

DETERMINANTS THAT PERSUADING STUDENTS' ONLINE SHOPPING BEHAVIOR TOWARDS PURCHASING COSMETIC PRODUCT

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Abstract: *The purpose of this research is to examine the factors on online shopping behavior of consumers that might be one of the most important variables of e-commerce and marketing field. Nevertheless, there is very limited information about online consumer behavior as it is complicated and involves too many factors. The aim of this study is to covering the shortcomings of previous studies that didn't observe the main factors that influence on online shopping behavior. Thus, the study attempts to identify the elements that influence relationship between risk, convenience, trust and past experience and behavior towards online shopping as well as establish the significance of each factor in predicting behavior towards online shopping among the customers. Primary data was collected through distribution of questionnaires towards the Higher Learning Institution (HLI) students in Perlis. Research findings discovered that risk and trust are positively significant with behavior towards online shopping while convenience and past experience were not significant with the behavior towards online shopping.*

Keywords: *Survey, Online Shopping Behavior, Cosmetic Product, E-Commerce, Marketing Field.*

Introduction

There are many businesses that produce and selling their product or services using internet. Besides, there much kind of products in the online business that has been sells to the consumers around Malaysia. The number of online shopping consumers increased from time to time due to several factors such as lifestyle and technology. Consumer has become changed by technology as the consequence they preferred to buy online instead of using traditional way that might lead to convenience lifestyle such as save in time, price and services when they used to shop through online. For example, 90% of students have access to the internet almost every single day. Hence, the potential of making consumption via Internet will increase. Even though Malaysian has become online shoppers for many years since 1998, there is still lack of information or studies regarding online shopping behavior among Higher Learning Institution students' in Malaysia.

Problem Statement

Fake product has become serious concerned for online shopping consumer, especially students. According to Health Minister, Dr. S. Subramaniam (2017), between 2015 and February 2017, 153,700 cosmetic products were informed to the Ministry, but between 2013 and now, 47 products have had their notification numbers cancelled as they were found to be adulterated with prohibited ingredients such as hydroquinone, tretinoin and mercury. Some of the replica of product from popular brands such as "Mac" has 99% similarity in term of packaging. This issue will contribute to consumers' confusion towards original and fake product.

Research Objective and Scope

The purpose of this study is to rectify the shortcomings of previous studies on online shopping behavior. Thus, the study attempts to identify the elements that influence relationship between risk, convenience, trust and past experience and behavior towards online shopping as well as establish the significance of each factor in predicting behavior towards online shopping among the customers. This study involves the Higher Learning Institution (HLI) students in Northern Region.

Literature Review

Online Shopping

Online shopping is a type of electronic commerce, also called E-commerce. Turban et al. (2008) defined E-commerce as the process that includes exchanges between a company and its consumers through an advanced stage on the Internet. There are lots of meanings of E-commerce, and they all are not exceptionally a long way from each other. E-commerce is the sharing of business data, keeping up business connections, also directing business exchanges by methods for broadcast communications systems (Mostaghel, 2006). Kotler & Keller, (2012) defined E-commerce as business exchange led electronically on the Internet. In this study, it enabled consumers to specifically purchase product or service from a retailer over the Internet using web or social media.

Consequences of Online Shopping

Contrast with physical stores, in online stores consumers can't have any sense about the product they find in the web (seeing, touching, tasting, smelling, and hearing) as they search for and buy products. In online stores, consumers may grow low trust and face high risk on account of the absence of up close and personal correspondence. Park & Lee (2009) stated

that online reviews are positive and negative reviews of the products have been sold on the online shopping. Consumer will refer to the review, if the review is negative, this will affect the buying decisions. In the study, a few consumers were reluctant to involve in purchasing addiction since it is easier to finish the purchase with the technique and due to the available accessible. The outcome was that since it is easy to buy things, consumers buy more. This can be taken note in this review also, since a portion of the consumers fear overconsumption (Fogg, 2009). Inside the rush consumers might not have sufficient time to consider if the buy is important or, then again not, which can conduce to unconsidered buys and impulse purchasing. To finish a buy all through the Internet can take one moment, or a single tick, which makes it simple to buy products.

The Dimensions of Online Shopping:

Consumer's Lifestyles

Consumer purchasing behavior has changed by rapid advancement in technology as they preferred to buy online instead of traditional way since it is more convenience in terms of time, price and service when online shopping (Yoldas, 2011). Online shopping is referred to the procedure of selling and buying of goods and services (Sultan, U.M. & Uddin, N.MD, 2011). The availability of Internet will increase it usage among consumer with the low cost and high speed internet (Salehi, 2012). Consumers simply require a few clicks of their fingers to empower shopping from anyplace at any time. At the point when consumer shop on the web, certain computer information and web utilizing must be required (Zhao, 2012).

Subjective Norms

With a specific end goal to build the online based shopping rates in Northern Malaysia, knowing online based shopping practices and its drivers are basic to help both the online retailers and consumers. Such drivers are serious to know on the grounds that online retailers can perform marketing ideas that drive consumers to shop on the website (Lim Yi Jin, Abdullah & Mohd Suberi, 2014). Online based shopping behavior is essential in light of the fact that the business exchange will be done without physical connection between online retailers and the consumers (Mukherjee and Nath, 2007). Selling in an online situation is not quite the same as selling in a physical store since it needs understanding consumer behavior in a virtual situation (M. Khalifa and M. Limayem, 2000).

Trust

Retailer need to gain trust from customer in order to sell their product. E-commerce business should communicate effectively to enhanced trust. Trust is a multidimensional idea since trust depended on the rational evaluation of a person's capacity and honesty ad on feeling of concern and consideration (J. C. Roca et al., 2009). Trust acts as a key part in making satisfied and expected results in online exchanges (Ling, et al., 2010). According to Rempel, Holmes & Zanna (1985), at the point when individual puts trust in the other party, feelings of certainty and safety emerges inside the individual towards the other.

Risk

Online payment means transfer the money from one party to another using internet. This system can be done through computer, mobile or tablet. It also more secured than bringing money to the physical store as it might get stolen. Risk perceived or real occurs because of innovation failure (e.g., breaches in the system) or human mistake (e.g., key in data errors) (Javadi, M.H.M, 2012). In the online shopping situation risk has been the most studied issue

(Chang, et al., 2005). The level of perceived risk might be exaggerated because of constrained physical access to items and sales personnel (Forsyth & Shi, 2003). Perceived risk has been start to be a vital determinant in consumer behavior and an essential factor in affecting the transformation of browsers to consumers Mitchell (1992).

Convenience

There is a lot of benefit in online shopping. It will reduce time and effort to go through the physical store. A lot of time can be taken to choose a product before making the purchase decision. People also can make a price comparison with other website before getting the best price. Besides, this benefit the retailer as they can use better strategy (s) to attract customer and providing the appropriate way for customer to buy. Retailers have been concentrating on fulfilling this demand for services which can maximize the speed and simplicity of consumer's purchasing process (Jarvenpaa et al, 2000).

Past Experience

Student who had experience in online shopping before will be more favourable behavior than who don't have experience in online shopping before. The result showed that most students who had online shopping experience will receive positive feedback (Xu, Y & Paulins, A.V, 2005). In term of online shopping, according to Jarvenpaa et al (2000), a consumer's past experience in online shopping may have produced information and consequences that strengthen the consumer's behavior and shape and moderate the consumer's faiths, attitudes, and ability to shop in Internet stores. Online shopping consumers will depend intensely on experience quality in which the experience quality can be achieved only through earlier purchase experience.

Personal Characteristic

Consumer in online shopping will received whether positive or negative experience. The salesperson may give a good service or not, it depends on salesperson characteristics. Sometimes, the salesperson might not enough time to responds. Shopping experience might be different between online and physical store. Shopping experience means service or effort receive by customer from staff or workers commitment to give information or instruction about that product (Salehi, M., 2012).

Information

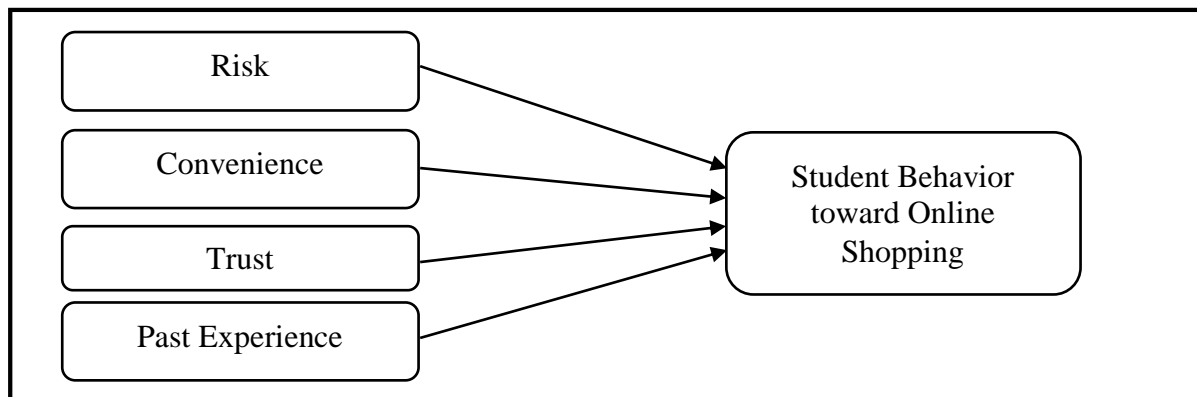
The degree that insignificant setting or system particular data is given, the individual will make system particular assessments in light of related experience with the system. In the internet shopping setting, consumers assess their online shopping experience as far as acknowledgements in regards to product data, kind of repayment, carriage terms, benefit offered, accidental included, protection, security, personalization, visual interest, route, amusement and happiness. On the off chance that earlier online based shopping encounters brought about satisfactory results and were assessed decidedly, this leads consumers to keep on shop on the Internet later on (Shim et al., 2001).

Shopping Enjoyment

Davis et al., (1997) defined enjoyment as the degree to which the action of utilizing a particular system is seen to be enjoyable in its own right, away from any performance consequence causing from system utilization. Online shopping enjoyment is the seeming pleasure began from a website experience, how much the activity of utilizing a site is seen by the consumers to be pleasant (Ingham et al., 2015). Consumers who like to shop manage

desire from shopping and spending time looking for products (Seock & Bailey, 2008). Wang et al. (2013) seems to approve with the latter and indicated that perceived enjoyment might contribute to consumer online purchase. It is also supported by Vander Heijden & Verhagen (2004) that indicated that enjoyment is a significant concept that will affect consumers' online purchase, they further express that online companies will profit from making their websites more entertaining.

Theoretical Framework



(Sources: Adopted from Daud, M. N et al., 2016 for student behavior toward online shopping. Risk and convenience adopted from Shirin Aliyar & Clara Mutambala, 2015. Past experience and trust adopted from Chen & Barnes, 2007)

Figure 1: Framework Model

Methodology

An exploratory research has been used to obtain information among 234 students in Higher Learning Institution (HLI) in Perlis. The total numbers of population was 588 involved HLI students from semester 1 until 5 in year 2017. A survey on a representative sample was conducted between October and December 2017 using structured questionnaire. A simple random sampling was used in order to collect the data.

Findings

Table 1: Demographic Analysis

Demographic	Categories	Percentage (%)
Gender	Male	20.9
	Female	79.1
	Total	100.0
Age group	18 – 25 years old	90.2
	26 – 30 years old	9.8
	Total	100.0
Programme	Marketing	53.8
	Human Resource Management	17.5
	Finance	28.6
	Total	100.0

Expenses on online shopping within 6 months	< RM 50	40.2
	RM 51 – RM100	21.8
	RM 101- RM 200	21.8
	> RM 201	16.2
	Total	100.0

Table 1 shows an analysis about demographic among respondents in term of frequency and percentages. For gender, there are about 49 male respondents and 185 female respondents, representing of 20.9% male respondents and 79.1% female respondents respectively. For age group, it was divided into two categories which are 18 to 25 years old and 26 to 30 years old. The percentage of respondents for 18 to 25 years old which is 90.2% (211 respondents) and 26 to 30 years old 9.8% (23 respondents).

For programmes, it was divided into Marketing, Human Resource Management and Finance. The percentage of respondents for Marketing is 53.8% (126 respondents), Human Resource Management is 17.5% (41 respondents) and Finance is 28.6% (67 respondents). It was also measured the result of expenses on online shopping within 6 months, which shows that 40.2% (94) had spent below RM50, 21.8% (51) had spent RM51-RM 100, 21.8% (51) had spent RM101-RM200 and 16.2% (38) had spent RM 201 above.

Table 2: Reliability Analysis

Variable	No of items	Cronbach's Alphas
Behavior	5	.723
Risk	5	.754
Convenience	5	.854
Trust	5	.908
Past experience	5	.874

Result in Table 2 shows the Cronbach Alphas of behavior, risk, convenience, trust and past experience. There are three variables that consider as good which are trust, past experience and convenience scored at 0.908, 0.874 and 0.854 respectively. Meanwhile, the other two variables consider as acceptable since behavior and risk scored at 0.723 and 0.754 respectively. The Cronbach's Alpha reliability coefficients of independent variables in this study were approximate acceptable and were positively correlated to one and another.

Table 3: Pearson's Correlation Analysis

Variable	R	C	T	P	SIG
Risk	1				.045
Convenience	.688**	1			.143
Trust	.657**	.629**	1		.000
Past experience	.935**	.739**	.760**	1	.158
Behavior (DV)	.653**	.624**	.927**	.730**	

Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

Table 3 shows Pearson Correlation between dependent variable (Behavior) and independent variables (Risk, Convenience, Trust and Past Experience). As shown in the table all variables were significant and positively correlated. In conclusion, all of the variables have moderate relationship with the behavior towards online shopping.

Table 4: Multiple Regression Analysis

Variable	Unstandardized Coefficient Beta	Sig.
Risk	.120	.045
Convenience	.045	.143
Trust	.753	.000
Past experience	-.090	.158
F change	366.235	
R Square	0.865	
Adjusted R Square	0.862	
Durbin Watson	1.989	

**p<.05

In table 4, the Beta value indicates the strength of relationship between IV and DV. Thus, Trust ($\beta=.753$, $p<.000$) and Risk ($\beta=.120$, $p<.045$) was clearly significant. On the other side, Convenience ($\beta=.045$, $p<.143$) and Past Experience ($\beta=-.090$, $p<.158$) were not significant predictors of behavior towards online shopping. The highest Beta indicate that one unit positive change in trust which expected result 0.753 or 75% coefficient change is behavior. In can be concluded that hypothesis 1 and 3 was accepted while hypothesis 2 and 4 was rejected. Besides that, the value of F change is strong which identified as 366.235. An adjusted R Square value was taken into explanation with 0.862. It was indicated that the behavior towards online shopping was explained by the independent variable 86% while the rest of 14% was explained by the other variables that were observed. As can be seen from the table, the result of Durbin Watson is 1.989 which indicates the result is free errors because the measures of Durbin Watson is good at least 1.5 above.

Discussion and Conclusion

Regarding to the results, it has been examined that there is two independent variables, namely risk and trust; that have a significant relationship towards the behavior towards online shopping. In a nutshell, the students should aware and used the safe methods to purchase with online vendor and hope this study will assist students to enhance more effective and efficient plans in future.

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