



7TH INTERNATIONAL CONFERENCE

Actual Economy

SOCIAL
CHALLENGES
AND FINANCIAL
ISSUES IN XXI CENTURY



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An Investigate on the Antecedents Influencing Online Brand Equity of E-Marketplace in Thailand

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Abstract

The purposes of this research were to investigate the antecedents of website quality and e-marketplace factors toward brand equity component including: brand awareness, perceived quality, brand associated and brand loyalty that affected online brand equity of e-marketplace in Thailand. The causal model was designed from the theoretical framework in order to investigate the relationship of the antecedents. A quantitative survey was conducted among Internet users who had experience in accessing the online shopping and a total of 395 respondents participated in this study. A questionnaire was used to collect data and a structural equation model analysis was applied for the data analysis. The findings revealed that the causal model of antecedents influencing online brand equity of E-marketplace in Thailand was consistent with empirical data at good acceptable. The influencing of antecedents revealed that website quality had significant direct effect on brand association, brand loyalty and brand awareness. Electronic marketplace factors had significant direct effect on brand awareness, perceived quality, brand association and brand loyalty. Brand awareness, brand association and brand loyalty has significant direct effect on online brand equity, whereas perceived quality had no significant direct effect on online brand equity. All variables conjoined to predict the online brand equity of E-Marketplace in Thailand at 68.5 percent.

Key-words Brand equity, Brand loyalty, E-branding, E-marketplace

Introduction

Electronic commerce is one of the key strategies to help the organization gain a competitive advantage and to create new option for buyers and sellers which the customers are moving from physical stores to buy goods and services on the Internet or website. According to the report of Thailand Electronic Commerce Status Survey, 2016, by the National Statistical Office, it has been found that the value of electronic commerce continues to increase every year. It shows that Internet commerce transactions are becoming more and more popular in Thailand, since it is convenient to buy goods and services over the Internet for the shoppers. For sellers or entrepreneurs, there are opportunities to expand their market in developing their online stores. Although the cost of building an electronic commerce website is not very high but it requires high marketing expenses to attract interested customers to visit the website. Even more visitors visit the Community site where sellers can post their products but they are various consumer groups and may be not the right target of the products.

Therefore, e- marketplace emerges as a trading platform that gathers websites of many shops and companies in the same place. It is an intermediate web based information system which provides opportunities for both buyers and sellers. The marketplace owner is responsible in defining the rules and regulations for accessing the electronic marketplace and keeping track of money transactions that buyers and sellers can meet with confidence and ease in using the electronic marketplace. E-marketplaces can offer reduced costs of the transaction and procurement costs, increase transparency for buyers in reviewing information in the purchasing process Turban et al. (2010). This results in the development of trade and business operations and affects the country's economic condition. Therefore, electronic marketplace has become a popular major channel in the commercial sector in the future

Electronic marketplace is a website that facilitates business involving the transfer of business information and product information over the Internet. Products are categorized which the buyer can find the product easily and meet their needs. Most of these sites are the source of many people to find information regularly. The sellers who register with the site have more chance of reaching the customers worldwide, finding new buyers and increasing sales.

However, the major problem is that people who conduct online shopping generally do not trust in electronic commerce especially in the electronic marketplace. It does not just only depend on the credibility of the potential seller to assist the buyer in one transaction but it also includes the reliability of the implementation of the electronic marketing system, which helps to support the transaction as accurately as customer expectations. So, the electronic marketplace's owner must build trust with both sellers and buyers to ensure doing business on that site.

In the Internet communication system, website is the beginning of brand building. If the website can not satisfy the needs of the users thoroughly, they may no longer use the service of that web. Then, the website is a contact point between the brand and the consumer. Also, the site is a place where the consumer gets experiences of finding products, doing trading and transaction, including gaining utilities. As a result, users will return to the site repeatedly which affect the possibility of the increase in brand equity. Since the credibility of the

electronic marketplace can be conveyed through perceived image of the consumer on the quality of the product or service of the electronic marketplace. If the electronic marketplace is well-known, it shows that the company's performance is sustainable which enhances the corporate image, followed by the perceived trust, creditability and responsibility of the brand or the electronic marketplace (Hong & Cho, 2011).

There are many brand building tools on the website and each one has a different significance. The most important tool is the website because it can communicate the true characteristics of the brand on the web and it can build a relationship between the brand on the web and the user (Aaker & Joachimsthaler, 2000). Then, website is the beginning of brand building, and a point of contact between the brand and the consumer. It creates the experience of the consumer and becomes the beginning of brand value creation (Camelia & Lia, 2013). Building customer satisfaction in purchasing and providing more experiences in service using of customers make them use the service again. Website should offer information or experiences that make the customers relieve, reinforce trust and build consumer confidence in brand selection on the web (Rupp & Smith, 2003). The strength of brand on the web is essential for successful e-commerce. It must be consistent in creating and maintaining commitment to customers in all respects. Failure to do so may result in a negative impact on the brand because in the online world, there is a connection of social network such as Facebook, Twitter, etc., and a word of mouth of negative information (Fa-Shing et al., 2015).

There are various studies on the development of brand of electronic products while there is no study on the quality elements of brand on the electronic marketplace in Thailand. Therefore, the researcher is interested in studying the factors influencing the quality elements of brand on electronic marketplace in Thailand from the buyers. Due to the quality elements of the brand is a factor that will make the electronic marketplace website successful and popular for consumers to use the service and purchase the products. The results of the study will be beneficial to operators in doing brand management on the web can use as a guide for effective website development and to develop brand quality elements from the customer's perspective on purchase intent.

Methodology

This study was quantitative research and the population used in this study is the group of buyers or users of the electronic marketplace in Thailand which the number of population were unknown. Therefore, the researcher used the unknown population formula to determine the sample size at the 95% confidence level and 1% error. Then the number of samples in this study was 395 representing the total population of the buyers and selected by accidental sampling method. Questionnaire with 5 Likert's scale was a tool to collect quantitative data (Level 5 is the most agree and 1 means least agree). Item-objective congruency index (IOC) from 5 experts was employed to check the validity of the questionnaire. The reliability of the scale was tested by the Cronbach's Alpha coefficient of all variables which was greater than 0.7, so it showed that this questionnaire was reliable. The questionnaire had divided into 4 parts consisted of 30 questions on website factors of the electronic marketplace, followed by 20 questions on e-marketplace factors of the electronic marketplace, 16 questions on the brand equity building, and 3 questions on the brand equity of the electronic marketplace, respectively.

Descriptive statistics were used for statistical analysis while inferential statistics provided an analysis of

confirmatory factor (CFA) and structural equation modeling (SEM) to test the harmony of the research model with empirical data. Based on a research model that was consistent with empirical data, path analysis was conducted and T-test was used to analyze the hypothesis at a confidence level of 95%.

Conclusions

Based on data processing and the causal relationship model which were studied by Structural Equation Model Analysis (SEM), the research results were shown as follows.

Personal data of buyers through the electronic marketplace in Thailand. Most of the respondents were females between the ages of 26-30 years old, single, and had a bachelor's degree. Most of the samples were employees of the private companies with monthly income around 20,001 - 30,000 baht. They used to purchase products online through the electronic marketplace, such as Pantipmarket.com, tarad.com, weloveshopping.com, etc. The most traded items were computer and computer accessories.

Website factors of electronic marketplace. It showed that the buyers paid attention to the security element the most, followed by customization, information, navigation, interactivity, fulfillment, Trustmark of the website, communication, and the choice for customers, respectively. Electronic marketing factor of electronic marketplace. It was found that the buyers gave the most importance on the keeping privacy element, followed by product, price, personalization, promotion, and place, respectively. Furthermore, creating brand equity of electronic marketplace. It was found that the buyers focused most on the elements of perceived quality, followed by brand awareness, brand association, and brand loyalty, respectively.

The causal relationship testing of brand quality elements for the electronic marketplace in Thailand was found to be congruent with the empirical data at a good level as shown in Figure 1. The Goodness-of-Fit Index (GFI) was determined to be χ^2 was 276.59 with the degree of freedom (df) was 260, χ^2/df was 1.064, the probability value (p value) was 0.229, the root mean square of approximation (RMSEA) was 0.014, the standardized root mean square residual (SRMR) was 0.029, the goodness-of-fit index (GFI) was 0.943, and the adjusted goodness-of-fit index (AGFI) was 0.910.

The hypotheses testing of adjusted model revealed the results that support what the researcher had expected. From the regression coefficient of the variable and t-value, the direction of relationship of the variables was shown in TABLE III.

TABLE I - The results of hypothesis testing

Hypothesis	Relationship	Direction	β	t value	Result of Hypothesis
H ₁	Website Factor → Brand Building	+	0.194	1.521	Not Support
H ₂	E-Marketplace Factor → Brand Building	+	0.473	6.738**	Support
H ₃	Brand Building → Brand Equity	+	0.343	4.040**	Support

*Significant at $\alpha = 0.05$, **Significant at $\alpha = 0.01$

From TABLE III, the path analysis results found that e-marketplace factors directly affected brand equity creation of the electronic marketplace and the creation of brand equity of the electronic marketplace directly affected the brand equity of the electronic marketplace. While web site factors did not directly correlate with the brand equity creation of the electronic marketplace. It showed that whether the web site quality of electronic marketplace in Thailand was good or not, brand equity creation of electronic marketplace was not different.

Results of the first hypothesis testing found that the website factors had relationship with brand building of the electronic marketplace in Thailand, which was consistent with the work of Sun, et al. (2012) which found that the site factor was directly related to brand awareness of consumer. This reflected that traditional marketing tools might be affected from novelty of the website factors for consumers. Also, brand awareness of consumers on brand equity could be included in the process of making decision in brand purchasing that did not affect consumer behavior and attitudes towards the brand and was consistent with the research, of Parasuraman et al. (2005) which found that consumers had a positive attitude towards a well-designed website. In addition, the ease of data links or

navigation menus were important to making the site visit's experience pleasant and rewarding and also was consistent with Park & Kim (2003) research work which found that brand loyalty was of great importance for e-commerce businesses by enhancing consumer satisfaction through design and from the experience and benefits of shopping online for consumers.

The second hypothesis testing found that the e-marketplace factor had positive relationship with the brand building of the electronic marketplace in Thailand which was in accordance with the works of Yoo et al., (2001); Srinivasan, et al., (2002) which found that price positively correlated with price level and brand awareness. Also, it was consistent with the studies of Yoo et al. (2001) which found that the e-marketplace factors associated with the perceived quality of the electronic marketplace as well as Aaker (1996) found that brand recognition was the result of the overall impact of brand linkage within the marketing mix strategies and was also consistent with research work conducted by Yoo et al. (2001), which found that e-marketplace factors correlated with brand loyalty in terms of security and brand loyalty that keeping security was the most important aspect of a site's quality criteria.

The third hypothesis testing found that brand building influenced the brand equity of the electronic marketplace in Thailand which was consistent with Lee & Leh (2011), Severi et al. (2014) which found that higher brand connectivity was associated with increased brand equity. While Kotler & Keller (2012) found that consumers would recognize and remember brand names which created a familiar feeling and brand loyalty which had positive correlation with brand equity of the electronic marketplace. Also, the research of Kitchen & Melewar (2006), Wolfenbarger & Gilly (2003) found that brand loyalty was an important element contributing to brand equity. While the works of Aaker (1991), Keller (1993), Kim et al. (2009) found that brand loyalty was directly related to brand equity which influenced the strategy of brand development and purchase intent.

Though there is effective technology to reach consumers in electronic commerce sector, consumers were still distrustful or avoided shopping over the Internet. Mistrust was the main reason that online companies failed to build good relationships with consumers (Jones & Leonard, 2008). Real trust was in the form of relationships that must be created by the customers gained experience from product consumption. This led to beliefs, attitudes, intentions and willingness to do business transactions with websites and organizations that administered the website. The website administrator should focus on improving the quality of customer service processes at all stages such as presentation of the product, product choosing, purchasing, payment, delivery and impressive after sale service (Swaid & Wigand, 2009). The site which was designed from consumer's experience of satisfaction and perception would have an effect on increased brand equity. Websites could create value from the effort to build specific characteristics of product branding that differentiate them from competitors in the eyes of consumers (Page & White, 2002).

Research results on factors influencing brand quality elements for electronic marketplace from the viewpoint of sampled buyers would be beneficial for the management of the electronic marketplace website by using the model from this research in the management of website quality elements and conducting marketing plan to attract buyers to use the services.

1) Website administrators should focus on improving the quality of the website and the process of customer service to be effective at every step including presentation of the product, product choosing, purchasing, payment, delivery and impressive after sale service. Website should build good relationships between consumers by establishing true trust in the form of relationships that must be created by the customers gain experience from products usage. This leads to beliefs, attitudes, intentions and willingness to do transactions with websites and organizations that administer the website.

2) Website created from experience of consumer's satisfaction and perception will affect the value added of brand equity. In addition, a website can create value from a level of creative endeavor for different brand attributes from the competitors in the eyes of consumers. Factors in electronic marketplace should always be developed or updated. New services should offer to customize the design and feature of the website to match current trends, such as customizable profiles, color selection, picture insert, customizable code, etc., so shoppers are always interested in visiting the site. There should be a multi-channel in payment and expert staff to answer customer inquiries with mobile order confirmation, payment security verify, and continual security system updates to keep buyers satisfied and use the service regularly.

3) For e-marketplace factors, advertising, public relations, special events, sponsorship, and

customer relationships building, etc., they should be promoted to make the buyers have confidence in electronic marketplace. Moreover, focus on motivating buyers with added benefits from buying products, such as giving prizes or discount to buyers who come in with suggestions for products or services on the marketplace website, etc., to increase the incentives for customers to make faster purchasing decisions.

In creating brand equity of the electronic marketplace, website factors and e-marketplace factors should be used together in planning, management, and setting strategies for managing the electronic marketplace in order to build potentiality in satisfying the needs of buyers and to create brand values of the electronic marketplace which will be an important element in attracting buyers to do transactions on the electronics market continuously and sustainably.

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Insuring Consumption Against The Health Shocks: A case of Thailand

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Abstract

This paper studies consumption insurance against the health shocks in Thailand. The paper estimates the impact of household consumption from the change in the health shocks on total consumption growth and food consumption growth. The health shocks are measured by the change in health status when at least one of member within the household treated at the service providers as an inpatient. The inpatient is the health care cost of an individual or household's decision in seeking medical care that causes and effects of the household's ability to smooth consumption. This paper uses the data from the Household Social-Economic Panel Survey during 2005 and 2007. The survey collected data on demographic characteristics by the interview from 6,000 households, approximately, from every province, both inside and outside municipal areas in Thailand. The study estimates the change of consumption by using an ordinary least squares (OLS) regression model. The results show that the members within the household changing as inpatient would reduce around 4 percent on total consumption and 6 percent on food consumption, respectively. These results compared to the consumption insurance in the US that consumption drops around 14 percent when at least one household member gets sick. It implies that Thailand has much better consumption insurance. This case indicates that consumption insurance in Thailand is quite sufficient against health shocks. For the case of Thailand, the well-insured consumption against health shocks may lead to decrease the spending in public health insurance.

Key-words Consumption insurance, health shocks, Thailand