



Influential Factors of Online Purchase Intention in Financial Industry: A Perspective from an Emerging Economy

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Abstract

While extensive research of consumer intention on the online purchase has been carried out, little has been discussed about how product category may significantly influence purchase intention. As numerous studies have analyzed key drivers that affect customer intention to purchase online financial services, the level of perceived

financial value and risk in real world would make the online purchase a less competitive choice. This study investigates the direct effects of four key factors, including product features, financial needs, institutional reputation, and government regulations, on online purchase intention in financial industry, and the mediating roles of consumers' perception in the above relationship. A structured questionnaire was designed, and survey data were collected from 218 respondents through various social media in China. The results indicate that each of the four influential factors has a positive effect on online purchase intention. Meanwhile, the perceived value positively mediates the effect of the four influential factors on purchase intention, while the purchase risk negatively mediates the effect on purchase intention. The findings suggested that in order to attract more consumers to purchase online financial services in an emerging economy, managers should focus on brand establishment, supervision improvement, and real-time customer engagement. Meanwhile, policy makers should develop regulations and policies to help ensure the safety of consumer transactions in e-commerce. Without these legal protections, consumers would be suffering from illicit activities that put their personal finances and privacy at risk.

Keywords: Online Purchase Intention; Perceived Value; Perceived Risk; Product Features; Financial Needs; Institutional Reputation; Government Regulations

Introduction

Information system innovativeness generates online platforms for businesses and the impact of e-commerce is the positive contribution to online shopping [1]. As consumer buying decisions are largely dependent on the consumer behavior, there are great differences in purchasing different products or services. In this regard, a powerful application of e-commerce in the financial services industry can also offer and deliver more products and services. Throughout the viable commercial mediums, the advantages of accessibility, convenience, and the result of cost saving would be appreciated by both businesses and consumers. Subsequently, the consumers most likely increase purchase intentions.

Financial institutions have been affected by the widespread use of the Internet in the planning and purchasing of financial services. Particularly, the COVID-19 pandemic and the need for social distancing have boosted the usage of online financial services. Logically, purchase intentions will generally increase for those who need financial management or buy products and services while the time-consuming purchase process might considerably decrease. However, financial merchandises, on one hand, need more detailed information and therefore customers prefer personal interaction for their financial managements. On the other hand, consumers behaved much more carefully and conservatively with respect to the new Internet opportunities due to the concerns that there were technical and institutional obstacles related to information security that would have to be solved. In addition, people around the world are still coping with the fear after the effects of the last financial crisis, which caused massive distrust in the stability of governmental institutions as well as the responsibility of those who manage the money of individuals and corporations. Consequently, it was not necessarily imperative for consumers to advance quickly towards Intent-based services.

E-commerce creates opportunities as well as challenges for financial businesses. Benefits of online services provided by financial institutions have been greatly recognized by the American Bankers Association. With the IT development and application, customers enjoy instant access to relevant products and services while institutions have opportunities to expand their markets and thus profits.

By analyzing the influential factors that have significantly impacts on the online purchase intention in financial industry, this study enhances the existing literature on the role of purchase perception (i.e. purchase value and risk) in shaping consumer purchase intention in e-commerce, as well as introduces consumer perception as a mediating factor to influence consumers' purchase intention. Amidst the evolving landscape of e-commerce and consumer behaviors, gaps persist in understanding the determinants of online purchase intention, particularly within the financial industry. This study aims to address this research gap by comprehensively examining the factors influencing online purchase intention in the financial sector and exploring the mediating role of consumer perception.

The primary objectives are twofold: firstly, to investigate the influential factors shaping online purchase intention, and secondly, to explore the mediating role of consumer perception. Grounded in established theories such as the Theory of Planned Behavior and Stimulus-Organism-Response model, the theoretical framework provides a structured approach to conceptualize the relationships between independent variables (product features, financial needs, institutional reputation, government regulations), the mediating variable (consumer perception), and the dependent variable (purchase intention). By achieving these objectives and leveraging this theoretical framework, this study aims to deepen our understanding of consumer behavior in the context of online financial services, offering valuable insights for both practitioners and researchers alike.

Theoretical Background and Hypotheses

This study explores purchase intention by utilizing theories including the Theory of Planned Behavior (TPB) and the Stimulus-Organism-Response (SOR) model. Recent research is integrated to offer contemporary insights into factors shaping online purchase intention, including subjective norms, perceived usefulness, and product features. This study seeks to establish a robust theoretical groundwork and spotlight the latest trends in consumer behavior analysis. Additionally, this study aims to evaluate the impacts of product features, financial needs, institutional reputation, and government regulations on consumers' online purchase intention within the financial services sector. Furthermore, it investigates the mediating role of consumer perception, encompassing both per-

ceived value and perceived risk, in shaping this relationship. The conceptual research model, illustrated in Figure 1, outlines the dynamic interplay between these influential factors

and consumer behavior in digital financial transactions. Through this analysis, this study fosters a deeper understanding of consumer decision-making processes in the digital financial landscape.

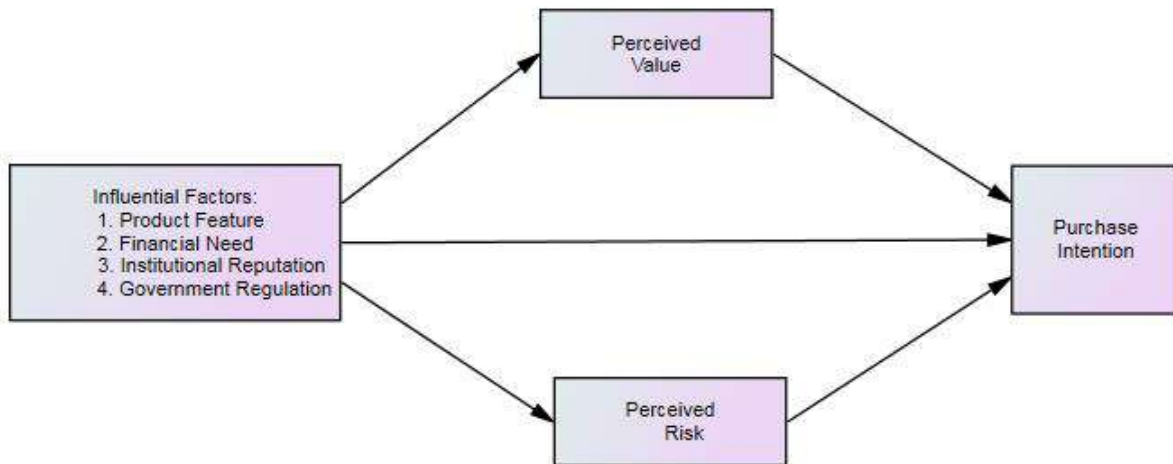


Figure 1: Conceptual Framework

Online Purchase Intention on Financial Industry

Purchase behavior can be predicted through intentions [2]. Throughout the purchasing journey, consumer intention intricately intertwines with consumption preferences, alongside factors like time and monetary investments [3]. Recent scholarly investigations have meticulously examined the complexities of online purchasing behavior within the digital financial sector, shedding light on the myriad factors influencing consumer intentions. Research conducted by [4] has probed the determinants of online purchase intention, offering nuanced perspectives across diverse financial landscapes. Additionally, Binh Nguyen Thi et al. [5] explored the preferences of Generation Y and Z consumers in online services, while Khatoun et al. [6] scrutinized the factors shaping online purchase intention in the banking sector. These studies collectively enrich our understanding of consumer behavior in digital financial services, providing valuable insights into the decision-making processes underlying online purchases.

Online Purchase Intention and Product Features

Beneke et al. (reference [7]) explored how consumers perceive the value of products, emphasizing its crucial role in their purchase decisions. Their study highlighted how consumers' perceptions of value influence their willingness to buy and

their assessment of prices. Other studies have also examined the relationships between product characteristics like quality and price, revealing their impact on consumer purchase intentions [8,9].

When consumers consider purchasing a product, they typically focus on its features and quality, which greatly influence their perception of its value. However, evaluating the quality of online financial services presents a unique challenge due to their intangible nature. Unlike tangible products, consumers evaluate online financial services based on the benefits they provide, such as additional income and risk mitigation. Consequently, consumers assess the value of online financial products based on their utility rather than tangible attributes. Therefore, this paper proposed

H1: Product Features affect online purchase intention in financial industry

Online Purchase Intention and Financial Needs

Technological progress has significantly enhanced the financial sector, facilitating easier access to financial services for consumers. These services play a pivotal role in aiding individuals in managing their finances prudently and protecting themselves from unforeseen events. The COVID-19 pandem-

ic and the imperative for social distancing have further propelled the utilization of online financial services. This heightened demand underscores the growing dependence on digital platforms for financial transactions, emphasizing the pivotal role of technology in reshaping both consumer behavior and industry dynamics. A survey released in 2020 by ESET [1] showed that in the US 65% of people use at least one Fin-tech app or platform and 85% use either banking apps or online banking platforms.

Another survey released in mid-2020 by KPMG [1] showed that the online access of financial planning services has accelerated during the lockdown. At the same time, a global survey conducted in 2020 by McKinsey [2] also indicated that the use of cash is decreasing and digital forms of transaction are increasing globally. While consumers expect to increase their reliance on online financial services to improve their financial health that would support their better selves, they will look for financial institutions which take a proactive approach and keep their customers informed about their investments in security.

The tendency is dramatically increasing the number of online users and the variety of services available provided by the financial institutions. Therefore, this paper proposed

H2: Financial Needs affect online purchase intention in financial industry

Online Purchase Intention and Institutional Reputation

Financial products often entail intricate features and may pose challenges in comprehension for consumers due to their complexity. Inadequate access to comprehensive information further complicates decision-making processes, leaving consumers uncertain about selecting the most suitable option. To address this issue and safeguard consumer interests, it is imperative to help them with sufficient resources to make informed decisions. Enhanced transparency through disclo-

ures emerges as a crucial strategy in strengthening consumer trust by offering greater accountability and legitimacy [10]. By providing clear and comprehensive disclosures, financial institutions can bridge the information gap, empowering consumers to make well-informed choices and fostering trust in the financial products and services they offer.

Trust plays a vital role in the relationship between perceived online interactivity and purchase intention [11]. Numerous studies indicated that trust in e-commerce enables online retailers to achieve reputation and positive consequences on their performance [12,13]. Reputation is a significant factor to determine trust [10], and excellent reputation strengthens online shopping trust [14,15]. Reputation can be represented by brand and website image that consumers can easily obtain. Brand determines consumer engagement and in turn has an impact on brand trust, while Website image has a facilitating impact on perceived security and trust. Moreover, as consumers concern about financial security that shape their attitudes and trust towards a website, an online retailer's positive reputation may diminish the risks and bring about trust [16,17]. Therefore, this paper proposed that:

H3: Institutional Reputation affects online purchase intention in financial industry

Online Purchase Intention and Government Regulations

In terms of the perceptions of the consumers regarding Internet as a marketplace, Bhatnagar et al. [3] found that online financial services are still seen as a risky instrument, and such risk perception outweighs the convenience that it offers. The risks to security and integrity such as fraud and privacy issue may worsen if proper safeguards and regulations are not put into practice. In this regard, government regulations play a crucial role between consumers and financial institutions. Laws enforcement and regulations help hold companies accountable and give more protection to people purchasing financial services, which can increase consumer confidence.

¹Refer to https://mma.prnewswire.com/media/1453186/ESET_1.pdf?p=pdf

²Refer to <https://home.kpmg/au/en/home/media/press-releases/2020/07/four-fifths-consumers-prefer-digital-financial-services-covid-19-study-8-july-2020.html>

³Refer to <https://www.mckinsey.com/industries/financial-services/our-insights/a-global-view-of-financial-life-during-covid-19>

Online financial services are fundamentally different from most other economic transactions. To some extent, the consumers need to have trust and confidence in the products and the companies when making decisions. While the lack of trust and confidence can be regarded as a market failure, regulations play a legitimate role to correct the failure and have the potential to enhance consumer trust and confidence [18]. Therefore, this paper proposed

H4: Government Regulations affects online purchase intention in financial industry

The Mediating Variable: Consumer Perception

Shopping online is perceived to be risky due to the consumers' belief regarding whether or not the product would function according to their expectations. Stimulus-Organism-Response (SOR) model suggested that the occurrence of purchase behavior go through product category at the beginning, and then bring about some psychological adjustments through experience. When positive signals appear in this psychological change, the actual purchase behavior will be determined by the subjective perception [19]. Analogously applying the SOR model to online purchase intention in the financial services industry, three phases are motivation, perception and decision. Alternatively, the theory of planned behavior (TPB) illustrates that the primary factors of purchase intentions are governed by the attitude toward the behavior, the subject norms and the perceived behavioral control [2].

Motivation

The most crucial buying motive in a purchase for most of the customers is desire for financial gain. To motivate customers, financial institutions have to provide clear information regarding the advantages of the product, especially the benefits, convenience, efficiency, high returns, and risk warnings. *Perception*. Once identifying the benefits customers perceive to obtain in many ways while purchasing online financial products (e.g. Internet funds), these past experiences have a certain level of psychological impact on customers and turn into a strong stimulus [20]. Consumers are more likely to process stimulus that has relevance to buy Internet funds.

In addition, institutional features also play a driving factor in facilitating trade on the e commerce platform. Studies indicat-

ed that trust is a determinant element for consumers in relations to online purchase intention [21] [22]. Perceived institutional assurance operates as a trust-building mechanism for reducing the risks [23]. Outstanding reputation therefore strengthens online shopping trust and brand reliability has significantly effects of each experience on purchase decisions [24]. *Decision*. After through the stages of exposure and attention to the stimuli influenced by unique needs and experiences, consumers will be drawn to become highly selective and finally decide to purchase [20]. The purchase behavior occurs.

The vital aspect of the conceptualization of purchase intention is that consumers choose actions to maximize the desired consequences and minimize undesired outcomes [25]. For online purchasing behavior in financial services, consumer perception comes from the response to external stimuli and decision making process involves internal cognitions state, reflecting on the consumer perceived value, characteristics of products or services, the financial needs and planning, institutional features, and current status of financial industry.

Perceived Value

Perceived value is one of the most determinant drivers that form consumer perceptions toward purchase intention. Compared to the traditional mode of shopping, online purchase indeed provides consumers with perceived value, including convenience, cost saving, time saving [26]. Price fairness and quality also play the key roles with regard to tangible products to influence perceived value that may lead to repurchase intention [27]. These benefits perceived by customers will result in high satisfaction and eventually loyalty [28,29] [30]. Similarly, the more the positive experiences customers have in financial services, the higher the consumers' perceived value. Therefore, this study proposed that:

H5a – H5d: Perceived Value has mediating effects of four influential factors (i.e. Product Feature, Financial Needs, Institutional Reputation, and Government Regulations) on online purchase intention in financial industry

Perceived Risk

The desired outcome of a purchase decision is expected to be

positively satisfied. However, the actual perception of goods and services in the process of selection is not always positive but strongly aware of the potential risks for consumers while purchasing online financial products and services. When the purchase intention moves from the potential negative consequences to a certain degree of uncertainty, consumers will feel the perceived risk even if they have a strong willingness to buy [31].

Perceived risk is an assessment with considerations of subjective perceptions of risk and value judgments [32]. Before using the merchandises, purchase intention is determined through subjective evaluations combined with prior experience and judgment of the possible loss. Once the subjective evaluation is damaged, consumers inevitably perceive disappointment or loss and perceived risk incurs. Numerous studies in relation to online purchase illustrated the important negative relationships between perceived risk and purchase intention from different perspectives, including product evaluation [33], brand effect [24], website reputation [22], familiarity [34], and social norms [35].

The online financial services provided by the financial industry through internet platform are a novel way for consumers. Consumers make a purchase because they perceive benefits, including convenience, cost savings, and a variety of products [36]. However, compared to the traditional mode with much paperwork to do, online purchase may perceive more risks for conservative customers. Studies suggested that in order to attract more customers to use online purchase, financial institution should minimize the potential risks through optimal service quality and customer reassurances [7]. Therefore, this paper proposed

H6a-H6d: Perceived Risk has mediating effects of four influential factors (i.e. Product Feature, Financial Needs, Institutional Reputation, and Government Regulations) on online purchase intention in financial industry

Research Method

Construct Operationalization and Questionnaire Development

Literature review and variable discussion were carried out in

order to operationalize the constructs and build the questionnaire. As each construct was measured by 3 items, this instrument contained seven constructs with total 21 items. Five-point Likert's scale was used, ranking from 1 (strongly disagree) to 5 (strongly agree).

For measurement model, this paper used several criteria to measure the reliability and validity were examined [37]. The first criterion is Cronbach's alpha coefficient, which should be higher than 0.6 to confirm the internal consistency of the research construct. The value of standardized factor loadings should be above 0.5. In addition, Bartlett's test as well as the Kaiser-Meier-Olkin Measure of Sampling Adequacy (KMO-MSA) are examined. If Bartlett's Test is significant and the value of KMO-MSA is greater than .50, this is considered an indication that it is appropriate to factor analyzing the matrix.

The next criterion is to assess the convergent validity by the average variance extracted (AVE), which should be greater than 0.5 to assure that the latent variables can explain more than average [38]. The final criterion is the composite reliability (CR), which should be greater than 0.7 to confirm that the variance shared by the respective indicators is robust. Hair et al. [37] also suggested that the value of AVE was above 0.5, and CR index was above the recommended value of 0.7.

For structural model, the path analysis is performed with two steps to assess the roles of perceived value and perceived risk as the mediating variables between each of the four influential factors and online purchase intention. Step one is to examine the direct effect of the four influential factors on online purchase intention, respectively. SPSS AMOS will be adopted. Step two is to evaluate if the path between each of the four influential factors and online purchase intention after the inclusion of the perceived value and perceived risk constructs, respectively. The indirect effects can be assessed by the PROCESS Template Model 4 [39].

Data Collection and Analysis Technique

The sampling method employed in this study involved the design and distribution of a structured questionnaire to potential participants, with an emphasis on leveraging various social media platforms for recruitment. Specifically, the researchers utilized social media channels to reach out to individuals in China and invite them to participate in the survey by

filling out an internet-based questionnaire. Initially, 300 questionnaires were distributed, and 218 responses were deemed suitable for analysis, based on statistical and practical factors.

In terms of statistical principles, Hair et al. [40] suggests that a sample size ranging from 100 to 200 respondents is generally sufficient for yielding reliable estimates of population parameters. Therefore, the decision to include 218 respondents in this study aligns with established guidelines for sample size determination. Furthermore, from a practical standpoint, the scholars likely encountered limitations or challenges during the data collection process that influenced the final sample size. These may include factors such as response rates, data quality, or demographic representation. Despite these potential biases, the sample size of 218 respondents strikes a balance between statistical robustness and practical feasibility.

For 218 valid respondents, 114 were male (52.3%) and 104

were female (45.9). Most respondents were aged 31-40 with total 66 (30.03%), and 109 (50.0%) obtained Bachelor's degree in college. Annual income over 200,000 RMB were 54 (24.8%).

Result and Analysis

This study conducted factor analysis and to ensure the dimension and Cronbach's alpha tests to see if the survey is reliable. Table 1 shows that factor loading of all the questionnaire items are higher than 0.7 (0.713 ~ 0.841). Almost all Cronbach's alpha of research items are higher than 0.8 (0.808 ~ 0.893) except one (i.e. perceived risk= 0.791), which almost all exceed the generally accepted guideline from Hair et al. [37]. The value of KMO (0.894) and Bartlett's Test ($p < 0.000$) also indicate that the factor analysis is useful. The paper appropriately concluded that all of the questionnaire items showed high degree of internal consistency and their factors are appropriate to be used for further analysis.

Table 1: Reliability and Validity

Research Items	Factor Loading	AVE	CR	Cronbach's α
Product Features	0.792 ~ 0.841	0.665	0.856	0.858
Finance Needs	0.795 ~ 0.821	0.657	0.852	0.867
Institutional Reputation	0.777 ~ 0.850	0.661	0.854	0.862
Government Regulations	0.808 ~ 0.829	0.665	0.856	0.893
Perceived Value	0.746 ~ 0.836	0.615	0.827	0.808
Perceived Risk	0.731 ~ 0.801	0.603	0.82	0.791
Purchase Intention	0.713 ~ 0.826	0.585	0.808	0.845

In Table 1, the values of all CR are ranged from 0.808 to 0.856, which are much higher than the benchmark of 0.5 as recommended. The AVEs of the constructs are ranged from 0.585 to 0.665, which are above the recommended value 0.5. The result indicated that this measurement model is acceptable. The correlation among the constructs were all below 0.85, which means that the model has no discriminant validity problem.

The model fit indices (Chi-square/df= 1.042, p -value = 0.335;

RMSEA = 0.014; GFI = 0.931; AGFI = 0.905; CFI = 0.997) are satisfactory. The empirical results in Figure 2 show that Product Feature ($\beta=0.098$; $p < 0.05$) has a significant impact on the Purchase Intention. In addition, Financial Needs ($\beta=0.113$; $p < 0.05$) has a significant impact on the Purchase Intention. Furthermore, both Institutional Reputation ($\beta=0.086$; $p < 0.05$) and Government Regulations ($\beta=0.376$; $p < 0.05$) have significant influences on the Purchase Intention. The outcomes support H1, H2, H3, and H4.

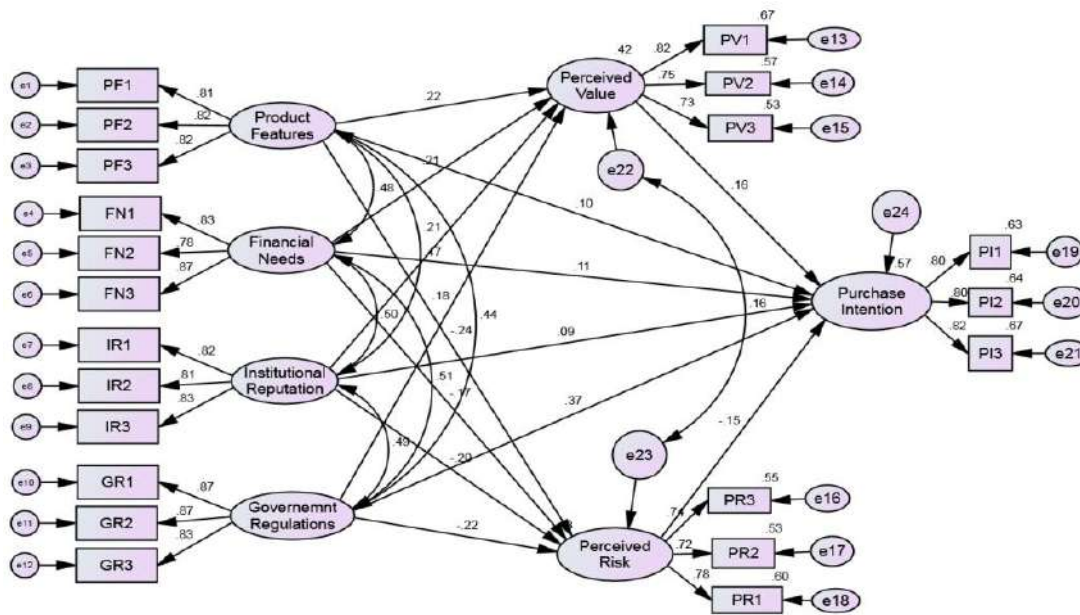


Figure 2: Summary of results in hypothesized structural model (standardized)

Table 2: Evaluation of the Research Model

Hypothesis/ Path	Estimate	t	p-value
H1: Product Features → Purchase Intention	0.098	2.902	0.011
H2: Finance Needs → Purchase Intention	0.113	3.506	0.023
H3: Institutional Reputation → Purchase Intention	0.086	3.229	0.018
H4: Government Regulations → Purchase Intention	0.376	6.424	0.037
Mediating Effect of Perceived Value → Purchase Intention	Coeff	Coeff of PV	Indirect Effect
H5a: Product Features	0.2548	0.2594	0.0896
H5b: Financial Needs	0.1922	0.2813	0.0995
H5c: Institutional Reputation	0.1936	0.2901	0.0945
H5d: Government Regulations	0.3157	0.2511	0.0723
Mediating Effect of Perceived Risk → Purchase Intention	Coeff	Coeff of PR	
H6a: Product Features	0.2548	-0.2292	0.0661
H6b: Financial Needs	0.1922	-0.2278	0.0776
H6c: Institutional Reputation	0.1936	-0.2253	0.0769
H6d: Government Regulations	0.3157	-0.16	0.0554

Meanwhile, in Table 2 the indirect effects of these four influential on Purchase Intention that go through two mediators (i.e. Perceived Value and Perceived Risk) are statistically significant. The values of the indirect effects of two mediators on Purchase Intention falls between lower and upper bound and 0 falls outside of the bound at 95% confidence intervals.

Based on the Table 2, the meditating effect of Perceived Value has positively significant influence of the four influential factors on Purchase Intention, while the Perceived Risk has negatively significant influence on the relationship between the four influential factors and Purchase Intention. The hypotheses of H5a – H6d are supported.

Discussion

With the dramatic development of information technology in recent years, online transactions have grown tremendously. The impact of external factors such as COVID-19 pandemic also plays one of the driving roles that facilitate this trend. A survey concluded that this pandemic has accelerated the shift towards more online purchases and the changes are likely to have lasting effects. The effects have been particularly significant for financial institutions as online shopping has become the norms. Nevertheless, when managers around the world make the most of highly engaging online channels, financial institutions in emerging economies face more issues and challenges than in advanced markets.

From an academic viewpoint, while most of the existing researches analyze the various impact factors on purchase intention without taking product category into consideration, this study found that consumers evaluate online financial products with more perspectives than ordinary mechanizes before making decisions to buy. In this context, the contribution of this paper is to cluster and attribute three of the four influential factors (i.e. product features, financial needs, and institutional reputation) as consumers' cognitive perception, which can be fairly carried out in parallel with the implementation of regulations. In the meantime, the partial relationship analysis is identified that both perceived value and perceived risk have mediating effects but go in opposite direction on the online purchase intention.

Managerial Implications

The positive and significant coefficients of path analysis between online purchase intention through mediating factors and the four influential factors have four managerial implications. First, the more positive features of products, the higher the value perceived by the customers. Financial institutions develop strategies to better understand the development of online products in financial services. It should help identify the conditions under which some financial services are in de-

mand, while others may offer a wide variety of features. Targeting the product value will help to maximize the needs of users through customer-centered product design. Secondly, when product features match consumers' needs, purchasing decisions are most likely made on the basis of institutional reputation. To win trust, financial institutions can make discloser more meaningful for consumers to enhance the products values such as safe, convenience, quick service and so on. For the consumers who have less information or online purchasing experiences of financial services, reputation is the vital factor to influence purchase intention. Therefore, focusing on brand establishment is the most important task of all in financial industry.

Thirdly, supervision improvement and real-time customer engagement are efficient ways for financial institutions to build up reputation in financial industry. For the former, financial institutions either launch initiatives by themselves to improve governance, or reluctantly abide by the government regulations, would help earn reputation [41]. For the latter, numerous studies showed that establishing consumer's engagement is beneficial for the company for it raises corporate reputation [42] and result in a remarkable relationship in form of commitment, trust, and brand loyalty [43]. The real-time customer engagement may provide impartial advice that will lead a customer through their journey while building trust in company's brand.

Finally, government regulations can significantly affect the financial industry. The main regulatory body protecting investors from mismanagement and fraud encourages investor confidence and investment. In emerging markets such as China, the financial industry develops lag behind more developed economies largely due to outdated regulations. The situation can be observed from the samples collected in China, where most consumers are not satisfied with current status of online financial services. Governments in emerging markets need to introduce regulatory reforms to promote growth and mitigate risk, including levels of financial inclusion and regulations surrounding financial services.

⁴See at https://unctad.org/system/files/official-document/dtlstictinf2020d1_en.pdf

Conclusion and Limitations

The findings underscore actionable insights for both managers and policymakers in navigating the evolving landscape of online financial services. For managers, the study illuminates the significance of understanding consumer perceptions and preferences in designing and marketing online products effectively. It emphasizes the importance of product features, institutional reputation, and regulatory compliance in fostering consumer trust and purchase intention. Managers are urged to prioritize customer-centric product design, enhance institutional transparency, and engage in proactive governance to bolster reputation and consumer confidence. Moreover, the study underscores the pivotal role of real-time customer engagement in fostering brand loyalty and trust, advocating for investments in interactive platforms and personalized services.

On the policymaker front, the study emphasizes the criticality of regulatory reforms to stimulate growth and mitigate risks in emerging financial markets. Policymakers are urged to modernize regulatory frameworks to align with evolving con-

sumer behaviors and technological advancements. This entails fostering financial inclusion, enhancing investor protection, and promoting innovation while safeguarding against potential risks. Moreover, the study highlights the need for policymakers to address challenges specific to emerging economies, such as outdated regulations and low financial literacy. By enacting forward-thinking policies and fostering a conducive regulatory environment, policymakers can catalyze the development of robust online financial ecosystems that benefit both consumers and businesses.

The limitations of this paper have three. The targeted country China is categorized as an emerging economy with a huge population. The sample size could be larger and therefore might turn out different results. Meanwhile, China has the most state-of-the-art online payment systems in the world. However, the financial systems in China are not functioning well largely due to the fact that people are not aware of the benefits of financial services until recent years. Therefore, additional influential factors may be applicable. Finally, different industries with the same influential factors may lead to different outcomes, and therefore is recommended for future studies.

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