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THE INFLUENCE OF PERCEIVED PRICE AND QUALITY OF DELIVERY ON ONLINE REPEAT PURCHASE INTENTION: THE EVIDENCE FROM VIETNAMESE PURCHASERS

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THE INFLUENCE OF PERCEIVED PRICE AND QUALITY OF DELIVERY ON ONLINE REPEAT PURCHASE INTENTION: THE EVIDENCE FROM VIETNAMESE PURCHASERS

Luc Phan Tan^{1*} and Thu-Hang Le^{2,3}

Abstract: The purpose of this study is to explore the role of perceived price and delivery quality in influencing the repeat purchase intention through perceived value and consumer satisfaction. A total of 791 survey questionnaires were collected by the convenience sampling method from consumers who have previously purchased from the same online store. This study uses partial least squares to analyze data through SmartPLS 3.0 software. The data analysis procedure consists of assessing the reliability and validity of the measurement model and the evaluation of the structural model. The research results show that delivery quality and perceived price affect the perceived value and do not affect satisfaction. In contrast, perceived value directly affects repeat purchase intention and indirectly through satisfaction. Online stores should pay attention to order processing time, packaging time and cooperate with shipping companies to improve delivery quality. In addition, online stores should also have appropriate pricing policies to help increase perceived value and form repeat purchase intentions.

Subjects: Central Asian, Russian & Eastern European Studies; e-Business; Innovation Management; Asian Business

Keywords: customer satisfaction; perceived value; perceived price; repeat purchase intention; delivery quality

1. Introduction

The rapid growth of the online market has created many opportunities and challenges for online businesses. In an online business environment, customer development costs are much higher than in traditional sales channels, but profits increase faster if sellers have loyal customers because online customers tend to spend more and more than at the beginning (Bao et al., 2016). Therefore, it is important for online sellers to maintain customer relationships and attract existing customers to make repeat purchases (Khalifa & Liu, 2007). Repeat purchase intention is defined as the degree to which a customer is willing to purchase from the same online retailer in the future (Ali & Bhasin,

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2019). Consumers evaluate the post-purchase experience and the process of using a product or service to decide whether or not to repurchase (Kim & Gupta, 2009). Companies today are more interested in maintaining customer acquisition because it helps increase competitiveness and helps reduce costs in finding new customers (Bao et al., 2016).

Many studies have been carried out to examine the factors that affect repeat purchase intention in e-commerce, such as trust (Bao et al., 2016; C.-M. Chiu et al., 2012), customer satisfaction (Bao et al., 2016), transaction experience and perceived risk (C. M. Chiu et al., 2014), website quality (Hsu et al., 2015; Qureshi et al., 2009), the capability of order fulfillment (Qureshi et al., 2009), product attribute (Goh et al., 2016), perceived value (Gupta & Kim, 2007; Kim & Gupta, 2009), perceived price (Gupta & Kim, 2007; C. Kim et al., 2012), customer service quality (Abdul-Muhmin, 2010; Brown & Jayakody, 2008), delivery time (Abdul-Muhmin, 2010).

Factors affecting repeat purchase intention in e-commerce can be classified into two groups: internal and external factors (Ali & Bhasin, 2019; J. Lin et al., 2021). Internal factors directly relate to goods and services, such as product quality, product attributes, and perceived price. Extrinsic factors are related to product attributes but drive purchase intention, such as trust, website quality, customer service quality, and delivery time. Several studies have examined the individual effects of these factors, but studies that combine these factors are still limited. Within Vietnam's e-commerce context, most products are sold on major e-commerce platforms such as Tiki, Lazada, Shopee, etc., where product quality is uniform across the transaction platforms. Other factors such as information quality, system quality, website quality have been standardized. Therefore, among the factors influencing repeat purchase intention, this study explores the importance of perceived price (internal factor) and delivery quality (external factor) in affecting repeat purchase intention.

On the other hand, consumer behavior is often described as goal-oriented (Pieters et al., 1995). There are two main research directions in the study of shopping behavior. The first research group considers the acquisition of values as a purchasing goal and examines their impact on repeat purchase intention, i.e., the value-intent relationship (Jones et al., 2006; Wang, 2008). The second research group investigates the impact of benefits on repeat purchase intention, i.e., the benefit-intent relationship (Atcharyachanvanich et al., 2008; Forsythe et al., 2006). According to the Mean-End Chain Theory (MEC; Gutman, 1997), value is the ultimate goal that activates intention leading to the behavior. In this study, the authors consider the value in terms of perceptions that will affect repeat purchase intention in e-commerce. In addition, many studies have demonstrated the relationship between perceived value and repeat purchase intention, which has an impact through satisfaction; consumers generate repurchase intention if they find value and satisfaction with previous purchases (Park & Kim, 2003). This study contributes theoretically as follows: (1) considers both internal (perceived price) and extrinsic (delivery quality) factors affecting repeat purchase intention, (2) Based on the Mean-End Chain Theory with the value-intent relationship, the authors consider the value in purchasing behavior as perceived value and an intermediate premise affecting repeat purchase intention. In addition, based on previous studies in e-commerce, this study also considers satisfaction as another mediating variable in the value and intention relationship. Thus, the objective of this study is to explore the relationship between perceived price and delivery quality affecting repeat purchase intention in an e-commerce environment through perceived value and satisfaction.

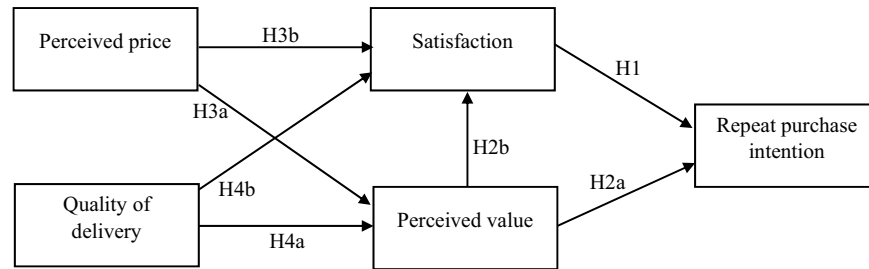
2. Hypotheses and research model

2.1. Repeat purchase intention

Repeat purchase intention is the process by which people request products and services from similar companies (Ali & Bhasin, 2019), and the cause of this intention comes from previous purchasing experience. Buyers intend to repurchase if they feel the value of the product and are satisfied with previous purchases (Park & Kim, 2003). Online vendors need to care about consumer purchase intention because when customers make repeat purchases, the business can be

Figure 1. Research model.

(Source: proposed by the author)



profitable throughout the product's life. Customers using the product for the first time may be curious, but if they do not buy again, the business has lost a customer. Businesses expend a lot of time and money to get an online customer; therefore, customer retention is one of the key factors for the success of e-commerce (Zeithaml et al., 2002). Customer retention plays a role in establishing a competitive advantage in the e-commerce market (Tsai & Huang, 2007).

2.2. Satisfaction

The satisfaction structure is playing an important role in marketing theories (Eggert & Ulaga, 2002). Consumer satisfaction is considered an important factor for organizations as the products or services created by the organization aim to satisfy the needs of online shoppers (Ali & Bhasin, 2019). Researchers widely accept consumer satisfaction as a strong predictor of behavioral variables such as repurchase intention, word of mouth, or loyalty (Ravald & Grönroos, 1996). Satisfaction has been extensively studied in predicting customer loyalty (Fornell et al., 1996; Yang & Peterson, 2004). Buyers are satisfied when the quality of the product or service meets their expectations. At the same time, they are dissatisfied when the product or service falls below expectations. Many scholars have demonstrated that satisfaction is the attitude after the shopping experience and using a product or service (Fournier & Mick, 1999). Likewise, buyer intention is influenced by their satisfaction (Oliver, 1980). Many studies have proved that satisfaction is one of the main factors of repurchase intention in e-commerce, such as studies by Lee et al. (2009), Molinari et al. (2008), and Yen and Lu (2008). Therefore, the authors propose the following hypothesis:

H1: Customer satisfaction has a positive effect on repeat purchase intention.

2.3. Perceived value

Consumers are always looking for ways to get huge value out of transactions. The definition of "value" is considered the combination of components that make up the shopping experience. The term "value" is also a trade-off between revenue and cost (Sweeney & Soutar, 2001). Zeithaml (1988) defines perceived value from the consumer's point of view as the difference between what a consumer spends and what they receive from purchasing a product or service. Perceived value is related to the sacrifice of money, time, or effort to purchase an item. Zeithaml et al. (2002) have shown that the value perceived is the overall assessment trade-off of the salient sacrifice/give and benefits/get components. Eggert and Ulaga (2002) also confirmed the direct impact of perceived value on post-purchase behaviors, including repurchase intentions and word-of-mouth. When the perceived value is high, the consumers will remain with the same e-store (Peng et al., 2019; Wu et al., 2014). Therefore, the authors propose the following hypothesis:

H2a: Perceived value has a positive effect on repeat purchase intention.

Besides, according to Schiffman and Kanuk (2009), the goal of providing value to customers is to attract and maintain a high level of customer satisfaction. Eggert and Ulaga (2002) argue that

perceived value is the sum total of all qualitative and quantitative factors in the purchasing process, thereby serving as a basis for evaluating the shopping experience to form customer satisfaction. McDougall and Levesque (2000) and Cronin Jr, Brady, and Hult (2000) found that perceived value is the most significant driver for buyer satisfaction. Therefore, the author proposes the following hypothesis:

H2b: Perceived value has a positive effect on customer satisfaction.

2.4. Perceived price

Perceived price is regarded as the utilization of benefits customers get from the product (Cakici et al., 2019). Ali and Bhasin (2019) distinguishes between actual product prices and prices perceived by buyers. The price that consumers charge for a product or service is called the perceived price. Zeithaml (1988) suggested that for consumers, the perceived price is more important than the actual price of the product. Perceived price influences consumer buying behavior or intention (Ali & Bhasin, 2019). In fact, many online stores today are using a variety of pricing policies such as free shipping and discounts to deliver superior perceived value and thereby increase repeat purchase intention (Wu et al., 2014).

Cronin et al. (2000) argue that price helps consumers measure the importance of a service or product they intend to buy and is also an important factor in consumer satisfaction. Shoppers tend to try to maximize usefulness in transactions because the price is a sacrifice, so many price increases lead to customers feeling that they have made a lot of sacrifices, which also reduces the total utility of acquiring that good or service and thus reduces perceived value (Thaler, 1985). Therefore, the authors propose the following hypothesis:

H3a: The perceived price has a negative effect on perceived value.

H3b: The perceived price has a negative effect on customer satisfaction.

2.5. Quality of delivery

The biggest challenge that online vendors face in developing economies is delivering goods to consumers. This is a big problem when consumers can order goods or services online, but e-commerce providers cannot provide these goods or services because their distribution networks are too small or unstable. This has led to the development of a range of delivery features, including COD (Cash On Delivery) payment, online order tracking functions, order changes, order cancellation, and returns. Ali and Bhasin (2019) argue that delivery with express delivery options greatly influences customer satisfaction indicators, including repurchase intention. Keeney (1999) argues that timely product delivery can affect all basic goals of satisfaction. Online shoppers expect prompt delivery, trackable orders, order changes, cancellations, returns, and refund claims that are responded to (Lin, 2007). Khalifa and Liu (2007) find that fast-tracking of products or services, prompt acceptance of returns and refunds, or after-delivery customer care are extremely important factors that directly affect consumer satisfaction (Ahn et al., 2004). In addition, the perceived value of online consumers is also highly influenced by the accuracy and speed of delivery (Ali et al., 2017) because customers attach opportunity costs related to time waiting until goods or services are delivered. Delivery delays can affect customers' emotions and psyche and reduce the initial perceived value they have with the product (C.-C. Lin et al., 2011; Demoulin & Djelassi, 2013). Delivery quality is recognized as a factor affecting customers' purchase value, satisfaction, and purchase intention (Hernández et al., 2009). Therefore, the authors propose the hypothesis:

H4a: Quality of delivery has a positive effect on perceived value.

H4b: Quality of delivery has a positive effect on customer satisfaction.

3. Research method

3.1. Scale

The research model tested in this study is shown in Figure 1. Perceived price, quality of delivery, and perceived value, each of which is measured by four items, inherited respectively from the prior studies by J. F. Hair et al. (1998), Ahn et al. (2004), and Tsai and Huang (2007). The repeat purchase intention was measured by five items as suggested by H.-W. Kim et al. (2012); for customer satisfaction, five items from Srinivasan et al. (2002) were used. All questions are measured on a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). The final questionnaire contains 22 questions that measure the five research variables, all of which are shown in Table 1.

3.2. Data collection

According to the Department of E-Commerce and Digital Economy, Vietnam's e-commerce will grow impressively in 2020, increasing 18% to a market size of 11.8 billion USD, estimated to account for 5.5% of total sales. In terms of retail sales of goods and services and traffic, the two leading platforms are Shopee and Lazada, followed by two Vietnamese-owned platforms, Tiki and

Table 1. Measurement Instrument

Perceived price

1. Buying from online stores can be more expensive than buying from traditional channels *
2. I can save more money buying from online stores
3. Online stores offer buying options with the best discounts.
4. Goods sold on e-commerce sites are cheaper than goods in other channels.

Quality of delivery

1. Online stores deliver the correct product ordered.
2. Online stores offer products that are well packaged.
3. Online stores deliver as promised.
4. Easy to do exchange/return of purchased products.

Perceived value

1. Products purchased from online stores are very good.
2. Products purchased from online stores are worth the money.
3. Products purchased from online stores are good value for money.
4. I get what to expect when I buy from online stores.

Customer satisfaction

1. I am satisfied with my decision to purchase from online stores.
2. I still feel unsure every time I shop online*
3. My online shopping choice is a smart choice.
4. I think I made the right choice when shopping online.
5. Compared to other purchase channels, I am satisfied when buying from online stores.

Repeat purchase intention

1. I plan to continue shopping online.
2. If I'm planning to buy something, I prefer to buy it through online stores.
3. I prefer to shop at familiar online stores for future purchases.
4. I intend to continue shopping at the online stores where I shop regularly.
5. I will recommend the online stores where I regularly shop to the people around me

Note: * reverse-scored items

Lazada. Vietnam is also the only country in Southeast Asia with double-digit e-commerce growth. Therefore, Vietnam has become a suitable context for e-commerce research.

The questionnaire was adapted according to the back-translation process from English to Vietnamese and then translated from Vietnamese to English for comparison and adjustment. From there, the observed variables are adjusted so that the interviewer understands the questions and increases the value of the scale. The survey was created on a Google Form. Then the link was sent to the Facebook groups of people who love to buy online. Convenient data collection method. Using a filter question, the people selected to participate in the survey had previously purchased online and had previously purchased goods from these stores. Data was collected over the course of eight weeks. The total number of questionnaires collected was 840, of which 49 responses were rejected due to incomplete information. Information about the survey sample is presented in Table 2.

3.3. Analytical procedures

This study used the partial regression approach (Partial Least Square—PLS) to analyze the data. PLS is the most popular and effective approach in analyzing linear structural models with hidden variables (Garson, 2012). PLS can analyze complex models, with many latent variables measured using many different parameters simultaneously. The analytical procedure in this study included (1) Testing collinearity and common method bias; (2) Testing the measurement model through the criteria of aggregate reliability, extracted variance, comparing the square root of the extracted variance with the correlation coefficient to evaluate the results; and for the discriminant price (3) Testing the structural model through the criterion of coefficient of determination (R^2); (4) Testing the direct effect of the variables in the model by PLS Bootstrapping technique with a repeated sample size of 5000 recommended by Henseler et al. (2015).

4. Analysis of data and results

4.1. Collinearity and common method bias

Before evaluating the structure model, it is important to evaluate that there is no collinearity issue in the inner model. Table 2 shows the collinearity test of the model. These results showed that there were no multicollinearity problems, as the values of tolerance were above the 0.2 threshold, and all values of VIF were below the threshold of 5 (Bao et al., 2016).

Authors conducted analyses to assess the potential threat of the common method bias (CMB). First, a Harmon one-factor test (Podsakoff & Organ, 1986) was conducted on perceived price, delivery quality, perceived value, satisfaction, repeat purchase intention. Results from this test showed that five factors were present and the greatest covariance explained by one factor was 29.35%, indicating that CMB was not likely a contaminant of concern. Second, following Podsakoff et al. (2003), authors included in the PLS model a method factor whose indicators included all the principal constructs' indicators and calculated each indicator's variance substantively explained by the principal construct and by the method. The results showed that the average substantively

Table 2. Sample information (n = 791)

Classification		Frequency (Percentage)
Gender	Male	311 (39,31%)
	Female	480 (60,68%)
Age/year	Under 20	79 (9,98%)
	20–30	372 (47,03%)
	30–40	274 (34,63%)
	Above 40	66 (8,34%)

Source: Results of data analysis

Table 3. Results of measurement of scale reliability and convergence value

Construct	AVE	Composite reliability	Cronbach's alpha	VIF
Perceived price	0.607	0.760	0.707	1.158
Delivery quality	0.603	0.863	0.862	1.152
Perceived value	0.501	0.793	0.753	1.625
Satisfaction	0.559	0.758	0.695	1.607
Repeat purchase intention	0.523	0.846	0.809	1.678

Source: Results of data analysis

explained variance of the indicators was 0.71, while the average method base variance was 0.005. The ratio of substantive variance to method variance was about 162:1. In addition, most method factor loadings were not significant. In summary, the CMB was unlikely to be a serious concern in this study.

4.2. Measurement model

Scale reliability is measured through Cronbach's Alpha coefficients and composite reliability. The results in Table 3 show that Cronbach's Alpha values ranged from 0.695 (satisfaction) to 0.862 (delivery quality). The values of composite reliability ranged from 0.758 (satisfaction) to 0.863 (quality of delivery). The values of Cronbach's alpha and composite reliability are both very close to or above the 0.7 threshold (Bao et al., 2016), indicating the structural reliability of the model. The Average Variance Extracted (AVE) value for each structure is also shown in Table 2, the value of AVE for all structures in this model is greater than 0.5, which shows the match. about convergence of each structure in the model (Fornell & Larcker, 1981).

Distinguishing value is the degree to which the factors are distinct and not correlated (Fornell & Larcker, 1981). According to Fornell and Larcker (1981), correlation coefficients between structures are compared with the square root of AVE. The results from Table 4 show that the square root of all AVEs (from 0.748 to 0.864) is greater than the coefficients in the same column. Therefore, all scales reach distinct validity.

4.3. Structural model

The R2 value for satisfaction, perceived value and repeat purchase intention is 0.421, respectively; 0.435 and 0.608 are considered acceptable (Cohen, 2013), showing that the research models have good predictive power and are suitable for predicting repeat purchase intention (Bao et al., 2016).

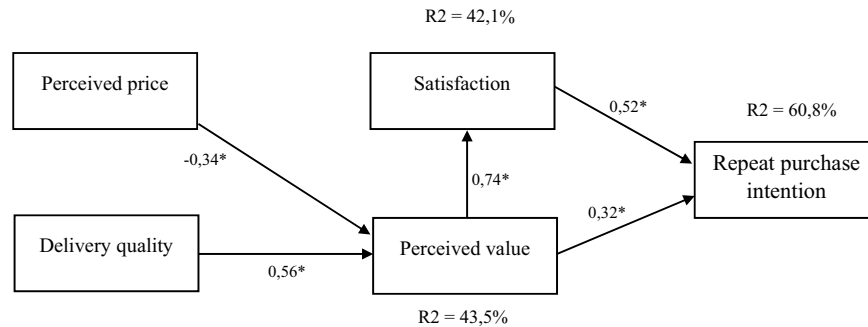
Table 4. AVE and Interrelationship of Structures

	Perceived price	Delivery quality	Perceived value	Satisfaction	Repeat purchase intention
Perceived price	0.798				
Delivery quality	-0.087	0.778			
Perceived value	0.415	0.122	0.781		
Satisfaction	-0.306	0.178	0.179	0.864	
Repeat purchase intention	0.192	0.250	0.257	-0.054	0.748

Source: Results of data analysis

Figure 2. Research results—the direct-effect relationship coefficients (* $p < 0.001$).

(Source: by the author)



T-test with Bootstrapping technique ($N = 5000$) was applied to test the direct effects (see, Figure 2). Hypothesis test results showed that perceived price and delivery quality significantly influenced perceived value and explained the 43.5% change in price. Perceived value, hypothesis H3a, and H4a were accepted. However, perceived price and delivery quality did not significantly affect satisfaction, so hypotheses H3b and H4b were rejected. Perceived value has a significant influence on repeat purchase intention and satisfaction. In addition, satisfaction also has an impact on repeat purchase intention. Therefore, hypotheses H2a, H2b, and H1 were accepted, and the above factors explained 60.8% of the change in repeat purchase intention.

5. Discussing research results

In e-commerce, understanding the mechanism that forms consumer repeat purchase intent is essential for business survival. This study aims to understand the mechanism and factors affecting the repeat purchase intention of consumers. The study results show the impact of perceived price and delivery quality on perceived value, and perceived value directly impacts satisfaction and repeat purchase intention.

Uncertainty about products and the quality of delivery strongly influences the customer's perceived value of the product (Ali & Bhasin, 2019; Slack et al., 2020). Previous studies often pay less attention to delivery quality and mainly focus on service quality; the results of this study show that delivery quality strongly influences the perceived value. This result is similar to previous studies Jiang et al. (2016) và Chinomona et al. (2014), which implies that online transactions create risks due to the delivery time of products. In addition, in this study, delivery quality has no impact on customer satisfaction in e-commerce. This result is in contrast to previous studies into the relationship between service quality and satisfaction (Kassim & Abdullah, 2010; Y. Lin et al., 2014), which can be explained in the context of Vietnam's e-commerce scene, with competition from companies in the shipping industry such as Fast Delivery, Economical Delivery, Viettel Post, Vietnam Post, SuperShip, etc., where the delivery quality is almost the same in terms of delivery time and delivery cost. In addition, shipping companies in Vietnam now also support many other essential delivery features, such as cash on delivery (COD) service, cargo schedule check function, refunds, etc. Thus, it can be said that the customer seems satisfied with the delivery quality of the goods, so the delivery quality does not affect the customer experience.

The findings also show a negative relationship between perceived price and perceived value, which is in complete agreement with the general theories of marketing. Because consumers tend to maximize the total utility for any given transaction when buying goods from e-commerce sites, any price increase makes the consumer feel sacrifices more, reducing total utility, thereby reducing perceived value (Cronin et al., 2000).

This study demonstrates that cognitive evaluations (perceived value) precede emotional responses (satisfaction and repurchase intention) according to the behavioral paradigm (Bagozzi,

1992; Chen, 2008; Cronin et al., 2000). Customer Satisfaction partially mediates the relationship between perceived value and repeat purchase intention (Kumar & Ayodeji, 2021).

Price perception had no effect on satisfaction. The finding reveals that perceived value is strongly related to customer satisfaction; consequently, sellers must grasp the significance of offering a reasonable value in order to increase consumer satisfaction. The results also indicate that a customer's perceived value increases their desire to make a repeat purchase and that customer satisfaction plays a substantial mediating role in this relationship. The results are consistent with earlier studies (Hride et al., 2022).

6. Research contributions

Firstly, this study has analyzed and considered the internal and external factors relevant to the e-commerce practice in Vietnam, including perceived price, delivery quality, and consideration. And the simultaneous impact of these two factors on repeat purchase intention. Second, this study is based on the Mean-End Chain Theory, which assumes that value is the ultimate goal that triggers intention that leads to behavior. This study has examined the role of value in online purchasing behavior and the perceived value to explore the relationship between perceived price and delivery quality to repeat purchase intention.

In terms of governance, the results of this study provide some implications for online business. Online stores should focus on delivery quality when doing business online. Although most stores use the services of shipping companies, stores should still pay more attention to the order processing time and delivery time to speed up delivery and reduce customer waiting time. Choosing companies with affordable costs and numerous shipping options such as checking delivery status, delivery time, quick exchange/return, etc., can increase the consumer's perceived value, thereby increasing satisfaction and increasing repeat purchase intention. In addition, online stores can collaborate with shipping companies to develop preferential policies to improve the delivery process and increase customers' perceived value. In addition, online business stores should also limit the price increases on goods, which can affect customers' perceived value, so the initial product pricing is critical to avoid price increases during the product's life cycle. Appropriate pricing policies such as discounts on special occasions or discounts on bulk purchases can also help increase perceived value and form repeat purchase intentions in e-commerce.

Intention to repurchase will be attained if the development of perceived price, delivery quality, perceived value, and satisfaction are managed effectively. Thus, management attention should be better directed toward the "growth" of these internal psychological processes. A consumer's behavior develops through a series of mental steps, beginning with perception (perceived price, delivery quality and value) and culminating in the formulation of behavioral intention. It underlines the significance of perceived value as a strategic element for measuring and managing e-commerce success. Therefore, in order to better comprehend e-commerce business effectiveness and consumer behavior, managers need evaluate both cognitive and affective characteristics (i.e. perceived quality, perceived value, and satisfaction; Pappas, 2016).

7. Limitations and directions for future research

The first limitation of the study is that the sample is collected by a convenient method from social networks, so the representativeness is not high. Secondly, the study was conducted with people who already had an online shopping experience and were not overly concerned about trust—an essential factor in online shopping. Thirdly, because the study was conducted in the Vietnamese context, culture may influence the study's outcome. Vietnamese consumers are gradually accepting online shopping and also accept the risks they may encounter. A further study should be carried out to investigate the influence of culture and beliefs on repeat intention.

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