A STUDY ON FACTOR THAT INFLUENCE ONLINE SHOPPING IN MALAYSIA.

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ABSTRACT

Abstract: Online shopping is a process in which buy goods or services through the Internet. With large of consumer using Internet for online shopping, it is not clear what drives them to shop online (Monsure et al., 2006) and studies regarding consumer behavior towards online shopping in the Malaysian environment is still limited number (Haque and Khatibi, 2006). Thus, this study objective is to identify dominant factor that influences consumers to buy online. Purposive sampling method was performed in the selection of sample. These items were empirically tested by data collected from consumer using internet for online shopping. Findings showed that usefulness factor is the most dominant followed by ease of use and enjoyment. In conclusion, consumers in Malaysia believe, with online shopping, shopping time may reduce and online shopping would make their life easier. They are also concerned about privacy, trust and disclosing personal information when dealing with online shopping.

Keyword : Consumer Behavior, E-Commerce, Online Shopping

INTRODUCTION

JARING is a first Malaysian internet service provider (ISP) back in 1990 and later TM Net in 1995 (http://en.wikipedia.org). Since then, the growth of Internet usage in Malaysia kept increasing each year. The arrival of the commercial use of the Internet and its World Wide Web (WWW) has been defining the new e-commerce since 1993 (Zwass, 1996). With the emergence of the Internet and World Wide Web (WWW) as a medium for commercial transactions, it has thrust e-commerce into the spotlight, becoming the main focus of the international community (Harn et al., 2006). The Internet and WWW have made it easier, simpler, cheaper and easily accessible for businesses of all sizes and consumers to interact and conduct commercial transactions electronically as compared with the traditional approach of using private value-added networks (Margherio, 1998).

Reported by Internet World Stat, Internet users in Malaysia is 16,902,600 (64.2 percent) in 2009. Meanwhile, Internet user growth from 2000 to 2010 is 356.8 percent (http://www.internetworldstat.com). This showed tremendous increasing rate of Internet users in Malaysia. Ma'ruf et al., (2005) reported that income derived from e-commerce for the year 2001 in Malaysia was around USD1000 million.

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. If an intermediary service is present the process is called electronic commerce (http://en.wikipedia.org). Online shopping system first started in 1994, by German company Intershop, followed by Amazon in 1995 and e-Bay in 1996 (http://en.wikipedia.org). In Malaysia, Harn et al., (2006) reported that growth in e-commerce is due to a rapid rise in the number of PCs as well as growth in the proportion of PCs hooked up to the Internet each year. It is considered as one form of direct consumer marketing of non-store retailing using online channels (Harn et al., 2006).

Monsuwe et al., (2004) mentioned that with online shopping, consumer can browse the entire product with minimal effort, inconvenience and time investment. They also efficiently obtain critical knowledge about firms, product and brands and thereby increasing their competency in making sound decisions while shopping (Monsuwe et al., (2004). Online shopping on this study's perspective based on Monsuwe et al., (2004); Mohd Suki et al., (2008), have defined it as the process consumers go through to purchase products or services over the internet.

Monsuwe et al., (2004) stated that large numbers of consumer in US and Europe use the internet for shopping purposed; it is not clear what drives them to shop online. Meanwhile, in Malaysia, Haque and Khatibi, (2006) stated that, the studies regarding consumer behavior towards online shopping in the Malaysian environment is still limited number. Therefore, this study's conducting issue of what influence consumers in Malaysia to perform online shopping. The objective of this study is to identify a dominant factor that influence online shopping in Malaysia.

MATERIALS AND METHODS

Within the Malaysian context, many studies have examined online shopping, focuses on consumers (Mohd Suki et al., 2002) had examined at factors that influence consumers to shop online; demographic profiles (Haque and Khatibi, 2005; Khatibi et al., 2006; Hassan et al., 2009) and consumers' characteristics (Haque and Khatibi, 2005; Harn et al., 2006).

Two of factors in this study are based on Technology Acceptance Model (TAM) by Davis (1989); usefulness and ease of use. Meanwhile, enjoyment is from Davis et al., (1992). Several studies have empirically tested TAM to investigate the acceptance of user of different technologies such as: word processors, spreadsheets, e-mail, voice mail, and telemedicine technology (Koufaris, 2002). Monsure et al., (2004) stated that, these three are basic factors.

David et al., (1993) defined usefulness as the degree to which a person believe that using a particular system would enhance job performance. The dimension of usefulness is service excellence and consumer return on investment (CROI) (Mathwick et al., 2001). Monsure et al., (2004) defined service excellence as consumer's appreciation of delivered promises and performed functions. Within online shopping, CROI can be viewd as consumer expects a desired result, such as an online search or web purchase in return from shopping on the Internet (Monsure et al., 2004). These two dimensions have similar impact; positive and negative perceptions.

Ease of use defined by Davis (1993) as the individual's perception that using the new technology will be free of effort. This research measured ease of use based on experience, control, computer playfulness and computer anxiety of online shopping (Venkatesh, 2000). Monsure et al., (2004) stated that consumer perceptions based on processes involve minimum effort. According to Ventakesh (2000), computer playfulness is an individual difference

variable that is system-in-dependent. Meanwhile, Monsure et al., (2004) described computer playfulness as the degree of cognitive spontaneity in computer interactions. Ventakesh (2000) stated that, computer anxiety is similar to computer playfulness, which relates to users general perceptions about computer use. Last but not least is control, stated by Monsure et al., (2004) relates to an individual's perception of the availability of knowledge, resources and opportunities required to perform a specific behavior.

Davis et al., (1992) defined enjoyment as the extent to which the activity of using a specific system is perceived to be enjoyable in its own right, aside from any performance consequences resulting from system usage. Meanwhile, Monsure et al., (2004) stated that enjoyment results form the fun and playfulness of the online shopping experience, rather than from shopping task completion. According to Childers et al., (2001), enjoyment is consistent and strong predictor of attitude toward online shopping. It also reflects consumer perception regarding the potential entertainment of internet shopping (Monsure et al., 2004). Monsure et al., (2004) also stated that, if the consumer enjoys their online shopping experience, they are more likely to adopt the internet as a shopping medium. The dimensions in enjoyment are escapism, pleasure and arousal (Menon and Kahn 2002; Mathwick et al., 2001). Menon and Kahn (2002) refer pleasure as the degree to which a person feels good, joyful, happy or satisfied in a situation. In the meantime, arousal defined as to the degree to which a person feels stimulated, active or alert (Menon and Kahn (2002)). According to Monsure et al., (2004), escapism is reflected in the enjoyment that comes from engaging in activities that are absorbing to the point of offering an escape from the demands of the day to day world. Meanwhile, pleasure is the degree to which person feels good, joyful, happy or satisfied in online shopping whereas arousal is the degree to which a person feels stimulated, active or alert during the online shopping experience (Monsure et al., 2004).

A study conducted by Harn et al., (2006) found that consumer in Malaysia still lack confidence and trust in using the Internet to purchase goods and services. Another study by Haque and Khatibi, (2006) indicated that, online products' prices, consumers' trust towards the Internet stores and their education levels is significantly influence the frequency level of online shopping activities done by Malaysian consumers.

Monsure et al., (2004) stated that, some product categories are more suitable for online shopping than other categories. Categories that are popular among Malaysians include mobile phones, consumer electronics, toys and hobbies as well as clothing and accessories (http://www.nst.com.my). For that reason, preliminary study was made to determine scope for category. The number of website based on category counted and choose by most offered. From 112 website, 60 offered clothing for online shopping, 32 website offered accessories product and 20 website offered cosmetic product. Therefore, this studies focus on clothing website.

The population for this study was the consumer using internet for online shopping. There are two method of distributing the questionnaire to respondent; through email and hand out. There were altogether 150 of survey give out to respondents. Only 80 questionnaires were returned.

The questionnaires were divided into four parts. Part A requested the respondents to complete information related to demographic profile. Part B requested the respondents to provide information related to usefulness of online shopping. Part C requested the respondents to provide information on ease of use of online shopping. Part D requested respondent to provide information of enjoyment in online shopping. For part B to D, the respondents are requested to respond based on a 5-point scale of 5 being "extremely agree" to 1 being

"extremely disagree". The data collected from the questionnaires were analyzed using Statistical Package for Social Sciences (SPSS).

RESULTS AND DISCUSSSION

The reliability test computed via the SPSS program has shown the Cronbach's alpha (") coefficient value of 0.934 to assess the reliabilities of the scales used in our designated questionnaire. The value of 0.934 indicates the reliability of our study at 93.4 percent level. This shows that the findings of our study are reliable, well above the 0.70 level of Cronbach's alpha coefficient value that has been recommended.

Among the respondent, there were 93.9 percent females and 6.1 percent males respondents who answered the questionnaires. This indicates that most female consumers might be decision-makers for purchasing clothes. This finding is identical with purposed by Kim E.Y and Kim Y.K (2004) reported for clothes, jewelry or accessories, females dominated online purchase. Zhou et al., (2007) also mentioned that, male consumers are more interested in hardware, software, and electronics, while females are more interested in food, beverages, and clothing. As expected the majority of a respondent were in the 20-26 age categories, as this is the general age ranging for higher education. Based on previous study, there are mixed findings on age influencing online shopping; (Hassan et al., 2009); 20-26 years, (Mohd, Suki et al., 2008); 30-39 years, (Haque and Khatibi, 2006); 21-25 years and (Harn et al., 2006); 21-30 years. 53.7 percent respondents using electronic mail (e-mail) more frequently in a week. More detailed information about the frequency distribution of respondent on key demographics is presented in Table I.

All respondent have internet connection. They also have experience on using internet, buying online products or services and getting information on website. For the payment method, 70.7 percentage respondents prefer using money transfer.

Table I: Background of the respondent

Variable	Category	Percentage
Gender	Male	6.1
	Female	93.9
Age	13-19 years	19.5
	20-26 years	51.2
	27-35 years	24.4
	$\geq$ 36 years	4.9
Frequent Usage	Electronic Mail	53.7
	Word Processing	20.7
	Web Browser	25.6
Payment Usage	Pay Pal	9.8
	Money Transfer	70.7
	Credit Card	14.6
	COD	4.9

Table II shows result of this study by comparing the mean scores for the three factors; the factor of Usefulness achieved higher mean score compared to the other two factors. Therefore, Usefulness is the dominant factor for influencing consumer in Malaysia to online shopping.

Table II: Summary of the Research Findings

Factor	Mean Score	Level of Preference
Usefulness	3.7600	High
Ease of Use	3.4600	Medium
Enjoyment	3.1880	Medium

Usefulness is the most dominant factor that influence consumer in Malaysia for online shopping. Consumers believe that, with online shopping, time may reduce through not needing go to shop, pay parking ticket and fuel, etc. They also feel that online shopping would make their life easier. Moreover, consumer can search out information instantly from the internet to compare goods or services and prices before making a decision to buy. It shows that, consumer feels positive with this factor. Consumer concerned with privacy in disclosing personal information to online retailers. Consumer agreed to attend only website that offer privacy, so that, consumer may have full control of their confidentiality. They also believe privacy is invaded easily when transaction processes undergo. Consumer also experienced adept using computer. It shows that, enjoyment it not an issues when it comes to shop online. The enjoyment during online shopping experience does not give much impact to shop online.

CONCLUSION

The results of the study clearly indicate that usefulness is the dominant factor for influencing consumer in Malaysia to shop online. Therefore, retailer can develop effective strategies that will better position them against their competitors. The result is consistent with the findings purposed by Mohd Suki et al., (2008). One of the major limitations of this study is that the scope was limited to clothing website only.

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