

had an experience buying products online. The economic background of the respondents revealed that they are economically-capable of buying smartphones.

The results shown in Table 5 disclosed that respondents agree to a lesser extent that the prices of smartphones being sold online are not competitive. They perceived that prices of smartphones are more competitive in online stores than in physical stores. Respondents agree to a lesser extent that the smartphones online are not of good quality. This perception is not desirable for online shopping business because even the legitimate providers can be affected by this perception. This can be explained by the fact that they have high regard to security concerns. They believe that there are many scammers online and an online account is vulnerable to hacking. As a result, they do not give sensitive information online. This can explain the respondents' low trust rating given to online shopping.

Respondents agree to a lesser extent that they are capable of using computers, searching the Internet, and using different electronic payment schemes. This result is unexpected considering the fact that they are educated in the universities. They show little interest towards online shopping because they prefer to inspect and buy the device in physical stores. Furthermore, they perceived that buying the smartphones in physical stores as more convenient than buying the devices online.

The tendency to buy smartphones online is low. Respondents are more likely to buy smartphones in physical stores than in online stores. They will not buy online because they are not willing to risk their personal information, pay delivery charges, and wait for the delivery. Online shopping providers have to confront these obstacles in order to make their business afloat.

There were three steps of hierarchical regression analysis employed in this study as shown in Table 6. The first step shows that price, security, and trust predicted purchase intention. It can be noticed that price and security almost cancel out each other because of their sign and beta weights. This means that when possible customers intend to purchase smartphones online, they tend to equally consider the price of the product and the uncertainty associated in purchasing smartphones. In other words, they tend to evaluate if the online price of smartphones is reasonable enough for risking giving their personal information.

Trust is the defining variable whether the customer has the intention to buy or not buy a smartphone. Trust is the strongest predictor among the three variables. Hence, online shopping providers must ensure that their products and services can be trusted so that customers may intend to buy smartphones online. The three predictors were able to explain 40% in the variation of purchase intention. This means 40% in the variation of online purchase intention of smartphones was accounted to price, security, and trust. This means that customers will most likely buy items on trusted online sellers that provide reasonable price and tight security.

The results of the first step of hierarchical regression showed that the current study agrees with the findings of Delafrooz et al. (2011), Kim et al. (2012), Liao & Cheung (2001), Mehta & Kumar (2012), and Jadhav & Khanna (2016) in terms of price. The current study also has similar results in terms of trust (Kim, 2010; Ling et al., 2010; Delafrooz et al., 2011; Abadi et al. 2011; Kim et al., 2012; Akar & Nasir, 2015; Jadhav & Khanna, 2016). The result in terms of security was consistent to that of Delafrooz et al. (2011), Abadi et al. (2011), and Akar & Nasir (2015).

However, the result of this study is not in agreement with the results of the study of Ling et al. (2010) in terms of quality. In this study, perceived quality did not influence purchase intention of smartphones. This finding offers a vivid contribution to smartphone purchase intention in an online environment. This is explained by the fact that the quality of smartphones is already established. This means that possible customers must have already evaluated the quality of the smartphones prior to visiting shopping websites. This is confirmed in informal interviews with two respondents. They disclosed that they already know what type and brand of phone to buy before they visited a shopping website. Thus, quality is no longer considered in shopping websites in the context of smartphone purchase.

Internet access at home, previous purchase experience, capability, together with security and trust, were found significant predictors of purchase intention. The change in variance ($\Delta R^2 = 0.09$) indicates that 9% in the variability of purchase intention is on account of Internet access at home, previous purchase experience, and capability. Overall, these variables could nearly explain 50% of the

variation in purchase intention. In the third step of hierarchical regression, technical-related factors did not contribute to explaining purchase intention.

Trust and security were found to be consistent predictors throughout the three steps of hierarchical regression analysis. Therefore, online purchase intention of smartphones is all about trust and security. The negative sign of security indicates that online shopping providers must counter the perceived risks.

In the initial analysis, the results disagree with Kim (2010) but agrees with Delafrooz et al. (2011), Kim et al. (2012), Liao & Cheung (2001), Mehta & Kumar (2012), and Jadhav & Khanna (2016). However, in the second step, it can be noticed that price no longer influence purchase intention when personal-related factors are entered in the analysis. Thus, making the results of this study agree with the findings of Kim (2010) and consequently, disagree with the rest. The results suggest that at the outset, possible customers will evaluate the price of the smartphones offered online. If they are amenable with the price, as the second step of regression suggested, this factor is no longer considered. Instead, it is expected that their capabilities, previous online purchase experience, and Internet access at home, perceived security, and trust will go together to determine their purchase intention. In short, price no longer matters at the second stage of regression since the possible customers already evaluated if they can pay for the price of the smartphones. This study unified the conflicting findings in terms of price.

Moreover, Coelho et al. (2013) commented that consumers may be sensitive to price. This sensitivity may be explained by the purchasing capability of the possible customer. Price is an attribute of a product that online shopping providers offer. On the other hand, budget is an amount allotted from an income that is willing to be spent regardless of the price of a product. Therefore, it is suggested that the variable “budget” be included in future studies about online shopping.

It is interesting to note that this study shows that quality is not found to be a significant predictor of purchase intention of smartphones throughout the steps of the regression. This finding agrees with the study of Thamizhvanan & Xavier (2013) but disagrees with that of Ling et al. (2010) and Bringula (2016a). The reason behind this is that quality attributes of smartphones are not assessed in shopping

websites. Instead, as mentioned earlier, the quality of smartphones are evaluated outside the shopping websites. The results have two implications. First, it signals that purchase intention differs in the context of smartphone purchase. Second, the study provides empirical evidence that every online product requires different information and online presentations (Brown et al., 2003; Walia et al., 2015).

Implications to Theory and Practice and Recommendations

Absent in the literature is the possible influence of the concept of budget in purchase intention. The price of a smartphone may be expensive but consumers may save money in order to purchase their desired phone. While this is observed among Filipino buyers, there are no rigorous studies that shed light on this matter. Therefore, it is recommended that this construct be investigated by future studies.

The study revealed that trust was the strongest and consistent predictor of purchase intention. Therefore, in terms of practice, online shopping providers must emphasize the legitimacy of their business. In the Philippine context, a legitimate business has a business permit issued by a local government, a tax identification number issued by a local tax bureau, a business registration from the Securities and Exchange Commission, or a business permit issued by the Department of Trade and Industry. Bringula (2016a) suggested that these permits be highly-visible in the website. It is also necessary to include the business address and telephone number of the company. Online shopping providers must assure their customers that there is always an available customer representative that can answer customers' inquiry. The number of years the company has been operating can also be included in the website. These strategies will create a feeling of security among consumers about the authenticity of the online shopping providers (Bringula, 2016a, 2016b).

The number of smartphones being sold and delivered by online stores can also be posted in the website. A real time website feature such as how many users are looking at the smartphone, how many units has been sold, and the number of units left may create an atmosphere of authenticity of the business. It is apparent that shopping websites are already subscribed to online security providers that offer protection of online transaction. They include the logo of these online security providers in the website.

However, for a non-technical shopper, this logo may be irrelevant to them. Thus, the website must explain in simple terms what these logo means to the transactions of possible customers.

Previous online purchase experience is a predictor of smartphone purchase intention. Hence, shopping websites may include a survey or feedback from the customers about their purchase experience. The results of this survey can then be posted in the website. The findings of the study suggest that online shopping providers have to make the overall purchase of smartphones easy, simple, and short. This should also be reflected in the website. This could entice non-technical users to be confident in using shopping website.

Finally, even though the current study found that quality is not a predictor of smartphone purchase intention, it is still recommended that this factor be retained in the website. Instead of advertising the quality of the smartphones, online shopping providers have to reassure their customers that the devices are from legitimate suppliers. Shopping websites may suggest hyperlinks that can corroborate their claims or post the agreement between them and the supplier.

Conclusions

This study determined which of the factors — company, personal, and technical — could influence the online purchase intention of possible smartphones buyers. On the basis of the findings presented, all three hypotheses were partially rejected. It can be concluded that online purchase intention of smartphones are mainly influenced by company-related factors. Therefore, online shopping companies can entice possible customers to purchase smartphones only if their prices are reasonable, their services are secured, and their company is trusted. It was found that trust is the consistent and the strongest predictor of online purchase intention of smartphone. The results of the study showed that possible customers considered different factors when they intend to purchase smartphones online. One key finding of the study is that it disclosed that customers had almost an equal weight on considering price and security when buying smartphones. However, these factors cancel out each other because of their beta signs. The defining factor whether to engage (or not to engage) in smartphone online purchase is based on

trust. Therefore, this study was able to achieve its goal of finding the factors that influence online purchase intention of smartphones.

It was also disclosed that price was initially considered when buying smartphones online. However, price can no longer influence purchase intention when all other personal-related factors were considered. Moreover, quality was not found a significant predictor all throughout the three steps of regression. These findings clarified the conflicting results on the influence of price and quality on purchase intention. Another key finding of the study is the possible role of budget in smartphone purchase intention. Thus, future researchers may investigate the influence of budget on purchase intention. It is also recommended that factors that influence online purchase intention of other mobile devices such as tablets, laptops, and notebooks be investigated.

This study provided empirical evidence that there are factors that could influence purchase of smartphone through online shopping. The results of the study helped us better understand consumer purchase intention of smartphones in an online environment. In business point of view, these factors could serve basis in the continuous improvement of shopping websites and customer service relations that could entice possible customers.

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Public Interest Statement

In absence of human-to-human interaction, online shoppers rely heavily on the content and security features of shopping websites. Possible customers may be reluctant to purchase online commodities, especially when the product is expensive like smartphones. This study attempted to address these concerns by investigating the possible reasons that influence online purchase intention of smartphones. The results of the study inform online shopping website developers the website designs requirements of its possible customers. The results of the study are both beneficial for the online business provider and consumers. The former may achieve its business goals while it strengthens its customer relationship which may lead to a vibrant online business community.

About the Authors

This piece of work is a result of research collaboration of faculty members from the University of the East (UE), National University (NU), and Cavite State University (CSU) – Naic Campus. This study is part of the research project (headed by Rex P. Bringula, Ph.D. of the University of the East) on e-commerce adoption in the Philippines. Dr. Shirley Moraga is a full-time faculty member of UE, Prof. Annaliza Catacutan and Prof. Marilou N. Jamis are full-time faculty members of NU; and Prof. Dionito Mangao is a graduate student of the University of the East and a research coordinator of CSU – Naic Campus.