FACTORS AFFECTING PURCHASE INTENTION OF COMMUNITY PRODUCT IN THAILAND-CAMBODIA BORDER

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Abstract. The objective of this research was to study for the influence of culture dimensions, perceived quality, brand image, country of origin, word of mouth on purchase intention of community product in Thailand, the views from Cambodian consumers in Thailand-Cambodia Border. This research used the questionnaire as a tool for data collection. A sample was selected from Cambodian consumers on the Thailand-Cambodia border, 400 cases. Qualitative and quantitative data analysis was conducted by descriptive statistics and multiple regression analysis. The findings indicated that the culture dimensions, brand image, country of origin, word of mouth had a positive influence on the purchase intention of community products in Thailand with statistical significance. It was utilizable for the government and private sector as a guideline to make the marketing policy and strategy concerning the community product on the Thailand-Cambodia border. Regarding border trade, the culture dimensions, brand image, country of origin, word of mouth had a positive influence on purchase intention. Hence, for border trading there had to emphasize the importance of these factors.

Keywords: purchase intention; product community; border trade

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JEL Classifications: M13, M14, M16

Additional disciplines business management

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1. Introduction

While Thailand was facing an economic crisis, people in every class of Thailand encountered various problems, in particular, most people's problems as poverty. The government at that time, thus declared war on poverty. Accordingly, an idea of improving local community product was come up with under a program “One Tambon One Product” which was modeled on “One Village One Product” of Japan.

One Tambon One Product got the promotion and support from the government agencies to encourage in the product development, as well as, national and international market expansion including the border market. Furthermore, the Thailand-Cambodia border market expansion was the main target of Thailand. Being the guideline on the market expansion and marketing promotion of a local community product, this research on the factors influencing intention to purchase Thai community products in view of Cambodian consumer was conducted. The consequence of literature review and research of many academicians such as Rajagopal (2011); Fiato et al., (2014); Tee et al., (2015); Chen & Fan (2017) indicated that assorted factors had an influence on the purchase intention. However, none of the researchers had studied the influence of cultural dimension, perceive Quality, brand image, country of origin, word of mouth on the purchase intention. This research worker was hence interested in studying the influence of these factors on intention to purchase Thai community products in view of Cambodian consumer, Thailand-Cambodia border.

2. Literature review

1. Purchase Intention (PI)

Purchase Intention referred to the probability that a consumer would willingly buy a particular product (Dodds et al., 1991). Purchase Intention was the phenomenon as the projected behavior of consumers about purchasing, as well as, repeatedly purchasing the product, i.e. when the consumer made a decision to buy a product, that consumer would come to buy it again. Fundos & Flavian (2006) mentioned that the consumer models generally affecting the consumers' intention to purchase any of the products were perceived as a well-known theory, the theory of planned behavior (TPB). The theory of planned behavior (TPB) postulated the antecedent of attitudes, subjective norms, perceived behavioral control and the intention itself (Ajzen 1991). Wiyadi & Ayunintyas (2019) mentioned that factors affecting purchase intention were associated with feelings and emotions. In case any products or goods made happiness and satisfaction in buying them, the purchase intention of those products was a consequence. The intention of purchasing a firm’s product made a greater competitive advantage over its competitor. The purchase intention could be established by various factors subsequent to the evaluation of those factors Keller (2001); Tee et al., (2015); Siti et al., (2014); Tee et al., (2013). Agreeing with Xiao et al., (2019), it was important to determine the factors in purchase intention owing to the difficulty in assessing customer’s expectations. Generally, the business would recognize it after the product had been purchased already. Hence the purchase intention was taken primary responsibility by businesses considering that it was the significant tool in making a competitive advantage, although finding it hard.

2. The Relationship between variables

1. The relationship between culture dimensions (CD) and purchase intention (PI)

Globalization marketing was to build a homogenized market involving consumers from varied geography and cultural background. The consumer from the same regions would hand similar product preferences out (Theodore, 1983). Furthermore, the consumers in a different culture, who had different attitudes and preferences as well as the different tastes, were still reluctant to purchase foreign products (Suh & Know, 2002). Regarding globalization marketing, a dimension of culture had a huge impact on the consumers' behavior (Jing, 2011; Gupta,
Further findings showed that the cultural aspects and cultural milieus had an influence on purchase intention (Zhang & Khare, 2009; Gupta, 2012). The consumers from each country had various reasons to purchase the products and services, therefore the firm had to carry out the different plans and strategies to meet the consumers or markets' needs (Jing, 2011). As a study by Gaur et al., (2019) on purchase intention of products cross-culturally between USA and Indian customers, it was found that different socio-cultural norms of each country resulted in the different recognition of the importance of product’s quality and brand image. Consistently, Yin et al., (2019) had proved that the cultural dimension had significance and impact on purchase intention. Hence, the cultural dimension was important to make the purchase intention of consumer purchasing. Regarding the literature review, the following hypothesis could be made:

H1: The cultural dimension had an influence on purchase intention.

2. The relationship between brand image (BI) and purchase intention (PI)

The brand image was an important thing for the consumers’ willingness of product purchasing processes. The brand information had a positive effect on perceived quality, perceived value and purchase intention (Dodds, 1991; Monroe & Krishnan, 1985). Consumers positively inclined to perceive foreign brand images. This meant that while the customers with the brand image perception were making the selection of products, these consumers would require the strong brand imaged products for deriving the satisfaction (Kinra, 2006). A successful brand image gained the consumers' satisfaction with the brand in comparison to its competitors, and it consequently increased the likelihood of purchase repetition (Pan et al., 2004). Most of the consumers purchased the well-perceived and good brand imaged products because the positive brand image affected the lower perceived risks (Simonian et al., 2012). Moreover, Wang & Tsai (2014); Berbel-Pineda et al., (2018) found that the brand image increased the consumer’s purchase intention. While the findings of Wiyadi & Ayunintyas (2019) research showed that customers who had a positive image of a brand intending purchase of the product. Since the brand image represented beliefs, ideas, and impressions of the product. Research of Yu et al., (2018) was contrary to Wiyadi & Ayunintyas (2019), the results indicated that negative brand image affecting the decrease in purchase intention of customers. Hence, the entrepreneurs or business owners would attempt to build the worth or value of brand image through various advertisements or promotion. Regarding the literature review, the following hypothesis could be made:

H2: Brand Image had an influence on purchase intention.

3. The relationship between perceived quality (PQ) and purchase intention (PI)

Perceived quality was a critical element in the consumer purchasing decision, thus consumers would compare the quality of alternatives regarding the price within the same category (Jin & Suh, 2005). Product quality was a very important thing for consumers. When they made a purchase decision, they would evaluate the quality of the product first. If they thought the product quality was reasonable with the price, and then they would intend to purchase (Tee et al., 2015). In other words, the perceived quality directly affected the reputation of the firm according to its product. Producing good quality products by the firm, the consumer believed with the product and also made a satisfaction (Davis et al., 2003). This corresponded to Konuk (2018); Wiyadi & Ayunintyas (2019). They found that product quality had a positive influence on purchase intention. Product quality was a factor indicating the product’s toughness and reliability which made competitive products against the competitors’ products. The perceived quality had an impact on the market and consumers. Since the perceived quality arousing the feeling of good quality products, it brought about the purchase intention among the consumers (Tee et al., 2013). Tsiotsoou (2006) investigated both direct and indirect effects of perceived quality on the purchase intention. The findings indicated that the perceived quality had a direct and indirect effect on purchase intention. Regarding the literature review, the following hypothesis could be made:
H3: Perceived quality had an influence on purchase intention.

4. The relationship country of origin (COO) and purchase intention (PI)
Country-of-origin could be defined as any influence that the country of the manufacturer had on both positive and negative consumers’ perception of a product (Cateora & Graham, 1999; Yunus & Rashid, 2016). The country-of-origin created a customer’s view of product differentiation from each country (Anwar et al., 2013). The image of the country-of-origin of the product that presented the picture and reputation to the consumers was attached to the consumers’ minds. This image was created by such variables as national characteristics, economic, political background, history and traditions (Nagashima, 1970). These images of the country-of-origin affected the product purchase intention. Expressly, the consumers; who had knowledge of the products, recognized that they were made aboard with good quality production; would be satisfied resulting in the purchase intention on those products (Bhakar et al., 2013). This was consistent with Ghalandari & Norouzi (2012); Berbel-Pineda et al., (2018) mentioning that the effect of country-of-origin influenced the willingness to purchase of the consumer. The consumer with low product knowledge had a lower willingness to purchase the product from a foreign country. Esch et al., (2018) defined that country of origin became an important factor in the purchasing process for consumers. When the information of the country of origin was insufficient, consumers would additionally seek such product reviews. Hence, the country of origin brought about the increase in purchase. Regarding the literature review, the following hypothesis could be made:

H4: Country of origin image (COO) had an influence on purchase intention.

5. The relationship between Word of mouth (WOM) and purchase intention (PI)
Arndt (1967) characterized Word of mouth as an oral communication relating to brand, product or service in person-to-person. The receiver spread the received information non-commercially. Silverman (2001) defined Word of mouth as communication that was independent concerning the products and services among the consumers being out of the marketing medium. Carl, 2006; Voyer & Ranaweera (2015) specified Word of the mouth that was the non-commercial evaluation of brands, services or organizations distributed by face-to-face or other communicating channels via the social network. Word of mouth was considered more reliable than advertising or personal selling. The consumer considered the opinion basing on the personal experience, either positive or negative opinion, that it was more dependable than a product and service advisor. Therefore, Word of mouth was a reference point for customer purchase intention (Sen & Lerman, 2007; Kuo et al., 2013). Furthermore, it was found that Word of mouth could enhance the reputation for running a business because the information from Word of mouth traveled fast. As Zhang et al., (2018) research, the findings showed that word of mouth affected purchase intention of consumers. Word of mouth could reduce a negative image, moreover, the product and brand with positive word of mouth would receive the trustworthiness from consumers. For this reason, an attempt to increase the positive Word of mouth influenced the consumers and boosted the firm’s profit (Lin & Lu 2010). Regarding the literature review, the following hypothesis could be made:

H5: Word of mouth (WOM) had an influence on purchase intention.
3. Methodology

1. Sample

This research was quantitative research. A sample for studying was Cambodian consumers around the Thailand-Cambodia border (Aranyaprathet – Poipet border station), 400 cases. The sampling method based on Yamane (1973) at 95% confidence level.

2. Instrument

The research instruments were the questionnaire including 26 questions that were developed from varied academicians. There were 5 independent variables which were; (1) Culture dimension, 3 questions derived from Moon et al., (2008); Ilhtiyar et al., (2012). (2) Perceived quality, 4 questions derived from Khraim (2011); Gillani et al., (2013); Foroudi et al., (2018) (3) Brand image, 5 questions derived from Khraim (2011); Gillani et al., (2013); Foroudi et al., (2018); Melewar et al., (2017) (4) Country of origin, 5 questions derived from Yunus & Rashid (2016); Tee et al., (2015) and (5) Word of mouth, 4 questions derived from Mikalef et al., (2013); Sharma et al., (2015); Chiu et al., (2016). Moreover, the dependent variable was the purchase intention of Cambodian consumers around the Thailand-Cambodian border, 5 questions being derived from Khraim (2011); Gillani et al., (2013). The questionnaire type was the five-point Likert scale (Likert, 1970) scoring start from 1 strongly disagree to 5 strongly agree.
Testing instruments for the reliability was assessed by 5 experts according to the Index of Item Objective Congruence (IOC) technique. The questionnaire's quality testing resulted in IOC value over 0.6 for all questions. Validity value was examined by Try-out involving a similar population, 30 samples, resulting in the reliability of Cronbach's value 0.963.

Data analysis and statistics of the research included descriptive statistics and inferential statistics. The descriptive statistics were an average, Alpha-Coefficient. The inferential statistics were Multiple Regression Analysis.

4. Analysis

1. Sample characteristics

Most of the samples were; female 50.67 percent, aged between 21 – 30 years 47.67 percent. They generally had an average income of 159.75$-479.23$ equaling to 49.67 percent, as well as educational attainment lower bachelor degree as 97.67 percent.

Results of research on the cultural dimension, brand image, perceived quality, country of origin image word of mouth influencing purchase intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>PI</th>
<th>CD</th>
<th>BI</th>
<th>PQ</th>
<th>COO</th>
<th>WOM</th>
<th>Mean</th>
<th>SD</th>
<th>Collinearity</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
</tr>
<tr>
<td>PI</td>
<td>1.00</td>
<td>0.63*</td>
<td>0.75*</td>
<td>0.65*</td>
<td>0.73*</td>
<td>0.79*</td>
<td>3.78</td>
<td>0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CD</td>
<td>1.00</td>
<td>0.65*</td>
<td>0.60*</td>
<td>0.56*</td>
<td>0.49*</td>
<td>3.97</td>
<td>0.81</td>
<td>0.53</td>
<td>1.88</td>
<td>Agree</td>
</tr>
<tr>
<td>BI</td>
<td>1.00</td>
<td>0.68*</td>
<td>0.74*</td>
<td>0.67*</td>
<td>3.85</td>
<td>0.75</td>
<td>0.75</td>
<td>0.33</td>
<td>3.05</td>
<td>Agree</td>
</tr>
<tr>
<td>PQ</td>
<td>1.00</td>
<td>0.71*</td>
<td>0.61*</td>
<td>3.71</td>
<td>0.75</td>
<td>0.40</td>
<td>2.47</td>
<td>0.34</td>
<td>2.91</td>
<td>Agree</td>
</tr>
<tr>
<td>COO</td>
<td>1.00</td>
<td>0.67*</td>
<td>3.82</td>
<td>0.77</td>
<td>0.47</td>
<td>2.13</td>
<td>2.13</td>
<td>0.47</td>
<td>2.00</td>
<td>Agree</td>
</tr>
<tr>
<td>WOM</td>
<td>1.00</td>
<td>3.69</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* p<0.001, N=400

The findings showed the culture dimension (r=0.63, p<0.001), brand image (r=0.75, p<0.001), perceived quality (r=0.65, p<0.001), country of origin image (r=0.73, p<0.001) and word of mouth (r=0.79, p<0.001). All of the variables had a positive correlation (r) with the purchase intention being statistically significant. Examining mean, it was found the mean as; the cultural dimension (CD) of 3.97, brand image (BI) of 3.85, perceived quality (PQ) of 3.71, country of origin (COO) of 3.82 and word of mouth (WOM) of 3.69. All of the variables had an influence on purchase intention with the opinion level of agree. Furthermore, the estimation of the mean of purchase intention (PI) equaled to 3.78 at the opinion level of agree.

As a consequence of testing the correlation between independent variables, the size of correlation (r) was in a range of 0.49 to 0.79. The findings revealed that every pair had a statistically significant correlation at level 0.001 which the correlation values among entire independent variables were moderately high. Tolerance value was in the range of 0.33 to 0.53. Particularly, the mentioned value over 0.2 was deemed that the independent variables; had low correlation, were independent, without Multicollinearity problem. These agreed to the conditions for analyzing multiple regression. Moreover, VIF (Variance Inflation factor) in the range of 1.88 to 3.05, not over 10, was deemed that no correlation among the independent variables meeting the criteria of Hair et al., (2006). It could be concluded, therefore, that the independent variables; had no Multicollinearity problem and were applicable to analyze multiple regression for determining influential variables on the purchase intention, as shown in Table 2.
Table 2. Regression model of culture dimensions, perceived quality, brand image, country of origin, word of mouth influenced purchase intention

<table>
<thead>
<tr>
<th>Predictor</th>
<th>B</th>
<th>Beta β</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>-0.026</td>
<td>-0.191</td>
<td>0.848</td>
<td></td>
</tr>
<tr>
<td>CD</td>
<td>0.174</td>
<td>0.176</td>
<td>4.469</td>
<td>0.000***</td>
</tr>
<tr>
<td>BI</td>
<td>0.184</td>
<td>0.053</td>
<td>3.459</td>
<td>0.001**</td>
</tr>
<tr>
<td>PQ</td>
<td>0.019</td>
<td>0.048</td>
<td>0.395</td>
<td>0.693</td>
</tr>
<tr>
<td>COO</td>
<td>0.175</td>
<td>0.051</td>
<td>3.456</td>
<td>0.001**</td>
</tr>
<tr>
<td>WOM</td>
<td>0.452</td>
<td>0.040</td>
<td>11.439</td>
<td>0.000***</td>
</tr>
</tbody>
</table>

R² = 0.871, R²adj = 0.755, ***p<0.001, **p<0.01

The multiple regression analysis results revealed that the independent variables as culture dimensions, brand image, perceived quality, country of origin, word of mouth had 75.90 (R²) percent influence on purchase intention. The cultural dimension (CD) (β = 0.176) had the highest influence on the purchase intention, respectively following by brand image (BI) (β = 0.053), country of origin (COO) (β = 0.051) and Word of mouth (WOM) (β = 0.040) with statistical significance. Thus, the multiple regression equation could be written as follows;

\[
PI = -0.026 + 0.174CD + 0.184BI + 0.019PQ + 0.175COO + 0.452WOM
\]

where
- PI was purchase intention
- CD was a cultural dimension
- BI was the brand image
- PQ was perceived quality
- COO was country of origin
- WOM was the word of mouth

Regarding multiple regression equation analysis, the research hypothesis testing resulted in Table 3.

Table 3. Result of the research hypothesis

<table>
<thead>
<tr>
<th>Hypothesis Testing</th>
<th>T-value</th>
<th>P-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: CD → PI</td>
<td>4.469</td>
<td>0.000***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: BI → PI</td>
<td>3.459</td>
<td>0.001**</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: PQ → PI</td>
<td>0.395</td>
<td>0.693</td>
<td>Rejected</td>
</tr>
<tr>
<td>H4: COO → PI</td>
<td>3.456</td>
<td>0.001**</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5: WOM → PI</td>
<td>11.439</td>
<td>0.000***</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

According to the researching hypothesis, it was found that the cultural dimension had a positive influence on the purchase intention (P < 0.001) supporting the hypothesis H. The brand image had a positive influence on the purchase intention (P < 0.001) supporting the hypothesis H2. The country of origin had a positive influence on the purchase intention (P < 0.001) supporting the hypothesis H4. The word of mouth had a positive influence on the purchase intention (P < 0.001) supporting the hypothesis H5 as described in Table 2.
5. Conclusions

This research showed that culture dimension (CD), brand image (BI), Country of origin (COO) and Word of mouth (WOM) had the influence on purchase intention of Thailand’s community product in view of Cambodian consumer with statistical significance. That was; 1) cultural dimension had a positive influence on purchase intention which was consistent with the research of Berthon et al., (2009); Yin et al., (2019) cultural dimension positively influenced the purchase intention. Owing to similarities to characteristics of culture, geography and consumer behavior between Thailand and Cambodia, these made Cambodian consumer requirements corresponded to Thailand. The community products were thus needed, resulting in the purchase intention from Cambodian consumers. 2) The brand image had a positive influence on purchase intention because of Cambodian consumers' viewpoint on Thai products as relative quality. Hence, the community products with Thai brands were moderately good in Cambodian consumers' views resulting in the purchase intention of them. It was consistent with Tee et al., (2015); Berbel-Pineda et al., (2018); Wiyadi & Ayunintyas (2019) that consumer’s brand image perception affected the purchase intention consequent the entrepreneur marketing fast. Yu et al., (2018) found that negative publicity of the brand had an impact on purchase intention of consumers. In other words, consumers who conceived the brand with negative images, consumers’ confidence in product qualities and values was decreased accordingly. In order to build a brand image, the firms might invest in adding value or promoting the product being well-known (Wang & Tsai, 2014). 3) The country of origin had a positive influence on purchase intention. Due to cultural dimension and confidence in brand image, the products originated from Thailand were good and required by Cambodian. Yunus & Rashid (2016); Tee et al., (2015); Esch et al., (2018); Berbel-Pineda et al., (2018) mentioned that the country of origin was the derivation of different viewpoints in each country. 4) Word of mouth had, further, a positive influence on the purchase intention, which was consistent with the findings of Khan et al., (2015); Solang et al., (2017); Zhang et al., (2018) as word of mouth has a positive effect on customers' purchase intention. Using the influence of WOM was worthwhile to build an efficient market. Such influence was
used for creating a brand and product purpose, ultimately, with purchase intention consequence. The reason behind might relate to lifestyle characteristics of Cambodian around the border that having fewer the other channels of media consumption. Because they gave their undivided attention to earn a living, the known goods or products were passed on by consumer's acquaintance. Thus, communication by word of mouth affected Cambodian customers' purchase intention.

6. Limitation and Future Research
The sample of this research was restricted to Cambodian consumers around the Thailand-Cambodia border, Aranyaprathet – Poipet border station only. In the future, information about Cambodian consumer in other border stations around the Thailand-Cambodia border may be gathered for the comparative factors, which influence the intention of purchasing Thai community product by Cambodian consumer in each area.

References


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