Executive Summary

Internet shopping is still not very popular in Macao; however, as Internet is gaining popularity and the number of Internet users continues to increase, online retailing represents an opportunity for marketers in Macao. High-touch products like apparel are more difficult to purchase online, but it is gaining popularity in online shopping. Product sensory and tactile attributes play an important role in consumers' purchase decision for such high-touch products. In the online context, tactile experience is not possible. It is important for retailers to investigate what elements can compensate for the lack of tactile experience; reduce their perceived risk and increase their purchase intention. This study replicates Park's (2002) study that took place in United States. It aims at establishing the impact of product image size and movement in Internet advertising on mood, perceived risk and purchase intention.

A 2 x 2 factorial design is employed for this study. Seventy-six first-year engineering students from University of Macau participate in this study. They are invited to participate during their lab classes. Participants are divided into four groups. Each group view a different website. After browsing the websites, they fill in the same questionnaire.

The results of this study show that large image size has a positive impact on online purchase intention and mood, and a negative relationship with perceived risk;

while product movement has positive impact on purchase intention and negative impact on perceived risk. Mood is positively related with purchase intention while perceived risk is negatively related with mood and purchase intention.

The findings of this study suggest the marketers to present their product with a large and rotating image. They are also advised to employ user-friendly website with simple page structure, background music and color. More information, guarantees on privacy and security are also recommended.