A SYSTEMATIC LITERATURE REVIEW OF FACTORS INFLUENCING PURCHASE INTENTION ON SOCIAL ENTERPRISE PRODUCTS

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Abstract: Social enterprise is a hybrid entity that applies a business model to achieve financial value while pursuing a social or environmental agenda. However, the development of a social enterprise in many developing countries like Malaysia is still not mature, where most of them face a survival crisis due to financial difficulties. Social entrepreneurs need to comprehend the factors that might affect the purchase intention of their customers. Thus, this study established a systematic review, content analysis, and gap analysis method to identify and conceptually framing the most prevalence variable that determines the customer purchase intentions. First, 20 core articles were selected from 1,576 articles that published in indexed journals. Next, an in-depth content analysis was established to reveal the most prevalence variables that chosen and examined in the past empirical research. Hereafter, this study validated each variable based on the commonly used theory, namely the Theory of Planned Behaviour, in explaining and predicting the decision-making process of product purchasing. Subsequently, a gap analysis was established to explore important empirical findings in the previous studies and determine the contradictory evidence and knowledge gaps. The research findings could be a practical guide for social entrepreneurs in constructing their marketing strategies to increase their revenue. Consequently, by improving the social enterprise’s performance, it will help address social and environmental issues. Future studies might extend this study by empirically examine the model in a different context.

Keywords: Social Enterprise, Purchase Intention, Systematic Review, Content Analysis, Gap Analysis, Conceptual Framework
Introduction
Since the 1980s, social entrepreneurship has received a conclusive response from many countries, especially from the European Union, the United States of America and East Asian regions. Different from a conventional non-profit organization that was entirely relying on government funds and donations, social enterprise is a hybrid entity that applying a commercial business model to achieve financial value, and at the same time pursuing its social agenda. For example, as a Malaysian social enterprise, Earth Heir has strived to uplift over 100 local artisans by providing income-earning opportunities and skills training on handcrafted heritage pieces (e.g., bags, clutches, jewelry and stationery). Besides, the social enterprise is also received fair trade certification from the World Fair Trade Organisation (Mah, 2020). However, in general, the social enterprise sector's development is still at the nascent stage (Cheah, Amran, & Yahya, 2019). A study published by a local social enterprise agency Malaysian Social Entrepreneur Global Innovation and Creativity Centre (MaGIC, 2018) has indicated that most social enterprises were facing a survival crisis due to financial challenges.

Despite there is an increasing trend of consumers' willingness to purchase socially responsible products and services. Still, a low level of public awareness distances them from their potential customers and investors (MaGIC, 2015). There is some confusion in distinguishing social enterprise, a non-profit organization, and a for-profit company, not to mention their products or services. Therefore, usually, consumer concern will be the quality of the product or the brand image. Thus most of them will choose to purchase from fair trade products as it also combines economic activity and social mission (Mohan, Upadhyay, Daskalakis, & Durham, 2019). Besides that, normally people will purchase the product based on their brand loyalty toward a particular brand, or they might just choose the product with the logo in green like FDA. Gladly in Malaysia, a government agency like MaGIC, social organizations like the British Council and Youth Foundation, and a few local universities have relentlessly promoted the social enterprise concept to the local communities and private sector.

Theoretical Background
The Theory of Planned Behaviour (TPB) is an extension of the Theory of Reasoned Action (TRA) because of the limitations of the TPB in dealing with behaviours of people in situations in which they lack complete volitional control (Ajzen, 1991; I. Ajzen, 1985). According to Paul, Modi, and Patel (2016), the TPB model is used to examine its determined intentions that affect personnel decision-makers and the social environment. Since individuals are rational actors who can plan the actions to achieve a specific goal, human behaviour can be predicted through behavioural intentions. Therefore, TPB had proposed the intention to perform a specific behaviour dictates the actual behaviour of a person for a specific task, where the factors affecting a person's behavioural intention are: attitude (AT); subjective norm (SN) and perceptual behaviour control (PBC) (Ajzen, 1991). Intentions are predicted by attitudes to behaviour, subjective norms, and perceived behaviour control behaviour. TPB is commonly used in consumer behaviour research, where it has been widely used to explain and predict human behaviour. TPB is a prerequisite for purchasing products because of its several extensions used to explore and understand environmental issues and environmental knowledge (Sharma & Foropon, 2019).
Methodology
This research establishes systematic review, content analysis, and gap analysis to identify major variables and research gaps in purchase intention studies, including determining the predictor towards customer purchase intentions that have been researched and examined in past empirical studies and the potential mediating/moderating factors that might intervene these relationships.

Core Literature Selection
This study conducted a systematic review of previous literature on purchase intentions in the Scopus database. Next, articles with the following terms: social enterprise*, social enterprise product*, social venture*, social innovation purchase intention*, social business product*, and green purchase intention* have been sought out in Scopus. The first step had generated 1576 articles. These records were refined by limiting to journal articles that were only listed in the Web of Science Journal Citation Report 2020, which left over 561 articles. After that, it is further refined by filtering key term consumer, purchase, intention, CSR, social venture, and product that is needed for our research and removing the article that is not relevant to our study and generates 242 articles. The following step was manually reviewing each article by checking the title, summary, keywords, and findings to clarify that each article is mainly related to quantitative contributions. These articles explain numeric data but not conceptual or qualitative concepts. Lastly, a total of 20 quantitative research articles, that related to the purchase intention was used in a further in-depth review. Figure 1 had summarized all the article selection process.

![Figure 1: Core Literature Selection Procedures in The Systematic Review Process](image-url)

1. Searching terms: social enterprise*, social enterprise product*, social venture*, social innovation purchase intention*, social business product*, and green purchase intention*
Content Analysis

Next, in-depth content analysis on the selected core literature was established to reveal the most prevalence variables chosen and examined in the past empirical research. As shown in Table 1, the employed predictors towards purchase intention are self-identify, perceived value, subjective norms, perceived behavioural control, and attitude. The most prominent indicator to measure factors influencing consumers’ purchase intention is the combination of subjective norms, perceived behavioural control, and attitude with 11 out of 20 core articles (55%). After integrating the similar concept variables by inspecting their definition and measurement context, the content analysis demonstrated the most prevalent corresponding variables as self-identify, perceived value, subjective norms, perceived behavioural control, and attitude. Not many research articles examined the mediating effect in their studies. There are only a few articles that included mediator attitude and perceived value between self-identify and purchase intention in their research framework, namely Tsai, Hung., and Yang (2020), Patel, Trivedi, and Yagnik (2020), Confente, Scarpi, and Russo (2019). The discussion is not limited to the 20 core documents, but also includes arguments from other disciplines. Hereafter, this study validated each variable based on the commonly used theory in explaining and predict the decision-making process on product purchasing, namely the Theory of Planned Behaviour.

Table 1: Content Analysis of Prevalence Variables in Core Literature

<table>
<thead>
<tr>
<th>Article* -No.</th>
<th>SelfIdentify (SI)</th>
<th>Perceived Value (PV)</th>
<th>Subjective Norms (SN)</th>
<th>Perceived Behavioural Control (PBC)</th>
<th>Attitude (AT)</th>
<th>Purchase intention (PI)</th>
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</table>

Source: A1 = Tsai et al. (2020); A2 = Patel et al. (2020); A3 = Hojnik, Ruzzier, and Manolova (2020); A4 = Yang, Wei, Lu, and Li (2019); A5 = Woo and Kim (2019); A6 = Testa, Sarti, and Frey (2019); A7 = Yarimoglu and Binboga (2019); A8 = Singhal, Tripathy, and Jena (2019); A9 = Moon, Mohel, and Farooq (2019); A10 = Liang, Hou, Jo, and Sarigöllü (2019); A11 = Judge, Warren-Myers, and Paladino (2019); A12 = Confente et al. (2019);
A13 = Carfora et al. (2019); A14 = Sun, Teh, and Linton (2018); A15 = Sreen, Purbe, and Sadarangani (2018); A16 = Jaiswal and Kant (2018); A17 = Yadav and Pathak (2017); A18 = Ladhari and Tchetgna (2017); A19 = Khor and Hazen (2017); A20 = Hsu, Chang, and Yansritakul (2017);

**Gap Analysis**

Hereafter, this study validated each variable based on the commonly used theory in explaining and predict the decision-making process on product purchasing, namely the Theory of Planned Behaviour. Subsequently, a gap analysis was established to explore important empirical findings in the previous studies and determine the contradictory evidence and knowledge gaps shown in Figure 2. This study examines the 20 empirical core literature available in the system review process to understand and compare previous studies’ important findings. This study has established a gap analysis to identify research gaps and to explain influencing factors like attitude, perceived behavioural control, subjective norms, and perceived value against the past quantitative research on purchase intention. After that, similar variables are analyzed according to their concepts to facilitate comparison and discussion. Subsequently, the consistency of previous empirical studies on the purchase intention of social enterprise products was observed and demonstrated. According to the research gap that Müller-Bloch and Kranz (2015) mention, there are gaps found in contradictory evidence and knowledge gaps, as shown in Figure 2. It is intentionally filled by current research. Moreover, the secondary analytical methods (i.e. PLS-SEM) and the grounded theories (i.e. TPB) were used to ensure contributions to the methodology and the gap between theory-based literature.

**Figure 2: Gap analysis of Relevant Variables with Purchase Intention**

Source: 1 = Tsai et al. (2020); 2 = Patel et al. (2020); 3 = Hojnik et al. (2020); 4 = Yarimoglu and Binboga (2019); 5 = Yang et al. (2019); 6 = Woo and Kim (2019); 7 = Testa et al. (2019); 8 = Singhal et al. (2019); 9 = Moon et al. (2019); 10 = Liang et al. (2019); 11 = Judge et al. (2019); 12 = Confente et al. (2019); 13 = Carfora et al. (2019); 14 = Sun et al. (2018); 15 = Sreen et al. (2018); 16 = Jaiswal and Kant (2018); 17 = Yadav and Pathak (2017); 18 = Ladhari and Tchetgna (2017); 19 = Khor and Hazen (2017); 20 = Hsu et al. (2017)

**Conceptual Framework**

There are four findings concluded from the previous sections. First, out of 20 core articles, 11 articles employed a similar framework composed of attitude, perceived behavioural control, and subjective norms as the independent variables posit to purchase intentions. The framework is aligned with the TPB model proposed by Ajzen (1991). Next, there are researchers like Judge
et al. (2019), Tsai et al. (2020) and Patel et al. (2020) state that when a consumer has positive consequences in his / her behaviour, they are more likely to plan to purchase the product. On the other hand, according to Stryker (1968), self-identity may describe as a specific and unique behaviour undertaken by a person in different social environments or social situations. Also, Confente et al. (2019) support the perceived value as a partial mediator between self-identity and behavioural intentions. The result proved self-identity had led to a higher perceived value and, thus, positive and significant toward purchase intention. Furthermore, most of the consumers will choose the products with higher perceived value, thus the perceived value is positively correlated with the willingness to purchase social enterprise products (Rizwan et al., 2013). Thus, this paper proposed to introduce self-identity and perceived value as a new variable to the current TPB. Thus, this paper proposes the potential factors that might influence the purchase intention of social enterprise products are attitude, perceived behavioural control, subjective norms, self-identity, and perceived value. The relationships between self-identify and purchase intention anticipate being mediated by attitude and perceived value. Following is the summary of the definition of key terms (Table 2).

<table>
<thead>
<tr>
<th>Term</th>
<th>Working Definition</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>An attitude is a feeling of fondness towards a particular behaviour and constitutes the sum of an individual's behavioural beliefs, which are the possible outcome of an individual enacting a specific behaviour</td>
<td>Tsai et al. (2020)</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>Purchase intention is the possible behaviour of a consumer willing to purchase social enterprise products.</td>
<td>Tsai et al. (2020)</td>
</tr>
<tr>
<td>Perceived value</td>
<td>Perceived value is the overall assessment of the utility product based on the perception of what is received and what is given</td>
<td>Yadav and Pathak (2017)</td>
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<tr>
<td>Self-identity</td>
<td>The concept of ethical self-identity originated from consumer ethics and further clarified the self's concept and perceptions.</td>
<td>Tsai et al. (2020)</td>
</tr>
<tr>
<td>Social enterprise</td>
<td>A social enterprise is an entity to solve the social or environmental agenda by applying the business model to maintain itself and invest its profits in the organization to achieve its goals.</td>
<td>Cheah, Amran, and Yahya (2019a, 2019b)</td>
</tr>
<tr>
<td>Subjective norms</td>
<td>Subjective norms are an individual's concern regarding a reference group's perceptions of his or her behaviour, which he or she may change to meet a reference group's expectations</td>
<td>Tsai et al. (2020)</td>
</tr>
</tbody>
</table>

**Proposition Development**

According to Ajzen (1991), Subjective norm refers to an individual's will concern about the reference group's views on their behaviour, as they might change their behaviour to meet the reference group's expectations. From the literature, most of the results show that subjective norms have positive influences on purchase intention. The research conducted by (Tsai et al., 2020) found that subjective norm positively affected social enterprise product purchase intention. Besides that, researchers like Carfora et al. (2019); Hsu et al. (2017); Judge et al. (2019); Khor and Hazen (2017); Moon et al. (2019); Singhal et al. (2019); Sreen et al. (2018); Yadav and Pathak (2017) also proven subjective norms had positive and significant impact...
toward purchase intention. However, the relationship between subjective norm with purchase intention was found not significant in Patel et al. (2020), where it shows ($p > 0.05$). Therefore, this paper makes the following proposition:

**P1: Subjective norms positively influence consumer purchase intention toward social enterprise products.**

According to Ajzen (1991), perceived behavioural control (PBC) stands for the perception of easy or difficult for a person to perform a behaviour. PBC refers to the availability of the resources required to approach a specific action such as money and time, so it is an essential predictor for purchase intention. Some researchers claim that perceived behavioural control toward purchase intention is not as important as the result show not significant with an undesired value of $p$ (Singhal et al., 2019). On the other hand, most of the researchers had proven perceived behavioural control have significant and positive effect influence on purchase intention (Carfora et al., 2019; Judge et al., 2019; Patel et al., 2020; Sreen et al., 2018; Tsai et al., 2020; Yadav & Pathak, 2017). Therefore, this paper makes the following proposition:

**P2: Perceived behavioural control positively influences consumer purchase intention toward social enterprise products.**

According to Ajzen (1991), attitudes towards specific behaviours combine behavioural beliefs and outcome evaluations. As mentioned by (Tsai et al., 2020), the more positive consumer attitude toward social enterprise products, the higher the influences toward the consumer's purchase intention (Tsai et al., 2020). The result of attitude toward purchase intention is quite a consistency where all the researcher have proven that it has a highly significant and positive impact (Carfora et al., 2019; Hsu et al., 2017; Jaiswal & Kant, 2018; Judge et al., 2019; Khor & Hazen, 2017; Ladhari & Tchetgna, 2017; Moon et al., 2019; Patel et al., 2020; Singhal et al., 2019; Sreen et al., 2018; Sun et al., 2018; Tsai et al., 2020; Yadav & Pathak, 2017; Yang et al., 2019). So, attitude has been defining as one of the ineluctable variables in determining consumers' purchase intentions. Therefore, this paper makes the following proposition:

**P3: Attitude positively influences consumer purchase intention towards social enterprise products.**

As stated by Judge et al. (2019), when a consumer has positive consequences in his / her behaviour, they are more likely to plan to purchases the product. According to Stryker (1968), self-identity may describe a specific and unique behaviour undertaken by a person in different social environments or social situations. When a person with high self-identify, it will lead to a positive attitude and influence the purchase intention. So, it can be concluded that consumers' purchasing attitude is almost proportional to self-identity. In the paper of Tsai et al. (2020) and Patel et al. (2020), the result shows that consumers' self-identify significantly and positively influenced consumers' purchasing attitudes. Therefore, this paper makes the following proposition:

**P4. Attitude has a mediating effect between self-identify and purchase intention toward social enterprise products.**
Perceived value is a subjective construct that based on consumer evaluation towards the effectiveness of products based on their knowledge of the products while for self-identity can be defined as a person views themselves and how they decide to stick to the values and behaviours of a group of people he wants (Confente et al., 2019; Wang & Hazen, 2016). Based on perceived value and self-identity characteristics, self-identity can be viewed as a key component of personal preference judgment and value-building processes (Dermody, Koenig-Lewis, Zhao, & Hanmer-Lloyd, 2018). For a long time, people have been studying self-identity in other situations. Still, only a few research studies make a research regarding self-identity play an important role in increasing the value perceived. Confente et al. (2019) support the perceived value as a partial mediator between self-identity and behavioural intentions because the result shows that self-identity had led to a higher perceived value and positive and significant toward purchase intention. Therefore, this paper makes the following proposition:

P5. Perceived value has a mediating effect between self-identify and purchase intention towards social enterprise products.

Based on the theory of consumption values, different aspects of perceived value can be identified. These aspects may affect behaviours related to consumers' perception of products with their normal functions and the benefits they assume to get (Sheth, Newman, & Gross, 1991). The theory of consumption values has five types of perceived value like functional, emotional, social, conditional, and cognitive that have different contributions that influence the consumer's decision-making. When the perceived value is high, it will bring greater effect toward the purchase intention. The statement has been proven by Confente et al. (2019); Yadav and Pathak (2017) because both of their results show that perceived value is positive significantly influenced the consumer purchase intention. Therefore, this paper makes the following proposition:

P6. Perceived value positively influences the intention to buy social enterprise products.
Conclusion
In short, social enterprise is an organization that balances financial performance and provides a significant impact on social and environmental. There are social issues like the high unemployment rate and some environmental problems that lead to pollution. However, social enterprise development is still not mature, where most of them are still facing difficulties in surviving. Thus, this study conducted a systematic review of previous literature on purchase intentions in the Scopus database. Twenty core articles published in highly indexed journals were selected from 1,576 records. Next, in-depth content analysis on the chosen core literature was established to reveal the most prevalence variables chosen and examined in the past empirical research. Hereafter, a gap analysis was established to explore important empirical findings in the previous studies and determine the contradictory evidence and knowledge gaps. Subsequently, grounded on the Theory of Plan Behaviour, a conceptual framework posits purchase intention, which comprises attitude, perceived behavioral control, subjective norms, self-identity, and the perceived value. This research can help social entrepreneurs construct their marketing strategies to increase sales volume. Consequently, by improving the social enterprise's performance, it will help address social and environmental issues. Besides, future studies might extend the findings by empirically examine the model in a different context.

References


