

## **A STUDY OF ONLINE BUSINESS UTILIZATION THROUGH WECHAT OF CONSUMERS IN KUNMING**

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### **ABSTRACT**

The study of online business utilization through WeChat of consumers in Kunming aimed at finding out the reasons why consumers in Kunming used WeChat for online business activities; study of the relationship between personal factors and WeChat usage behaviors; and the reasons why WeChat was necessary to be used for online business activities. A quantitative research approach was used and a questionnaire survey research was selected for this research. The sample group in this study was composed of 400 people in Kunming city. The data obtained from the survey were statistically analyzed. The findings of the first research objective revealed that, the top three of the reasons why consumers in Kunming used WeChat for online business activities, namely payment system, logistic system and price. For the payment system, the fact that WeChat payment system using QR Code scanning system instead of cash was considered advantageous to the business because it could save time and ensure payment system efficiency, security and convenience. Perfect logistics system enabled the consumers to purchase the products from any place; the system allowed the consumers to select their preferred delivery companies; and effective and convenient goods delivery service could help raise chances of sellers' success in the online business via WeChat. As for pricing, the consumers preferred to negotiate with the sellers to obtain a lower price. Furthermore, the cheaper price and special offer were advantageous to their selling activities. The findings of the second research objective indicated that, there was a relationship between the personal factors including gender, age, education & income and online shopping behavior. The significant relationship between personal factors, namely education and income, and monthly expenses for shopping online was found in this study. Age and differences in income level had an impact on overall opinion and each aspect of consumers' opinion why they should use WeChat.

**Keywords:** Online business, WeChat, Kunming customers

### **Introduction**

China is one of the world's largest online shopping market. Half a billion Chinese shop online and with smartphone penetration at

over 80%. China has more online shoppers than the US, UK, and Australia combined, with online sales at over 16% of total national retail sales in 2017 (Frost and Sullivan, 2018).

Table 1 China's online ecosystem compared to selected countries, 2017 (Frost &amp; Sullivan, 2018)

Topic	China	US	UK	Australia
Internet users	733 million	245 million	62 million	21 million
Social media penetration	57%	66%	66%	60%
Smartphone penetration	82%	86%	87%	90%
Online shoppers	500 million	217 million	43 million	12 million
Online sales as percentage of total retail sales	16.6%	8.9%	18.0%	7.5%

WeChat is a Chinese multi-purpose messaging, social media and mobile payment app developed by Tencent (Wikipedia, n.d. a). According to the information provided by Statista Research Department (2020), the number of WeChat active accounts has been increasing by 20 million each quarter since quarter 2/2011 and had over 1.15 billion monthly active users in quarter 3/2019. It is undeniable that WeChat is an online business application commonly known in China. WeChat has introduced an option through which people can sell their products on their platform, as well as pay for their products directly by using WeChat pay (Marketing to China, 2017).

WeChat is considered to be one of the best applications for e-commerce in China. It is not necessary for sellers to have an account at a Chinese bank, Chinese business registration or any other exporting license in order to sell their goods on the platform. The sellers are only required to open a WeChat store that is an E-commerce platform exist within the WeChat app. It is mobile websites connected to the menu of a WeChat Official Account with the ability to pay with WeChat Pay (Marketing to China, 2017; Qpsoftware, n.d.). WeChat provides all involved parties with an opportunity to have a cross-border payment account. The seller can easily ship products across borders whilst it is not necessary to

have a trading license. This allows minimal investment and the prospective sellers can gain access to the Chinese market by working with a few Key Opinion Leaders (Marketing to China, 2017). Which is different from the traditional process of establishing a business for foreigners in China. That is complicated and requires many important documents to register the company such as personal documents of business owners, company registration document, business license etc. (Interloop Solutions & Consultancy, 2019). These steps provide the sellers with direct feedback about their business performances in China. With this feature, it enables the seller to plan the next step of business investment easily (Marketing to China, 2017). It is assumed that WeChat is an essential and outstanding marketing tool for business to enter Chinese market. Setting up a WeChat official account allows brands to reach out to a huge audience and effectively raise brand awareness (DeGennaro, 2019). WeChat's provides various functions that allows sellers multiple ways of interacting and engaging with consumers (The translation people, 2019). For example, McDonald's, Starbucks has been with WeChat since 2012. In order to get many users excited about the launch, the coffee chain sent each user a song that emblazoned a message to Starbucks. The mood of the song was based on the type of

emojis. After a month, Starbucks had gathered 62,000 WeChat followers and received on average 22,000 messages a day. On the one hand, the company benefited from its fame, but the creative approach increased the interaction with the followers immensely (Bart Van Bos, 2018).

The list of products sold online is endless; these products vary from handcraft jewelry, t-shirts, online courses, e-books and fashion accessories to smart mobile devices, electronic devices and luxury products. The sellers have an opportunity to sell almost everything online as long as they can deliver the products or services to the consumers. Working in the e-commerce market is becoming more efficient, because of technology that continuously developed such as WeChat mini program, WeChat mini game, WeChat pay etc. It helps sellers being easily available at every body fingertip (Marketing to China, 2017).

Kunming, the capital and largest city of Yunnan province in southwest China, is now a prefecture-level city, and considered a center of politics, economics, communications and culture of the province as well as the location of the provincial government office. These are reason for which headquarters of many of Yunnan's largest businesses are located in Kunming (Wikipedia, n.d. b).

According to the statement above, the researcher was interested in studying online business utilization through WeChat of consumers in Kunming with an aim to generate benefits for entrepreneurs and those who wish to do a business through WeChat; create a guideline for improvements and developments of WeChat online business; and ultimately increase consumers' satisfaction.

### **Objectives of the Study**

1. To discover the reasons why consumers in

Kunming used WeChat for online business activities.

2. To study the relationships between personal factors and WeChat usage behavior; and the reasons why WeChat was a necessary tool for online business activities.

### **Hypotheses**

1. The relationship between personal factors, namely, gender, age, education, and income of consumers in Kunming, and WeChat usage behavior exists.

2. Different personal factors namely gender, age, education, and income of consumers in Kunming were correlated with different reasons why WeChat becomes a necessary tool for online business activities.

### **Conceptual Framework**

According to A model of consumer behavior of Kotler (1997 cited in U-on, 2014), which states that A model of consumer behavior is a system that consists of 3 parts are 1) Marketing and other stimuli such as product, price, place, and promotion. 2) Buyer's black box: the buyer's consciousness which is divided into 2.1) Buyer's Characteristics including cultural factors, social factors, personal factors, and psychological factors 2.2) Buyer's purchase decision process. 3) Buyer's Response is the response or purchase decision of the buyer. It can be seen that to make the buyer decide to buy. Personal factors are important factor. Therefore, in order to study and understand the consumers' opinion why they should use WeChat and understand the consumer's black box in terms of personal factors such as gender, age, education, income toward WeChat usage behavior and reasons to use WeChat for online business activities. The researcher has defined the conceptual framework as figure 1.

Independent variable

Dependent variable

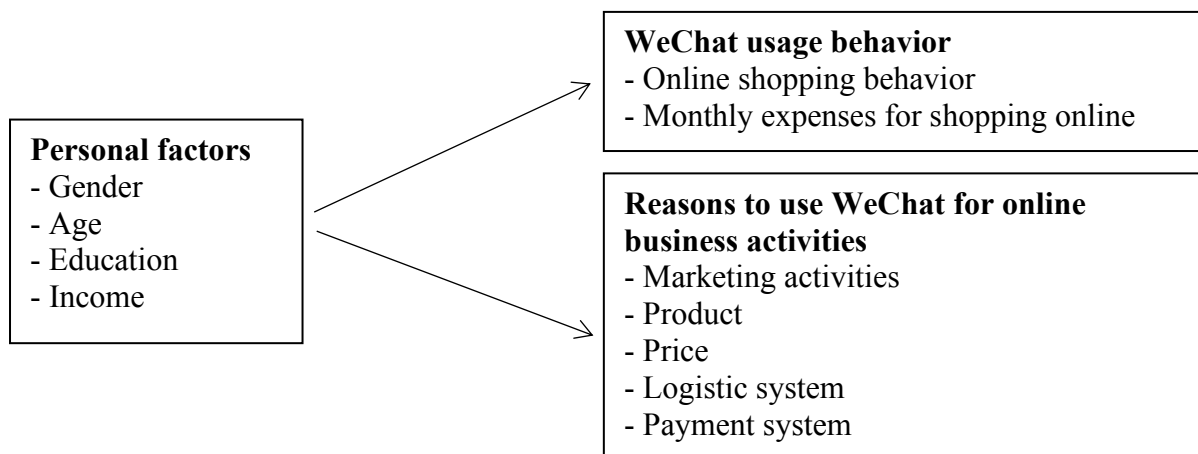


Figure 1 Conceptual framework

## Literature Review

### Definition of WeChat

WeChat is a mobile text and voice messaging communication service developed by Tencent Holdings LTD in China, first released in January 2011. The app is available on Android, iPhone, BlackBerry, and Windows Phone platforms. WeChat has multiple features including video chat, voice calling, SMS, games, QR code scanning and much, much more. WeChat offers full M-commerce capabilities inside the app (WeChat, 2019 a). WeChat is a messaging app, but it is only a part of all services. It also offers more traditional social networking functions such as video and picture sharing, games, stickers, and the ability to share and connect with friends through WeChat Moments (Newberry, 2016). In conclusion, WeChat is considered a combination of Venmo, Facebook, WhatsApp, Google News, Tinder, and Pinterest into one app (Dragon Social, 2019).

WeChat is a very versatile app with more than a billion active users. It features add-on apps (“mini programs”), games, video chat, a social feed such as Facebook and photo sharing. Users can also access any Web app

within the WeChat browser, and they can order merchandise, transfer money and pay bills electronically or in stores that accept WeChat payments (Encyclopedia, 2019).

### Online business using WeChat

WeChat provides an open platform for businesses to build their own apps on top of WeChat basically “apps within an app” model. Developing for WeChat is much cheaper and easier than native app development for both Android and iOS. The cost of user acquisition is also much lower than with native apps; adding an official account can be done with one click (Matthew, 2016).

Numerous small businesses may not have difficulty with a formal website as many Chinese users have skipped the desktop era and are far more comfortable and familiar with using smartphones and, in particular, WeChat. They are more likely to find out about services or brands through their social circles or scanning a QR code than through a search engine (Matthew, 2016).

Regarding WeChat usage for online business activities, the steps of opening an online business in WeChat (Dragon Social, 2019) as follows: 1) Open a WeChat account; 2) Drive

users to WeChat official account with QR codes; 3) WeChat content: Create valuable, emotionally appealing, and useful content; 4) Utilize WeChat's location-based marketing features; 5) Use WeChat HTML5 campaigns to shock, awe and engage; 6) Leverage KOLs to succeed with WeChat for business; 7) Use WeChat advertising to drive measurable results; 8) Promote sellers' WeChat official account & content on other social platforms; 9) Start a loyalty program on sellers' WeChat official account; 10) Use the power of WeChat micro-sites/ WeChat mini-programs; and 11) Create branded WeChat stickers to ensure that users are satisfied with sellers' brand.

WeChat contains more features than regular social networking apps. It is considered an ideal platform to fill the gap between online and offline marketing and is a great way to connect with consumers and build greater brand awareness (Dragon Social, 2019).

## Research Methodology

### Research design and strategy

The researcher employed quantitative research for this study. To complete the research objectives, the target group of this research were asked to answer the questionnaire in the survey.

### Population and sample

The population of this study was composed of approximately 4,339,587 people in Kunming urban area (Population Stat, 2019). The samples of the study were selected from the population using random sampling method. In this study, 400 samples were randomly selected from the population according to the sample size determined by Krejcie and Morgan (1970). The information was collected from people in Kunming that have used WeChat for shopped online in the past year.

### Data collection

First, the researcher prepared the questionnaire

in English. Second, the researcher translated the questionnaire into Chinese in order to ensure that all of the respondents could completely understand the questions. Third, the researcher sent questionnaires to consumers who used WeChat for online shopping. Fourth, one week later, the researcher collected the completed questionnaires, and thanked all the respondents helping the researcher complete the questionnaire. Fifth, the researcher separated valid and invalid questionnaires. Sixth, the researcher conducted an analysis for the valid questionnaires and prepared complete data findings.

### Data analysis

All of the returned questionnaires were reviewed to ensure their completeness. Then, the data were keyed into a computer. The researcher used statistical analytical software program to analyze the data. The statistical methods used in this study are: 1) Descriptive statistics to analyze gender, age, education, and income to find frequency, percentage, mean, and standard deviation; and 2) Inferential statistics to analyze hypotheses with statistically significant level of 0.05, including Chi-square, t-test, and F-test. The average findings from data analysis were interpreted as follows: 4.51-5.00 = Very high, 3.51-4.50 = High, 2.51-3.50 = Moderate, 1.51-2.50 = Low, 1.00-1.50 = Very low. The rate of returned questionnaires was 100 percent (400 sets).

### Ethical consideration

1. The researcher completed the required research ethical form and submitted it with the research proposal and questionnaire to the University Research Ethical Committee to obtain approval prior to collecting the data from participants.

2. The researcher reminded the participants that all the information filled in the questionnaire, including related documents or pictures, received by the researcher would be kept

confidential. The participants were frequently reminded of their rights to answer or not to answer the questionnaire as well as the right to discontinue answering at any stage of the data collection.

## Results

### 1. Demographic data of the participants and their WeChat usage behavior

It was found that the majority of respondents were female (68.3%), aged between 21-40 years (79.6%), obtained Bachelor's Degree (52.8 %), and earned more than 11,000 RMB per month (49.3%). The majority of sample group often did online shopping (57.3%) and spent money for online shopping between 2,001-5,000 RMB (40%) monthly.

### 2. The reasons why consumers in Kunming used WeChat online business activities

2.1 The results from marketing activity analysis. The overall score of marketing activity was at moderate level ( $\bar{X} = 3.30$ ). When considering each factor, it was found that discounts was ranked first ( $\bar{X} = 3.73$ ), the varieties of promotions was ranked second ( $\bar{X} = 3.71$ ), followed by after-sales service appreciation which was ranked third ( $\bar{X} = 3.55$ ).

2.2 The results from product analysis. The overall score of product was at high level ( $\bar{X} = 3.65$ ). When considering each factor, it was found that having product information in time on WeChat was ranked first ( $\bar{X} = 3.69$ ), varieties of products on WeChat was ranked second ( $\bar{X} = 3.68$ ), and simplified process of

product return and replace was ranked third ( $\bar{X} = 3.64$ ).

2.3 The results from price analysis. The overall score of price was at high level ( $\bar{X} = 3.75$ ). When considering each factor, it was found that ability to negotiate for a lower price was ranked first ( $\bar{X} = 3.78$ ), special offer of the product was ranked second ( $\bar{X} = 3.77$ ), followed by cheaper price which was ranked third ( $\bar{X} = 3.73$ ).

2.4 The results from logistic systems analysis. The overall score of logistic systems was at high level ( $\bar{X} = 3.78$ ). When considering each factor, it was found that buying the product at any place was ranked first ( $\bar{X} = 3.85$ ), having more express company choices to choose from was ranked second ( $\bar{X} = 3.83$ ), followed by convenient and fast logistics system which was ranked third ( $\bar{X} = 3.80$ ).

2.5 The results from payment system analysis. The overall score of payment system was at high level ( $\bar{X} = 4.20$ ). When considering each factor, it was found that using QR code instead of cash was ranked first ( $\bar{X} = 3.42$ ), secure and convenient payment system on WeChat was ranked second ( $\bar{X} = 3.35$ ), followed by using QR code to save time and improve efficiency which was ranked third ( $\bar{X} = 3.34$ ).

### 3. Hypothesis testing

**Hypothesis 1:** The relationship between personal factors, namely, gender, age, education, and income of consumers in Kunming, and WeChat usage behavior exists.

Table 2 Result from study on relationship between personal factors, and WeChat usage Behavior

Personal factor	Online shopping behavior			Monthly expenses for shopping online		
	Chi-square	Sig.	Result of hypothesis testing	Chi-square	Sig.	Result of hypothesis testing
Gender	6.420	0.040*	Correlated	3.477	0.481	Non-correlated
Age	172.130	0.000*	Correlated	42.424	0.214	Non-correlated
Education	29.548	0.001*	Correlated	66.447	0.000*	Correlated
Income	15.218	0.019*	Correlated	60.755	0.000*	Correlated

\*Significance level of 0.05

Table 2 shows the finding from the study of the relationship between personal factors and WeChat usage behavior using Chi-Square, it was found that gender, age, education, and income were correlated with Online Shopping Behavior, and Education and Income were correlated with monthly expenses for shopping online with statistically significance level at 0.05 whilst gender and age were not correlated with monthly expenses for shopping online. The details are as follows:

Regarding online shopping behavior of both male and female consumers in Kunming, it was found that they often do shopping online but female consumers tended to do shopping online more often. The sample group aged between 21-40 years does shopping online often whilst those aged between 41-55 sometimes do shopping online and the consumers in Kunming aged above 60 years had never done shopping online. Most consumers in Kunming whose education is lower than high vocational certificate sometimes did shopping online, whilst those with high vocational certificate or above often did

shopping online. Most consumers in Kunming earning lower than 8,000 RMB sometimes did shopping online, whilst those earning 8,000 RMB or above often did shopping online.

The consumers in Kunming with high vocational certificate had monthly online shopping expenses less than 2,000 RMB; and most of those with Bachelor's degree or above had monthly online shopping expenses between 2,001-5,000 RMB. Most of consumers in Kunming having monthly income between 2,001-11,000 RMB had monthly online shopping expenses less than 2,000 RMB; those having monthly income higher than 11,000 RMB had monthly online shopping expenses between 2,001-5,000 RMB.

**Hypothesis 2:** Different personal factors, namely, gender, age, education, and income of consumers in Kunming were correlated with different reasons why WeChat was necessary to be used for online business activities.

2.1 Different gender of consumers in Kunming was correlated with different reasons why WeChat was necessary to be used for online business activities.

Table 3 Reasons why WeChat was necessary to be used for online business activities based on gender of sample group of consumers in Kunming

Reasons to use WeChat for online business activities	Male (N = 127)		Female (N = 273)		t	Sig.
	$\bar{X}$	SD	$\bar{X}$	SD		
1. Marketing	3.3186	0.66099	3.3051	0.6888	0.184	0.854
2. Product	3.6732	0.65353	3.6511	0.64012	0.32	0.749
3. Price	3.7192	0.60629	3.7753	0.69897	-0.821	0.412
4. Logistics system	3.7887	0.54289	3.7863	0.56981	0.04	0.968
5. Payment system	4.2497	0.5081	4.1837	0.52843	1.178	0.24
6. Total average score	3.7499	0.4497	3.7403	0.48272	0.189	0.851

From Table 3, regarding reasons of customer in Kunming why WeChat was necessary to be used for online business activities as a whole and in each aspect, namely, marketing, product, price, logistics system, and payment system, based on gender, it was found that the average

score of male and female participants was not significantly different.

2.2 Different age range of consumers in Kunming was correlated with different reasons why WeChat was necessary to be used for online business activities.

Table 4 Reasons why WeChat was necessary to be used for online business activities based on age of sample group of consumers in Kunming

Reasons to use WeChat for online business activities	F	Sig.
1. Marketing	4.626	0.000*
2. Product	2.081	0.03*
3. Price	3.035	0.002*
4. Logistics system	2.355	0.013*
5. Payment system	1.706	0.086
6. Total average score	4.086	0.000*

\*Significance level of 0.05

From Table 4, it was found that the opinion of consumers in Kunming with different age range towards payment system reason why WeChat was necessary to be used for online business activities, was not significantly different, whilst the scores of the overall opinion and one on each aspect, namely, marketing, product, price and logistics system, were significantly different at 0.05. The researcher has applied LSD method to compare pairs of variables as follows:

Regarding marketing aspect based on different

age range, the consumers in Kunming aged between 16-20 years, 46-50 years, 56-60 years, and above 60 years had marketing-related reasons why WeChat was necessary to be used for online business activities less than those aged between 21-25 years, 26-30 years, 31-35 years, 36-40 years, and 41-45 years. Regarding product aspect based on different age range, the consumers in Kunming aged between 16-20 years, and 56-60 years had product-related reasons why WeChat was necessary to be used for online business



activities less than those aged between 21-25 years, 26-30 years, 31-35 years, 36-40 years, and 41-45 years. Regarding price aspect based on different age range, the consumers in Kunming aged between 16-20 years, and 56-60 years had price-related reasons why WeChat was necessary to be used for online business activities less than those aged between 21-25 years, 26-30 years, 31-35 years, 36-40 years, and 41-45 years. Regarding logistics system aspect based on different age range, the consumers in Kunming aged between 16-20 years, and 56-60 years had logistics-related reasons why WeChat was necessary to

be used for online business activities less than those aged between 21-25 years, 26-30 years, 31-35 years, 36-40 years, and 41-45 years. Considering overall score based on different age range, the consumers in Kunming aged between 16-20 years, 46-50 years and 56-60 years had reasons why WeChat was necessary to be used for online business activities less than those in other age ranges.

2.3 Different education level of consumers in Kunming was correlated with different reasons why WeChat was necessary to be used for online business activities.

Table 5 Reasons why WeChat was necessary to be used for online business activities based on education level of sample group of consumers in Kunming

<b>Reasons to use WeChat for online business activities</b>	<b>F</b>	<b>Sig.</b>
1. Marketing	.783	.563
2. Product	.561	.730
3. Price	.516	.764
4. Logistics system	.316	.904
5. Payment system	1.150	.333
6. Total average score	.352	.881

From Table 5, it was found that the opinion of consumers in Kunming with different education level on reason, as a whole and in each aspect, why WeChat was necessary to be used for online business activities, was not different.

2.4 Different income of consumers in Kunming was correlated with different reasons why WeChat was necessary to be used for online business activities.

Table 6 Reasons why WeChat was necessary to be used for online business activities based on income of sample group of consumers in Kunming

Reasons to use WeChat for online business activities	F	Sig.
1. Marketing	6.193	.000*
2. Product	3.628	.013*
3. Price	2.121	.097
4. Logistics system	2.730	.044*
5. Payment system	4.255	.006*
6. Total average score	5.620	.001*

\*Significance level of 0.05

From Table 6, it was found that the opinion of consumers in Kunming with different income did not have different price-related reasons why WeChat was necessary to be used for online business activities. Regarding opinion, as a whole and in each aspect, namely marketing, product, logistics system, and payment system, on reason why WeChat was necessary to be used for online business activities, it was found that the average scores are significantly different at 0.05. The researcher has applied LSD method to compare pairs of variables as follows:

Regarding marketing aspect based on different income, the consumers in Kunming earning higher than 11,000 RMB had marketing-related reasons why WeChat was necessary to be used for online business activities more than those earning lower than 11,000 RMB. Regarding product aspect based on different income, the consumers in Kunming earning higher than 11,000 RMB had product-related reasons why WeChat was necessary to be used for online business activities more than those earning lower than 11,000 RMB. Regarding logistics system aspect based on different income, the consumers in Kunming earning between 5,001-8,000 RMB had logistics system related reasons why WeChat was necessary to be used for online business activities less than those earning between

8,000-11,000 RMB, and more than 11,000 RMB. Regarding payment system aspect based on different income, the consumers in Kunming earning between 2,001-5,000 RMB had payment system-related reasons why WeChat was necessary to be used for online business activities less than those earning higher than 5,001 RMB. Considering overall score based on income, the consumers in Kunming earning higher than 11,000 RMB had reasons why WeChat was necessary to be used for online business activities more than those earning lower than 11,000 RMB.

## Discussion

Based on first objective of this research which was to find out the reasons why consumers in Kunming used WeChat for online business activities.

According to this study, in order to establish an online business through WeChat, the consumers in Kunming, or the sellers, were recommended to consider following suggestions. With respect to marketing, the sellers were recommended to provide discount activities, varieties of promotions, and after-sales service which helped the sellers attract more consumers. This is consistent with the study of Samia (2019), stating that price discounts encouraged buyers to buy in bulk and at non-peak hours; the buyers were often offered a

discount on product pricelist. Rick (2017) also suggested that a sales promotion was an incentive offered to consumers or potential business consumers, raising the possibility of purchase of products or services. Several companies used sales promotion strategies to produce a short-term increase in sales. Companies can offer various types of sales promotion activities including free samples, coupons, discounts, premiums, product demonstrations, point-of-purchase (POP) materials and even refunds or rebates. On the other hand, having excellent after-sales service could increase customer satisfaction which enhanced competitiveness and obtains a significant group of buyers. Sanjupa and Kumar (2016) indicated that in highly competitive market, one of the strategies to enhance consumers' satisfaction and loyalty was to provide an excellent after-sales service. Discounts, seasonal offers and delivery period were also considered attractive to consumers (Singh & Srivatava, 2013). With regard to products, this study could suggest sellers provide comprehensive product information for each item, including a variety of products on WeChat shop, and allow consumers to easily return and replace products. This could help raise competitiveness of WeChat online business. This is consistent with the study of Ren (2015), indicating that WeChat application allowed the users to post product pictures with unlimited description space which was its unique feature comparing to other similar applications; and, in case the consumers had any problem or question related to the products, they could use WeChat to provide answers and the sellers could use this application to obtain consumers' feedback. Regarding price, the study of Greng (2017) suggested that consumers preferred negotiating with the sellers to get a lower price. It also highlighted that, regardless of how reasonable or competitive the sellers believe their pricing

was, they would likely be seen by at least some consumers who required a better deal. They may aggressively negotiate for a better price, or walk away. If the sellers could find a win-win solution, they would have the chance to preserve not only their interests, but possibly build a long-lasting customer relationship. Additionally, products with a special offer and a cheaper price also could help the sellers to get an advantage. Ebay Seller Center (2019) suggested that the "Offer to Buyers" feature in the Seller Hub could allow them to send offers to potential buyers to buy some products in the listing. Being able to define target buyers who had already been interested in items could help increase sales and attract buyers to purchase again. Ideal logistics system could encourage consumers to buy products at any place. The system should allow the consumers to select any express company they trusted for goods convenient and effective. This system could also gain the consumers' satisfaction and seller's success in WeChat online business. Robinson (2015) indicated that an ideal logistics system could: 1) improve communication, 2) improve transparency of the supply chain, 3) improve customer satisfaction, 4) reduce reduction, 5) Improve service efficiency, and 6) ensure delivery on time.

Using its own payment system, WeChat enjoyed this advantage because the sellers could simply use this system for their online business in WeChat. By Scanning QR Code to make a payment instead of cash could save time and improve efficiency, security and convenience of payment system. WeChat Pay applied QR Scanning system on its official website (WeChat, 2019 b) in following manners: 1) Quick pay: sellers could scan the QR code shown by consumers on the quick pay page to quickly finish transactions. 2) QR code payment: sellers could create different

QR codes for different goods. After users scanned these codes, they could see related product information and transaction guides on their phone. 3) In-app web-based payment: sellers could send product messages to their followers via official account. When WeChat Pay was enabled, their followers could purchase products on a shopping page; 4) In-app payment: sellers could integrate WeChat Pay SDK into their apps. When users made payment in other apps, WeChat would be authorized to complete the payment process. When the transaction was fully made, the page would be redirected to the other app. Moreover, WeChat also provided a security system to protect the payment process (WeChat, 2019 b). WeChat Pay included tremendous resources to build and maintain a state-of-the-art fraud control and security system. Every stage of transaction process was real-time secured. With WeChat platform and online business, consumers could have a secured payment which contained convenient process encouraging the buyers to use.

The discussion on the second objective of this research which was to study on relationship between personal factors and WeChat usage behavior; and the reasons why WeChat was necessary to be used for online business activities.

According to the first hypothesis testing, it was found that gender of the consumers in Kunming was correlated with online shopping behavior. This is consistent with the study of Jhiengkong (2016) on factors influencing buyers' online shopping decision focusing on goods receiving methods which found that gender differences influenced purchase frequency of online businesses. On average, female consumers tended to buy products more often than male consumers. Age of consumers in Kunming was correlated with online shopping behavior. The online

shopping frequency of the consumers in Kunming aged between 21-40 years was higher than those aged 41 years or above. The finding is consistent with the study of Ren (2015), stating that the target group of WeChat application was the people of new generation growing up with technologies. Education level of consumers in Kunming was correlated with online shopping behavior. The online shopping frequency of the consumers in Kunming having high vocational degree or above was higher than those whose education level was lower than high vocational degree. This is consistent with the study of Chaitaweewutikul (2012) suggesting that the different education levels of consumers influenced purchase frequency of goods or service through online shopping with statistical significance. Income of consumers in Kunming was correlated with online shopping behavior. The online shopping frequency of the consumers in Kunming earning 8,000 RMB or above was higher than those earning lower than 8,000 RMB. This is inconsistent with the study of Phithakraktham (2013) which found that income differences had no influence towards online shopping frequency in the past 12 months. Education and income of consumers in Kunming was correlated with monthly online shopping expenses with statistical significance at 0.05 whilst gender and age of the consumers in Kunming was not correlated with monthly online shopping expenses. This is consistent with Phithakraktham (2013) suggesting that difference in education level and income affected the amount spent by consumers for online shopping the most whilst gender did not have an influence to the amount spent by consumers for online shopping. However, the findings of this research were not consistent with the study of Phithakraktham (2013) as such study suggested that age differences influenced the amount

spent by consumers for each purchase the most.

According to the findings from the second hypothesis testing, the opinion of consumers in Kunming with different gender and education level, on reasons why WeChat was necessary to be used for online business activities, as a whole and in each aspect, was not different. This is consistent with the research of Srichannil (2017) indicating that consumers of all genders in Nonthaburi Province placed importance on online marketing mix before purchasing goods via internet. Also, Sompong (2015) suggested that people with different education level had the same online shopping behavior in terms of products, sales channels, and promotions with statistical significance. The consumers in Kunming with age differences had different overall opinion on reasons why WeChat was necessary to be used for online business activities, including marketing, product, price, and logistics system aspects. This is consistent with the study of Samarnpitakwong (2016) on marketing mix influencing buying decision through internet system of the consumers in Songkhla Province. It was suggested that consumers with age differences did not attach the same level of importance to products and sales. This is consistent with the study of Sompong (2015) indicating that the consumers with age differences had different online shopping behavior in terms of price, selling channels, and promotions with statistical significance. The consumers in Kunming with income differences had different overall opinion on reasons why WeChat was necessary to be used for online business activities, including marketing, product, logistics system, and payment system aspects. However, their opinion of price-related reasons why WeChat was necessary to be used for online business activities was not different. This is consistent

with the study of Samarnpitakwong (2016) on marketing mix influencing buying decision through internet system of the consumers in Songkhla Province, suggesting that the consumers with income differences attached different level of importance to products and sales channels.

### **Recommendations**

For sellers wishing to establish an online business through WeChat:

1. The sellers should improve and develop payment system, logistic system, and price.
2. The sellers should establish an ideal logistics system, which would make it more advantageous in WeChat online business. They can allow the consumers to choose an express company, whilst cooperating with the express companies that can prove their quality services.
3. The sellers should provide the consumers with a platform that allows them to negotiate with sellers so that the sellers can offer cheaper prices and special promotions to encourage consumers to buy the products. Moreover, understanding buyers' needs would help improve customer satisfaction and maintain long term relationship.
4. The sellers and those who wish to perform a business through WeChat should focus on female consumers aged around 21-40 years, having high vocational degree or above, and earning higher than 8,000 RMB or above, as potential customer because their online shopping frequency was higher than other consumer groups.

### **Recommendations for Further Study**

According to this study, suggestions for future research are as follows:

1. A qualitative study on factors to success of sellers performing online business through WeChat.

2. A study on consumers' online shopping behavior investigating their experience when using WeChat and Product Usage Feedback. These subjects could bring more advantages for those wishing to perform an online business through WeChat.

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