

A Study Of E-Shopping Intention In Malaysia: The Influence Of Generation X & Y

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Abstract: Developments in the commercial sector, coupled with the increasing popularity of the Internet in recent years, have made Malaysian companies more aware of the importance of E-business in gaining a competitive edge in the global market. Therefore, a better understanding of the factors that influence online shopping intention would help in planning better marketing strategies in targeted segments. In this study, five variables on online shopping intention were selected, namely perceived benefits, website characteristics, perceived risks, perceived pricing as well as product and service attributes. Findings from 200 respondents of Generation X and Y showed that four factors significantly influenced online shopping intention. The one exception was product and service attributes. The generation gap was found to have a moderating effect on the relationships between perceived benefit, website characteristics, and online shopping intention.

Key words: Online shopping intention, consumer behaviour, Generation X, Generation Y

INTRODUCTION

Thanks to globalization, the use of information technology (IT) has spread rapidly, leading to the popularization of the Internet (2002). According to Damanpour and Damanpour (2001), the Internet has not only changed the lifestyle of individuals, but also the way companies conduct businesses, communicate and share information, as well as sell and purchase products and services. Sulaiman *et al.* (2008) highlight the fact that most companies use the Internet to cut marketing costs and to improve competitiveness. They assert that, in line with customer satisfaction and improving the profit margin. Undoubtedly, electronic commerce (E-commerce) is here to stay. Electronic commerce can be defined as commerce that is dependent upon digital communication and information technology. E-commerce is also defined as selling and buying of products and services via computer networks, mainly the Internet (Wen, Chen, and Hwang 2001).

According to Internet World Stats (2010) Malaysian Internet usage rose sharply from 15% of the population in 2000 to 64.6% of the population in 2010, which is equivalent to 17 million Internet users. Hence, it is not surprising that online shopping in Malaysia is on the rise (Paynter and Lim 2001). Based on a survey report by Nielson company, Malaysians spent RM1.8 billion on online shopping in 2010 (The Star, 2010). This figure is estimated to triple in the subsequent three years. Apparently, consumers tend to look for alternative ways to shop more conveniently. Online shopping seems to be a viable option. Invariably, online shopping has created new challenges for companies to come out with better products and services as well as convenient shopping alternatives in order to maximize customer satisfaction (Wen, Chen, and Hwang 2001). Thus, it is crucial to identify the factors affecting online shopping intention in order for companies to improve or devise new business strategies.

2.0 Literature Review:

2.1 Online Shopping Intention:

Online shopping intention is derived from purchase intention (Close and Kukar-Kinney 2010). Howard and Sheth (1969) define purchase intention as a cognitive state that reflects a consumer's plan to purchase products and services in a specified period of time. Bai *et al.* (2008) affirm that purchase intention is the primary result of pre-purchase satisfaction in an E-commerce context. Close and Kukar-Kinney (2010) define online shopping intention as the intention of online shoppers to purchase products and services via the Internet, or use the virtual shopping cart as a means to buy things during an online session. Accordingly, the virtual shopping cart acts as a functional holding place which is required to temporarily keep or hold the intended purchase items prior to completing the purchase transaction. Chen *et al.* (2010) believe that online shopping intention is the vital predictor of actual purchasing behaviour. They add that it reveals the desire of online shoppers to complete a purchase transaction via the virtual stores or websites.

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