

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF COMMERCE**

**EFFECT OF FACEBOOK APPLICATION ON  
PURCHASE INTENTION TOWARDS ONLINE  
SHOPPING**

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PURCHASE INTENTION TOWARDS ONLINE  
SHOPPING**

This Thesis is submitted to the Board of Examiners in Partial Fulfillment  
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## **ABSTRACT**

This thesis intends to find out effect of Facebook application on purchase intention towards online shopping. The objectives of the study are to identify the online shopping business in Myanmar through Facebook Application and to analyze the effect of Facebook application on purchase intention towards online shopping of students in Yangon University of Economics. In this study, quantitative research method and multiple regression analysis were used. Primary data was collected by distributing the questionnaires to the respondents. A random sample of 200 Facebook users is taken from the total population of 400 students of selected five hostels from the Ywar Thar Gyi campus of YUE and they were to interview using the questionnaire. According to the regression analysis, the finding revealed that sharing, e-WOM, and location-based check-in play significant role. The study found that sharing is the most determining factor that influences the purchase intention towards online shopping. In today environment, traditional marketing is not enough to seek business opportunities and thus business seeks to communicate with consumers and use this channels effectively by engaging to social media environments. This study suggests that marketers should realize the potential for Facebook to become an a shopping platform and so they need to develop appropriate interdepartmental staff training for improved engagement with Facebook as a social medium and potential sales channel. In future, the same research can be conduct regarding on factors that influence intention to online purchase with big sample or targeting it can be bigger population.

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# TABLE OF CONTENTS

	Page
<b>Abstract</b>	<b>i</b>
<b>Acknowledge</b>	<b>ii</b>
<b>Table of contents</b>	<b>iii</b>
<b>List of table</b>	<b>v</b>
<b>List of figures</b>	<b>vi</b>
<b>CHAPTER (1) INTRODUCTION</b>	
1.1 Rationale of the Study	2
1.2 Objectives of the Study	4
1.3 Scope and Methods of the Study	4
1.4 Organization of the Study	4
<b>CHAPTER (2) THEORETICAL BACKGROUND OF PURCHASE INTENTION</b>	
2.1 Purchase Intention	6
2.2 Factors Influencing Purchase Intention	7
2.3 Previous Studies	10
2.4 Conceptual Framework for the Study	11
<b>CHAPTER (3) BACKGROUND OF TELECOMMUNICATION AND ONLINE SHOPPING</b>	
3.1 Telecommunication Industry in Myanmar	13
3.2 E-commerce Services and E-banking in Myanmar	14
3.3 Online Shopping in Myanmar	15
3.4 Facebook and Online Shopping Business in Myanmar	16
<b>CHAPTER (4) ANALYSIS OF EFFECT OF FACEBOOK APPLICATION ON CONSUMER PURCHASE INTENTION TOWARDS ONLINE SHOPPING</b>	
4.1 Research Design	19
4.2 Demographics Characteristics of Respondents	19

4.3	Assessment on Reliability	22
4.4	Analysis of Effect of Social Media on Consumer Purchase Intention towards Online Shopping	23
4.5	Analyzing the Purchase Intention	29
4.6	Analysis of Relationship between Influencing Factors and Purchase Intention	30
 <b>CHAPTER (5) CONCLUSION</b>		
5.1	Findings and Discussions	35
5.2	Suggestions	36
5.3	Needs for Further Study	37
 <b>REFERENCES</b>		
<b>APPENDIX</b>		

## LIST OF TABLES

Table No.	Particulars	Page
(4.1)	Gender of Respondents	20
(4.2)	Age of Respondents	20
(4.3)	Education of Respondents	20
(4.4)	Average Income of Respondents	21
(4.5)	Average Facebook Usage	21
(4.6)	Types of Products That are Intended to Buy Online	22
(4.7)	Reliability Test from Respondent Responses on Scale Items	23
(4.8)	The Influence of Likes on the Purchase Intention	24
(4.9)	The Influence of Friends' Likes on the Purchase Intention	25
(4.10)	The Influence of Location-based Check-in on the Purchase Intention	26
(4.11)	The Influence of Comment on the Purchase Intention	27
(4.12)	The Influence of Sharing on the Purchase Intention	28
(4.13)	The Influence of e-WOM on the Purchase Intention	29
(4.14)	Analyzing the Purchase Intention	30
(4.15)	Correlation between Effect of Facebook Application and Purchase Intention	31
(4.16)	Model Summary	32
(4.17)	Multiple Regression Analysis on Relationship between Influencing Factors and Purchase Intention	33

## LIST OF FIGURES

Figure No.	Particulars	Page
(2.1)	Conceptual Framework of Previous Study 1	10
(2.2)	Conceptual Framework of Previous Study 2	11
(2.3)	Conceptual Framework of the Study	12
(3.1)	Facebook User in Myanmar	17

# **CHAPTER 1**

## **INTRODUCTION**

Consumers are increasing their use of digital technology. This includes websites, social media and mobile apps to research products, make price comparisons, purchases and to leave feedback and reviews online. As the number of Internet users increases, so do the opportunities for online shopping (Lee, 2006).

The creation of online communities links together people with similar preferences and interests so that the spread of the electronic word-of-mouth and information reaches the convenient recipient. Before the usage of online communities or social network, people used to share their real experience only with the closest friends, now the knowledge is distributed with everyone who interested. Those who are involved in the community often share about their personal experience with the product or services. Online shopping is used as a medium tool for communication and electronic commerce, it is to increase in value, quality and attractiveness for customer to enjoy with better satisfaction, that is why online shopping is more convenience than traditional shopping and day by day increasing its popularity.

Internet makes life simple and innovative. People doing business and trade on online has become more easy and fast due to this. Internet provides many new ways to promote business. Website becomes the essential tool of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new platform to promote, advertise products and services in market (Barry Silverstein, 2002, p. 3). Online shopping is a form of e-commerce, which allows consumers to directly buy goods or services from a seller over the internet using the web browser. One of the growing areas of E-commerce is online buying and selling. More and more consumers are turning to the World Wide Web for their shopping needs, which can gives them access to local or international products with just a click of the mouse. The theme of anytime and anywhere shopping appeals to consumers who cannot take time off their busy schedules to go out and shop. Many online shops have increased in Social Media and offering products from books, music CDs, household goods, groceries to furniture and cars.

Online shopping business can start with small amount of capital and it has been grown very fast due to many advantages associated with buying on internet such

as lower transaction and search costs as compared to other types of shopping and thus it has become a choice for many entrepreneurs who seeks business opportunities with few capital.

In Myanmar, Facebook has been one of the popular social network sites (SNS) in recent years. Nowadays, it can be said that Myanmar people start their new day by checking the Facebook news feed and Facebook Messenger messages. This study is aimed to identify the effect of social media on purchase intention towards online shopping. The numerous online resources towards providing product reviews, which is one of the key that affect customers purchase decisions.

### **1.1 Rationale of the Study**

Online consumers are always seeking new products, new attractiveness and the most important thing is the product price being compatibility with their range of budget. The internet is the best way to save from wasting time and money through purchasing online within their range of budget at home or in anywhere else. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services they want or need, news, visit social networks and search information and so on.

Not only the internet users increased but also the online shopping became very popular. Therefore, the consumer purchase intention of online shopping should be analyzed, as this is the potential business in Myanmar. It includes how the consumers make the decision to buy products online, what they buy, when they buy, how often they buy, how they evaluate after purchase and the impact of evaluations on future purchase.

With this emerging field of online shopping, the interest of marketers is also increasing in studying of what actually motivates consumers to shop online. So it is important for marketers to identify what factors influence consumers to shop online. In order to reach towards purchase decision, there are several factors which influence consumers to shop online. These factors are important for marketers to compete in the market and to make their product more attractive.

Lewis and Lewis (1997) identified five market segments based on the way that consumers use the Internet:

1. "Directed Information-seekers" are users that primarily look for information about a product or service that they want online, but there is no guarantee that they may become one of the online buyers.
2. "Undirected Information-seekers" are new to a product or service. They are more likely to interact with online prompts, and click through to web pages linked in advertising.
3. "Directed Buyers" have a predetermined mindset of what they would buy and wish to purchase that specific product or service online.
4. "Bargain Hunters" are price-sensitive consumers that like to find products during sales promotions. For these consumers, discounts are a major attraction to shop online.
5. "Entertainment Seekers" are online users and they are attracted to marketing delivered as a fun activity. Interactive online games could be useful in attracting this kind of customer.

According to the Myanmar Times newspaper, Myanmar people are very interested in online shopping as Myanmar was the last to digitalize in the region, so internet speed is better than in Cambodia and Thailand and people want to buy from online because it just takes a few minutes. Shop.com.mm, the Myanmar arm of China's largest e-commerce company Alibaba Group, generated sales of over US\$90,000 (K143 million) in the first hour of its first-ever Singles Day online sale on November 11. The occasion, also known as 11.11, is the biggest sales event in China. Shop which is the largest online shopping platform in Myanmar, generated more than 1500 orders in the first hour of the day, most of which were placed via mobile phones. The response to Shop's 11.11 online sale, its first such project under Alibaba, underscores the rising demand and potential for e-commerce in Myanmar.

Social networking sites (SNS) are becoming an important channel for retail sales and consumer-to-consumer interaction. Facebook is becoming an increasingly essential tool for consumers and firms alike. The possibility that Facebook becoming an online shopping tool has generated interest in social applications and activities that can influence consumer purchase intention. However there has been little research that investigates whether Social applications such as the like, sharing, posting and check-in capabilities of Facebook influence a consumer's intention to purchase a product through the its platform. There are two main reasons for adopting university students as target population in this research. Firstly, based on a research conducted

by Farag, Schwanen, Dijst and Faber (2007), young consumers towards internet experience and online shopping will have more positive attitude compare to aging consumers. Secondly, universities students are heavy users of mobile devices, which are one of the technology tools in the markets (Burn & Bush, 2005).

The importance of this study is very great because this study is about the purchase intention of students in Yangon University of Economics on online shopping through social media application Facebook, which is the most used social media in Myanmar.

## **1.2 Objectives of the Study**

The objectives of the study are:

1. To identify the online shopping business through Facebook in Myanmar
2. To analyze the effect of Facebook application on purchase intention towards online shopping of students in Yangon University of Economics

## **1.3 Scope and Methods of the Study**

Regarding the research method, quantitative research was used in this study. Multiple regression analysis was used to analyze the influencing factors and descriptive statistics was used to describe the demographic factors of the students. Within the time frame constraint of this study, the collection data from questionnaire survey were carried out in a month and only aim to focus on Facebook users who are the students of Yangon University of Economics. The questionnaire survey conducted on the 200 students out of 400 students who live in 5 hostels from Ywar Thar Gyi campus of YUE. and analyzed the data based on the study. Both primary and secondary data were collected. The require information for primary data was collected from conducting surveys. Secondary data was collected from textbooks, project papers, journals, reference books and internet websites. The researcher collects questionnaire by structured questionnaires paper and send questionnaires to respondents by email and social media.

## **1.4 Organization of the Study**

This paper is organized into five chapters. Chapter 1 is introduction and it is included rationale for the study, objectives of the study, scope and methods of the study and organization of the study.

Chapter 2 describes theoretical framework for this study. Chapter 3 was about the background of telecommunication and online shopping in Myanmar and in Chapter 4 analyzed the consumer purchase intention towards online shopping.

The last but not the least is Chapter 5 that presented the conclusion that includes finding and discussions of this study and suggestions and recommendations for further study.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter discussed the title of purchase intention, the factors influencing purchase intention, previous studies and finally the conceptual framework of the study. The factors that may influence the purchase intention towards online shopping are presented in literature review. These factors are likes, friend's likes, location-based check-in, comment, sharing and e-WOM.

#### **2.1 Purchase Intention**

Consumers who have higher purchase motivation and desires of a product may increase purchase intention. Purchase intention is also called the willingness to buy. It means that the possibility of a consumer who wants to purchase a product (Dodds, Monroe, & Grewal, 1991). It also plays an important role in consumer's buying decision-making process. When people do shopping, they desire a product or have some special motivation could increase their intentions to choose a product and make a purchasing decision. Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012). Morinezet. Al, (2007).

Purchase intentions are one of the main concepts in the marketing area because it is also a huge significant predictor in market segmentation, market penetration, consumer targeting, and promotional channel. So, the interest of marketing scholars on purchase intentions comes from its relation to buying behavior. Several studies have reported a positive correlation between purchase intentions and purchase behavior (Morwitz and Schmittlein, 1992; Morwitz et al., 1996). Beside, purchase intention is the common tools that are used by marketers to predict the sales of existing goods and services (Armstrong, Morwitz & Kumer, 2000).

Consumers' buying decision is very complex and vital in nowadays situation. Usually purchase intention is related with consumers' behavior, perception and their attitude. Few researchers found that consumer's purchase intention is based on past experience, preference toward product as well as the external environment to collect information, evaluate alternatives and make purchase decision. Consumers collect

information from various sources around them such as family, friends and coworkers and finally they will decide about their choice.

Purchase intention can be useful by understanding the possibility of a customer that leads to a purchasing decision. There are some factors that motivate consumers in doing purchasing. One is that they make purchase based on their previous experience. The experience of purchasing will last longer and will remain in consumers' mindset. So, Keller (2001) pointed out that they will immediately start evaluating on the products they bought and the result of the purchasing experience toward the products will be kept in their mindset for a very long time. Consumers with negative experience towards a product will give negative impact for future purchase while the quality matched with the price, a positive impact is shown. It will make consumers to move quickly their choice towards another product if consumers are not satisfy with existing product.

## **2.2 Factors influencing purchase intention**

In the current environment of robust SNS research, U & G theory has extensively explored the reasons for individuals' use of different SNSs including Facebook, WeChat, Twitter, social virtual worlds, and social networking games. The work of Papacharissi and Mendelson applies U&G to examine motivations for the use of Facebook, finding nine motives including the use of Facebook as a habitual pastime, entertainment, for expressive information sharing, as a source of new trends, escape, professional advancement, companionship, new friendships, and social interaction.

Uses and Gratifications Theory (UGT) considers how people actively seek specific media content for particular purposes and intentional goals (Katz, Blumler, & Gurevitch, 1974). UGT establishes an active, rather than passive, audience member who has the ability to consciously examine and evaluate media in order to accomplish specific outcomes (Wang, Fine, & Cai, 2008). UGT embodied a functional shift of communications scholarship, from examining not what media did to people, but to what people could do with media.

UGT supports a framework for understanding when and how individual media consumers become more or less active and the consequences of that increased or decreased involvement (West & Turner, 2007). The theory has five main assumptions: (1) an audience is active and goal-oriented in their media consumption,

(2) media are used for gratifications, (3) media are in competition with other means of need satisfaction, (4) people understand their personal media use, interests, and motives enough to communicate with researchers about their choices, (5) the audience members are the only people who can make judgments regarding the value of the media content. Kee and Valenzuela (2009) examined the main use and gratification derived from using Facebook. The main reasons found were to keep in touch with old friends and to intensify relationships that were formed offline, such as with classmates. However, among college students Facebook's main use is for the gossip and discussion which highlights the importance of electronic word-of-mouth for businesses using Facebook.

This study explore the six factors influencing purchase intention as likes, friends' likes, location-based check-in, comment, sharing and e-WOM based on Uses and Gratification Theory.

### **2.2.1 Likes**

The Facebook 'like' button function provides consumers to share pages from the website and or company concerned back to the consumers Facebook profile with one click (Harris and Dennis, 2011). By 'liking' a page, the user has voluntarily connected to on-going communication with the owner of that page. Firms can create Facebook pages and encourage Facebook users to become "fans" of these pages by clicking the 'like' button on the page. Once this page has been 'liked', the user receives business updates and the ability to observe other fans activity within that business page through their personal newsfeed (Nelson-Field et al., 2012). Consequently, advertisements of new items, discounts, recommendations and reviews by others can and will be seen by the user.

### **2.2.2 Friends' likes**

Harris and Dennis (Harris and Dennis, 2011) noted that shopping online and shopping through social media (social e-shopping) were emerging, but two years on it is likely consumers are participating in purchases through social media; trusting their friends recommendations through Facebook. Google is the search engine of choice, however information from friends can be more trusted and consumers are more likely to purchase products or services that their friends have recommended.

### **2.2.3 Location-based check-in**

Consumers can “check-in” through the Facebook “Places” function when they are at the locations such as restaurants, fashion stores and hotels and share their location with friends. Many retailers have extended the Places mobile feature with a deal which provides incentives to check-in by offering discounts on purchases. This function can replace traditional coupons and loyalty cards (Slutsky, 2010). This function increases word of mouth and local knowledge, and also allows retailers to reach potential consumers.

### **2.2.4 Comment**

Facebook allows users to leave short comments and these comments are displayed to the user’s network of friends in real time via their newsfeeds (Debatin et al., 2009). It can influence choices and provide advertising for the selected business involved. When consumers log into their Facebook account to find information about products and services, the ‘comment’ function may influence consumers purchase intention.

### **2.2.5 Sharing**

Facebook allows consumers to ‘share’ product/service or business pages that they think are important and relevant to them. Every 20 minutes, one million links are shared on Facebook (Branckaute, 2010). If a link of a particular page, product or discount is shared several times on Facebook, it will appear in the recommendations list and newsfeeds, highlighting how many people have shared it. If people post photos of products or the page of the business, this will appear in their newsfeed. It will be visible to all users’ friends whom are able to comment and share the link to their friends.

### **2.2.6 e-WOM**

e-WOM is an online consumer channel of marketing and has significant impact on the consumer’s information search, evaluation of alternatives and final decision to purchase a product (Brown *et al.*, 2007). The popularity of the internet has become e-WOM into a network with the birth of social media (Xiaofen and Yiling, 2009). The growth of social media (and by association e-WOM) has enabled

consumers to interact with each other in the virtual world and to share their perceptions and opinions of brand value (Gruen et al., 2005).

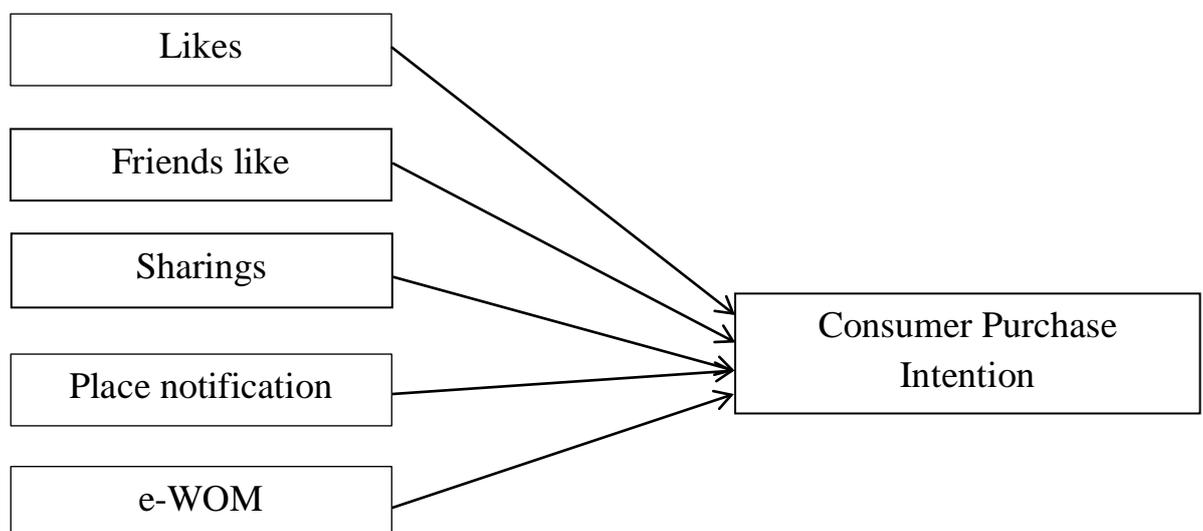
e-WOM is increasingly manifesting itself through social media as a form of social participation in online environments and has great impact on product judgement, criticism and praise (Evans, 2010). This means that consumers now have the ability to affect other consumer's final purchase decisions (Brown et al., 2007).

### 2.3 Previous studies

There are many research studies concerning with the purchase intention toward consumer behavior. The conceptual framework of this study stems from two conceptual models of previous researchers.

Figure (2.1) is the study of Influence of Facebook Applications on Consumer Purchase Intention: A Case Study of Generation Y developed by Salih Yildiz, Emel Yildiz, and Ali Tehci in 2016. The data was obtained from using online survey for 386 people who are persons 15-35 years old and also known as Y generation and it studied the effect of likes, friends' likes, sharing, place notification and e-WOM on consumer purchase intention. It concluded that electronic word of mouth and sharings have significant effect on purchase intention. But likes, friends likes and place notification have no significant effect on purchase intention.

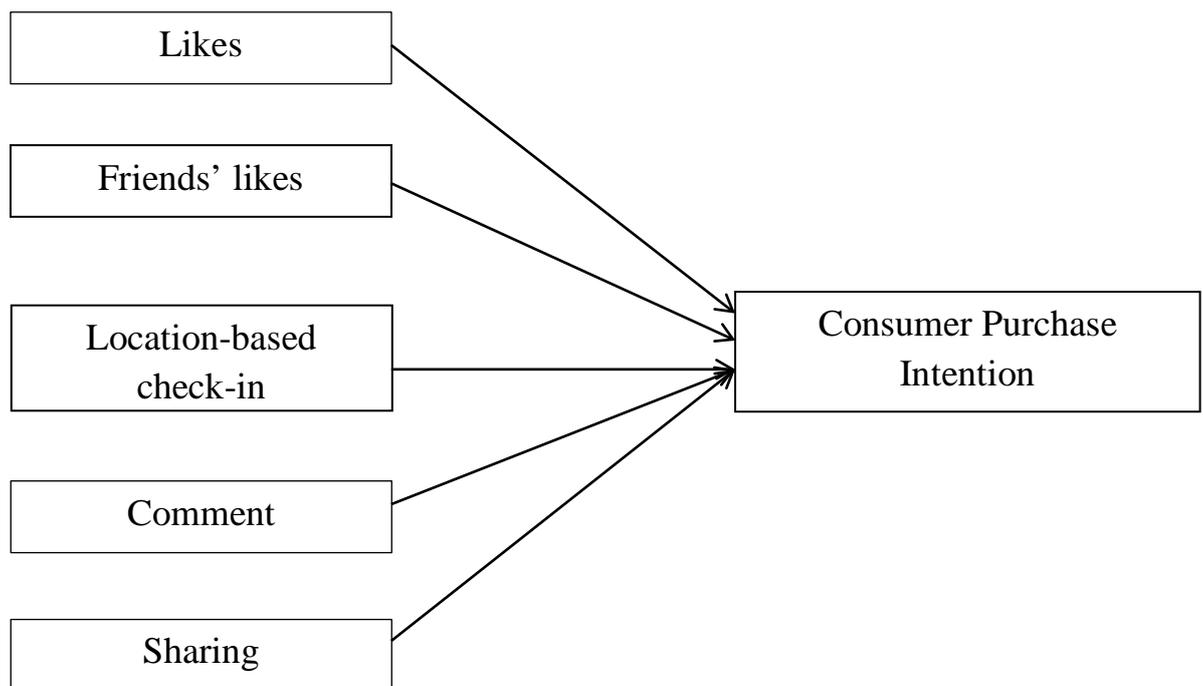
**Figure (2.1) Influence of Facebook Applications on Consumer Purchase Intention: A Case Study of Generation Y**



Source: Salih Yildiz, Emel Yildiz, and Ali Tehci (2016)

Figure (2.2) is the study of Facebook: Investigating the influence on consumer purchase intention by James E. Richard and Sarita Guppy and it is developed in 2016. It studied the effect of likes, friends' likes, location based check-in, comment and sharing on consumer purchase intention. It is concluded from the survey of 215 Facebook users that the number of likes, friends' likes, location based check-in services and the share button applications influence on consumer purchase intention and comments on Facebook show no significant effect on purchase intention.

**Figure (2.2) Facebook: Investigating the influence on consumer purchase intention**

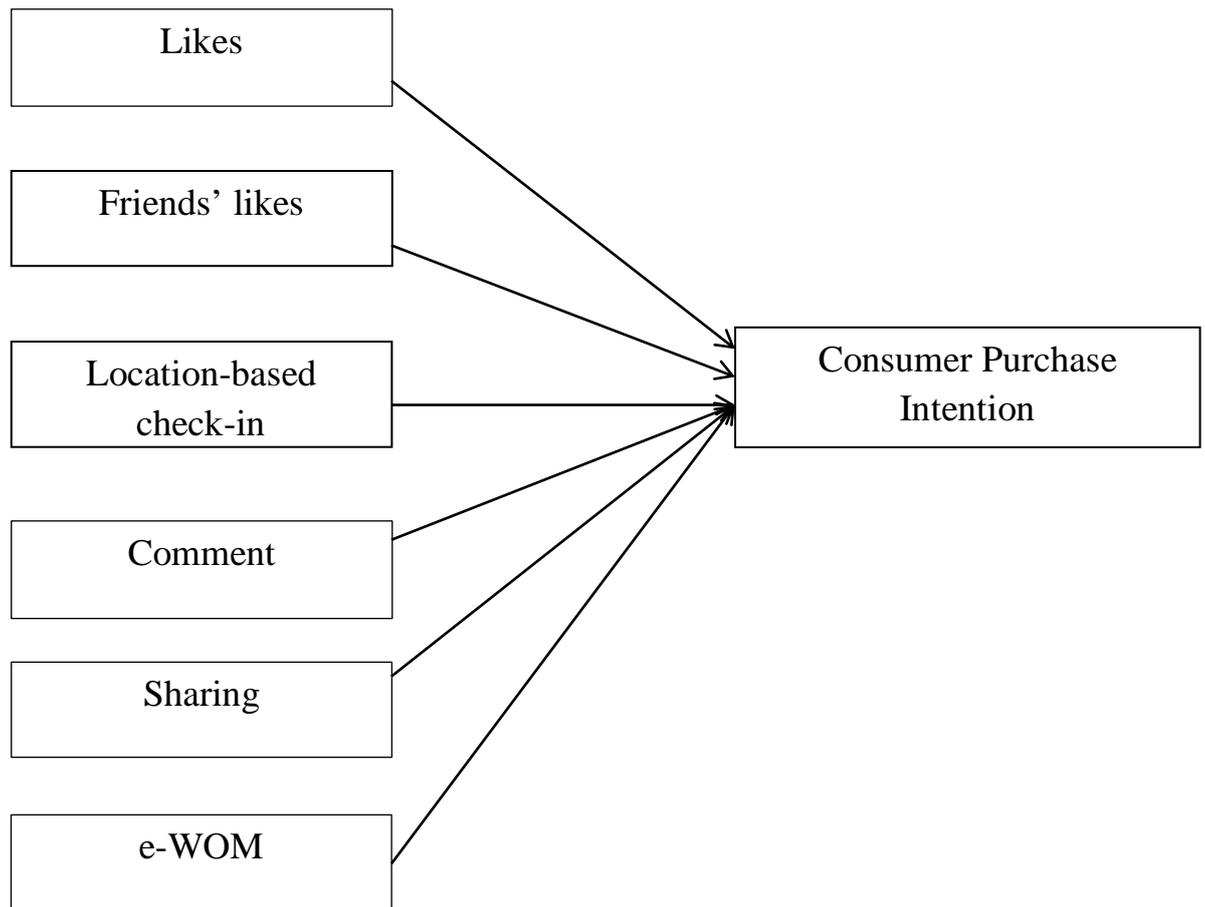


Source: James E. Richard and Sarita Guppy (2014)

#### **2.4 Conceptual framework of the study**

The conceptual framework of the study is developed by using the previous studies that have been tested in attempting to analyze the effect of Facebook application on purchase intention towards online shopping. The applied framework for this study is shown in figure (2.3).

**Figure (2.3) Conceptual Framework of the study**



Source: Adapted from James E. Richard & Sarita Guppy (2014) and Salih Yildiz, Emel Yildiz & Ali Tehci (2016)

The independent variables selected for this study are likes, friends' likes, location-based check-in, comment, sharing and e-WOM and the dependent variable analyzed in this study is purchase intention. The conceptual framework of this study is based on two previous studies to comply with the Myanmar context.

## **CHAPTER 3**

### **BACKGROUND OF TELECOMMUNICATION AND ONLINE SHOPPING**

This chapter presents the background of telecommunication and online shopping in Myanmar in which consists of telecommunication industry in Myanmar, E-commerce services and E-banking in Myanmar, online shopping in Myanmar and Facebook and online shopping business in Myanmar.

#### **3.1 Telecommunication Industry in Myanmar**

Internet in Myanmar has existed since the late 1990s, though access to it both through computers and mobile devices was deliberately limited. Telecommunication networks were developed in many parts of the country in the 1990s and 2000s. But the price of Sim-cards was kept artificially high. Sim-cards were sold for around US\$2,500 until the mid-2000s, and retailed for US\$100 as late as May 2014. Figures from the International Telecommunications Union suggests that prior to the commencement of liberalization in 2011 Myanmar had the lowest mobile penetration rate in the world at 2.6 per cent (Qiu 2014, 381).

Because of the significant political changes in Myanmar, telecommunication market affects a huge impact. Before the significant political changes, the government solely controlled the telecommunication market. As a result, the total numbers of mobile phone users become 5,400,000 in 2012.

The Myanmar Government has offered bids for two fresh telecom licenses to Qatari company Ooredoo and Norwegian operator Telenor in June 2014. The companies began competing not just for customers but also to acquire sites for the thousands of communication towers across the country to develop a national network. Throughout this process Myanmar Post and Telecommunications (MPT) upgraded many of their pre-existing towers with new receiving and transmission devices and extended into rural areas, saving the time-consuming and expensive work of developing backbone infrastructure. In 2017, Mytel (Telecom International Myanmar) received license for the provision of telecommunication services, officially became the 4<sup>th</sup> operator in Myanmar.

Huawei has built 40 percent of the towers and ZTE has built 60 percent in Myanmar, which amounts to 1500 across the country and it has built the towers mostly in Yangon, Mandalay and Naypyitaw.

By mid-2016, over 43 million sim-cards had been sold by telecommunications companies such as Telenor, Ooredoo and Myanmar Posts & Telecommunications. It was estimated that around half (21.5 million) of these sim-cards regularly used internet data and 39 million had the capacity for internet use, highlighting an extraordinarily rapid uptake of low-cost, web-enabled smartphones in Myanmar. The new opportunities of businesses are emerged for entrepreneurs and SMEs. Among them, the online shopping is one of the opportunities that emerged from the developing of the telecommunication industry.

### **3.2 E-commerce Services and E-banking in Myanmar**

The Myanmar Payments Union, an enterprise owned by the domestic banks, launched a service allowing for online payments. Some shops request pre-payment, meaning customers find a product they like on a website store but must pay cash before the order is confirmed. Other shops request payment when the good is delivered, but this increase the risk of the shop owner if the customer chooses not to pay.

MPU has been issuing prepaid credit cards since September 2012, with about 850,000 in use in the country. After MPU e-commerce service kicks off, its cardholders will be able to use their card number online to complete the purchase. This will remove the cost and risk from collecting payments for retailers. E-commerce is a frequent topic of conversation, with the bank planning to hold workshops on the issue.

Myanmar's banking system has long been behind a wall. Many of the largest banks were internationally blacklisted until 2017. Over ninety percent of the population has no bank accounts. Those who cannot obtain credit cards, their debit cards cannot be used for online much less mobile transactions. That is starting to change. Visa, Master card, Japan credit Bureau and China Payment Union have services and Card issuance.

In the case of the ATM licensing, that meant working only with three banks that are acceptable. Visa's solution to online and mobile banking is to create "human ATMs", people who can carry out mobile deposits and transfers on customers' behalf.

### **3.3 Online Shopping in Myanmar**

Internet connection in Myanmar was established for the first time in 2000. However, Myanmar had only limited access to the World Wide Web because of endless limitations and censorship. However, this was made better in 2011 and really good connection in 2014 and 2015, when many leniencies were shown towards censorship. Due to extreme raise of shop rental fees, pushes to lot of competitions in online shopping business.

In the past few years, young consumers of Myanmar have taken up to online shopping, hence increasing the e-commerce within the country in leaps. Today market place as like shop.com.mm is successfully providing great deals for sellers and buyers on the website or on the Facebook. Meanwhile, a few online grocery stores like dailymart.com.mm has also been helpful with the traffic congestion Yangon is facing currently. In addition, a big awareness is seen towards online shopping over different Facebook communities.

Interest on Online Shopping is growing in Myanmar during first 6 months of 2015 although local payment on mobile phone is not in practice yet. Those who are doing small business start to use Facebook for selling their products online. Facebook pages are one of the public networking tools for assisting online business.

In Myanmar, most of the online shoppers are between the ages of 15 to 25, hence supporting the statement that young consumers are getting the hang of e-commerce in the country. Usually, once the product is purchased online, the customer gets a call from the website's customer representative, confirming the purchase and within 3 – 5 days the product is delivered at the person's doorsteps. However, if the is to be imported and is not currently available in the inventory, sometimes it may take longer.

Online shopping business confirmed that daily increasing mobile phones user also made people become interested in online shopping and online shoppers are growing fast due to growing user of mobile phones and Internet.

The future of online shopping in Myanmar looks bright. Within next decade there will be another generation who are ready to use the facility of online shopping. Apart from that, during this time the citizens of the country are starting to embrace the idea of e-commerce as well, and are gradually leaning towards the luxury of not having to go to the store but still getting the products that they want delivered at home.

The Younger Generations are majority people who use buying and selling methods on Internets. Although local online business is developing, there are "remittance issues" which made difficult problem between buyers and sellers. This is because "Money Transferring" via "Mobile Phone services" are not been widely use yet.

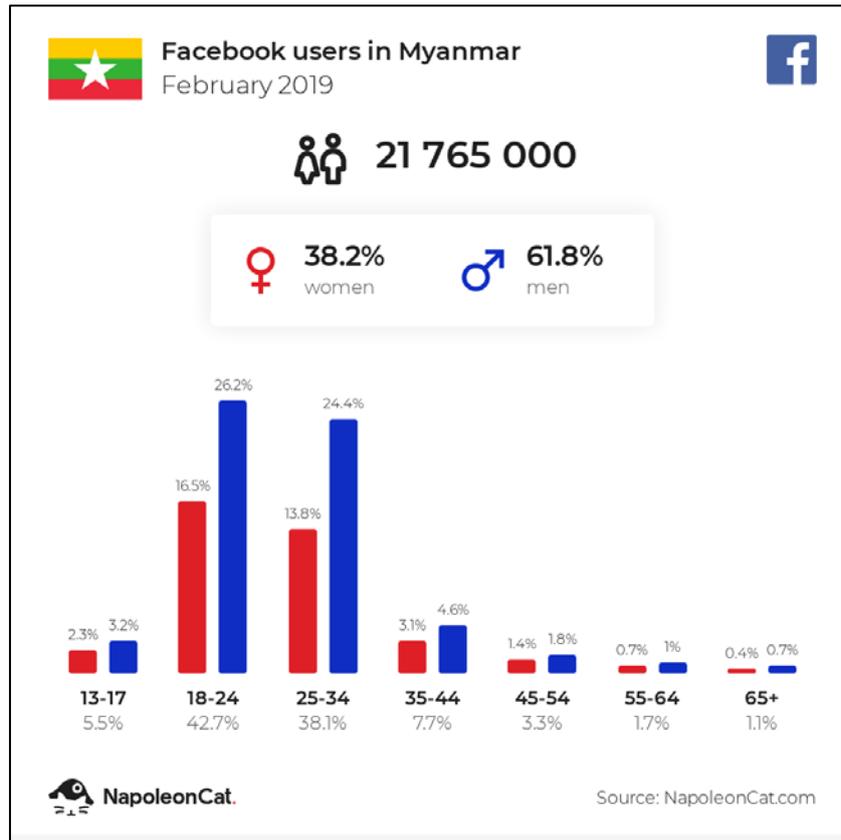
Although local online businesses are developing, mobile payment is not been widely use between the sellers and buyers yet. Payment system is still in use via banks by paying Deposits and adding up transporting charges. Most people use payment upon delivery methods.

### **3.4 Facebook and Online Shopping Business in Myanmar**

In Myanmar, the major beneficiary of the rapid embrace of mobile phones in recent years has been Facebook, which has emerged as the primary platform of internet-based interaction across the country. Events that are of interest to the public are increasingly encountered and even occur first on Facebook, prior to any other traditional media or internet sites. This has led the analysts to declare that 'Facebook is the internet in Myanmar' (Bourgault 2013). In 2019, total population of Myanmar became 54.10 million and according to Figure (3.1), there included over 21 million of Facebook users, 39% of the total population.

Since 2012, internet usage in Myanmar has grown from 1.8% to 21.8% in 2015. As internet penetration continues to rise in Myanmar due to the shrinking costs of data plans and the strengthening of Myanmar's infrastructure. This means the potential of online shopping in Myanmar is becoming greater than ever before. There are products young customers prefer to purchase online and products they don't prefer to purchase online. Goods such as clothing, handbags, furniture, food, and electronics were listed in the items of customers purchased online. Used or second-hand items also appeared to be popular to those looking to save money on more expensive items. Things people are more hesitant to purchase in online are expensive items such as electronics from lesser known retailers, and shoes which customers often want to try on before purchasing.

Figure (3.1) Facebook Users in Myanmar



Source: NapoleonCat.com

According to Myanmar Insider, Myanmar people still find it inconvenient to use online shopping websites. As those websites are larger in size, it takes long to load. Also there is lack of interaction with the customers. The biggest drawback is that online payment is not easy, as few consumers have online bank accounts and there are no locally issued credit cards. This leads to the growing number of online stores on social media. According to MMRD, 96% of Internet users in Myanmar use social media. Facebook becomes the most popular social media platform with 93% using it, followed by Viber at 80% and Twitter is at 6%.

Almost every Internet user in Myanmar has a Facebook account and thus business owners started doing business on the social media and investing more on Facebook Ads. It enables many individual, especially young people to start their own business by opening Facebook online shops with little to no capital. All they have to do is decide what to sell and look for the product supplier. If everything is ready, they can set up a Facebook page within minutes and start selling. According to Myanmar Tech Press (2018), the most commonly used online shopping websites in Myanmar

are Shop, rgo47, Yangon online store, OneKyat and Barlolo. These online shopping websites also have their online shops' pages on Facebook and the ordering process can be done by registration at official websites or via Chat Box of Facebook page. Almost everyone mentioned Facebook shops before any other websites came to mind. Thus, in Myanmar, Facebook continues to be the number one place for young people to do their online shopping.

## **CHAPTER 4**

### **ANALYSIS OF EFFECT OF FACEBOOK APPLICATION ON CONSUMER PURCHASE INTENTION TOWARDS ONLINE SHOPPING**

This chapter consists of six parts. They are research design, demographics characteristics of respondents, assessment on reliability, analysis of effect of Facebook application on consumer purchase intention towards online shopping, analyzing the purchase intention and analysis of relationship between influencing factors and purchase intention.

#### **4.1 Research Design**

This research applied quantitative research method. The primary data was collected through systematically developed by 5-point Likert scale questionnaire. The research analysis method is multiple regression analysis. Sample size of 200 students was calculated from a total population of 400 students who live in Ywar Thar Gyi campus hostels of YUE based on the Yamane formula.

$$n = \frac{N}{1 + N * (e)^2}$$

where, n = the sample size

N = the population size

e = the acceptable sampling error

The analysis is divided into two parts. The first part is the demographics characteristics of respondents. The second part presents the relationship of likes, friends' likes, location-based check-in, comment, sharing and e-WOM in relation to purchase intention towards online shopping. This study used SPSS (Statistical Package for Social Science) to analyze the collected data for the findings of the studying by running of reliability test, correlation and regression analysis.

#### **4.2 Demographics Characteristics of Respondents**

This section presents the description of respondents. The respondents were asked to describe their demographic information, including gender, age, education,

average income per month, average Facebook usage per day and types of products they wanted to buy online.

Table (4.1) Gender of Respondents

Gender	No. of Respondents	Percentage (%)
Male	60	30
Female	140	70
Total	200	100

Source: Survey Data (2019)

According to table (4.1), 60 respondents were male, accounting for 30% and 140 respondents were female, accounting for 70% of the total 200 respondents.

Table (4.2) Age of Respondents

Age (years)	No. of Respondents	Percentage (%)
Under 18	41	20.7
Over 18	159	79.3
Total	200	100

Source: Survey Data (2019)

According to Table (4.2), majority of the respondents are age of over 18 years which is 79.3% of total respondents. Age of under 18 years is 20.7%.

Table (4.3) Education of Respondents

Education	No. of Respondents	Percentage (%)
First year	44	22.0
Second year	39	19.3
Third year	48	24.0
Final Year	69	34.7
Total	200	100.0

Source: Survey Data (2019)

According to table (4.3), education of respondents has four sections: first year, second year, third year and final year. It is observed that 22% of total respondents are first year, 19.3% are second year, 24% are third year and 34.7% are final year.

Table (4.4) Average income of Respondents

Income (kyats)	No. of Respondents	Percentage (%)
less than 150000	61	30.7
150000-200000	99	49.3
200001 to 250000	3	15.3
250001 to 300000	7	3.3
Above 350000	3	1.3
Total	200	100.0

Source: Survey Data (2019)

Table shows that 30.7% of respondents are in the category of less than 150000, 49.3% are in the category 150000 – 200000, the category of 200001 – 250000 with 15.3% and 3.3% are in the category of 250001 – 300000 and 1.3% are in the category of above 350000.

Table (4.5) Average Facebook Usage

Usage (hours)	No. of Respondents	Percentage (%)
1-2 hours per day	12	6.0
3-4 hours per day	119	59.3
5-6 hours per day	49	24.7
More than 6 hours per day	20	10.0
Total	200	100

Source: Survey Data (2019)

The table shows that 6% of the total respondents use Facebook for 1-2 hours per day, 59.3% of respondents use for 3-4 hours per day, 24.7% use Facebook for 5-6 hours per day and 10% use Facebook for more than 6 hours per day.

Table (4.6) Types of products that are intended to buy online

Types of products	No. of Respondents	Percentage (%)
Cosmetic and skincare	85	42.7
Clothing and shoes	123	61.3
Books	49	24.7
Phone accessories	23	11.3
Fashion accessories	19	9.3
Food and snacks	41	20.7
Others	32	16.0

Source: Survey Data (2019)

According to table (4.6), types of products that are intended to buy online have four sections. 42.7% of the respondents want to buy cosmetic and skincare, 61.3% of respondents want to buy clothing and shoes, 24.7% want to buy books, 11.3% want to buy phone accessories, 9.3% want to buy fashion accessories, 20.7% want to buy food and snacks and 16% want to buy others.

### 4.3 Assessment on Reliability

The variables involved in the study are likes, friends' likes, location-based check-in, comment, sharing and e-WOM. Internal consistency is a part of reliability of a study, which is a necessity for measures to be valid (Saunders et al., 2012). Cronbach's alpha is a measure for the internal consistencies of the items that together cover the specific factor. Cronbach's alpha is a reliability coefficient that indicates how well items in a set are positively correlated to one another (Sekaran, 2003). A commonly accepted rule of thumb is that an  $\alpha$  of 0.6-0.7 indicates acceptable reliability, and 0.8 or higher indicates good reliability. High reliabilities (0.95 or higher) are not necessarily desirable, as this indicates that the items may be entirely redundant.

Table (4.7) Reliability Test from Respondent responses on Scale items

Factors	No. of Items	Cronbach's Alpha
Likes	5	.631
Friends' likes	5	.803
Location-based check-in	5	.756
Comment	5	.619
Sharing	5	.796
e-WOM	5	.695
Purchase intention	6	.744

Source: Survey Data (2019), SPSS output

According to table (4.7), it could be observed friends' likes is the highest alpha value of at 0.803 among 5 items so it means that friends' likes is the most reliable variable. The Alpha value for sharing is second highest of 0.796 among 5 items. Followed by location-based check-in, it has the alpha value of 0.756 and the alpha value for purchase intention is 0.744 among 6 items. In addition, e-WOM, likes and comment have the alpha value of 0.695, 0.631 and 0.619 among 5 items. For testing the reliability of the test, can conclude that the test is reliable with independent variable achieved and fulfilled the level of reliability which was measured by Cronbach's Alpha.

#### **4.4 Analysis of Effect of Facebook Application on Consumer Purchase Intention towards Online Shopping**

Regarding with the effect of social media on consumer purchase intention towards online shopping, the agreement of respondents on likes, friends' likes, location-based check-in, comment, sharing and e-WOM are studied. A five-point likert scale questionnaire is used to measure the respondent level of agreement. The responses were measured in a five-point scale namely; strongly disagree, disagree, neutral, agree and strongly agree and the scores of 1, 2, 3, 4 and 5 were given to the above scale. (Ranking from "strongly disagree = 1", "disagree = 2", "Neither agree nor Disagree = 3", "Agree = 4", "Strongly agree = 5").

#### 4.4.1 The influence of Likes on the Purchase Intention

This section found out the levels of respondents' agreement on purchase intention regarding with the number of likes. Mean values of all scales are shown in the table (4.8).

Table (4.8) The Influence of Likes on the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	The number of like a product has on its Facebook's online shop is influence my intention to shop online.	3.49	.896
2.	I use the like function to rate products.	3.30	.817
3.	The amount of likes for a product interests me.	3.70	.925
4.	The number of likes of the online shop page on Facebook interests me to shop online.	3.57	.855
5.	I look at the number of likes of the online shop page when I enter the online shop home page.	3.75	.998
Overall Mean		3.562	

Source: Survey Data (2019)

According to the results in Table (4.8), the highest mean score is 3.75 in that I look at the number of likes of the online shop page when I enter the online shop home page and the lowest mean score is 3.3 in which I use the like function to rate products.. The overall mean score of the number of likes is 3.562. Therefore, it can be said that respondents agree on influence of the number of likes on consumer purchase intention.

#### 4.4.2 The Influence of Friends' likes on the Purchase Intention

In this section, there are five statements to analyze the number of friends' likes influence on consumer purchase intention. The mean score of each statement on friends' likes are shown in the following table.

Table (4.9) The Influence of Friends' likes on the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	I pay attention to my Facebook friends liking products and online shop pages	3.42	.861
2.	I click on photos of products or online shop pages that show up on my homepage from my friends liking them	3.40	.875
3.	I am interested if my friends have liked the product or online shop page.	3.33	.825
4.	When I enter the online shop home page , I pay attention if my friends have liked that page.	3.21	.945
5.	I also click like button on online shop pages that my friends liked.	3.19	.986
Overall Mean		3.31	

Source: Survey Data (2019)

The result of the Table (4.9), the statement of I pay attention to my Facebook friends liking products and online shop pages had the highest mean of 3.42 and the statement of I also click like button on online shop pages that my friends liked had the lowest mean of 3.19. The overall mean score of friends' likes is 3.31. Therefore, it shows that respondents agree on influence of the number of friends' likes on purchase intention.

#### 4.4.3 The Influence of Location-based Check-in on the Purchase Intention

In this section, there are five statements to analyze the location-based check-in influence on consumer purchase intention. The mean score of each statement on location-based check-in are shown in the following table.

Table (4.10) The Influence of Location-based Check-in on the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	I pay attention to my Facebook friends who 'checkin' to store.	3.08	.879
2.	I use the Facebook 'check-in' location based function.	3.51	.740
3.	I click on the location my friends have checked into.	3.22	.933
4.	I like to buy from the online stores that are checked-in by others on Facebook.	3.15	.849
5.	I use the check-in location function when I buy something from the online shop or review the product I bought from online store.	3.37	.966
Overall Mean		3.266	

Source: Survey Data (2019)

As the results shown in table (4.10), the highest mean score is the statement of I use the Facebook 'check-in' location based function with 3.72. The lowest mean score is I pay attention to my Facebook friends who 'checkin' to store with 3.37. The overall mean score of location-based check-in is 3.266. Therefore, it can be concluded that respondents are agree on influence of location-based Check-in on the purchase intention.

#### 4.4.4 The Influence of Comment on the Purchase Intention

This section found out the levels of respondents' agreement on purchase intention regarding with Facebook comment. Mean values of each of the statement are shown in the following table (4.11).

Table (4.11) The Influence of Comment on the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	I pay attention to the comments posted on Facebook.	3.51	.903
2.	I used to write comments on online shop pages or product's post.	3.05	.954
3.	Review comments really interests me to buy online.	3.81	.972
4.	When I need the information about the product, I look for the comments of that product on its post.	4.01	.823
5.	Good product review comments make me want to buy .	4.04	.926
Overall Mean		3.684	

Source: Survey Data (2019)

According to the results in table (4.11), the highest mean score is 4.04 in that Good product review comments make me want to buy and the lowest mean score is 3.05 in which I used to write comments on online shop pages or product's post.. The overall mean score of comment is 3.684. Therefore, it can be said that respondents agree on influence of comment on purchase intention.

#### **4.4.5 The Influence of Sharing on the Purchase Intention**

In this section, there are five statements to analyze sharing on Facebook influence on purchase intention. The mean score of each statement on sharing are shown in the following table.

Table (4.12) The Influence of Sharing on the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	I pay attention to what products and online shop pages are 'shared' on Facebook.	3.05	.877
2.	I 'share' products and online shop pages on Facebook.	2.91	1.093
3.	It interests me when online shop pages are 'shared'.	2.99	.912
4.	I used to look for the information about the pages that are shared.	3.39	.834
5.	I share the posts about the product that I like or want.	3.46	1.145
Overall Mean		3.16	

Source: Survey Data (2019)

The result of the table (4.12), the statement of I share the posts about the product that I like or want had the highest mean of 3.46 and the statement of I 'share' products and online shop pages on Facebook had the lowest mean of 2.91. The overall mean score of sharing is 3.16. Therefore, it shows that respondents agree on influence of sharing on purchase intention.

#### **4.4.6 The Influence of e-WOM on the Purchase Intention**

In this section found out the influence of e-WOM on purchase intention with four statements. The mean score of e-WOM influences are shown in the following table (4.13).

Table (4.13) The Influence of e-WOM on the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	I pay attention to what people post about the products or shops on Facebook.	3.11	.764
2.	I used to post about the products that I used.	3.01	.863
3.	It interests me when I see the review posts about the products or online stores.	3.58	.797
4.	I want to buy the product that has good review posted by others on Facebook.	3.58	.821
5.	I want to buy the products from the online store that has good reviews on Facebook.	3.65	.812
Overall Mean		3.386	

Source: Survey Data (2019)

As the results shown in table (4.13), the highest mean score is the statement of I want to buy the products from the online store that has good reviews on Facebook with 3.65. The lowest mean score is “I used to post about the products that I used” with 3.01. The overall mean score of e-WOM is 3.386. Therefore, it can be concluded that respondents are agree on influence of e-WOM on purchase intention.

#### 4.5 Analyzing the Purchase Intention

This section analyzes the levels of respondents’ agreement on purchase intention. In the study, purchase intention is measured by 6 statements and the mean and standard deviation of each statement are shown in the table (4.14).

Table (4.14) Analyzing the Purchase Intention

No.	Statements	Mean	Std. Deviation
1.	I intend to purchase a product online when it is recommended on Facebook.	3.22	.767
2.	I buy the product online if I happened to see it on Facebook.	3.25	.835
3.	I actively seek out this product on Facebook to purchase it online.	3.38	.825
4.	I buy the product that I like or want if it is on online shop page of the Facebook.	3.49	.792
5.	I buy the product I want online than offline if I happened to see it on online shop page of the Facebook.	3.20	.882
6..	I usually buy the products online than offline from the Facebook.	3.00	1.170
Overall Mean		3.257	

Source: Survey Data (2019)

According to table (4.14), the highest mean score is 3.49 in which I buy the product that I like or want if it is on online shop page of the Facebook. The lowest mean score is 3.40 in that Samsung is my first choice among smart phone. The overall mean score for brand loyalty is 3.257. Therefore, the result can be analyzed that respondents are likely to agree upon the purchase intention towards online shopping.

#### **4.6 Analysis of Relationship between Influencing Factors and Purchase Intention**

There are six independent variables are likes, friends' likes, location-based check-in, comment, sharing and e-WOM and a dependent variable; purchase intention towards online shopping which are involved in the study. In this section, it presents the results of correlation and multiple regression analysis with regard to achieve the objective of the study; to analyze the effect of social media on purchase intention towards online shopping.

#### 4.6.1 Correlation Analysis

A correlation analysis was run to investigate the relationship between variables. Table (4.15) demonstrates the correlation coefficient for dependent variable and independent variables. The correlation coefficient (r) ranges from -1.0 to +1.0. if the value is positive, it means that it has perfect positive linear relationship and negative value indicates a perfect negative linear relationship. When the r value equal to 0 means that there is no correlation indicated among variables.

Table (4.15) Correlation between Effect of Facebook Application and Purchase Intention

		Purchase Intention
Likes	Pearson Correlation	.390**
	Sig. (2-tailed)	.000
Friends' likes	Pearson Correlation	.544**
	Sig. (2-tailed)	.000
Location-based check-in	Pearson Correlation	.592**
	Sig. (2-tailed)	.000
Comment	Pearson Correlation	.427**
	Sig. (2-tailed)	.000
Sharing	Pearson Correlation	.655**
	Sig. (2-tailed)	.000
e-WOM	Pearson Correlation	.600**
	Sig. (2-tailed)	.000
Purchase intention	Pearson Correlation	1

Source: Survey Data (2019), SPSS output

Note: \*\* Correlation is significant at the 1% level.

\* Correlation is significant at the 5% level.

As a result, all the independent variables have positive association with the dependent variables. The correlation coefficient between likes and purchase intention is 0.390 at 1% significant level. The correlation coefficient between friends' likes and purchase intention is 0.544 at 1% significant level. The correlation coefficient between location-based check-in and purchase intention is 0.592 at 1% significant

level. The correlation coefficient between comment and purchase intention is 0.427 at 1% significant level and the correlation between sharing and purchase intention is 0.655 at 1% significant level. The correlation coefficient between e-WOM and purchase intention is 0.600 at 1% significant level. According to Table (4.15), all the factors have significant correlation with purchase intention.

#### 4.6.2 Model Summary Analysis

The Model summary table presents the R, R Square and adjusted R Square. The R column represents the value of the multiple correlation coefficients, which measures the prediction of the dependent variable (Freund et al., 2006). The R Square represents the coefficient of determination, which measures the proportion of variance in the dependent variable that can be explained by the independent variables (Freund et al., 2006). The adjusted R Square also indicates to what extent the dependent variable can be explained by the independent variables, but adjust the number in terms of a model (Freund et al., 2006).

Table (4.16) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766 <sup>a</sup>	.588	.570	.38576

#### 4.6.3 Multiple Regression Analysis

Multiple regression analysis was run to test the proposed objectives of relationship between influencing factors: likes, friends' likes, location-based check-in, comment, sharing and e-WOM as independent variables and purchase intention as dependent variable. The multiple regression results are shown in following Table (4.17).

Table (4.17) Multiple Regression Analysis on Relationship between Influencing factors and Purchase Intention

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	.076	.268		.285	.776
Like	.098	.062	.095	1.585	.115
Friends' Like	.121	.063	.138	1.921	.057
Location-based check in	.189**	.070	.200	2.706	.008
Comment	.064	.067	.063	.956	.340
Sharing	.243**	.059	.300	4.106	.000
e-WOM	.239**	.080	.222	2.998	.003
n=150      R <sup>2</sup> = 0.570      F= 33.948*      (p-value=0.000)					

Source: Survey Data (2019), SPSS output

Note: \*\* Correlation is significant at the 1% level.

\* Correlation is significant at the 5% level.

The regression model contains the six independent variables are statistically significant (F = 33.948). Therefore, the study show that the factors influence will significantly explain the Yangon University of Economics Students' intention to buy online through Facebook. According to the results, the regression coefficient of sharing is 0.243 at 1% significant level. This result shows that there is a significant positive relationship between sharing and purchase intention towards online shopping. The regression coefficient of e-WOM is 0.239 at 1% significant level. This result shows that there is a significant positive relationship between e-WOM and purchase intention towards online shopping. The regression coefficient of Location-based check-in is 0.189 at 1% significant level. This result shows that there is a significant positive relationship between Location-based check-in and purchase intention towards online shopping.

According to the table, in this study sharing contributes the most to explain the relationship with purchase intention and second comes e-WOM and finally, location-based check-in. In this study, likes, friends' likes and comments do not have

significant effect on purchase intention towards online shopping because p value are greater than 1% and 5% level of significant.

## **CHAPTER 5**

### **CONCLUSION**

This chapter aims to present discussions on the research findings to the objectives of the study the effect of Facebook application on purchase intention towards online shopping by analyzing the previous chapter. The suggestions and needs for further study are indicated.

#### **5.1 Findings and Discussions**

This study is to investigate how the respondents' purchase intentions are influenced by using Facebook. It was found out Facebook can play an important role in consumers purchase intention. . This study has analyzed the effect of Facebook application on purchase intention towards online shopping of students in Yangon University of Economics. Based on the research, findings have been made as follow.

According to the demographics characteristics of respondents, the female are the major respondents since female are more interested in shopping as usual, same as in the online shopping. Regarding the age group, over 18 years old students are major respondents. Most respondents are final year students and most respondents have the income between 150000 and 200000 kyats. Most of the students spend time 3 to 4 hours per day on Facebook and clothing and shoes are the most popular products among the other online products. Therefore, the online business owner should focus on the popular product or selling the differentiated product to penetrate the online market.

According to the survey, it can be found out that most respondents like to look at the number of likes of the online shop page when they enter the online shop home page and they don't like to rate products by using the like function. Most respondents pay attention to the products and online shops that their friends liked. But they don't usually click like on online shops that their friends liked. Majority of respondents use check-in function of Facebook and they want to buy the product when they see good product review comments but most respondents of this survey don't like to write comments on online shop pages or product's post. Most respondents share the posts about the product that they like or want and they want to buy the products from online store that has good reviews on Facebook.

According to the regression analysis, sharing, e-WOM and location-based check-in are significant and influencing purchase intention towards online shopping. Other independent variables: likes, friends' likes and comment have no significant effect.

In this study, the regression analysis shows that sharing is the most determining factor that influences purchase intention towards online shopping. It is aligned with the statement of sharing of comments, photographs and videos and access easily to this sharing is the most important function of social media (Kang and Schuett 2013). e-WOM and location-based check-in are another most determining factor that influence purchase intention towards online shopping. This is understandable upon the fact that one primary use of Facebook is to track and take notice of friends' activity (Ellison et al., 2007).

In this study, the significant influence of “e-WOM”, “check-in” and “sharing” activities on purchase intention aligned with the Nielson report (2010) and Harris and Dennis study (2011) which indicate consumers trust their friends and family more than any other source of information about products and services. Thus when friends use Facebook's 'like' and 'share' interaction, consumers take notice of the product or firm which consequently influences purchase intention. It is also aligned with the result of the effects of Facebook applications on purchasing intention by Richard and Guppy (2014) which stated that while place notification and sharing function have positive effect but comment has not a significant effect on consumer purchasing intention.

## **5.2 Suggestions**

Based on the result of the studies, there are important factors that influence intention to online shopping. From the findings, we know that sharing, e-WOM, and location-based check-in are the main factors that influence the dependent variable of the studies which is intention to online purchase. Today, the rapid development of technology is more consistent with the use of social media more effectively. In today's environment, traditional marketing is not enough and so businesses seek to communicate with consumers effectively by engaging to social media environments. Because of the consumers come to spend more time in the Facebook, marketers began to be more interested in those areas. Kara and Coşkun (2012) pointed out that the firms with successful Facebook strategies will increase the company's awareness and

consumer loyalty and effect sales positively. Companies can build trust for consumers through websites and social networks, and give purchasing opportunities (Richard and Guppy 2014). Therefore, when people decided to buy something, they rely on the opinions of individuals or groups (Cvijikj et al. 2010).

The online shop owners on Facebook should promote or boost their online shop pages so that potential consumers can see the advertising of products or online shop pages on Facebook more easily. And owners also should open the recommendations and reviews for consumers on their online shops pages where consumers share their experience on buying from that online shop.

The recommendation to online shop owners is that consumers are increasingly taking notice of these Facebook applications which influence their purchase decision. Marketers should realize the potential for Facebook to become a shopping platform and thus they need to develop appropriate interdepartmental staff training for improved engagement with Facebook as a social medium and potential sales channel.

### **5.3 Needs for Further Study**

This research only focuses on students who are studying in Yangon University of Economics. The sample was very small from the population which is only 200 respondents. This study would not be suitable enough for population generalizability but rather conceptual generalizability. For a better generalization of the findings, a larger sample size across different geographical locations should be considered in future studies. Researchers should include the broader range of age category in order to collect variety of perspectives. In future, the same research can be conducted regarding on factors that influence intention to online purchase with big sample or targeting it can be bigger population like peoples who live in Yangon area.

The further studies also can be done by testing other variables that may affect the intention of customers on online purchase. This would help to understand in detail different factors can give different result because customers' preferences is too wide.

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## APPENDIX 1: Questionnaires

**Please chose a ( ) sign to indicate your preference. Each question should only have one answer. All responses are strictly confidential. I am thankful of your patient participation of answering the questions below.**

(1) Gender of Respondents

- Male
- Female

(2) Age of Respondents

- Under 18
- Over 18

(3) Education Qualification

- First Year
- Second Year
- Third Year
- Final Year

(4) Income per Month (MMK)

- Less than 150000
- 150000 – 200000
- 210000 – 250000
- 260000 – 300000
- 310000 – 350000
- Above 360000

(5) Facebook Usage

- 1-2 hours per day
- 3-4 hours per day
- 5-6 hours per day
- More than 6 hours per day

(6) Which products do you want to buy online? ( one or more answers)

- Cosmetic and skincare
- Clothing and shoes
- Books
- Phone accessories
- Fashion accessories
- Food and snacks
- Others

Please indicate the extent to which you agreed or disagreed with each statement using 5 points Likert scale.

(1) = Strongly Disagree                      (2) = Disagree                      (3) = Neither agree nor disagree  
 (4) = Agree                                      (5) = Strongly Agree

1. Likes

Circle the number that best describes your response to each statement.

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a. The number of like a product has on its Facebook's online shop is influence my intention to shop online.	1	2	3	4	5
b. I use the like function to rate products.	1	2	3	4	5
c. The amount of likes for a product interests me.	1	2	3	4	5
d. The number of likes of the online shop page on Facebook interests me to shop online.	1	2	3	4	5
e. I look at the number of likes of the online shop page when I enter the online shop home page.	1	2	3	4	5

2. Friends' likes

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a.I pay attention to my Facebook friends liking products and online shop pages	1	2	3	4	5
b. I click on photos of products or online shop pages that show up on my homepage from my friends liking them	1	2	3	4	5
c. I am interested if my friends have liked the product or online shop page.	1	2	3	4	5
d. When I enter the online shop home page , I pay attention if my friends have liked that page.	1	2	3	4	5
e. I also click like button on online shop pages that my friends liked,	1	2	3	4	5

### 3. Location-based check-in

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a. I pay attention to my Facebook friends who 'checkin' to store.	1	2	3	4	5
b. I use the Facebook 'check-in' location based function.	1	2	3	4	5
c. I click on the location my friends have checked into.	1	2	3	4	5
d. I like to buy from the online stores that are checked-in by others on Facebook.	1	2	3	4	5
e. I use the check-in location function when I buy something from the online shop or review the product I bought from online store.	1	2	3	4	5

### 4. Comment

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a. I pay attention to the comments posted on Facebook.	1	2	3	4	5
b. I used to write comments on online shop pages or product's post.	1	2	3	4	5
c. Review comments really interests me to buy online.	1	2	3	4	5
d. When I need the information about the product, I look for the comments of that product on its post.	1	2	3	4	5
e. Good product review comments make me want to buy .	1	2	3	4	5

## 5. Sharing

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a. I pay attention to what products and online shop pages are 'shared' on Facebook.	1	2	3	4	5
b. I 'share' products and online shop pages on Facebook.	1	2	3	4	5
c. It interests me when online shop pages are 'shared'.	1	2	3	4	5
d. I used to look for the information about the pages that are shared.	1	2	3	4	5
e. I share the posts about the product that I like or want.	1	2	3	4	5

## 6. e-WOM

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a. I pay attention to what people post about the products or shops on Facebook.	1	2	3	4	5
b. I used to post about the products that I used.	1	2	3	4	5
c. It interests me when I see the review posts about the products or online stores.	1	2	3	4	5
d. I want to buy the product that has good review posted by others on Facebook.	1	2	3	4	5
e. I want to buy the products from the online store that has good reviews on Facebook.	1	2	3	4	5

## 7. Purchase intention

	Strongly Disagree	Disagree	Neither agree Nor Disagree	Agree	Strongly Agree
a.I intend to purchase a product online when it is recommended on Facebook.	1	2	3	4	5
b.I buy the product online if I happened to see it on Facebook.	1	2	3	4	5
c.I actively seek out this product on Facebook to purchase it online.	1	2	3	4	5
d.I buy the product that I like or want if it is on online shop page of the Facebook.	1	2	3	4	5
e.I buy the product I want online than offline if I happened to see it on online shop page of the Facebook.	1	2	3	4	5
f. I usually buy the products online than offline from facebook.	1	2	3	4	5

## APPENDIX 2: SPSS Output

### Reliability

Scale: Like

#### Reliability Statistics

Cronbach's Alpha	N of Items
.631	5

### Reliability

Scale: Friend Like

#### Reliability Statistics

Cronbach's Alpha	N of Items
.803	5

### Reliability

Scale: Location-based check-in

#### Reliability Statistics

Cronbach's Alpha	N of Items
.756	5

### Reliability

Scale: Comment

#### Reliability Statistics

Cronbach's Alpha	N of Items
.619	5

## Reliability

### Scale: Sharing

#### Reliability Statistics

Cronbach's Alpha	N of Items
.796	5

## Reliability

### Scale: e-WOM

#### Reliability Statistics

Cronbach's Alpha	N of Items
.695	5

## Reliability

### Scale: Purchase Intention

#### Reliability Statistics

Cronbach's Alpha	N of Items
.744	6

## Correlations

### Correlations

		Purchase Intention
Like	Pearson Correlation	.390
	Sig. (2-tailed)	.000
	N	150
Friend Like	Pearson Correlation	.544
	Sig. (2-tailed)	.000
	N	150
Location-based check in	Pearson Correlation	.592
	Sig. (2-tailed)	.000
	N	150
Comment	Pearson Correlation	.427

	Sig. (2-tailed)	.000
	N	150
Sharing	Pearson	
	Correlation	.655
	Sig. (2-tailed)	.000
	N	150
e-WOM	Pearson	
	Correlation	.600
	Sig. (2-tailed)	.000
	N	150
Purchase Intention	Pearson	1
	Correlation	
	N	150

### Regression

#### Variables Entered/Removed<sup>a</sup>

Mode	Variables Entered	Variables Removed	Method
1	e-WOM, Like, Friend Like, Comment, Sharing, Location- based check in <sup>b</sup>		Enter

a. Dependent Variable: Purchase Intention

b. All requested variables entered.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.311	6	5.052	33.948	.000 <sup>b</sup>
	Residual	21.280	143	.149		
	Total	51.591	149			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), e-WOM, Like, Friend Like, Comment, Sharing, Location-based check in

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	
	B	Std. Error	Beta		
1	(Constant)	.076	.268		.285
	Like	.098	.062	.095	1.585
	Friend Like	.121	.063	.138	1.921
	Location-based check in	.189	.070	.200	2.706
	Comment	.064	.067	.063	.956
	Sharing	.243	.059	.300	4.106
	e-WOM	.239	.080	.222	2.998

**Coefficients<sup>a</sup>**

Model	Sig.	
1	(Constant)	.776
	Like	.115
	Friend Like	.057
	Location-based check in	.008
	Comment	.340
	Sharing	.000
	e-WOM	.003

a. Dependent Variable: Purchase Intention