purchase. For the perceived privacy risk, mainly related to consumer's concern of misused or unauthorized use of the information provided while making online transaction. Many studies have listed perceived financial security and privacy risk as a major concern that prevent consumers from performing an online purchase, therefore, this factor is expected to be negatively related to the intention to purchase on online channel of 7-Eleven Thailand.

The factors that will be using in evaluate consumer's attitude of trust towards 7-Eleven Thailand in this study is factors that show a relationship between consumers and the company, which are consumer's experience and familiarity with 7-Eleven. Familiarity refers to consumer's frequency in purchasing products or services from 7-Eleven. The more familiar customer gets with the company, the more they know what can be expected of purchasing from that company, therefore, consumer's familiarity positively affects consumer's attitude of trust towards 7-Eleven Thailand. Consumer's positive experience with 7-Eleven Thailand. Refers to a pleasant shopping experience at 7-Eleven whether by the quality of products or services. Therefore, consumer's positive experience positively affects consumer's attitude of trust towards 7-Eleven Thailand. From the conceptual framework above, plus some of the demographic factors that some of studies about intention to purchase on online

channel have proven as having significant effect, this study has developed into research's model as follow:

Empirical Model

$$\begin{aligned} \textit{Intention to purchase on 7 – Eleven app} = & \beta_0 + (\beta_1\textit{costsave} + \beta_2\textit{timesave} + \beta_3\textit{pro}) \\ & + (\beta_4\textit{risk} + \beta_5\textit{fam} + \beta_6\textit{exp}) \\ & + (\beta_7\textit{gender} + \beta_8\textit{edu} + \beta_9\textit{job} + \beta_{10}\textit{income}) + \varepsilon \end{aligned}$$

In this empirical model, the first groups are factors in categories of online shopping benefits; **costsave** stands for perceived time-saving benefits, **timesave** stands for perceived cost saving benefits and **pro** is an online promotion benefit. These three factors are expected to be positive value, as they are positively influence intention to purchase on 7-Eleven mobile application. Although, an online promotion benefit is expected to have higher coefficient than the other two because of the duplication of benefit in online shopping and convenience store.

Next, group of factors related to perceived risk and attitude of trust towards 7-Eleven Thailand, **risk** stands for financial security and privacy risk of online shopping, this variable is the only one that is expected to be a negative value in this equation as it has a negative relation to the intention to purchase on online channel. Next two variables are for attitude of trust of consumers towards 7-Eleven Thailand, **fam** is consumer's attitude and shopping familiarity with 7-Eleven Thailand both offline and online. Last factor in this group, **exp** is consumer's online shopping experience. These two variables are expected to be positive. Lastly, the demographic variables, which are gender, education,

job and income are also expected to have different effect on the intention to purchase for each group of demographics.

Chapter 5 Data Analysis

For the data collection concerning sampling strategy, snowball sampling strategy is employed. For the data collection concerning the target population, the population of this study is consumers of 7-Eleven Thailand who reside in Bangkok metropolitan. According the sample size from the formula of Taro Yamane is calculated as $n = N / ((1 + N(e)^2))$ (Singh, Masuku et al. 2013), in which n is the sample size, N is the population size, and e is the level of precision. By calculating the number of population in area of Bangkok Metropolitan is 5,686,646, using 5% precision level and 95% confidence level, the complete sample size for this research paper is $399.97 \approx 400$.

However, due to the time limitation for conducting the survey, the data was collected from 18 to 23 June 2020, with the total number of 239 surveys were able to collect. From 239 samples, 9 respondents are not qualified as the area of living is out of Bangkok Metropolitan Region, only 230 are valid.

This study employs quantitative approach. The data is analyzed using basic statistics and ordinary least squared method. For the basic statistics, number, percentage, mean, standard deviation, minimum and maximum are used to approach each part of the questionnaires as follows.

	Frequency	Percentage
Gender		
Male	101	43.9%
Female	129	56.1%
Total	230	100.0%
Educational level		
Undergraduate	91	39.6%
Bachelor's degree	116	50.4%
Graduate education	23	10.0%
Total	230	100.0%
Occupation		
Employee	119	51.7%
Business owner/Freelance	3	1.3%
Student	84	36.5%
Housewife/ Homemaker	24	10.4%
Total	230	100.0%
Income level		
Below 15,000 THB	93	40.4%
15,000-30,000 THB	84	36.5%
30,000-45,000 THB	31	13.5%
More than 45,000 THB	22	9.6%
Total	230	100.0%

Table 1 Demographic Profiles of the Sample

This table above show the demographic profiles of the respondents in number and percentage according to gender, educational level, occupation and income level. The proportion of gender is similar for male and female and the majority of respondents have a bachelor's degree

education level. In the part of occupation, most of the respondents are either an employee or student.

And for the last part in demographic, there are two majority group of income level, which are below 15,000 and 15,000 – 30,000 baht.

	N	Mean	Std.Dev.	Std.Error	F	Sig
Educational Level					7.269	0.001
Undergraduate	91	4.4762	0.61893	0.06488		
Bachelor's degree	116	4.4828	0.87735	0.08146		
Graduate education	23	3.7971	1.12249	0.23406		
Total	230	4.4116	0.83684	0.05518		
Occupation					11.774	0.000
Employee	119	4.3968	0.76482	0.08345		
Businessowner/Freelance	3	4.5266	0.83305	0.07637		
Student	84	1.8889	0.83887	0.48432		
Housewife/ Homemaker	24	4.2083	0.54562	0.11137		
Total	230	4.4116	0.83684	0.05518		
Income level					6.213	0.000
Below 15,000 baht	93	4.5090	0.62088	0.06438		
15,000-30,000 baht	84	4.5119	0.73622	0.08033		
30,000-45,000 baht	31	4.3333	0.97753	0.17557		
More than 45,000 baht	22	3.7273	1.36330	0.29066		
Total	230	4.4116	0.83684	0.05518		

Table 2 ANOVA analysis

The table above showing ANOVA analysis result as to see if there is a different in each group of demographics; educational level, occupation and income level in the mean intention to purchase from online application of 7-Eleven Thailand.

	N	Minimum	Maximum	Mean	Std.Deviation
Gender					
Female	101			4.336	0.921
Male	129			4.508	0.708
Income level					
Below 15,000 baht	93			4.509	0.6209
15,000-30,000 baht	84			4.512	0.7362
30,000-45,000 baht	31			4.333	0.9775
More than 45,000 baht	22			3.727	1.3633
Education level					
Undergraduate	91			4.476	0.6189
Bachelor's degree	116			4.483	0.8773
Graduate education	23			3.797	1.1225
Occupation					
Employee	119			4.397	0.7648
Business owner/Freelance	3			4.527	0.8330
Student	84			1.889	0.8389
Housewife/ Homemaker	24			4.208	0.5456

	N	Minimum	Maximum	Mean	Std.Deviation
Perceived time saving benefit of online purchase from 7-Eleven Thailand	230	1	5	4.352	0.812
Perceived cost saving benefit of online purchase from 7-Eleven Thailand	230	1	5	4.352	0.846
Online promotions of online purchase from 7-Eleven Thailand	230	1	5	4.435	0.788
Financial security & Privacy risk	230	1	5	3.207	0.550
Consumer's Attitude and Experience of 7-Eleven Thailand	230	1	5	4.501	0.569
Perceived benefits of time and cost saving in general	230	1	5	3.996	0.453
Intention to purchase from online channel of 7-Eleven Thailand	230	1	5	4.352	0.837

Table 3 Basic statistic of all variables in the model

To summarize all the variables, statistics summary for all the variables used in empirical model for this study shows in the table above. There are some interesting results from this table first is a mean intention in student category, which is the lowest among all occupation. This could be explained by some student feel that to do an online transaction is more complicated than to buy directly in store, as they might not have the bank account or credit card to link with an application.

And also, a student may not be able to use their phone as freely as other occupations, this could be the reasons why mean intention of students is the lowest.

Variables	OLS1	OLS2	OLS3
Constants	1.292*** (4.507)	1.317*** (4.460)	1.394*** (4.584)
Perceived time saving benefit of online purchase from 7-Eleven Thailand	0.262*** (3.861)	0.257*** (3.804)	0.257*** (3.821)
Perceived cost saving benefit of online purchase from 7-Eleven Thailand	0.255*** (3.768)	0.250*** (3.505)	0.251*** (3.744)
Online promotions of online purchase from 7-Eleven Thailand	0.218*** (3.690)	0.219*** (3.731)	0.219*** (3.755)
Financial security & Privacy risk	-0.204*** (-3.716)	-0.214*** (-3.959)	-0.212*** (-3.950)
Consumer's Attitude and Experience of 7-Eleven Thailand	0.040 (0.354)	0.040 (0.367)	0.040 (0.381)
Online shopping experience	-0.151* (-1.700)	-0.150* (-1.694)	-0.147* (-1.669)
Gender female	-0.029 (-0.447)	-0.024 (-0.368)	
Average income	-0.000*** (-3.519)	-0.000*** (-3.660)	-0.000*** (-3.674)
Education level Graduate education	-0.012 (-0.099)		
Education level Undergraduate	-0.096 (-1.095)		
Job Housewife/Homemaker	0.018 (0.160)	0.041 (0.363)	0.040 (0.361)
Job Employee	0.233** (2.464)	0.272 (3.111)	0.271 (3.110)

Job Business owner/Freelancer	-1.166*** (-3.884)	-1.134*** (-3.804)	-1.133*** (-3.807)
Observations	230	230	230
Adjusted R-squared	0.677	0.678	0.679

Table 4 Model Summary

* indicates significant at 90% significant level

** indicates significant at 95% significant level

*** indicates significant at 99% significant level

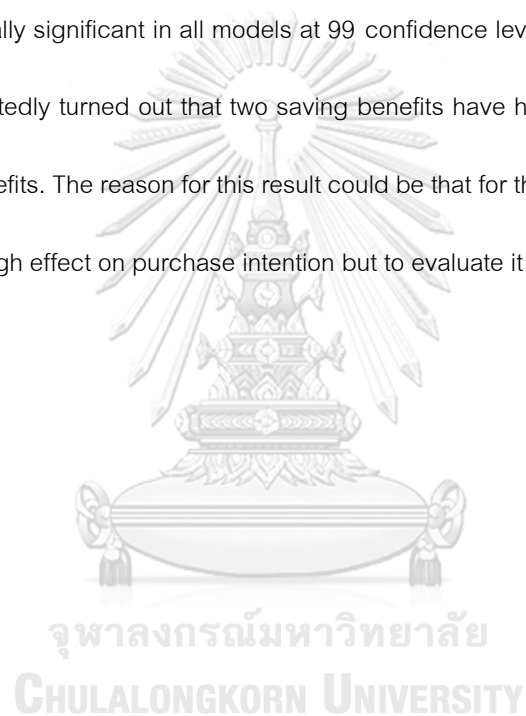
The results from each model are described as follows. In the first model, all the variables from the research model are included. These variables are perceived time saving, perceived cost saving, online promotion, financial security and privacy risk, consumer's attitude and experience, online shopping experience, gender, average income, education level and occupation. The p-value (f) for the model is 0.000 which is lower than 0.05, and has 67.7 percent adjusted r-squared. Therefore, it can be inferred that the model is valid. In the first model, focus variables are statically significant in all models at 99 confidence level.

In the second model, education level dummy variables are excluded as it is not statically significant and to see whether excluding this education variable would increase validity of the model or significantly of other variables. The result from the second model turned out that the validity of the model and the significantly of other variables have not change. The p-value (f) for the model is 0.000 which is lower than 0.05. Also, the model has 67.8 percent adjusted r-squared higher than the first model. Therefore, it can be inferred that the model is also valid.

In the third model, gender variable is excluded as it is not statically significant in both first and second model. Also, the gender variable in female dummy results in negative, which is also

unexpected as in general, female is prone to be more familiar with online application than male. The p-value (f) for the model is 0.000 which is lower than 0.05. Also, the model has 67.9 percent adjusted r-squared higher than the both first and second models. Therefore, it can be inferred that the model is also valid. All the models have been tested for heteroscedasticity and collinearity and both problems don't exist in all three.

The focus variables, which are perceived time saving, perceived cost saving and online promotion, are statically significant in all models at 99 confidence level. Compare the coefficients of these three, unexpectedly turned out that two saving benefits have higher coefficient value than the online promotion benefits. The reason for this result could be that for the online promotion alone could see as having very high effect on purchase intention but to evaluate it with other variables it might not has than high effect.



Chapter 6

Conclusion and Suggestion

In conclusion, all the models above shows a statistical significance in the cost saving and time saving benefits on relation to the intention to purchase on online application of 7-Elven Thailand, the results came our as positive effect as expected. However, as in the empirical evidence that both convenience store and online shopping share the duplicate benefits, the result of these two saving benefits are expected to have less effects on the intention to purchase on mobile application than the online promotion or discounted benefits. From basic statistical analysis result, online promotions result in higher mean of intention but in the regression result the coefficients is lower. As mentioned in the data analysis, for the online promotions that seem to highly influence an intention to purchase in general but in the online shopping context, specifically the mobile application, the promotions might not be as dominant as it did in offline shopping. The reason for this could be that by using online shopping, consumers already saved some costs and that could be trade-off with the promotions provide, so that they will choose to buy the product online even with no promotions.

The result from this study could be benefits for the company of 7-Eleven and also other companies of convenience store that wish to accommodate the online shopping strategies and use the benefits of cost and time saving as an attraction in any marketing campaign.

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