

Stay at Home: Malaysian Youth Perception towards Online Shopping as the New Norms

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Abstract

The main purpose of this study is to examine Malaysian Youth online shopping perception towards their intention to purchase during this trying time of Covid-19 pandemic in Malaysia. We assess four independent variables which are perception of web design, perception of reliability, perception of privacy and perception of customer service and four hypotheses were postulated in this study. To analyze the findings, the researcher applies Partial Least Square (PLS) approach and cross-sectional study were conducted to 198 respondents using judgmental purposive sampling among Malaysian youth. Results showed that all the variables have positive relationship with the Malaysia youths' purchase intention.

Keywords: Youth, Purchase Intention, Online Shopping

Introduction

World Health Organization's Director General, Dr. Tedros Adhanom Ghebreyesus announced on 10th April 2020 that COVID-19 outbreak has affected 213 countries with 1,524,162 confirmed positive cases and 92,941 deaths. This virus started rapidly spread among residents of Wuhan City, Hubei province, China. As for Malaysia, the government has announced a Movement Control Order 1.0 (MCO) started from 18th March 2020 until 31st August 2020. The virus was first identified spread in Malaysia on 25 January 2020 (Borneo Post, 2020).

During the MCO 1.0, all the businesses need to be closed and this has affected the sales activities so that Malaysia will remain at home. Working from home has become a new norm for all employment. Due to this, more businesses start to sell their products and services through online. Malaysia's online retail has recorded an increase in April 2020 which is 28.9% (The Star, 2020). This showed that most of consumer started to move from physical store to online store. It was added that said the demand for online shopping has kept increasing and most of their consumer has started to buy groceries item like food staples and personal care and household product through online.

According to Tung (2012), most of sellers believe that online shopping will become the effective methods to growth their business and have high potential to attract more customer. The connection between advanced online shopping with globalization, technology and internet become the new trend among consumer (Pappas et al, 2014). Most of the companies are implementing online retail to reach consumer across the globe through online to buy products (Gehrt et al, 2012). This shows that internet is offering innovative methods for businesses in a way to manage information and better serve their customers (Okasha, 2019). There are successful companies that shift the model of their business from brick-and-mortar to brick-and-click such as Alibaba, Tenecent, Amazon and Groupon (Lim, Osman, Salahuddin, Romle, & Abdullah, 2016). Additionally, the perception of young consumer is has emerged towards online shopping (Malviya & Sawant, 2014). Online retailers have high interest to market their website and product among young consumer since they hold a big chunk of shares in online shopping (Shah Alam, Bakar, Ismail, & Ahsan, 2008). Hence, realizing the drastic increment and opportunity in online shopping during MCO 1.0, the researcher wanted to identify the Malaysian youth perception on their intention to shop.

Literature Review

Purchase Intention

Purchase intention can be defined as the consumer preference to purchase the product or service in the future after acknowledging about them initially (Sheng & Kim, 2019). Internet China (2017) defined purchase intention as the willingness of the consumer to buy products via internet or by using online technology. Online shopping intention also related to the desire to take part in online transactions within a website (Octavia and Tamerlane, 2017). The individual intention can be influenced by many factors and can change at any time (Wang et al, 2007). One of the factors is related to the website design or characteristics that able to affect the purchase intention (Doulatabadi & Sheng, 2020). The others factor is perceived value that also able to influence the consumer's decisions (Thomas et al., 2018). The consideration of the brand image and product features also influence the purchase intention (Liu et al., 2016).

Perception of Web Design

In online business, it is important for the seller to focus on a website design because as it may be one of the most important factors to attract the customer's attention with good contain and images (Dang & Pham, 2018). Consumer perception of web design also affected by two factors which are "ease of use" and "information content" (Demangeot & Broderick, 2010). A good quality website has good features and characteristic as it considers the needs and wants of the consumers (Al-Debei, Akroush, & Ashouri, 2014). In terms of the functionality of the website, it is determined by browsing, ordering and information locating and the speed for the activities to be end the transaction. The findings from Dong and Seon (2010) in the Republic of Korea showed that features that includes graphics and colors will provide better shopping experience for the consumers and directly affect the purchase intention (Mansori, Liat, & Shan, 2012). Also, informative website contributes to the ease of use for the consumer to make comparison and increase their satisfaction when purchasing the products. If the consumer feels happy to use the website, they will likely shop at the website again (Jie, Peiji, & Jiaming, 2007).

Perception of Reliability

Reliability refers to the ability of the seller to build trust to the consumer on their products or services (Dang & Pham, 2018). Reliability can be related to dependability of seller or retailer to attract the consumer to trust online website and have confidence while using it (Mittal & Agrawal, 2016). Online shopping is now the new tools to purchase compared to physical stores. (Dang & Pham, 2018). Unfortunately, online shopping can be a challenge as consumers are unable to feel the product physically (Dang & Pham, 2018). Most of consumers choose to purchase through online is because of their beliefs on the reliability of online shop (Liu & Arnett, 2000). Furthermore, reliability is a significant factor of consumer trust towards websites' quality (Ha & Stoel, 2009).

Perception of Privacy

Security and privacy are two factors that concerns consumer when using online shopping platform and hinders them from continue to use it (Levy & Weitz, 2016). Privacy concerns is also related with perceived risk, attitude toward online purchase and consumer behavior (Dang & Pham, 2018). When, consumers buy something through online they will feel worry if personal information were exposed without their consent (Kotler & Armstrong, 20016). As for online shopping, since most of the transactions involved online banking or credit card, consumer may fear if their bank information or credit card information will be stolen and used for online shopping fraud (Dang & Pham, 2018). When consumers feel secure to share their personal information and do online transaction it will encourage them to continue to purchase through website (Nasni Naseri, Othman, & Wan Ibrahim, 2020).

Perception of Customer Service

Customer service is an important element in every business sector even it is offline or online business (Eng, 2008). The lack or limited communication with the consumers may affect online sellers severely and it should always be their main priority in businesses (Hamad et al, 2017). Here, customer service also refers to services provided for consumers before, during and after a purchase (Wolfenbarger & Gilly, 2003). A good and efficient customer service will become a competitive advantage for a business to sustain (Dang & Pham, 2018) since customer service will contribute to high satisfaction for consumers when purchasing online (Lee & Lin, 2005). It is important to provide user-friendliness of the site, create an easy to use tools and accessible to help the seller improve their service quality (Lin & Sun, 2009).

Research Model and Hypotheses

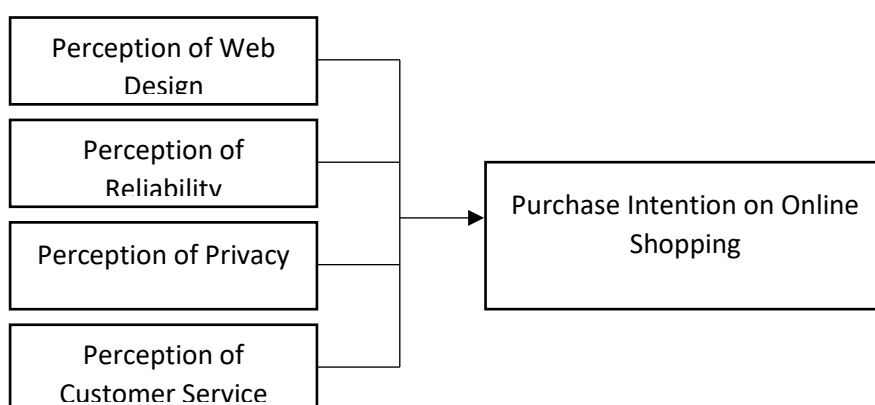


Figure 1: Theoretical Framework

H1: There is a positive relationship between the perception of web design and purchase intention.

H2: There is a positive relationship between perception of reliability and purchase intention.

H3: There is a positive relationship between perception of privacy and purchase intention.

H4: There is a positive relationship between perception of customer service and purchase intention.

Methodology

To determine a minimum sample size for this study, the researcher used GPower analysis and it was found that 89 respondents would be adequate. However, for the purpose of this study, 300 questionnaires were distributed, and 198 responses were received. Two filter questions were designed to ensure the criteria of the respondents is fulfilled which are 1) Age of the respondent should be between 21-30 years old 2) Must shop at least ONCE during MCO 1.0. In terms of the demographic, more than half of the survey respondents were from female population (77.7%), aged between 21 to 24 years old 73.6%) and most of them were Malay (93.3%).

Data was collected using a structured questionnaire. The statements measuring these constructs were measured on a five-point Likert scale anchored with, "1=completely disagree" to "5=completely agree" with "3=neutral." Regarding measures, the items for perception of web design, perception of reliability, perception of privacy and perception of customer service were adapted from the work of Chiu et al. (2009). While purchase intention items were adapted from Hsu et al. (2006). The reliability test for all of the variable's ranges were between 0.814 - 0.877 which were acceptable.

Results & Findings

In analysing the research model, a partial least square (PLS) analysis using the SmartPLS 3.0 software (Ringle, Wende & Becker, 2015). The two stage analytical procedures were tested which are the measurement model (validity and reliability) and the structural model (hypotheses relationship testing) (Ramayah et al, 2015). Finally, a bootstrapping method was employed (5000 samples was used) to test the path coefficients and loadings for this study (Hair et al., 2014). In terms of the measurement model, the loadings from this study were more than 0.6 and the AVE was also higher than 0.5 which is in accordance with the suggestion by Hair et al., (2014). The discriminant validity of the measure was examined by Fornell-Larker (1981) criterion which looks into the square root of the AVE that exceeds the correlation between all other measures and heteroite-monotrait of correlations (HTMT) which if the value of HTMT is more than 0.90, there is a problem on the discriminant validity. Both measurements were fulfilled in this study and the adequacy of the discriminant validity was verified.

Assessment of Hypotheses using structural model

Table 1

Hypothesis Testing

Hyp	Relationship	Std Beta	Std Error	t-value	Sig	Decision
H1	Perception of customer service – Purchase intention	0.181	0.071	2.531	0.006	Supported
H2	Perception of privacy – Purchase intention	0.158	0.077	2.059	0.020	Supported
H3	Perception of reliability – Purchase intention	0.133	0.068	1.968	0.025	Supported
H4	Perception of web design – Purchase intention	0.468	0.067	6.977	0.000	Supported

Conclusion

The analysis had shown that perception of customer service, perception of privacy, perception of reliability and perception of web design have a significant relationship with Malaysian Youth intention to shop online during MCO 1.0. This result was supported by the study from by Dang & Pham (2018) whereby the researchers found that the perception of web design is the critical factors of online shop. Also, Al-Debei, Akroush, & Ashouri (2014), showed a consistent finding whereby web quality has a significant relationship with consumers attitude towards online shopping. As for the perception of reliability, the hypothesis was supported by Shah Alam, Bakar, Ismail, & Ahsan (2008) which found out that reliability has significant relationship with purchase intention. In terms of the perception of privacy, significant relationship between of privacy and purchase intention proved by Kasuma, Kanyan, Mohd Khairol, Sa'ait, & Panit (2020) which shown the same result. Lastly, the perception of customer service is an important key element to attract consumer to purchase their preferences product through online shop (Dang & Pham, 2018).

The new norms due COVID-19 pandemic has changed every aspects of our lives. Specifically, for this study, researchers were keen to determine factors that attracts young consumers to purchase online. From the results, the perception of web design played the most significant factors in buying decision via internet. Businesses with target markets on the young consumers needs to highlight on this element to attract consumers to repeat purchase in their online shops. The 'brick and mortar' strategies are less relevant during this trying time of pandemic. The study suggests that online shopping is the best option for business to stay relevant and compete. Yet, online stores require its own unique features and this studies youth consumers preferences on online shopping.

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