

Online Purchasing Decisions Among University Students

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Abstract

The aim of this study is to investigate the relationship between time, online convenience, and perceived risk concerning students' purchasing decisions. Due to the constraints imposed by the Covid-19 pandemic, online stores have become the preferred method of shopping over traditional brick-and-mortar stores. A total of 109 respondents participated in this study using a convenience sampling approach. The completed questionnaires were collected and analyzed using SPSS version 26. Measurement techniques included frequency analysis, reliability analysis, and regression analysis. Notably, during the COVID-19 pandemic, over 94% of the 109 respondents chose Shoppe as their preferred online purchasing platform, and more than 50% reported positive experiences. All Cronbach alpha values exceeded 0.8, indicating high reliability. Importantly, students' purchasing activity exhibited significant correlations with both time savings and perceived risk. This study is expected to be particularly valuable to academics and online entrepreneurs.

Keywords: Time Saving, Convenience, Perceived Risk, Online Purchase Decision

Introduction

In the past, most shoppers chose to buy products from physical brick-and-mortar stores. However, the outbreak of COVID-19 brought about a significant shift in the business landscape, primarily driven by government-imposed restrictions on movement. As a result, online shopping has gained widespread adoption, driven by various factors. According to Jones (2020), the e-commerce sector witnessed a notable surge in sales as a direct consequence of the pandemic, with expectations that it could reach a staggering \$6.5 trillion in sales by the year 2023. This transformative trend has been evident not only in developed

nations but also in developing countries, including Malaysia. In the United States, for instance, as reported in The Millennial Shopping Report 2019, 60% of the younger generation express a preference for purchasing goods through online stores (Follow, 2019). Additionally, according to Gilpin (2019), millennials represent the majority of online shoppers, accounting for 54 percent of all goods purchased. Extensive research has been undertaken to investigate the elements influencing the online purchasing decisions of consumers. Lee et.al (2011), for instance have identified that there exists a notable direct correlation between online repurchase intentions and factors such as perceived value, perceived ease of use, perceived usefulness, the reputation of the firm, privacy considerations, trustworthiness, reliability, and functionality. In addition, according to the findings revealed in Alam Napitupulu and Kartavianu's (2014) study, it indicates that information quality, perceived ease of payment, the advantages of online shopping, and trust play a significant role in influencing online purchase decisions. Hasan and Rahim (2008) have also emphasized that the concept of risk plays a crucial role in comprehending how internet consumers make decisions. Thus, the primary goal of this study is to determine whether factors such as online convenience, time considerations, and perceived risks have an impact on the online purchase decisions of university students. The findings of this study could provide advantages to entrepreneurs who utilize online stores for sales and marketing purposes. This is because they can enhance their current services to better meet customer needs, draw in a larger customer base, and make concerted efforts to encourage repeat purchases and frequent visits to their online store.

Literature Review

Online Purchase Decisions

Online purchase intention can be defined as the circumstance in which a consumer is enthusiastic and intends to conduct transactions over the internet (Pavlou, 2003). This concept becomes relevant when customers exhibit a preference for browsing, selecting, and purchasing products through online platforms. Khalifa and Limayem (2003) provided a definition for internet purchasing behaviour, characterizing it as the process of acquiring products, services, and information via the internet. In the context of online shopping, a customer's intention to make purchases on the web signifies the strength of their commitment to engaging in internet-based purchasing behaviours (Salisbury et al., 2001). The acquisition of physical products through online channels presents unique challenges when compared to conventional in-store shopping. Jarvenpaa and Tood (1996), for example, have highlighted that consumer, while making online purchases, do not have the opportunity to physically inspect the goods before completing their transaction. In addition, purchase intention can be categorized as a fundamental element of consumer cognitive behaviours, representing an individual's inclination to purchase a particular brand. Laroche, Kim, and Zhou (1996) posit that variables such as the consideration of buying a brand and the expectation to purchase a brand can serve as metrics for measuring consumer purchase intention.

Online Convenience

In this study, one of the independent variables under consideration is convenience. Previous studies have emphasized the connection between convenience and online purchasing decision. According to Beauchamp and Ponder (2010), a significant number of consumers rely on the internet to simplify the decision-making process. In their study, they delve into a comprehensive analysis of the distinctions between in-store and online shoppers, focusing on four primary facets of retail convenience known as access, search, transaction, and possession

convenience. Their research reveals that when compared to traditional in-store shopping, consumers generally perceive online shopping as offering greater convenience in terms of access and search, though not necessarily in the realm of transaction convenience. According to Thao (2020), online convenience can be described as consumers' preferences in the buying decision process, where individuals typically favour expending minimal time and effort when purchasing products or services. According to the findings reported by Mehmood and Najmi (2017), it was revealed that five dimensions of online convenience, encompassing decision-making, access, transaction, benefits, and post-benefit aspects, significantly influence consumer satisfaction levels in home delivery services in Pakistan, ultimately contributing positively to the consumer buying decision process. In addition, according to research conducted by Rahman M.A. et al. (2018), it was found that a significant proportion of male respondents opted for online shopping primarily because of the convenience it offered. The convenience factors stemmed from various aspects of the delivery process provided by online stores, including home delivery services, the ordering system, and the payment process. Perceived convenience therefore can be referred to the advantages associated with consumers' belief that online shopping is simpler, less risky, offers a wider product selection, is more cost-effective, and offers greater convenience compared to traditional shopping. Seiders et al. (2000) illustrated convenience as a source of four distinct opportunities known as ease of access, search, transaction, and possession.

Time

One of the reasons shoppers prefer online stores is the time-saving aspect. According to previous research conducted by A. Bhatnagar, M. Sanjog, and R. H. Raghav (2000), time represents the primary resource that consumers expend when making purchases, whether online or in traditional brick-and-mortar stores. Some people believe that online shopping saves a significant amount of time because it eliminates the need to physically leave a location, thereby offering the convenience of time-saving, a notion supported by research (Javed et al., 2012; Ganapathi, 2015). Ganapathi's (2015) time indicators for online shopping encompass three key aspects: firstly, the process involves a degree of time investment in evaluating and selecting products; secondly, it caters to individuals with ample, unrestricted time for purchasing products online; and thirdly, online shopping is perceived as a time-saving approach, minimizing wastage of one's time.

Perceived Risk

Despite the convenience elements available to online shoppers, they are also exposed to risks when engaging in online shopping. This perceived risk is defined as the potential for loss in the pursuit of a desired outcome while engaged in online shopping, representing a combination of uncertainty and the possibility of significant consequences. (Ko et al., 2004). Risk plays a pivotal role in shaping consumer behavior and makes a valuable contribution to our understanding of information-seeking behaviors and consumer purchase decision-making. Two distinct theoretical perspectives on risk exist: one focuses on the uncertainty surrounding decision outcomes, while the other centers on the costs or consequences associated with these outcomes (Barnes et al., 2007). The concept of perceived risk has been assessed using different measurement scales, focusing on gauging the perception of potential adverse events (Featherman and Pavlou, 2003). Bhatnagar and Ghose (2004) also noted that online shopping amplifies perceived risks, intensifies the influence of both positive and negative factors associated with Internet purchases, and significantly affects consumers' final

decisions. When consumers perceive a higher level of risk, it acts as a deterrent to their intentions to make purchases. Numerous studies have noted that perceived risk in the context of E-commerce exerts a negative influence on online shopping behavior, attitudes toward using online platforms, and intentions to embrace E-commerce (Zhang et al., 2012).

Research Methodology

In this study, both primary and secondary data were utilized. The questionnaires were designed and divided into five sections: demographics, time-saving, convenience, perceived risk, and online purchase intention. A total of 109 questionnaires were distributed to public university students in Melaka. The completed questionnaires were analysed using SPSS software, employing descriptive analysis, reliability testing, and multiple regression analysis to gain insights into respondent profiles and explore the relationships between independent and dependent variables.

Findings and Discussions

Profile of the respondent

Table following table provides a frequency analysis of the respondents. Among the 109 participants, 94 individuals (86.2%) fell within the age range of 18 to 20 years, while only 15 respondents (13.8%) were categorized as 21 to 23 years old. In terms of gender, out of the 109 respondents, 76 were female students, constituting 69.7%, while the remaining respondents were male students, accounting for 30.3%. The results in the table reveal that 33.9% of the respondents preferred to purchase daily use items such as soap and toothpaste from online stores. Additionally, 22.9% of the respondents opted for online stores to stock up on food during the Movement Control Order (MCO). To stay current in terms of clothing trends, 15.6% of the entire group purchased their clothing and accessories online, while 11.9% bought skincare products through various online platforms. The lowest percentage, representing 4.6% of the respondents, purchased books during their online shopping. Among the various online shopping platforms, Shoppe emerged as the most preferred, with 94.5% of the respondents selecting it during the MCO period. Lazada followed with 2.8%, while Carousel accounted for 2.7% of the responses.

In terms of the time spent while shopping online, the highest percentage, 37.6%, reported spending 16 to 30 minutes per shopping session. The majority of respondents agreed that they had a positive online shopping experience, as indicated by the combined responses falling within the "neutral," "agree," and "strongly agree" categories. Specifically, 56% of the respondents agreed, while 33.9% strongly agreed that they had positive past experiences with online platforms.

Table 1.0: Demographic profile

No.	Items	Frequency	Percentage
1.	Age:		
	18 – 20 years	94	86.2
	21 – 23 years	15	13.8%
	Total:	109	100%
2.	Gender:		
	Male	33	30.3%
	Female	76	69.7%
	Total:	109	100
3.	Preference of online shopping:		
	Food		
	Cloth and accessories	25	22.9
	Skincare products	17	15.6
	Electronic and gadgets	13	11.9
	Books	12	11
	Daily use items	5	4.6
	Total:	37	33.9
4.	Online store or websites of the respondents' choice:		
	Shopee	103	94.5%
	Lazada	3	2.8%
	Carousel	1	0.9%
	Others	2	1.8%
	Total:	109	100%
5.	Average time spent for online shopping:		
	1 to 15 minutes	25	22.9%
	16 to 30 minutes	41	37.6%
	31 to 45 minutes	14	12.8%
	More than 1 hours	29	26.6%
	Total:	109	100%
6.	Respondent's had good past experience during Online Shopping:		
	Strongly Agree	37	33.9%
	Agree	61	56.0%
	Neutral	11	10.1%
	Disagree	0	0%
	Strongly Disagree	0	0%
	Total:	109	100%

Reliability Analysis

To assess the internal consistency of the questionnaire items, reliability tests were conducted on both the dependent and independent variables, and the outcomes were then compared to the guidelines recommended by Hair et al. (2016). The following table shows the results of

the Cronbach Alpha. They range from good to very good in terms of internal consistency, making them valid for further testing.

Table 2.0: Result of reliability

No.	Indicators	Cronbach Alpha	Strength of association
1.	Online Purchase Decision	0.758	Good
2.	Online Convenience	0.847	Very Good
3.	Time	0.805	Very Good
4.	Perceived Risk	0.897	Very Good

Regression Analysis

In this study, multiple linear regression is used to explore the intricate relationship between online purchase intention and three key independent variables known as time-saving, convenience, and perceived risk. Based on the model summary (Table 3.0), the coefficient results (Table 4.0), it becomes evident that two independent variables, namely, time and perceived risk, significantly influence students' online purchase intention. The findings indicate that all of the independent variables collectively account for 16.7% of the total variation in online purchase decision. This suggests that these variables play a significant role in affecting students' purchasing decisions.

Table 3.0: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.409 ^a	.167	.143	.82616
<i>a. Predictors: (Constant), IV3, IV1, IV2</i>				

Table 4.0: Coefficient Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.606	.290		8.986	.000
	IV1	.406	.188	.285	2.162	.033
	IV2	-.171	.222	-.109	-.771	.443
	IV3	-.736	.238	-.482	-3.094	.003
a. Dependent Variable: DV						

Conclusions and suggestions

The purpose of this study is to examine whether time, convenience and perceived risk will affect online purchase decision among the university student. The results reveal that convenience does not exhibit a significant relationship with students' online buying decision, as indicated by a p-value of .443. This finding suggests that convenience does not play a prominent role in influencing their choice to shop via online platforms. Instead, students appear to be more drawn to other factors when making their purchasing decisions, emphasizing that convenience is not a primary consideration in their online shopping preferences. This study also shows the relationship between time-saving and students' buying

behaviour was found to be significant, with a p-value of .033. This outcome suggests that time-saving is a compelling factor that influences the respondents when it comes to online shopping. Additionally, the results of the regression analysis indicate a significant relationship between perceived risk and online purchase decisions. Perceived risk emerges as a significant factor, possibly playing a major role in motivating students to choose online stores for their shopping needs. The findings of this study could prove beneficial for entrepreneurs who utilize online stores for their sales and marketing activities. In this study, only three independent variables were selected. The sample consisted of 109 respondents from a local university as participants. In addition, numerous additional factors can potentially influence students' online purchasing decisions. In this study, the R-square value is only 16.7%, indicating that the remaining 83.3% of the unexplained variance can be attributed to a multitude of other variables. Notably, the literature review and other chapters offer valuable resources for researchers interested in exploring the same research area or conducting comparative studies across various aspects.

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