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## ONLINE PURCHASING BEHAVIOUR AMONG THE YOUNGER GENERATION

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### ABSTRACT

*The purpose of this study is to examine the online purchasing behaviour of the younger generation. A total of 300 people took part in this survey. It was found that a majority from the online shoppers are from the urban areas and that they purchase goods online at least once a month. Security issues are still the main concern of online shoppers.*

*Keywords: Online shopping, consumer behaviour, motivations, e-commerce, purchasing behaviour, technology*

### INTRODUCTION

In the recent years, online shopping has become so popular that consumers spent millions purchasing online products. According to Forrester Research (2003) the users that regularly buys the product and services online is more than 50 percent. Online shopping in Malaysia is still in the stage of infancy. Research by Gupta (1996); Klein (1998); Westland and Clark (1999); Shim et. al. (2001) found that there are 81 percent of the internet users that browse through the websites do not make a purchase of goods and services through online. Demographically, most of the internet users are the youngsters whom are wealthy along with higher education (Mohd Suki, 2006). The prediction of online shopping rate and the evaluation for the future growth of online commerce may help the marketing managers to understand consumer attitude towards online shopping as well as intention (Shwu-Ing, 2003). Majority of the internet users are of teenager and university students. With the development of educational services in Malaysia using the internet, online shopping is targeted by the university students (Sabri et. al. 2008). E-shopping increases the number of internet users in Malaysia as it has created awareness in e-commerce as well as making consumer attracted in purchasing goods and services through the internet. According to Kalakota and Whinston (1997) consumers seek for quality of the items, expectation of lower prices and control as well as providing convenience. The expectations of consumers towards online shopping are high as they expected there are many choices of goods, less hassle and provide convenience as well as instant respond service (Zhao and Gutierrez, 2001). Other factors that worries the online shoppers is the online payment, the trustworthiness of the website and giving out personal information (Gefen, 2000). There are still a large numbers of e-shoppers that refuse to shop through online market although there is a big commotion about the internet shopping (CGEY, 2000).

### REVIEW OF LITERATURE

Shopping is an activity, a part of consumer's everyday life. Consumer may also want to experience shopping, to know about the products and services as well as which channel that best suited the group of customers (Rowley and Slack, 1998; Grain, 1996; MacMillan, 1997; Cheeseborough and Teece, 1996). In online shopping, consumer purchases are based on product information, product offering, images and pictures of the product in comparison with traditional shopping which the consumer is able to taste, touch and smell the products. The similarity of online shopping and brochures is consumers could not have a physical touch or smell on the products. In online shopping, there are resemblances between looking through brochures or catalogue and browsing through online shopping where the consumers have limits in touching or smelling the item (Spiller and Lohse, 1998). The key behind online shopping is due to the convenience (Eastlick and Feinberg, 1994). The tool that measures convenience is by effort savings (e.g. easy to find products) and location (e.g. easy to find locate store and finding parking space) (Lindquist, 1974). In virtual shopping, the characteristic of conveniences in the sense that product is delivered on time, easy to make order, and product is displayed accordingly (Lohse and Spiller, 1998). Another reason that influence e-shoppers buying decision is due to the ease of ordering (Eastlick, 1989; McDonald, 1993). According to MediaMetrix (2000) online website generates more internet visitors to their website in comparison with shopping mall or traditional

shopping. Online website is the same as shopping in brick and mortar as consumers have to go from one website to another website to search for a product of service that may convince them to purchase items. E-shoppers are very conscious when it comes to online shopping as it is another medium for them to shop virtually with risks. Thus information and communication between the buyer and the seller must be at the tip top despite the geographic boundaries. E-shoppers are wary when it comes to online shopping as they want save transaction, high security, continuous services, easy communication between the buyers and the sellers at all time (Lohse and Spiller, 1998). The attributes above is to verify the significance of both online and offline. The characteristics of these aspects determine the manners of the both online and offline shopping (Jarvenpaa and Todd, 1997; Kolesar and Galbraith, 2000).

Web-based merchandising portrays their catalogs with large images of their best-selling items, or when off-line stores tempt shoppers with window displays of the hottest merchandise. Consumer needs will be met and satisfied when there are various product availabilities in the online market. There will be high chances of consumers' needs to be met if there is vast assortment of product in e-tailing (Raijas, 2002). The greater collections of products drive the customer to go for online shopping. A superior variety of products accessible at anytime attract e-shoppers to go for online shopping (Dennis, Fenech and Merrilees, 2004). Some products in real market cannot be found in online stores. The product availability in the physical market or offline market sometimes cannot be found in online market (Szymanski and Hise, 2000). There will be a better decision making process and increase in the level of satisfaction when the information available in online updated regularly and improved (Grewal, Iyer and Levy, 2004). All virtual online stores provide varieties of facilities such as search engines to assist e-shoppers in searching the exact product instead of going through all the items. Keyword-based search retrieval technique is normally used for a simple search engine (Dunham, 2003). In traditional shopping, consumers would have to take a longer time to purchase a particular product in a big store. Usability is the important idea for the concepts of easy to navigate and search (Nah and Davis, 2002). Conversely, if consumers could not be able to navigate through the page, they would feel irritated and quickly leave the site. Online shopping is reflected to be pleasurable, satisfying, time savings, and accessibility to fulfill consumers' needs. Nah and Davis (2002) defines Web usability as one may find its way around the web, desired information is easily located, to know what the subsequent steps are and above all it does not require much effort. Shopping time is reduced when browsing through an organize and easy to navigate from page to page as well as cognitive effort consumers expend figuring out how to shop effectively online (Szymanski and Hise, 2000). An interesting user interface would attract consumers to stay longer on the page and the interaction between consumers and retailer's product or services may affect the experience in the online store.

There are still a large numbers of e-shoppers that refuse to shop through online market although there is a big commotion about the internet shopping (CGEY, 2000). Security has always been in the main discussion on e-commerce especially online payment transaction where consumers are paying money. Thus issue of online security is always the concern of the consumers that undertake e-commerce (Elliot and Fowell, 2000; Szymanski and Hise, 2000 and Liao and Cheung, 2001). Insecurity is the problem that faces by the consumers for not purchasing goods or services online. The cause that made consumers not to shop through online is because of the lack of trust in the online purchasing ability (Lee and Turban, 2001). Consumers are wary and worried about the security in online payment transaction, the invasion of their privacy as well as the trustworthiness of an online store. According to Gefen (2000) payment through online, reliability and privacy policy are the issues that concerned the online shoppers to shop online. These issues occur because consumers are unable to view the transaction behind the screen themselves especially dealing with personal information and financial information concerned.

## **METHODOLOGY**

The particular area the study would be conducted is in Melaka. The population in Melaka is 738 800 as of year 2007. The population consists of Malay 61.3%, Chinese 26.2% and Indian inclusive of "Chitty" people as well as Portuguese ancestry are the minorities (Portal Kerajaan Negeri Melaka, 2005). The total of the sample size would be 300 respondents. A self-administered questionnaire will be distributed to 300 respondents in selected area in physical shopping centre. All the variables are prepared based of literature on online shopping. The first part of the questionnaire is concerned about the respondents' habits on the internet usage. The second part of the questionnaire is concerned about determining the factors from the

variables as well as measuring how often the regularity of their online shopping activities. Respondents will be randomly identified based on their online purchasing behaviour.

## DISCUSSION

From Table I, it was found that a majority (84%) of the respondents shop online and that they are largely (79%) from the urban area. A majority of them are in the age group of 22 to 30 and that they are students. From Table II, it was found that a majority of the respondents shop online at least once a month and that they spend between RM101 to RM500. This shows that the younger generation in particular the students do shop online but they do not spend a large amount.

Table I: Descriptive Analysis of Respondents

		Frequency	Percent	Cumulative Percent
Age	Less than 20	16	5.3	5.3
	22-30	181	60.3	65.6
	31-40	71	23.7	89.3
	41-50	18	6.0	95.3
	More than 50	14	4.7	100.0
Gender	Male	95	31.7	31.7
	Female	205	68.3	100.0
Occupation	Self-employed	12	4.0	4.0
	Professional	92	30.7	34.7
	Student	173	57.6	92.3
	Retired	23	7.7	100.0
Area	Rural	63	21.3	21.3
	Urban	237	79.0	100.0
Frequency	Online shopping	252	84.0	84.0
	Traditional shopping	48	16.0	100.0

Table II: Purchase Pattern

Purchase frequency through online	Frequency	Percent	Cumulative Percent
At least once a week	36	12	12
Once every 2-3 weeks	45	15	27
Once a month	81	27	54
Once every 2-3 months	60	20	74
Once every 4-6 months	33	11	85
Once every 6-12 months	45	15	100
Amount purchased online			
Less than RM100	90	30	30
RM101-RM500	105	35	65
RM501-RM1000	78	26	91
More than RM1000	27	9	100

As shown in Table III, Convenience Orientation showed the highest level of correlation while Customer Service showed the lowest level of correlation. There is a significant relationship between Convenience Orientation and Consumers' Purchasing Behaviour. Evidence shows that Internet shopper is convenience-oriented (Donthu and Garcia, 1999; Korgaonkar and Wolin, 1999). This is also supported by Kim and Kim (2004) where researchers suggested that online shopping has significant positive impact on convenience. As for the relationship between Customer Service and Consumers' Purchasing Behaviour, it showed that there is a significant relationship. A long term success for online shopping is when the buyers and the sellers generated good relationship amongst them which resulted in customers' e-loyalty (Reichheld and Schefter, 2000). Singh, Costabile and Paull (2001) noted that company has to respond to the consumers' on time, meet their request and support them in making decision as to win customers' loyalty. As for Merchandise and Customers' Purchasing Behaviour, it shows that there is a significant relationship. It was found that the selection of merchandise has an influence on the consumers' store purchase. Consumers' purchasing behaviour is affected when the brand names are deemed new especially when dealing with unfamiliar e-retailers. If customers are facing difficulties in finding the products in online shopping, consumers tend to depend on the brand names. The needs of the consumers will be met and consumers would feel satisfied when there is a line of product available in the online market.

Table III: Online Purchase Dimensions

Items		Consumers' purchasing behaviour in online shopping
Convenience Orientation	Pearson Correlation	.889**
	Sig. (1-tailed)	0
Customer Service	Pearson Correlation	0.013
	Sig. (1-tailed)	0.003*
Merchandise	Pearson Correlation	0.086
	Sig. (1-tailed)	0.039*
Navigation	Pearson Correlation	0.024
	Sig. (1-tailed)	0.042*
Security	Pearson Correlation	0.273
	Sig. (1-tailed)	0**

\* significant at 0.05

\*\* significant at 0.01

Navigation and Customers' Purchasing Behaviour was found to have a significant relationship. Navigation and search is a concept that is important for usability (Nah and Davis, 2002). An easy to navigate website from page to page would reduce the amount of shopping time and consumers need not have to figure how to shop effectively in online (Szymanski and Hise, 2000). According to Than and Grandon (2002), it is important to design a good quality website. Hoque and Lohse (1999), a good quality website will reduce the time and effort for consumers to make decision and to purchase goods and services. Security had a significant relationship with Customers' Purchasing Behaviour. Consumers are concerned issue related to online security that undertakes e-commerce (Elliot and Fowell, 2000; Szymanski and Hise, 2000 and Liao and Cheung, 2001). Gefen (2000) the issue that concerned consumers to shop online are online payment, trustworthiness and privacy policy. Security is a concern for consumers, as many do not trust giving out personal information of financial information as they are afraid their privacy is being invaded by third party. It is suggested that online vendors to provide a third party seal approval in their website. This third party seal approval is to enhance the signal for privacy and provide extra security measure for their websites. In addition with such measures taken, consumers may be convinced by the seal shown on the website and trust the website without invasion of any third party. In fact, many companies are wishing to keep the frauds at bay as well as to maintain a good reputation for the website in order to survive in this competitive online market. Consumers would shop in the website when the company builds trust with the consumers. This would encourage more online shoppers to shop online.

## CONCLUSION AND AREA FOR FUTURE RESEARCH

Online shopping is an alternative way for consumer to purchase their products or services. It is evident that the numbers of internet users are growing from time to time, thus it foresees that online shopping will provide a good opportunity in these generations to come. However, the usage of online shopping amongst the online shoppers in Malaysia is still at the stage of infancy. The growing of this alternative provides a window opportunity for the business people in other methods of doing business besides opening a physical shop. According to Miyazaki and Fernandez (2001) it was found that online purchases are made by approximately half of the United States population. Thus, these opportunities provide room for growth in online shopping as well as bringing the consumers to another level of doing their shopping. Since online shopping is giving a whole lot of convenience for the e-shoppers, thus, online vendors should to take this opportunity to give a try in this online shopping business as this market could see potential growth in the future. In online shopping, online vendors have to keep up with their services by meeting the consumers' needs and wants. In online shopping consumers have varieties of options to choose the products and services from. Navigation is important for a website as it helps consumers to search for products using key terms such like search engine. Thus a website should not only design as attractive and appealing to consumers but also to assist consumer them in finding the exact product in finding wanted products or services. A user-friendly websites would normally attract more consumers rather than a complicated and messy website which contain unnecessary information. Security is a concern for consumers, as many do not trust giving out personal information of financial information as they are afraid their privacy is being invaded by third party. It is suggested that online vendors to provide a third party seal approval in their website. According to Garbarino and Johnson's study (1999), there are significant differences between trusting real world transaction and online transaction in their patterns behaviour. Future research should focus on this aspect. This is because consumers' may react differently on trusting an online system transaction compared to the actual real world physical traditional system. Such study may lead to an understanding of consumers' behaviour reaction towards trusting an online system and real world system. Also, this may also indicate whether consumers' are ready to accept to an alternative way to purchase their product or services with just a click away on a mouse.

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