

# The Repurchase Intention Development: the Case of Birds Nest Market Consumers in China

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## Abstract

This research proposed a model for understanding the factors influencing customer repurchase intention in Chinese bird's nest market, addressed the issue related to customer repurchase intention and customer loyalty. Total 120 people chosen for data collection and probability sampling technique applied for data collection. For the sample of this research, this research study focus on Chinese consumers who originally come from China mainland. The questionnaire firstly was developed in English, and then translated into a Chinese version in order to target the Chinese consumers. Data analysis performed on SPSS and results are in support of all the critical factors such as customer satisfaction, switching barrier and advertisement that has positive influence on the customer repurchase intention. The proposed model confirmed the relationship between all dimensions such as customer satisfaction, customer trust, switching barriers, advertisement, and repurchase intention. From a theoretical perspective, findings suggest that the customer satisfaction and trust can be represented as post-consumption beliefs and the switching barriers and advertisement is applicable for studying post purchase phenomena, such as repurchase intention and loyalty.

**Keywords:** Customer Satisfaction, Switching Barrier, Repurchase Intention, Advertisement, China.

## 1. Introduction

China as known has been continuously growing dramatically for last 4 decades. China continues to be the world's largest consumer market for Food and Beverage (F&B) products, after surpassing the United States in 2011. This makes the Chinese market increasingly appealing for foreign brands, especially as Chinese consumer behaviour shifts. The industrial output of the food sector jumped 21.7 percent year on year to almost 9 trillion yuan last year, according to data from the National Bureau of Statistics (NBS). The food industry is soaring unsurprisingly due to the economy remarkably growth. The implication of food is also different which not only function as satiating stomach, nourishment, and taste, but also go deep into adjust physical function, preventing disease, anti-aging et al., which is health product. Health product is remarkable achievement of food development. As the income growing, Chinese people have increasing concern of health, especially the city residence. The export of bird's nest to China last year reached 145 metric tonnes worth close to RM2 billion, said Agriculture and Agro-based Industry Minister, Datuk Seri Ismail Sabri Ismail Sabri Yaakob. Although birds nest market in China has been growing noticeably in terms of sales, there was always lacking of inspection and supervising by authorities and government. The marketing was disorganized and disordered which is full of all types of business include shops, retailers, smugglers, companies and personal sellers. The condition was even worse while some sellers cheated consumers by selling birds' nest product with fake materials. This circumstance relieved when raw birds' nest allowed in the market in 21 century. However, the trust crisis still exists. Undoubtable, the recovery of birds' nest

industry in China explode the number of importers, sellers and processing plants. But a lot of problems are still existed, such as lack of differentiation, unknown about consumers, lack of expertise and lack of standardization. The main channel of purchasing birds' nest in China is e-commerce nowadays. The main e-commerce channels B2C (Business to Consumer) and C2C (Consumer to Consumer) are continuously growing explosively in China. According to a Research in 2015, the volume of e-commerce in 2014 reached 2.8 trillion Chinese Yuan with a 48.7 per cent growth. Online shopping is dominantly influencing Chinese consumers' behavior.

Obviously, the factors that influence customer repurchase intention towards e-commerce are more complicated and different from the factors towards traditional commerce [1].

## 2. Literature Review

[2] described that repurchase intention, loyalty, willingness to pay a price premium, word-of mouth and complaining represent the five behavioral intentions. It is a personal tendency related to the product [3]. In these research repurchase intention is considered as customer behavioral loyalty. According to [4], repurchase intention is closely linked to customer loyalty. In 1900s, numerous academics had arguments on the conceptual terms of measurement. Some of them think that loyalty should be defined in behavioral terms while others believe that loyalty should be measured as attitudinal dimensions. [5] stated that advertising is a tool for marketing the goods and services to consumers. Specifically, advertising appeals are important message that will affect the consumer's purchasing behavior [6]. The advertisement through the mass media, such as television, internet, and radio

were among the fastest way for a marketer to introduce the product to a wide range of consumers. Consumer decision making commonly influenced by price, quality and advertisement [7]. Advertisers are experts in getting people interested in what they said and make the messages memorable [8]. Recognizing, emotional and rational appeals are the most important elements in advertising appeals. A study conducted by [9] to study the influence of both emotional and rational appeals on consumer purchasing decision. Long term impact on the loyalty of the customer increases with the quality of the advertisement [10]. The advertisement of the any product can reduce the buying behavior of the customer relating to the usage of competitor's product [11]. During last few years the cost of marketing increases and cost of manufacturing and managing cost reduces gradually. Customer satisfaction is the degree to which a customer perceives that an individual, firm or organization has effectively provided a product or service that meets the customer's needs in the context in which the customer is aware of and / or using the product or service. Satisfaction is not inherent in the individual or the product but is a socially constructed response to the relationship between a customer, the product and the product provider/maker. During the 1990s, there was a widespread realization that customer satisfaction ratings are a means to strategic ends, such as repurchase, that directly affect profits [12,13,14,15], switching barrier refers to any factor that create difficulties or cost for customers if they change supplier. This will prevent the current customer switching to other suppliers. [16], p. 110) define switching costs as "onetime costs that customers associate with the process of switching from one provider to another," and describe three types of switching costs: (1) financial switching costs (e.g., fees to break contract, lost reward points); (2) procedural switching costs (time, effort, and uncertainty in locating, adopting, and using a new brand/provider); and (3) relational switching costs (personal relationships and identification with brand and employees). [17] empirically examined these switching costs in two samples: 158 credit card and 144 long-distance telephone customers. [18] conduct a research which support and replicate [19]. The results shows that with repurchase intention, relational switching costs have a stronger association than procedural and financial switching costs; procedural switching costs also exhibit a stronger association than financial switching costs.

### 3. Research Design

This research study is exploratory in nature since its purpose is to explore an idea and become familiar with basic facts. To collect data for this study, quantitative methods were applied. This study is dependent on people's assessment of bird's nest they purchased and the services.

The data of this research was collected from sample of birds' nest consumers. The questionnaire firstly was developed in English, and then translated into a Chinese version in order to target the Chinese consumers. The target population for this research is the Chinese bird's nest consumers. In order to ensure the reliability of this research, the sample size will be 120 customers. The term of probability sample refers to that it is possible to say what the probability of selection is of each member of the total population. In this research study, the probability sample is used.

### 4. Data Analysis

#### 4.1. Demography of Research Respondent

In this questionnaire investigation, 120 effective questionnaires are withdrawn. The results represented of 24 males, taking up 11.7% of the total respondents; there were 106 females, taking up 88.3% of the total respondents. The distribution of the gender of the samples is relatively reasonable. The proportions of males and females is similar. It reflects the fact that in the group purchasing edible bird's nest, the proportions of male customers and female customers are similar.

In this paper, five point scoring method is adopted for scale. Therefore, the median is 3. According to the results shown in table 2 the mean value and standard deviation of customer satisfaction is  $4.02 \pm 1.574$ ; the mean value and standard deviation of barriers in changing merchant is  $3.79 \pm 1.352$  and the mean value of standard deviation of advertisement and the consistency of advertising is  $3.99 \pm 1.313$ . Therefore, the scores of various dimensions of the scale are higher than the median.

Regression analysis has been performed on the collected data, which shows the significance of all the dimensions of repurchase intention of customers as the significance value of all dimensions are 0.000. B value is revealing the level of dependency of customers satisfaction on the repurchase intention dimensions.

**Table1:** Personal Inflammation of Research Sample

Demography characteristics		Sample number	Percentage
Gender	male	54	45
	female	66	55
	Total	120	100.0
Age	21-25	27	22.5
	under 21	9	8.3
	26-35	75	62.5
	above 35	8	6.7
	Total	120	100.0
Education background	undergraduate	81	67.5
	senior high school	10	9.2
	others	10	8.3
	master's degree	18	15.0
	Total	120	100.0
Occupation	employee	37	30.8
	employer	15	12.5
	others	51	42.5
	Student	16	14.2
	Total	120	100.0
Monthly salary	Above 1000	18	15.0
	Below 3000	29	24.2
	3000 to 6000	59	49.2
	6000 to 10,0000	14	11.7
	Total	120	100.0

## 4.2. Descriptive Analysis

### 4.2.1. Descriptive statistical analysis for survey data

**Table2:** Descriptive Analysis for Investigation Samples (Descriptive Statistics)

Variable	N	Min	Max	Mean	SD
Customer satisfaction	120	1	5	4.02	1.574
Barriers in changing merchant	120	1	5	3.79	1.352
Advertisement and the consistency of advertising	120	1	5	3.99	1.313

**Table3:** Regression Analysis for Investigation Samples (Descriptive Statistics)

Variable	Regression analysis			
	B	Beta	t	Sig.
Customer satisfaction	0.349	0.448	5.327	0.000
Barriers in changing merchant	0.541	0.597	7.371	0.000
Advertisement and the consistency of advertising	0.38	0.441	4.065	0.000

## 5. Research Findings and Discussion

The relationships between the variables of the research model were examined by testing the research hypothesis. The results provide strong support for the proposed model of customer repurchase intention.

### 5.1 Hypothesis Testing

**H1.** Customer satisfaction has a strong positive relationship on customer repurchase intention in Chinese bird's nest market. According to the correlation analysis, the correlation coefficient is positive and the corresponding P is smaller than 0.01, which are statistically significant. Therefore, there are significant positive correlation between repurchase intention and customer satisfaction.

**H2.** Switching barriers has a positive relationship on customer repurchase intention in Chinese bird's nest market. According to the correlation analysis, the correlation coefficient is positive and the corresponding P is smaller than 0.01, which are statistically significant. Therefore, there are significant negative correlation between repurchase intention and easy to switch.

**H3.** Consistent advertisement has a positive relationship on customer repurchase intention in Chinese bird's nest market. According to the correlation analysis, the correlation coefficient is positive and the corresponding P is smaller than 0.01, which are statistically significant. The result indicates that when the advertisement provide effective information after a purchase, the customer is stimulated to intent repurchase the bird's nest.

Therefore, based on the above analysis findings, it can be proved that all the 6 hypotheses are supported in this research study.

## 6. Conclusion

In practical perspective, all determines and repurchase intention are important in building market share. More importantly is to maintain the market share through repeat purchase. Among many available indicators, it is through the measure of repurchase intention that the marketer will be able to estimate their customer repeat buys. From the findings, birds' nest retailers should create marketing strategies that address customer relationships management in order to increase its customer satisfaction and trust. The key relationships be investigated represent high customer satisfaction and trust, high switching barriers and continues advertisement significantly drive customers' repurchase intention. From the findings, birds' nest retailers should create marketing strategies that address customer relationships management in order to increase its customer satisfaction and trust. Further applying the combination of brand equity, product

quality and promote advertisement to maintain their market share. In closing, the general conclusion to be drawn from the evidence is that the great customer relationship with high satisfaction and trust can influence the consumers repurchase intention.

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