



De La Salle University – Dasmariñas  
GRADUATE PROGRAM

**FACTORS AFFECTING ONLINE CONSUMERS PURCHASING  
BEHAVIOR IN HANGZHOU CITY, CHINA**

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Presented to the Faculty of the  
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## ABSTRACT

**HONGJIAN BAO, Factors Affecting Online Consumers Purchasing Behavior in Hangzhou City China.** Master in Business Administration, De La Salle University-Dasmariñas, Cavite, February 2009. Adviser: Ms. Celeste M. Molina, MBA.

This study was done to determine online consumer purchasing behavior and the factors affecting purchasing behavior in Hangzhou City, China. This study was specifically aimed to describe the socioedemographic profiles of online consumers; determine the online purchasing behavior of online consumers in terms of frequency and amount; determine the sociodemographic characteristics that influence online purchasing behavior; determine the consumers' perceptions of risks and benefits of online purchasing; and ascertain if the perceived risk and perceived benefit factors affect online purchasing behavior of consumers.

This paper developed a research model showing the customers' perceived risk and benefit factors as well as demographic factors affecting the online consumers' purchasing behavior. The model was tested using an online survey of some 395 Taobao's customers who registered in Hangzhou City, China.

Only monthly income was found to be significantly affected online purchase behavior in terms of frequency. In terms of amount of purchase, four sociodemographic characteristics were found to be significant: age, income,



education, and internet experience and all were positively related to purchase behavior.

The perceived benefits towards online purchasing such as convenience, low price, and variety of merchandize affected positively (directionally) the online purchasing behavior in terms of amount spent. However, all the benefits factors were not statistically significant. On the other hand, on the perceived risks towards online purchasing, the financial, privacy, and technology factors negatively affected frequency of purchase while product and security factors did not. However, the financial factor was only statistically significant. In terms of amount of purchase, likewise the financial factor significantly affected amount of purchase. Product and security factors were directionally correct, but not statistically significant.

The results of the study suggest that publishers and manufacturers should maximize efforts in using the online shopping platform. The government of China should provide the appropriate environment to increase consumer confidence on patronizing online stores. Advertising or sales promotions should be focused on specific age groups, income groups, levels of education as well as years of internet using as these factors are found to be significantly associated with online purchase. Online stores should be more flexible in encountering financial issues with customers. It is also recommended that this research be replicated to Taobao customers in other locations of China.



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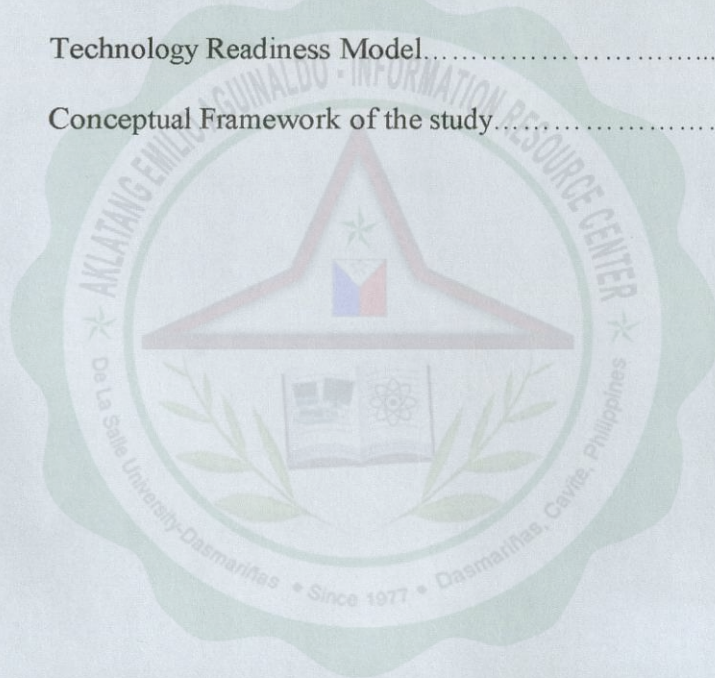
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