A STRUCTURAL EQUATION MODEL OF THE INTENTION TO PURCHASE USED MACHINERY VIA ONLINE AUCTION WEBSITES

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ABSTRACT

The auction of used machinery imported from abroad is a popular choice for consumers due to the high price of new machinery. Many consumers have a negative impression of pre-used products, making them to have much lower price than first-hand products. Therefore, the sales of used machinery need to rely high volume purchases and selling through online auction sites which can reach a large number of consumers. The objectives of this research were to study: 1) the levels of website quality, unique characteristics of auctioneers, product characteristics and unique characteristics of bidders on the intention to purchase used machinery via online auction websites; 2) the influences of website quality, unique characteristics of auctioneers, product characteristics and unique characteristics of bidders on the intention to purchase used machinery via online auction websites; and 3) develop an effective model for the consumer intention to purchase used machinery via online auction websites. This research employed a mixed research methodology combining quantitative and qualitative methods. For the quantitative research part, the research sample consisted of 320 individuals from three business groups including the construction sector, the agricultural sector, and the manufacturing industrial sector. The sample size was determined based on the criterion of 20 times the observed variables. They were selected via stratified sampling. Data were collected with the use of a questionnaire and analyzed with a structural equation model. As for the qualitative research component, in-depth interviews were conducted with 17 key informants including auctioneers, bidders, and experts involved in buying and selling used machinery via online auction websites. Data were analyzed with content analysis. The findings showed that: 1) unique characteristics of auctioneers, product characteristics, unique characteristics of bidders on the intention to purchase used machinery via online auction websites were rated at a moderate level whereas website quality was at a low level; 2) website quality, unique characteristics of auctioneers, product characteristics and unique characteristics of bidders had an influence on the intention to purchase used machinery via online auction websites with a .05 level of statistical significance, and all of these factors could predict the results by 97 percent. In addition, the qualitative research findings also revealed that transparency of the online auction system served as a key factor affecting the intention to purchase used machinery via online auction websites; and 3) the model, developed by the researcher, was called the Intention to Purchase Used Machinery via Online Auction Website Model (IPUMO Model). It was a concept for planning and determining marketing strategies to respond to consumer behaviors with the aim to increase competitiveness. These research findings can be used as guidelines for the public sector to promote concrete improvements on the online bidding laws, lending, provision of tax incentives, and provision of the assessment of machine conditions from assessors who are certified by the central government agencies. These can help raise the standards of the online used machinery auctions in Thailand and establish confidence for the consumers.

Keyword: Purchase Intention, Website Quality, Website Quality, Auctioneer Characteristics, Thailand

I. INTRODUCTION

This is the era of globalization where several organizations are offering similar products and services creating intense competition in the market (Dapkevicius, & Melnikas, 2011). This competition stimulates a number of purchase activities among the customers who have the coolest and newest services and products (Belk, 2019). In this situation, the aim of every organization is to maximize the purchase activity. This regular purchase activity
has a significant effect on the development issues like product overload and overproduction. The same is the scenario in the auction industry. People like to purchase different items from online auctions. The reusability of the items will be promoted if webservices provided by the auction organization are excellent. Therefore, these auction companies are focusing on developing purchase intention among the customers(Kim, 2020).

Zeithaml et al (1996) pointed out that purchase intention is one of the important dimensions of behavioural intention. Purchase intention is considered as consumer behaviour that occurs when external factors stimulate the consumer. Later, these customers reach the purchase decision based on personal characteristics and the process of decision making (Bhakar, Bhakar, & Bhakar, 2013).

Past studies have focused on the quality of the website and mentioned it as one of the important factors in the online business. Several different stores like retailers and auctions are shifting to the online business. The significance of online stores is that it is growing at a very rapid pace and consumers are using online stores regularly with innovative features. Therefore, it is key that the organizations must focus on the development of high-quality websites offering a better experience to the customers. The customers having good customers are retained by the e-retain marketplace(Hasanov & Khalid, 2015).

One of the important business dealing with customers on the online business is the auction where they mostly sell previously used products. In this scenario, both parties have to go through certain risks (Berger & Schmitt, 2005). In the traditional auction, a party can be different from others based on five heterogenous auctions forms which create the difference in the form of bid acceptance (Li, Riley, Lin, & Qi, 2006).

In an online auction, the seller who will be having a number of positive comments will be trustworthy. It is also likely that the online seller would like to take care of hum image and fame especially in the case of a large number of items available for sale. Bidders must remain cautious from the bid started by the seller. In such a trade, the bidder must keep an eye on the trading history. Past behaviour and reputation of the organization are key for organizational success(Policy, 2006).

Past studies conducted on the auction sector were beneficial in a number of ways i.e. extension in theory regarding the online sales environment. Such studies provided a new lens to examine the transaction of online auctions. These studies also helped the seller to better understand the customer behaviour allowing them to develop a marketing strategy. such studies can also help businessmen to design an online auction store where they can sell different products. Additionally, overcoming the limitations can be controlled by the buyer through these studies.

To confirm the quality of products, customers mostly rely on different sources. As a result, their likelihood of satisfaction is enhanced at the stage of purchasing the product. The performance of traditional and online outlets is based on product attributes and characteristics. Some of the customers prefer to touch the products physically before buying them, therefore they prefer traditional stores. Some of the customers feel it a greater risk to purchase a product from an online store because of variation in the characteristics of the goods and the inability of the customers to fully examine the products. Scholars reported that customers are more concerned regarding the attributes of the products at the online stores and find it riskier to get the products from the online stores (Bezes, 2016).

The physical facilities of the producer can be investigated by the bidder in the traditional market. In the context of the online market, the customer cannot conduct evaluation. The bidder cannot examine the factory of the physical facility of the seller. It is also not possible for the bidder to touch the object or product being sold. Thus, evaluation of composition is not possible(KÜTZ, 2016).

Bidding online is a very broad domain. It allows people to purchase goods with a wide variety on the internet. There are a number of advantages of online biding including anyone can bid for any product or service they want to purchase from the distance. The virtual flea market is provided by the marketers in which a large amount of merchandise is available. A number of international and national retailers are involved in the online auction business(Balingit, Trevathan, & Read, 2009).

Presently, consumers are interested in the purchase of online machinery which is already used. Though people are reluctant to purchase goods from such online stores as the products are already used but still, this business is getting interested. Therefore, this research aims to study the levels of website quality, unique characteristics of
auctioneers, product characteristics and unique characteristics of bidders on the intention to purchase used machinery via online auction websites. This study also aims to examine the influences of website quality, unique characteristics of auctioneers, product characteristics and unique characteristics of bidders on the intention to purchase used machinery via an online auction website. In the end, this study aims to develop an effective model for the consumer intention to purchase used machinery via online auction websites.

II. LITERATURE REVIEW

Purchase Intention

The organizations need to understand the intentions of the customers because intentions are converted into behaviour at a later stage. In the loyalty construct, intention to purchase is the important construct. Researchers mentioned that it is more important for the organizations to develop intention among the customers to later translate it into a behavioural construct (De Cannière, De Pelsmacker, & Geuens, 2010).

Zeithaml et al (1996) mentioned that purchase intention is one of the key dimensions of behavioural intention. to predict the actual construct of behaviour, past studies have used purchase intention. There exists a positive correlation between the actual behaviour and purchase intention of the customer. Thus, the intention of the customers is the important predictor of customer actual purchase. researchers mentioned that reservation information was viewed by the customers as an important dimension and predictor of purchase intention. moreover, the quality of the website also affects the purchase intention of the customer (Bai, Law, & Wen, 2008).

Website Quality; Purchase intention

The perception of customers regarding the quality of the website is based on the features that are offered to the customers and meet the needs of the customers. Different dimensions of website quality are service quality, ease of use, information technology, enjoyment and security. Among important features of website features, website design is one of the key ones (Jeon & Jeong, 2017). It is one of the key components to achieve the quality of services. Important features for a successful website design are display and well-managed content, organized content, navigation, and aesthetics. Consumers are engaged in online shopping and other activities after getting motivated due to the interesting and attractive effects of the e-commerce website. Website features play an important role to affect purchase intention. the informative website provides the opportunity to the customers to compare the quality of service available with other websites and service providers. Another important factor in website quality is the information provided by the brands online. Moreover, the quality of a website plays an important role to keep customer satisfied and develop intention among them to purchase from that website (Hasanov & Khalid, 2015).

The practitioners and academics have given great attention to the importance of website quality because it has an important role to develop purchase intention among the customers. It is because of overall excellence, as well as excellence of the website to provide the desired message, create intention among customers to use the services of the website. To access website quality, the design of the website is very important. Customer satisfaction is created because of website design which makes the customer do shopping from a certain website driving purchase intention among the customers (Bhattacherjee, 2001).

Past researchers reported a significant effect of website quality on purchase intention showing a significant effect of these variables. These results depict that if the quality of the website is good, it will create purchase intention among the customers to buy products from that website (Jauhari, Kusumawati, & Nuralam, 2019). On the other hand, researchers also mentioned that traffic on the website is derived because of the good quality of the website and its content (Bai et al., 2008).

Auctioneer Characteristics; Purchase intention

The process of bidding and selling a service or product through the internet is defined as an online auction. The person who is offering the highest price wins the bid. In an auction that takes place online, the parties involved are anonymous. Moreover, there can be an infinite number of bidders. Characteristics of the auction are the multi-disciplinary construct which is very difficult to be explained. Researchers have argued that it consists of service quality and its application in the auction industry (Law, Bai, Crick, & Spencer, 2011).

It is very difficult to explain quality in the context of the service industry. Provided there are four basic characteristics of the website quality in the service sector. These characteristics include infrastructure, benevolence, integrity and ability. Infrastructure is the availability of required sufficient resource benevolence is

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the desire to perform better; integrity is a strong ethical matter; benevolence is the desire to perform good and goodwill. The characteristics of the seller include gender, age, items available for sale, ratings and reputation, buying experience and selling experience. Features of commodity include warranted or not, look and feed, and product condition (Resnick, Zeckhauser, Swanson, & Lockwood, 2006).

The services given to customers are influenced by individual characteristics and their expectations regarding an organization, before consumption or utilization and their perception regarding the performance of organizations giving the same services. Later, scholars state that the way consumers perceive the way they are treated is generally known as service quality (Agbor, 2011). Presently in the dynamic and competitive online auction industry, the buyer dictates and direct the type and quality of the services that are required to satisfy their needs. Thus, purchase intention is significantly affected by bidders’ characteristics.

A number of research activities are conducted in terms of online auctions after the population of online auctions. These researches were conducted to examine the factors that can affect the decision of buyer when they are bidding for different items. A number of different studies in eCommerce and online auctions revealed that factors like site design, trust, and uncertainty effects the intentions of the customers to have online transactions. Some of the other researchers examined the effect of different factors like the searching effect and information load affects the consideration set of buyers. From the perspective of e-commerce transactions, the online auction is unique and two-way. Initially, there is a time limit in the online auctions. On the other hand, in other online transactions, buyers have the choice to buy the goods or products on the timeline that suits them. Moreover, in online transactions choice of buyers is based on trust. In other words, the choice of purchase is based on a trustworthy seller (Drake, Hall, & Byrd, 2012).

In the recent past success of online auctions have forces researchers to identify the factors that can affect the success of the auction business. It is evident that the characteristics of website effects the decision making of potential customers (Chen, Yen, Kuo, & Capistrano, 2016).

Past studies have demonstrated that benevolence and integrity characteristics affect purchase intention and they both are linked to each other. Research if the scholars mentioned that characteristics of auctioneer encourage customers to purchase from the certain website (Luo & Ye, 2019).

Product Characteristics; Purchase intention
The manufacturers need to understand how the product is influenced by the product mix or website characteristics that are displaying the products. Moreover, effects have the capability performance of the product. The outcome of online shopping is dependent upon what is being purchased and the characteristics of the website along with potential interaction after taking control of the heterogeneity of the consumer. It is because of consumer-specific services and products from a certain online service provider, researchers concluded that key factors of the website are characteristics of the website and the product. For the online shopping experience, the websites are the primary platform (Mallapragada, Chandukala, & Liu, 2016).

Studies conducted by W.-I. Lee, Cheng, and Shih (2017) revealed that purchase intention among customers is positively affected by the characteristics of the product. Different characteristics of products that affect and influence purchase intention among customers include equity of brand and price. Researchers in another study demonstrated that purchase intention among customers is determined by the presentation of the product (Wu, Wang, Liu, & Shin, 2020).

Other authors have pointed that product characteristic also affects purchase intention. These characteristics of the product are compatibility, functionality, visual attractiveness, design aesthetics and product. Past studies have also pointed that certain image is developed in the mind of the customers based on characteristics of products which lead to the development of purchase intention (Wu et al., 2020).

Builder Characteristics; Purchase intention
A number of past studies have reported a relationship between online consumer behaviour and the characteristics of consumers. In the context of auctions, a bidder is a party that is trying to buy an asset from a certain seller at a specific price. Scholars mentioned that a bidder can be an organization and individuals. A bidder is a person who submits a bit to buy anything listed by the seller. The amount that the bidder is ready to pay shows the price upon which he or she is willing to pay for the price listed for auction. Bidder is mostly looking for the product which is being offered at the lowest price (Chernomaz & Levin, 2012).
Past studies on consumer behaviour have mentioned the effect of characteristics of the bidder in the purchase intention, in other words, intention towards the auction online. Past scholars have reported different characteristics of bidder namely risk, level of trust, level of experience, price sensitivity, variety seeking, compulsive buying, personal values and traits (M.-Y. Lee, Kim, & Fairhurst, 2009). Scholars pointed that the perceived risk and trust level of the auction with the perspective of seller show affect consumer behaviour. If the buyers who are buying something online worry about the potential loss, they are looking for transactions having great value (Drake et al., 2012).

Transactions through the online auction is one of the special cases for the transaction based on eCommerce because on certain occasions sellers and buyers are not familiar with each other. A new relationship is developed between the buyer and seller through online transaction. Scholars reported that four subconstructs make a disposition. These subconstructs include trusting stance, benevolence, competence and integrity. The last three subconstructs shows a tendency to believe that bidder will act in a trustworthy way (Drake et al., 2012).

To develop purchase intention in the online business, trust is the key factor. The likelihood of basic trust depends upon the characteristics of the bidder. The higher the level of trust based on the characteristics of the bidder, the higher will be the likelihood to buy the product. If the buyer is worried that the transaction will create loss, it will lead to the neglection of the transaction. It means if the characteristics of bidder include a high level of perceived risk. Thus, a reduction in the intention of transaction leads to acceptability of product from the website (Drake et al., 2012).

Based on the above literature, the following hypotheses and framework are developed:

H1. Website Quality and Purchase intention are significantly related to each other.
H2. Auctioneer Characteristics and Purchase intention are significantly related to each other.
H3. Product Characteristics and Purchase intention are significantly related to each other.
H4. Bidder Characteristics and Purchase intention are significantly related to each other.

Figure 1. Framework

III. METHODOLOGY

Pragmatism is the epistemological stance of the current study, informing the motivation of the methodology and research design. The pragmatism idea is that the paradigm of research cannot only be idiosyncratic but also mixed depending on the objectives of the research. For a better understanding of the phenomenon, the researcher should be independent to select methodology without being inhibited or limited. In this manner, logicality is viewed as an alternate paradigm Yvonne Feilzer (2010) as well as the core philosophy of mixed methods research. In this
study researcher utilized the exploratory sequential mixed methods design, consisting of two separate sections, i.e., the quantitative study followed by the qualitative study. Thus, this approach provides a deeper understanding of subject material and research problem (Creswell, Shope, Plano Clark, & Green, 2006). For the quantitative research part, the research sample consisted of 320 individuals from three business groups including the construction sector, the agricultural sector, and the manufacturing industrial sector. The sample size was determined based on the criterion of 20 times the observed variables. They were selected via stratified sampling. Data were collected with the use of a questionnaire and analyzed with a structural equation model. For the qualitative part in-depth interviews were conducted and the data analyzed by content analysis technique.

### IV. ANALYSIS

#### 4.1 Qualitative analysis
For the qualitative research, in-depth interviews were conducted with 17 key informants including auctioneers, bidders, and experts involved in buying and selling used machinery via online auction websites. The duration of the interviews was between 50 to 90 minutes (i.e., 850 to 1,530 total minutes). The researcher wants to in-depth understand the factors affecting the purchase intentions of customers for the used products. For this purpose, several probing questions were asked. To understand deeply the concept and the characteristics of the product which can influence significantly the purchase intentions, the researcher utilized a response guided approach. Respondents described that the quality of the web and multiple characteristics of the product and the service providers affects their intentions to purchase the used products. The respondents expressed the service provided by the company, system flexibility, efficiency, cost-effectiveness, and the extent to which the system is satisfying the needs and requirements of the customers affect the intentions to purchase the used product. The interviews were recorded and then transcribed. Data were analysed with content analysis. Content analysis is a tool that is used in qualitative research to determine the existence of a particular concept, theme or word from the general statements (Holsti, 1968). The researcher made an inference about the messages within the texts, audience and the culture surrounding the text. The researcher analysed, quantify the existence, connotations and associations of particular words, concepts or themes. Themes derived by the data interpretation process categorized. The categorization process validated by taking insight from the researches of (Ravichandran & Rai, 1999) and (Teo, Srivastava, & Jiang, 2008). The researcher found that four major categories influence the purchase intentions of the customers (a) web quality (b) auction characteristics (c) bidder characteristics (d) product characteristics. First category composed of the characteristics (a) system quality (b) information quality (c) service quality. Second category includes (d) ability (e) benevolence (f) integrity (g) infrastructure area. The third category contains (g) product transparency (i) product variety (j) product level.

#### 4.2 Quantitative Analysis
In the quantitative part, the researcher tested the conceptual model using LISERAL software. Table 1. Shows the values of mean, standard deviation, skewness and kurtosis. As the data collected at Likert scale 5, the mean and standard deviation show a normal trend. The acceptable skewness value is between -3 and +3 while the acceptable value of kurtosis is -10 to +10 (Brown & Greene, 2006). From Table 1 it is evident that the value of skewness is between -2 to +2 while the value of kurtosis is between -3 and 3. Therefore, data is normal and acceptable for further analysis.

<table>
<thead>
<tr>
<th>Variable</th>
<th>( \bar{X} )</th>
<th>S.D.</th>
<th>%CV</th>
<th>Sk</th>
<th>Ku</th>
<th>( \chi^2 )</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SysQua</td>
<td>2.392</td>
<td>.743</td>
<td>31.06</td>
<td>.193</td>
<td>-1.147</td>
<td>1.352</td>
<td>.509</td>
</tr>
<tr>
<td>InfQua</td>
<td>2.438</td>
<td>.755</td>
<td>30.97</td>
<td>.117</td>
<td>-1.140</td>
<td>1.314</td>
<td>.518</td>
</tr>
<tr>
<td>SerQua</td>
<td>2.509</td>
<td>.717</td>
<td>28.58</td>
<td>-.003</td>
<td>-8.44</td>
<td>.712</td>
<td>.700</td>
</tr>
<tr>
<td>Abili</td>
<td>2.573</td>
<td>.750</td>
<td>29.15</td>
<td>-.138</td>
<td>-1.208</td>
<td>1.478</td>
<td>.478</td>
</tr>
<tr>
<td>Bene</td>
<td>2.731</td>
<td>.781</td>
<td>28.60</td>
<td>-.552</td>
<td>-1.663</td>
<td>3.069</td>
<td>.216</td>
</tr>
<tr>
<td>Integ</td>
<td>2.552</td>
<td>.773</td>
<td>30.29</td>
<td>-.125</td>
<td>-1.329</td>
<td>1.781</td>
<td>.410</td>
</tr>
</tbody>
</table>
Table 2 shows that all the dimensions (sub-variables) are significant having factor loading ≥ 0.7. All variants and construct have reliability greater than 0.7 and the validity greater than 0.5 therefore, fulfill the reliability and validity criterion (Anderson, Tatham, & Black, 1998). The coefficient of determination meets the standard for the ability of significant prediction of the latent variable. Therefore, all sub-variables (dimensions) are significant to form a latent variable and can be further analyzed.

Table 2 Factor Loadings. (n = 320)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor Loading (λ)</th>
<th>Error (θ)</th>
<th>t</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Website Quality (WebQua)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>1.1 System Quality (SysQua)</td>
<td>.73</td>
<td>.47</td>
<td>14.32</td>
<td>.53</td>
</tr>
<tr>
<td>1.2 Information Quality (InfQua)</td>
<td>.77</td>
<td>.41</td>
<td>15.56</td>
<td>.59</td>
</tr>
<tr>
<td>1.3 Service Quality (SerQua)</td>
<td>.84</td>
<td>.29</td>
<td>17.45</td>
<td>.71</td>
</tr>
<tr>
<td>ρ₁ = .82 ρ₂ = .61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Auctioneer Characteristics (AucCha)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Ability (Abili)</td>
<td>.70</td>
<td>.52</td>
<td>13.86</td>
<td>.48</td>
</tr>
<tr>
<td>2.2 Benevolence (Bene)</td>
<td>.80</td>
<td>.35</td>
<td>16.86</td>
<td>.65</td>
</tr>
<tr>
<td>2.3 Integrity (Integ)</td>
<td>.76</td>
<td>.43</td>
<td>15.52</td>
<td>.57</td>
</tr>
<tr>
<td>2.4 Infrastructure area (InsAre)</td>
<td>.77</td>
<td>.41</td>
<td>15.87</td>
<td>.59</td>
</tr>
<tr>
<td>ρ₁ = .84 ρ₂ = .57</td>
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<td></td>
<td></td>
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<tr>
<td>3. Product Characteristics (ProdCha)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Product transparent (ProTra)</td>
<td>.79</td>
<td>.37</td>
<td>16.49</td>
<td>.63</td>
</tr>
<tr>
<td>3.2 Product variety (ProVar)</td>
<td>.68</td>
<td>.53</td>
<td>13.51</td>
<td>.47</td>
</tr>
<tr>
<td>3.3 product level (ProLev)</td>
<td>.76</td>
<td>.42</td>
<td>15.61</td>
<td>.58</td>
</tr>
<tr>
<td>ρ₁ = .79 ρ₂ = .55</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4. Bidder Characteristics (BidChar)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Innovative technology (InnTec)</td>
<td>.85</td>
<td>.28</td>
<td>18.12</td>
<td>.72</td>
</tr>
<tr>
<td>4.2 Disposition to Trust (DisTru)</td>
<td>.80</td>
<td>.36</td>
<td>16.75</td>
<td>.64</td>
</tr>
<tr>
<td>4.3 Risk (Risk)</td>
<td>.60</td>
<td>.64</td>
<td>11.40</td>
<td>.36</td>
</tr>
<tr>
<td>ρ₁ = .79 ρ₂ = .57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5. Purchase intention (PurInte)
   5.1 Intention to Use Website (IntWeb) .70 .51 13.70 .49
   5.2 Intention to Purchase (IntPur) .84 .29 17.70 .71
   5.3 Positive Mouth (PosMou) .77 .40 15.65 .60

\[ \rho_{c} = .81, \quad \rho_{v} = .59 \]

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**Figure 1 Conceptual model (n=320)**

**Table 3 Parameter estimation result of direct effect coefficient, indirect effect and total effect from adjusting model (n=320)**

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Effect</th>
<th>Purchase intention (PurInte)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DE</td>
<td>.56* (10.07)</td>
</tr>
<tr>
<td>Website QualityWebQua</td>
<td>IE</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>.56* (10.07)</td>
</tr>
<tr>
<td></td>
<td>DE</td>
<td>.89* (11.17)</td>
</tr>
<tr>
<td>Auctioneer Characteristics (AucCha)</td>
<td>IE</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>.89* (11.17)</td>
</tr>
<tr>
<td></td>
<td>DE</td>
<td>.77* (10.09)</td>
</tr>
<tr>
<td>Product Characteristics (ProdCha)</td>
<td>IE</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>TE</td>
<td>.77* (10.09)</td>
</tr>
</tbody>
</table>
Independent variable | Effect | Purchase intention (PurInte)
--- | --- | ---
Bidder Characteristics(BidChar) | | |
DE | .44* (12.04) | |
IE | n/a | |
TE | .44* (12.04) | |

\[ \chi^2 = 147.19 \text{ df} = 89 \text{ p-value} = .00010, \chi^2 / \text{ df} = 1.65, \text{RMSEA} = .045, \text{RMR} = .018, \text{SRMR} = .030, \text{CFI} = .99, \text{GFI} = .95, \text{AGFI} = .92, \text{CN} = 259.13 \]

4.3 Structural Model Analysis

From the table above it is evident that the structural model is a good fit model, the values of CFI, GFI and AGFI are greater than 0.90 (Hair, 2010). From Table 3 it is apparent that the effect of web quality on the customer purchase intention is significant with \( \beta = 0.56 \) (at \( P \leq 0.001 \) and \( T \)-value \( \geq 1.96 \)), which shows that web quality significantly impacts the customer purchase intention. The effect of auctioneer characteristics on the customer purchase intention is significant with \( \beta = 0.89 \) (at \( P \leq 0.001 \) and \( T \)-value \( \geq 1.96 \)). Demonstrating the significant influence of auctioneer characteristics on the customer purchase intention. Product characteristics significantly affect the customer purchase intention with \( \beta = 0.77 \) (at \( P \leq 0.001 \) and \( T \)-value \( \geq 1.96 \)). Bidder characteristics significantly influence the customer purchase intention with \( \beta = 0.44 \) (at \( P \leq 0.001 \) and \( T \)-value \( \geq 1.96 \)). The value of \( R^2 = .97 \) showing that all of these factors could predict the results by 97 percent.

V. CONCLUSION

Organizational success and growth can be attained by improving purchase intention. The purchase intention of the product will be enhanced by improving the product quality, individual and organizational characteristics. Due to rising problems of overproduction and the excessive amount of product in developing societies, the online auction business offers an attractive possibility to overcome these problems. Nowadays the online auction business can be considered a great success. According to Gregg and Walczak (2006), there are more than 10 million goods available on the online auction web, indicating that society is now familiar, enthusiastic and confident in online purchasing of the used product. Since 2010 there is steady growth in the online auction industry. Therefore, to survive in the competitive industry it is important to focus on the significant factors contributing to the success of the organization. Generally, in the auction business, the intention to purchase by the customers is a significant factor that is responsible for the growth and the success of the organization (auction house). Regarding the auction industry, the current study examines the effect of several factors on the purchase intention of the used products.

This study examined the effect of web quality, auctioneer characteristics, bidders’ characteristics and the purchase intentions of the customers. Web quality significantly influences the customer purchase intention, this study investigated the effect of the system, information and service quality on the purchase intention. Thus, in any auction business, the customer purchase intention can be created by increasing/improving the web quality. The data supported the hypothesis that the bidder characteristics significantly affect the purchase intentions of the used product. The bidder having efficient technology, trust and the risk behaviour significantly impact the purchase intention. The characteristics of the auctioneer, integrity, benevolence and sufficient infrastructure play a significant role in the determination of the customer purchase intention. The product characteristics, transparency and variety affect the purchase intention. Result revealed that the web quality, service quality, bidder characteristics and auctioneer characteristics significantly affect the purchase intentions of the customers. Therefore, the auction businessmen need to ensure and take into account that these christened factors are positively satisfied. The findings of the present study are helpful for the policymakers and practitioners to develop strategies to enhance online bidding business.

REFERENCES