

ABSTRACT

The increasing awareness of preventative health has created a larger demand for a variety of dietary supplements. This combined with the widespread use of internet provides opportunity for e-commerce to flourish. According to an AC Nielsen survey in 2007, however, only 4% of Indonesian online consumers utilized the internet to purchase nutritional supplies and cosmetics. Therefore, research is required to understand consumer behavior of shopping online especially for dietary supplements.

The objective of this thesis is to understand factors that affect consumer's willingness to buy dietary supplements through the internet. Information quality, service quality, system quality, perceived risk, perceived reputation, perceived size and product factors were thought to influence consumer's willingness to buy dietary supplements online. In order to answer the research objective, survey questionnaires were distributed to more than 100 respondents. The data were compiled and analyzed using statistical software.

The results of the study reveal that consumer's willingness to buy dietary supplements is significantly influenced perceived reputation, service quality, product factors and system quality. Other factors such as information quality, perceived risk, and perceived size do not show significant effect on the consumer's willingness to buy.

To conclude, perceived reputation, service quality, product factors and system quality should be the main focus for business entity offering dietary supplements through the internet.

Keywords: Consumer's Willingness to Buy, Consumer Behavior, Dietary Supplements, Online Shopping