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Factors Affecting Malaysian young consumers' online purchase intention in social media websites

See Siew Sin, Khalil Md Nor, Ameen M Al-Agaga

Department of Management, Faculty of Management and Human Resource Development, Universiti Teknologi Malaysia, Johor Bahru 81310, MALAYSIA

Abstract

The objective of this study was to examine factors that influence Malaysian young consumers' online purchase intention through social media. The technology acceptance model and the theory of reasoned action were employed to develop the conceptual framework. Three factors, namely perceived ease of use, perceived usefulness and subjective norm were tested. Data were gathered from 297 undergraduate students using the stratified sampling method and multiple regression analysis were conducted to analyse the data. The results revealed that perceived usefulness was the most dominant factors that influence young consumers' online purchase intention through social media, followed by perceived ease of use and subjective norm. The practical implications of this study were discussed.

Keywords: Purchase intention; Social media; TAM

1. Introduction

The emerging of information technology (IT) in the world has brought a big change in the aspect of market structure globally. Information technology has created a platform for the digital economy where emergence of the electronic commerce (e-commerce) has taken place. Opportunity has been given to almost everyone because Internet enables organizations to conduct businesses in cyberspace, or connect people worldwide without geographical limitations unlike traditional commerce shop. Laudon and Traver [1] mentioned that "when we think of e-commerce today, it is inextricably linked to the Internet." Since the introduction of the Internet, growth in e-commerce has been incredibly fast until the tragedy of dotcom crash in the year of 2000. This tragedy gives an implication to most of the business that e-commerce did come with potential of risks and benefits that need to be measured and to be taken into consideration before they started the Internet-based business.

The evolution of the Internet and the web has made the function of the web and the Internet better. Web 2.0 allows blogging and social networking, and it is more highly user generated content than web 1.0. The function of web 2.0 has changed the way how online buyers carries out their transaction in the world. Currently, e-commerce can be done through social media, and it enables us to reach to more potential buyers. Blog, YouTube, MySpace, Facebook are examples of social media that are popular among all level of consumers. According to Laudon and Traver [1], "businesses such as Facebook, MySpace, Twitter, YouTube and Photobucket that enable users to distribute their own content (such as videos, music, photos, personal information, blogs, and software applications) have rocketed to prominence." This may

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bring the potential of social media as a new platform of e-commerce. The power of social network will enhance the development of e-commerce in the future.

The e-commerce transition has also brought great opportunity for Malaysians. The median age for both female and male Malaysians is around 25 to 26 years old, which indicates that Malaysia has many young citizens who may easily accept the usage of technology in doing business. Besides that, most of Malaysians are computer savvy and able to converse in more than one language along with the Malay, e.g., English, Chinese, Tamil, Japanese and Korean. These abilities allow them to communicate with various people in the world easily. All this shows that Malaysians have the potential to adopt e-commerce also in the context of social media.

This study attempts to investigate factors that influence online purchase intention among young consumers in the social media websites. The constructs investigated in this study were perceived usefulness, perceived ease of use and subjective norm.

2. Literature Review

With advancement of the web into the Web 2.0, businesses and individuals have started to use social media in conducting their online businesses. So, it is vital for e-commerce now to emerge into the social network because e-commerce now is more customer or community driven [1]. People are now living in a network society where they can reach beyond physical space for information, education, networking and commerce [2]. Moreover, social and economic well-being of the communities is being tied to the networking [2]. In the context of business, this means that customers are more engaged to the social network and marketers should monitor and respond to the consumers through the social web.

2.1. Social Media for E-Commerce

“Social media refer to the online platforms and tools that people use to share opinions and experiences including photos, videos, music, insights and perceptions with each other” [3]. Social networking is one of the services in the social media. Laudon and Traver [1] pointed out that when the social network first appeared in the web, it was only used by the crazed teenagers who play video games. Then the social networks’ participants were increased tremendously and consequently e-commerce has been awakened by this opportunity. The power of the social network has pushed the businesses to use social media as a platform to conduct e-commerce. According to Evans [4], social media is blooming now and businesses should participate in it because many people around the world are connecting to each other and discussing about their company and products through this media. He also stated that it will be a loss for companies if they choose to ignore their customers’ comments in the social media and choose not to participate. Additionally, the network will be fully functioned in the future as the social networking sites are not just portals or browsers anymore [1]. This point shows increasing importance of social networking for businesses and individuals due to its future’s dominant role. Thus, companies and individuals should start using social media in their businesses and they should be able to know how to use the social media or else they will be out of this market.

In social media, there are a lot of social networking tools that are available for the businesses and individuals to use as a medium for them to participate. Facebook, Twitter, YouTube and Bloggers are the four popular social media tools used by people worldwide. Each of the tools has its own function in conducting e-commerce.

Nowadays, almost everyone who goes online will have his/her own Facebook account. Facebook is a new face of e-commerce in the twenty-first century by providing new value of services to Internet users to express themselves and network with others [1]. Besides, it has the application to let companies to create their own fan page and personalized profile on the website for their customers to post any comment on their pages. Moreover, it also allows companies to post advertisements and they can easily upload photos

and videos on their website pages. By using Facebook, companies and individuals can upload the image of their products or services with full description on it, and customers can purchase the products they need by just commenting on the comment box or inbox. Final confirmations about selling the products or services will be sent to the customers through the Facebook inbox. Customers will be given a bank account number for payment purposes. This is the way by which businesses and individuals use Facebook to conduct their e-commerce.

Twitter is another social media tool used by most people nowadays. It has become a place where companies conduct e-commerce, send information to customers and create communities with the customers and to sell goods and services for individuals [5]. It contains comments, observations, opinions of the audiences, and the search engine that mines those tweet patterns. At Twitter, companies can quickly react and respond to the customers' needs.

YouTube is another primary type of social media network. It gives free services to community to watch and share video via the web [3]. It allows all users to rate and comment about the video. Besides that, the number of times a video have been viewed will be shown on the site too. Moreover, it might be used by users to seek for information that will lead to a higher number of actions that lead to a higher conversion rate [4]. Hence, it is appropriate to broadcast videos of companies' products and services on YouTube in order to lead to a higher call to action. Furthermore, YouTube can be used to post companies' advertisements using the Google's AdSense and this is another way to enhance e-commerce [3]. With the reviews and comments from users around the world, businesses can also react and respond immediately to the comments and create customers satisfaction and loyalty.

Blog is a place where Internet users blog about their interests or anything that they would like to talk. It is another famous type of social media tool among Internet users. It is a web log where blog are the online diaries or journal that are presented on the web pages [6], and it is one of the cheapest and easiest way to use as a social media approach [4]. It can help businesses and individuals to understand more about their existing and potential customers by inviting them to share their thoughts and inform them regarding the latest update about the company and products or even promotions. Moreover, businesses and individuals can always upload photos on the blog to let customers view the products online and buy them if they want. Blog are more popular and efficient to use in e-commerce because the content of the blog are highly relevant and customers can choose which blog to read [3]. This will decrease the customers' feeling of being annoyed because they have the power to choose what they want to read. Besides that, it can also help e-commerce by increasing companies' products and services visibility and information regarding products and services can be reached quickly to the targeted customers [7]. Bloggers will surely enhance the growth of e-commerce especially among young consumers who are techno savvy.

2.2. *Technology Acceptance Model (TAM)*

Originally, TAM was derived from the Theory of Reasoned Action (TRA) which was proposed by Ajzen and Fishbein [8]. Specifically, TRA was developed to predict a behavioral intention. The theory postulates that a person's volitional (voluntary) behavior is predicted by his or her attitude toward that behavior and his or her perception of others' beliefs whether he or she should or should not perform that behavior. Then, Davis [9] proposed TAM which was adapted from TRA and assuming that individual's behavioral intention is determined by two major variables which are perceived usefulness and perceived ease of use. Davis [9] chose not to keep the variable subjective norms in the TAM because he estimated that it had negligible effect on the behavioral intention.

TAM has not only been used in information system research, but also has been used in other fields. Many researchers have supported that TAM model is proven suitable for measuring the adoption of e-commerce [10, 11]. Hence, TAM was used as the basis of the theoretical framework in this study. Both

variables in TAM, i.e. perceived usefulness and perceived ease of use, were included in this study's research model. An additional variable was added in the research model which is subjective norm.

Perceived usefulness was adapted into the research model because it has been well documented and consistently supported by many empirical studies to have an impact on the behavioral intention to adopt technological products [12]. It is defined as the degree to which a person believes that using a particular system would accelerate his or her personal growth and would enhance his or her job performance [12]. Previous study indicated that perceived usefulness positively affects the online purchase intention [10, 11, 13, 14,].

Perceived ease of use is the second variable in the research model. According to Davis [12], perceived ease of use is the degree which a person believes that using a particular system will be free of effort. It is one of the major variables in determining the purchase intention [15, 22], and it is supported by many empirical studies too [10, 11, 13, 14,].

Subjective norm is the third construct that we extended into the proposed research model. It was derived from TRA. According to Venkatesh and Morris [16], subjective norm or social influence is the degree of a person's perception that people who are important to him or her think he or she should or should not perform the behavior in question. In the context of purchasing intention in social media settings, this means that a person can be influenced by someone who is important to him or her who think he or she should perform or not to perform the transaction online. Since this study is conducted in the context of social media, subjective norm would be a vital influencing factor as social influence among users is very high in the social media website. Furthermore, Wei et al [15] study showed that social influence has a positive effect on the online purchase intention. Besides, another study found that subjective norm has a significant impact on purchasing behavioral intention [17, 21]. Thus, this variable is considered appropriate to be used in the proposed research model.

Accordingly, Figure 1 depicts the research model and Table 1 presents related hypotheses.

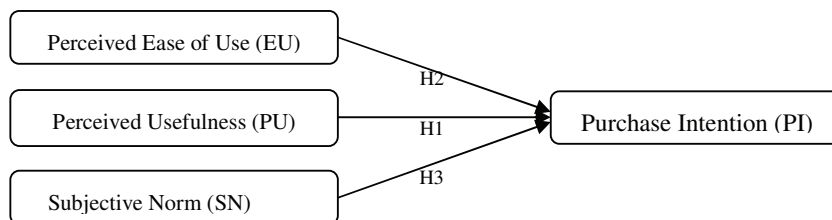


Figure 1. Proposed research model

Table.1 Summary of hypotheses

H1	Perceived ease of use (EU) positively affects the online purchase intention (PI) through social media.
H2	Perceived usefulness (PU) positively affects the online purchase intention (PI) through social media.
H3	Subjective norm (SN) positively affects the online purchase intention (PI) through social media.

3. Methodology

We conducted this study among business school undergraduate students at one public university in Malaysia. The determination of the sample size was based on the sample size table that is recommended by Krejcie and Morgan [18]. A total of 297 respondents were chosen using the probability sampling method. Respondents were divided into five subgroups according to their program i.e., Bachelor of

Management (Marketing), Bachelor of Science (Human Resource Development), Bachelor of Accountancy, Bachelor of Management (Technology) and Bachelor of Psychology (Industrial and Organizational Psychology). We used questionnaire as the research instrument for this study. The questionnaire was divided into three sections where the first section solicited information on respondents' demographic data. The second section was related to the motivational factors that affect online purchase intention through social media. Perceptions regarding the three independent variables i.e., perceived usefulness, perceived ease of use and subjective norm were asked in this section. The third section of the questionnaire identified the consumer's likelihood of purchasing a product or service through social media. The data was subjected to normality test, reliability test and factor analysis before the final analysis was conducted by multiple regression.

4. Data Analysis

A total of 297 questionnaires were distributed. All the questionnaires were returned and used for the analysis. Table 2 shows the respondents' demographic profile frequency and percentage. Among respondents, 24.2% (72) were male and 75.8% (225) were female. Moreover, majority of them were Chinese and Malay.

Table.2 Summary of Respondents' Profile

Demographic	Groups	Frequency (n=297)	Percentage (%)
Gender	Male	72	24.2
	Female	225	75.8
Program	SHF	61	20.5
	SHR	89	30.0
	SHD	78	26.3
	SHY	39	13.1
	SHC	30	10.1
	Present Year of Study	First Year	86
	Second Year	94	31.6
	Third Year	117	39.4
Ethnic Origin	Malay	124	41.8
	Chinese	153	51.5
	Indian	13	4.4
	Others	7	2.4
Products to Purchase through Social Media Website	Books, Magazine, Newspapers	82	27.6
	Computer Software and Hardware	60	20.2
	Concert or Movie Tickets	76	25.6
	Clothing and Accessories	155	52.5
	Travels/ Hotel Arrangement	112	37.7
	Others	0	0
	Consumers Preferences on Online Social Media	Facebook	203
	Blogger	57	19.2
	YouTube	6	2.0
	Twitter	0	0
	Others	31	10.4

Cronbach' reliability test was performed on the data and the results indicated a high level of internal consistency. In addition, factor analysis was performed using principal component analysis with varimax rotation. Based on the factor analysis, one item was dropped as it loaded highly on several factors. Results of the reliability test and the final factor analysis are shown in Table 3. Multiple regressions were run in this study and the results are shown in Table 4. VIF was examined and the results indicated no multicollinearity [19].

The results of multiple regression analysis showed that all three independent variables, i.e. perceived usefulness, perceived ease of use and subjective norm, significantly affect the dependent variable which is

purchase intention. R square for this regression model was 0.331, which indicated 33.1% of the variance in online purchase intention is explained by perceived ease of use, perceived usefulness and subjective norm. Further examination on the standardized beta coefficient revealed that the most dominant factor that affects the respondents' purchase intention was perceived usefulness (B=0.307), followed by perceived ease of use (B=0.258) and subjective norms (B=0.211). Figure 2 shows the final research model.

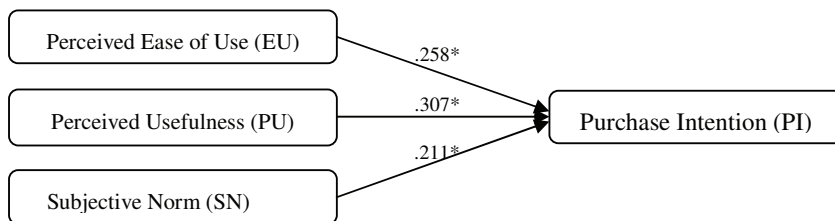
Table.3 Rotated Component Matrix

	Component			
	1	2	3	4
EU1	.888			
EU2	.819			
EU3	.892			
EU4	.788			
EU5	.828			
SN1		.756		
SN2		.861		
SN3		.810		
SN4		.832		
SN5		.842		
PU2			.614	
PU3			.746	
PU4			.805	
PU5			.748	
PI1				.774
PI2				.854
PI3				.848
% Variance	22.798	21.791	14.645	13.895
Cronbach Alpha	.915	.818	.902	.869

Table.4 Result of Multiple Regression Analysis

Variable	Beta	t	Sig	Tolerance	VIF
Perceived Ease of Use (EU)	.258	4.918	.000	0.830	1.205
Perceived Usefulness (PU)	.307	5.150	.000	0.643	1.555
Subjective Norms (SN)	.211	3.829	.000	0.750	1.333

Notes: Overall Model F= 48.334; p < 0.01; R²= 0.331; adjusted R²= 0.342



Note: * significant at < 0.01

Figure 2: Final research model

5. Discussion and Implication

In general, this study examined the influence of perceived ease of use, perceived usefulness and subjective norm on the online purchase intention through social media among Malaysian young consumers. The results showed that three factors, i.e. perceived usefulness, perceived ease of use and subjective norm, positively affect the purchase intention through online social media. These results supported the three hypotheses of this study.

The positive influence of perceived usefulness on online purchase intention through social media among the respondents seems to suggest that the more the respondents perceived online social media is useful in helping them to buy online, the more likely they will have the intention to purchase through social media website. This might be due to the unique characteristic of the Internet that make social media available everywhere at any time for the consumers who want to purchase online through social media compared to the brick and mortar shops [15]. If the social media is not useful in enhancing their purchasing, then the consumers will just stick back to the old way of how they purchase products such as go to a brick and mortar shop and buy the products and services that they want since they are familiar with the way already. Perceived usefulness can be enhanced by speeding up the order and delivery process in social media so that customers can get their products or services faster. Besides, businesses and individuals who are interested in conducting e-business through social media can collaborate with the social media companies to provide price comparison mechanisms on their webpage. This will help their customers to compare prices and choose the best selection which will be an extra benefit for their customers and may lead to higher purchase intention. Moreover, businesses and individuals can also sell their products or services at a lower price because they do not need a store to sell their products which helps them to save the rental fees. By lowering the price, consumers can be benefited through cost saving, which may lead to higher online purchase intention.

The results also revealed that perceived ease of use has a significant effect on the respondents' online purchase intention through social media. The results seem to suggest that the respondents may tend to buy online through social media if the process of using the social media in terms of ordering and delivering products or services is simple and easy to understand. If social media website is hard to navigate around, be complicated and requires much time and effort for the customers to learn, it might not be convenient for the consumers anymore. Difficulties that the consumers face to navigate the websites might lead to frustration. Then they might just give up. Therefore, it is important for businesses and individuals to ensure that the website's functions in the social media are user-friendly and require less mental effort to learn in order to boost up the online social media purchase intention of the consumers.

Subjective norm in this research is another factor that positively affects the respondents' purchase intention. This result is coherent with previous study [15], which exhibits that subjective norm has a significant effect on purchase intention. According to Lu et al [20], young consumers are easily vulnerable to social influence. This seems to suggest that young consumers are easily influenced by someone who they value or important to them such as friends, parents, professors and etc. This is because of they believe and trust on people they care and value. In more detail, they tend to believe advices given by people, whom they value and will not betray or harm them. Thus, businesses and individuals who want to conduct business online via social media can use advertising which portray the use of Internet purchasing through social media among close associates. This will increase the likelihood of consumer being influenced by people whom are important to them to use social media to do online purchasing. Moreover, they can also establish a rapport relationship with their existing customers so that they will invite their close associates to buy through their social media websites.

As a conclusion, some key factors that affect young consumers' online purchase intention through social media were identified in this study. The findings and discussions in this article can be used as guidelines for businesses and individuals who plan to conduct online business through social media. Furthermore, there are several recommendations provided for the purpose of further studies in this topic.

First, future researchers are suggested to set a larger sample size of respondents in order to acquire more reliable information and ensure generalizability of the findings. Second, additional dimensions for independent variables can be added into the research model for the purpose of identifying the other dominant factors that affect online purchase intention such as trust and perceived costs. Third, since e-commerce is a global phenomenon, it is worthwhile for future researchers to investigate factors that affect young consumers' online purchase intention through social media across multinational settings.

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