

MK002

THE INFLUENCING FACTORS ON GENERATION Y  
ONLINE IMPULSIVE BUYING BEHAVIOR

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and

Our families, friends and loved ones,

Thanks for your support when we need it the most

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## LIST OF ABBREVIATIONS

|       |                              |
|-------|------------------------------|
| SAS   | Statistical Analysis System  |
| PCA   | Pearson Correlation Analysis |
| SRA   | Simple Regression Analysis   |
| Gen Y | Generation Y                 |

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## **PREFACE**

At this moment, the world of information technology is no longer an unfamiliar place for most of the people. As more and more people have get across with technology in their daily routine. One of the examples is buying products or services through online. But, consumers often make spontaneously purchase through online shopping after being influenced by few cues, like website design, security and privacy and online shopping service. In short, this type of unplanned purchase is categorized as impulse purchase. Thus, a dozen of online shopping websites attached with different stimulated cues are to urge impulsive buying from the consumers. The main objective of this research paper is to find out how website design, security and privacy and online shopping service lead to shopping enjoyment and thus make impulsive buying decision of Generation Y.

## **ABSTRACT**

Website attributes such as the security and privacy, shopping services, website design and also shopping enjoyment have significant effect on Gen Y's online impulsive buying behavior. Understanding these website attributes allow marketers to cater suitable needs to attract effective online marketing. People with different income were found to have the similar impulse buying behavior. This research was conducted to investigate the website attributes towards the Gen Y online impulsive buying behavior in Kampar. The targeted populations were Gen Y aged in between 20 years old until 34 years old. Questionnaire surveys were distributed to 330 Gen Y group in Kampar area by using quota sampling technique. SAS was used to analyze the data collected from the respondents. Moreover, Pearson's Correlation Analysis and 4 Ways Simple Linear Regression Analysis were used for data analysis. Then all the variables in this study were found to have significant relationship towards Gen Y online impulsive buying behavior. Thus, this research provides insight regarding the factors affecting Gen Y's online impulsive buying behavior for the practitioners and future researchers.



# **CHAPTER 1: RESEARCH OVERVIEW**

## **1.0 Introduction**

This chapter started off by a discussion of research background that describes the increasing of Generation Y consumers in Malaysia that exposed to online shopping and also acted impulsively. It then talks about the problem statement that trigger the needs of conducting this study. Several objectives are listed that are intended to achieve through this study. Lastly, significance of study to both the practitioners and academics is discussed at the end of this chapter.

## **1.1 Research Background**

According to Jeffrey and Hodge (2007), consumer make online decisions impulsively easily when they are triggered by several aspects, for instance easy or no delivery efforts, lack of social pressures, easy access to products and easy purchasing, around 40% of all the online expenditures are purchased impulsively. Having in-depth understanding on consumer buying behavior is crucial for e-commerce practitioners, such online buying behavior is indeed important to understand.

In year 2013, based on Internet Usage Statistic (2013), the world population that used the Internet hit the number of 38.8%, this explained the growing Internet usage in the world population. For this, it increases the number of people doing business online in Malaysia. In order to stay competitive in the industry, the conventional brick and mortar stores are involving themselves into online business and it allows the stores to capture bigger markets.

The growth of e-commerce in Malaysia is because of the number of personal computers have increased rapidly as well as growth in the proportion of internet usage each year (Harn et al., 2006). Based on the online survey conducted by Wong (2014) in December 2013, they managed to collect the online users' responses in Malaysia and they have found that there were 91% of online users shop online regularly, 54% users shopped online at least once per month and the rest who shopped once a week was 26% (Wong, 2014).

Moreover, based on an online survey that was conducted by a research firm, Kumar (2013), the figures of Malaysian shopping online is increasing, with the number of ten internet users in Malaysia, eight of them were doing online shopping in year 2013. Through online shopping, consumers can buy a product or service without visiting the conventional brick and mortar retail store.

Gen Y consumers have appeared to be a remarkable group in the global market place (Noble, Haytko & Phillips, 2009). Chaston (2009) said that Gen Y is the largest consumer group in any economy. While according to Branchik (2010), Gen Y worth the attention of both the marketing practitioners and researches due to its spending power and size.

## **1.2 Research Problem**

Based on the data provided by the International Data Base of U.S Census Bureau (2007), it indicated that in year 2005, Malaysia has an estimated 24 million of total population and out of these 24 million people, there are 9 million were Gen Y. While Taylor and Cosenza (2002: 393) mentioned that the children of baby boomers, the Gen Y spend family money and they have the potential to influence their parents spending behavior. As for comparison to their predecessors, those that involved in impulsive and compulsive buying are more likely to be Gen Y ("Research in Action," 2004, Xu, 2007).

According to the Usage and Population Statistics (2014), internet usage of Malaysian in 2000 increased steeply from 15 % to 64.4% of the population in 2010 and the total number of internet users in Malaysia reached 17,723,000 in 2012. In order to position Malaysia as a hub for Asia, Global Internet Protocol network has been expanding by Telekom Malaysia Bhd (Omar, 2005).

Utmost researches that related to this field are mainly conducted based on United States and other developed countries such as China and Japan (Muruganantham & Bhakat, 2013; Verma & Badgaiyan, 2014). The perception of consumer in Malaysia indeed is different from those in other countries and such difference would vastly affect the empirical result of the research. The advancement of the World Wide Web abbreviated as WWW and the growing coverage of Internet in all over the world have resulted in the creation of stimuli that advocate impulse buying among consumers (Dawson & Jeong, 2009).

The effect of impulsive buying is very cost effective for the online retailers but over the time it can be dysfunctional and reflect inconsistent decision or myopia by the consumer (Ayadi, Giraud, & Gonzalez, 2013). Moreover, the accelerated growth of technology development has resulting exponential growth of the number of online shoppers to buy goods or services from the web retailers or world accessing international retails websites such as Taobao, Alibaba and Amazon.com (Choon & Piew, 2010; Shankar, Venkatesh , Hofacker , & Naik, 2010).

However, according to the study conducted by PayPal Online and Mobile Shopping Insights Study (2011), they have found part of Malaysians is still refusing to shop online (Goh, 2011). As consumers are unable to feel and touch the quality of the goods when they shop online which increase their reluctant to purchase online (Wong, 2014). Meanwhile, Malaysia retailing sector has just begun to offer online shopping services thus online shopping is considered as a new technology breakthrough for Malaysians (Khatibi et al., 2006). In Malaysia, online shopping is still at the infancy stage (Haque, Sadeghzadeh, & Khatibi, 2006) and there is only limited number of studies regarding the

consumer behavior towards online purchasing in Malaysia. (Haque, Ahasanul; Khatibi, Ali, 2006).

There is shortfall of extensive research regarding the shopping enjoyment of Gen Y online shopper in Malaysia context (Teng, Syuhaily , Askiah, & Fah, 2012). As shopping enjoyment might bring impact to the consumers shopping motives and shopping experiences, it may affect the shopper buying behavior (Dawson, Bloch, & Ridgway, 1990) & (Arne & Maria, 2013). According to Koufaris (2002) & Tibert & Willemijn (2011), the empirical finding of the study showed that there is a postive relationship between shopping enjoyment and online impulsive buying behavior. In addition, a consumer who dissatisfy the online shopping process, it may influence their behavior and tend to decrease their impulsive buying behavior (Bong, 2010).

Consumer who associated with impulsive buying behavior could not resist their impulses and they may suffer from controversy of overconsumption and high debts (Kinney, Ridway, & Monroe, 2009; Peters & Bodkin, 2013). Gen Y has lure attention of researcher from various field to study about their buying behavior, this is because this group comprises large percentage of total population and their high purchasing power in the market (Rugimbana, 2007). Yet, there is still lack of empirical studies which emphasize on Gen Y's online impulsive buying behavior (Valentine & Powers, 2013; Ruane & Wallace, 2013).

The primary purpose of the study is to investigate the evaluation of influencing factors on Gen Y online impulsive buying behavior. Concurrently, this area of study has greatly sparked the interest of many marketers and researchers in global and similar research in Asian country had started to gain attention (Ayadi, Giraud, & Gonzalez, 2013) (Amos, Holmes, & Keneson, 2014) (Verma & Badgaiyan, 2014). However in Malaysia, the research involving in this field remains apparently low, thus the limited research on impulsive buying behavior of Gen Y in Malaysia context give us an idea that this area is worthwhile for us to explore more on this topic.

## **1.3 Research Objective**

### **1.3.1 General Objective**

The research objective is to determine the factors that influences Gen Y in Malaysia on online impulsive buying behavior.

### **1.3.2 Specific Objectives**

- To examine the relationship between website design and Gen Y online impulsive buying behavior.
- To examine the relationship between security / privacy and Gen Y online impulsive buying behavior.
- To examine the relationship between online shopping service and Gen Y online impulsive buying behavior.
- To examine the relationship between shopping enjoyment and Gen Y online impulsive buying behavior.
- To examine the relationship between website attributes and shopping enjoyment.
- To examine the impact of shopping enjoyment on the influences of determinants towards Gen Y online impulsive buying behavior.

## **1.4 Research Significance**

The result of this study contributes by providing implications for designing website that impact on Gen Y impulsive buying behavior to both academic researchers and practitioners.

From this study, the online business owners are able to understand how the characteristics of the website influences shopping enjoyment of Gen Y in Malaysia towards online impulsive buying behavior. Hence, they are able to obtain further insight to the websites characteristics that may influences Gen Y shopping enjoyment and manage their website more effectively. Therefore, they can increase impulsive buying of Gen Y by improving the website attributes in focusing the attribute which is significantly affect shopping enjoyment of Gen Y.

Apart from the online stores, the traditional brick and mortar stores could also know a thing or two from our study. Reason is that the current challenges of brick and mortar stores are not only among themselves but also online stores. They have to learn and adopt their businesses online in order to become more competitive and attract more customers and how to influence customers to make impulse purchases and increase their sales volume.

This study contributes to future researcher who is interested to conduct the research on this field, particularly, Gen Y online impulsive buying behavior. The theoretical contribution can be used as evidence and support for future researchers. Furthermore, the future researchers may access deeper understanding on adaptation of SOR model.

## **1.5 Conclusion**

Basically this chapter discussed on the research background, problem definition, and research objectives of our study. We understand that the importance of having e-commerce as well as evaluate the factors on impulsive buying behavior of Gen Y consumers in which they are lucrative. We aim to produce results that might be useful for further studies and as reference to other researchers.

## **CHAPTER 2: LITERATURE REVIEW**

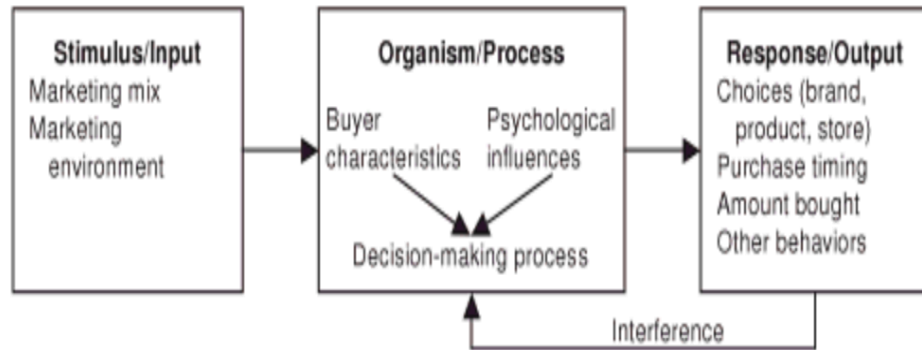
### **2.0 Introduction**

This chapter have the discussion on the different influencing factors that affect the online impulse purchase behavior of Gen Y. Insight review of past studies that concerned on our study were done, previous studies were more focused on online purchase or Gen Y's online purchase but hardly have studies on Gen Y online impulse purchase in which we are doing. From our study, we understand the importance of targeting Gen Y purchase group and also the trend of doing things online, as well as the influencers to make impulse purchases. As for our research model, SOR model also known as Stimulus Organism Response model is used to evaluate the influencing factors towards the Gen Y online impulsive buying behavior, and shopping enjoyment is used as a mediator that may influence their buying behavior. A research framework is drawn to show the overall relationship between the variables and the hypothesis are also listed.

### **2.1 Underlying Theories/ Theoretical Framework**

For this study, we adopted the SOR model refers to the abbreviation of Stimulus Organism Response by Mehrabian and Russell (1974) to understand the factors influencing Gen Y's online impulsive purchasing behavior. The aim of this study is when consumers are revealed to the retailers' website attributes, the consumers' internal states are developed, it then triggers the internal states of the consumers and response to the retailers as well as their websites.

Figure 2.1 The S-O-R Model



Adapted from:

*Lantos, G.P. (2011). Consumer Behavior in Action: Real-Life Applications for Marketing. New York: The Copy Workshop.*

Stimulus or also known as inputs are the predecessors. Generally there are two classes, which are the marketing mix and marketing environment. The marketing mix consists of product, price, place and promotion (4 P's) represents the marketing tool of the marketing manager for the controllable decision variable. The marketing environment includes all the causes that have the impact on marketing decisions and consumer decision-making.

For organism, marketers need to know and understand how consumers take in the inputs or stimulus and how they act towards the marketing environment. Factors here included customer's characteristics, and also the investigation of buyer's psychological profile and sociocultural profile that the marketers obtain. Altogether with the customer's demographic and psychological nature, and marketing program plus the environment, that determine the customers' decision-making process.



While for the response also known as the output, it is the buyer's response or reactions that resulted from his or her decision making process after they took in the stimulus. For instance, the buyer's decision on the product, brands, purchase venue, evaluation, etc. Such outcome variables are usually sum up and interpreted into marketing objectives such as the sales, brand loyalty, and buyer satisfaction level.

The online impulsive buying behavior can be explained by this theory whereby consumers will be exposed by the stimulus, organism and lastly respond that will be discussed further ahead. Furthermore, online environment can influence consumers' responses and also their purchasing behaviors. (Eroglu et al 2001; Menon and Kahn 2002; McKinney 2004)

This state is when the consumers are being exposed to the stimulus or inputs that have their attention. For this study, website attributes that included website design, security/privacy and online shopping service. When the customers have positive feelings towards the website attributes, they are likely to have the sense of shopping enjoyment that is the effect on the organism stage.

In the state of organism is when the consumer starts to have thoughts, emotions and opinions after being exposed to the stimulus provided by the online retailer. The psychological nature within the consumer may influence their decision making process. If the consumer is satisfied with the inputs then he/she is more likely to make acceptance offered; while avoidance might occur if otherwise.

Lastly, the state of response or also known as output is the final outcome of the SOR model. After getting through the previous states, consumers would have made up their decisions. In a scenario if a person being exposed to the stimuli and got really attracted when surfing on the Internet, that person have made an impulsive decision. Therefore, in this study we are going to examine how well the website attributes mentioned above affect this kind of buying behavior.

## **2.2 Review of Literature**

### **2.2.1 Dependent Variable**

#### **2.2.1.1 Online Impulse Purchase**

The study on consumer decision-making has been conducted broadly. The basic belief lies within this knowledge is that the explanation of consumer's decision-making or choices carefully made when being exposed to a few alternatives (Tversky & Kahneman, 1974). In some cases however, there are consumers who did not follow or meet these requirements. For instance, the decisions made are unaware of the availability alternatives or considerations, as well as the inadequate of information towards the products and without the early intention of purchase (Tversky & Kahneman, 1981). This is known as impulse buying.

Based on Parboteeah, 2009, and Rook, 1987, impulse buying often explained as a complicated buying behavior that is made unexpectedly or irresistibly and also without cautious consideration of the information available and alternatives. Impulsivity can be explained as an individual reacts quickly and without serious consideration (Murray, 1983). From the research findings from Kacen, Hess and Walker, 2012, Kollat and Willet, 1969, impulse buying behavior can be classified as unplanned, however unplanned purchases are not always classified as impulse purchases.

Based on the early evidence provided by Donthu and Garcia (1999) that online shoppers tend to be impulsive buyers.

In the following studies, researchers started to conceptualize online impulsivity and empirically tested it in the business-to-consumer (B2C)

shopping environment (Larose 2001; Koski 2004; Madhavaram & Laverie 2004). These studies indicated that, similar to offline consumers, online consumers often deviate from rational buying behavior (LaRose 2001; Madhavaram & Lavarie 2004; Wu & Cheng 2011). All products may be purchased impulsively and all consumers engage in impulse buying on occasion (Piyush et al., 2010).

Online stores capitalize on this behavior by integrating multiple media and enabling consumers to buy around the clock, thereby exposing them to rich stimuli and subsequently providing ever-increasing opportunities for impulsive spending (LaRose, 2011). Impulse buying represent almost 40 percent of all money spent on e-commerce sites, based on the observation of customers' shopping experiences by User Interface Engineering Marketing research has revealed that store characteristics act as an important trigger for impulse purchases (Stilley et al., 2010a & Stilley et al., 2010b).

## **2.2.2 Independent Variables**

### **2.2.2.1 Website Design**

From the past studies, website design is known as the presentation of the products and product information and also the layout, navigation of the websites (Hee & Naveen, 2001; Loiacono, Watson, & Goodhue, 2002; Francis & White, 2004; Hueih, Chieh, & Chen, 2010). Several studies have stated the importance of website design as it helps to enhance customers' online experience (Ganesh, Reynolds, Luckett, & Pomirleanu, 2010; Wolfinbarger & Gilly 2003). According to Liu et al. (2000), a well-

designed website would be able to gain customers attention and a better recall which lead to a more favorable attitude toward the retailers' websites. Other than that, Ganesh et al. (2010) stated that customers are more motivated to engage in online shopping if the website is interesting to the online users

Past studies by Loiacono et al. (2002) states that website design has been divided into aesthetic and functional variables. Past researcher has classified the website design attributes as aesthetic and functional aspect; aesthetic aspect is relate to the website visual cues such as presentation of merchandise, layout of websites while functional aspect includes the usability, selection of the merchandise and navigation which is related to the interface of a website (Zimmerman, 2012). According to Costa and Laran (2003), they further recognized that a customer's impulse purchase behavior could be affect by the retailer's online environment.

#### **2.2.2.2 Security/ Privacy**

According to Chen, Hsu and Lin (2010), security and privacy is the ability of the website to deliver a safe infrastructure for customers. In addition, it is related in delivering sufficient security features on transactions that able to keeps the confidentiality of customers (Jonelle, 2012). Security and privacy are a confidential infrastructure, which is reliably built to keep the security of the information the consumer (Chen et al., 2010). In e-commerce the attributes of security and privacy are not viewed individually, but attribute of security is the must in order to protect privacy of customers. (Wolfenbarger & Gilly, 2003; Delgado, Munuera \*Yague, 2003; Ba & Pavlou, 2002).

Ertell (2010) found that there is around 70 percent of the Internet users in the US are concerning on the security of their particular and information

on Internet, the worry increases more especially when the store has not enough of brand identification or it is not physically present in real world. According to Ling, Chai and Piew (2010), the security and privacy of online transaction cause the consumer feel secure with the brand and their purchase intention whether to buy in the store or online. One study found that impulse purchase is significantly related online purchase intention of customers (Zhang, Prybutok & Strutton, 2007).

#### **2.2.2.3 Online Shopping Service**

According to Jusoh & Ling (2012), the concept of online shopping was firstly originated in the late 1979 by an English entrepreneur, Michael Aldrich before the World Wide Web (WWW) was introduced (cited in Monsuwe, Dellaert, & Ruyter, 2004). Moreover, the concept by Mr. Aldrich was known as Videotext and it is a system that involves real time transaction from a television program (Lohse & Spiller, 1998).

Moreover, Jusoh & Ling (2012) mentioned that online shopping is a process which allows the buyer to purchase good and services from seller who sell the product on the internet. Besides, people can visit the web stores with just a few clicks in anywhere anytime by using neither smartphone nor computer (Close & Kinney, 2010). In other words, all we need is a electronic device like smartphone, tablet or laptop, a debit or credit card and then the buyer can enjoy the online shopping service (Hui, Jun, & Xi, 2008; Sejin & Stoel, 2009).

Previous researcher found that the more personalized services offered by online retailer, the more favorable that the online shopper may engage and have confident with the website (Eroglu, Machleit, & Davis, 2001). According to Na, Wei, and Song (2007), personalized services strengthen the exploration and led to impulsive buying of shoppers. Furthermore,

online personalized services can influence the behaviour of online shopper that lead them to buy more often and without consideration (Pappas, Giannakos, & Chrissikopoulos, 2012).

From the viewpoint of consumer, online shopping grants lots of convenience for them (Farhang, Bentolhoda, Atefeh, & Forouz, 2012). For instance, a better buying condition where buyer can compare the price and function of the items with other sellers from different region and countries, less time is spend on queuing up from the order discrepancies and buying and selling procedure (Niranjanamurthy , Kavyashree , Jagannath, & Chahar, 2013). Likewise, consumer can enjoy the online shopping service for 24 hours per day, 7 days a week as online stores run all the time and open for 365 days a year (Gangeshwer, 2013).

### **2.2.3 Mediator**

#### **2.2.3.1 Shopping Enjoyment**

Shopping enjoyment is defined as a characteristic of the buyer in which they have the tendency to find that shopping is enjoyable and able to experience greater shopping pleasure (Goyal & Mittal, 2007). A person with high level of shopping enjoyment tends to browse the website for a longer period of time and is expected to have stronger urge to buy impulsively (Chavosh, Halimi & Namdar, 2011; Bong Soeseno, 2010). Shopping enjoyment is also considered as an important intrinsic factor as the enjoyment comes from shopping process within shoppers themselves due to their shopping activity (Jung & Lim, 2006; Bong Soeseno, 2010). Other than that, in Ghani and Deshpande (1994), Tonita, Dellaert and Ruyter (2004), and Beatty and Ferrel (1998) studies, they support the idea that when a person purchasing online, an individual's intrinsic enjoyment

able to increase a user's exploratory behavior and might lead to impulse purchase. However, Koufaris (2002) found that shopping enjoyment do not have any significant impact on impulse purchases.

According to Warner (1980), enjoyment is divided into three dimensions: Engagement, Positive Affect and Fulfillment. While in Lin, Gregor and Ewing (2008) study, they have mentioned that there are twelve characteristics of the enjoyment experience and these twelve characteristics are under three different dimensions. The key characteristics for engagement dimension are engrossed, absorbed, attention focus and concentrated, while happy, pleased, satisfied and contented for the positive affect dimension and the characteristic for fulfillment dimension are rewarding, useful, meaning a lot and worthwhile.

## **2.3 Operationalization of Research Framework**

Based on the past study, website design is visuals and audible applications of the website that including layout, animation, music, color, and graphics (Collier & Bienstock, 2009). Other than that, the design of the website is how the consumers perceive the organization and order of the website (Wang, Hernandez, & Minor, 2010). Furthermore, in this study, website design is also refers to ease of use of the website which is the functional aspect of the website design.

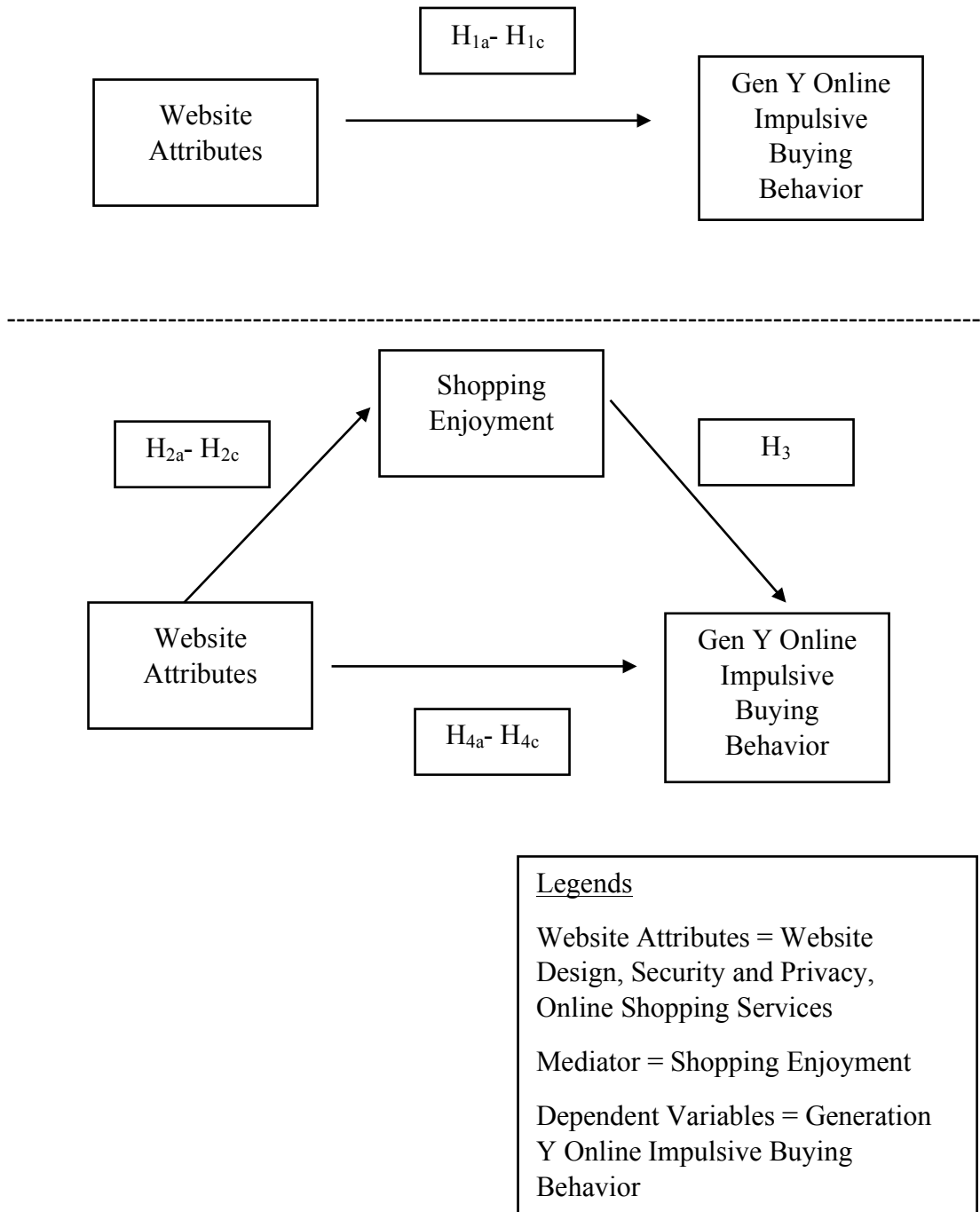
The website has good security features when the privacy of the customer is protected, the website security and privacy features allow a consumer to feel secure with his or her personal interactions with the website and intention to purchase in the store (Ling et al., 2010; Constantinides, 2004). Therefore, in this study, security and privacy are important attribute of the website for a consumer in triggering their impulse purchase behavior on online.

Wolfenbarger and Gilly (2003), (Hsien, 2009) and Joo, Young , Martin, & William (2012) strongly believe that the service provided by online shopping vastly affect the purchasing behavior of the consumer and thereby induce impulsive buying behavior. In addition, online shopping service such as rapid response and after sales services by the online shoppers in this study can create a strong impact on the level of customer satisfaction, primarily to build a sense of trust and confident. Hence, online shopping service in this study are obtaining the similar views with the past research.

Shopping enjoyment is defined as the online shopping experience of consumers which is entertaining and playfulness (Tonita et al., 2004). Furthermore, based on Childers, Carr, Peck and Carson (2001) study, enjoyment is consumer perception of happiness and is a strong and reliable predictor of consumers' attitude that able to affect online shopping. Thus, in this study, we are developing the similar view from past studies.



Figure 2.2: Research Framework



Source: Developed for the research

## 2.4 Hypotheses Development

**H<sub>1a</sub>: There is a significant relationship between website design and Gen Y's online impulsive buying behavior.**

Past studies have showed that, the degrees of website quality can both positively and negatively influenced highly impulsive consumers (Wells, Parboteeah, & Valacich, 2011). Furthermore, one of the past studies also mentioned that user-friendly, organized and legible website can lead to consumers' positive emotions as the consumers' favor toward order and certainty can fulfilled human intrinsic needs even when online users browse a website without purchase purpose (Maslow, 1970 as cited in Wang, Minor & Wei, 2011). This positive emotion may lead to unplanned purchase by consumers without any purchase intention at first (Beatty & Ferrell, 1998 as cited in Wang, Minor, & Wei, 2011).

In Dawson and Kim (2009) study, they further explained and claimed that due to online consumers are frequently exposed to the stimuli such as image, layout, graphics, pop-up windows, retailer's recommendation and so forth on the website so they are more impulsive and (Rook & Fisher, 1995) thereby increase the likelihood of impulse buying. Therefore, a well-designed and good quality website tend to increase the likelihood of online users' impulse purchases.

**H<sub>1b</sub>: There is a significant relationship between security/privacy and Gen Y's online impulsive buying behavior.**

From the past studies, security and privacy is an important aspect that influence the purchase intention of consumer whether to buy online or in the store, therefore the store is not able to provide a secure infrastructure decrease in purchase intention of consumer (Ling, Chai and Piew ,2010 and Constantinides, 2004). The past studies found that

impulse purchase is significantly related to online purchase intention of customer (Ling et al., 2010; Zhang et al., 2007 and Martinez and Kim, 2012).

**H<sub>1c</sub>: There is a significant relationship between online shopping service and Gen Y's online impulsive buying behavior.**

A good customer service interaction for an online shopping is the fundamental of a business to become competitive and successful among its rival (Jin & Leslie, 2009). Furthermore, according to Da & Tan (2004) and Khan & Mahapatra (2009) found out that the customer service quality plays a vital role and in fact it directly affect the customer attitude towards online shopping which lead to impulsive buying behavior.

Based on the previous studies conducted from the researcher (Ju, 2007; Joo & Young, 2008), they found that online shopping services can encourage consumer browsing behaviour, which mean it can lead to impulsive buying behavior. Moreover, in another research conducted by Alam, Hoque, & Oke (2010), they concluded that an efficiency of service quality would inaugurate a secure feel and a more confident purchasing behavior to the online shopping user and stimulate them to purchase more.

**H<sub>2a</sub>: There is a significant relationship between website design and shopping enjoyment.**

As according to the past researcher, Coverdale and Morgan (2010), they stated that shopping enjoyment of online users on online shopping experience can positively affect their perception toward the website. Few researchers further explained that online users' shopping enjoyment is depends on the website design and also information provided in a website (Wen, Prybutok, & Xu, 2011). Furthermore, Mummalaneni (2005) also stated that the design of a website positively influence the enjoyment experienced by consumers.

**H<sub>2b</sub>: There is a significant relationship between security and privacy and shopping enjoyment.**

Past researchers argue that consumers' perception of enjoyment and shopping behavior can be positively influenced by privacy of a website (Dabholkar, 1996; Rust & Kannan, 2003; Saeed, Hwang, & Grover, 2003). According to Yoo and Donthu (2001), security and privacy of a website has strong influence on how consumers perceive the overall website quality whether or not consumers are engaged in money transaction with the retailers. Thus, past researchers prove that when consumers browse a website with high quality features, consumers are more likely to experience greater enjoyment and more willing to complete the tasks at a website (Ha & Stoel, 2009).

**H<sub>2c</sub>: There is a significant relationship between online shopping services and shopping enjoyment.**

Shopping enjoyment also acts as an antecedent that results in different kinds of website usage behaviors such as intention to use the website, engage in the website activities, return to a website and so on (Jarvenpaa & Todd, 1997; Koufaris, 2002; Novak, Hoffman, & Yung, 2000; Trevino & Webster, 1992). Hwang and Kim (2007) argue that an effective website can enhance consumers' intrinsic enjoyment by providing customer service. Other than that, past researchers also further explain that consumers' perceived enjoyment can be positively affected by customer service of a website (Hwang & Kim, 2007).

**H3: There is a significant relationship between shopping enjoyment and Gen Y's online impulsive buying behavior.**

According to Mohan, Sivakumaran and Sharma (2013), Chavosh et al. (2010), Sharma, Sivakumaran and Marshall (2010), Bong Soeseno (2010) and Beatty and Ferrell (1998), their studies have mentioned that customers who enjoy shopping very much tend to be

more impulsive and hence leads to positive relationship between shopping enjoyment and unplanned buying behavior. Furthermore, according to Bizuneh (2012), if a customer is enjoy their experience while making online purchases, they are more willing to spend their time to explore the web store and thereby generate more unplanned purchases. Thus, the website quality with service contents is able to significantly influence customers' shopping enjoyment (Hwanga & Kimb, 2007).

**H<sub>4a</sub>: There is significant relationship between Gen Y's online impulsive behavior, shopping enjoyment and website design.**

One past study mentioned that a user-friendly design of the website may lead a consumer to enjoy to shop in the online store and trigger their purchase intention to make unplanned purchase without any purchase intention at first (Beatty & Ferrell, 1998 as cited in Wang, Minor, & Wei, 2011). Mummalaneni (2005) also mentioned that the design of a online store influence the enjoyment of the consumer during the shopping, when a consumer is enjoyed on shopping he/she is more likely to purchase impulsively.

**H<sub>4b</sub>: There is a significant relationship between Gen Y's online impulsive behavior, shopping enjoyment and security/privacy.**

According to Yoo and Donthu (2001), security and privacy of a website has strong impact on the emotion of a consumer, the positive emotion of the consumer increase the likelihood of the consumer make unplanned purchase. Furthermore, consumer feel secure if they feel their privacy is protected and the information provided is secured with the online store cause the consumer to have greater shopping enjoyment and more likely to purchase impulsively (Ha and Stoel, 2009 and Ling, Chai and Piew, 2010).

**H<sub>4c</sub>: There is a significant relationship between Gen Y's online impulsive buying behavior, shopping enjoyment and online shopping service.**

According to the past studies, the consumers be more enjoy in the online shopping if the online website provides efficient service, which can lead to impulsive buying behavior of the consumer (Joo & Young, 2008). Besides, a past study concluded that customer service of a website have positive impact on consumers' perceived enjoyment and influence their impulsive buying behavior. (Hwang & Kim, 2007).

## **2.5 Conclusion**

This chapter focus on reviewing the independent and dependent variables. By reviewing the past studies as guideline, the conceptual framework is proposed along with the hypothesis. Then, the following chapter will discuss on the research method and the ways it is conducted.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Introduction**

This chapter generally discusses on the methodology used for this study on how the website attributes influence the impulsive buying behavior of the consumers. It also includes how the research was carried out such as identifying the research design, sampling design, data collection procedures and the proposed data analysis tool.

### **3.1 Research Design**

#### **3.1.1 Quantitative Research**

Quantitative approach is the research design used for this study. Quantitative research make use of questionnaires, surveys and experiments to gather data that is revised in numbers, which allows to data to be characterized by the use of statistical analysis (Hittleman & Simon, 1997, p. 31). In addition, according to Cohen (1980), quantitative research is defined as social research that employs empirical methods and empirical statements. Moreover, Creswell (1994) has given a very concise definition of quantitative research as a type that is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods. Holton and Burnett (1997) mentioned that one of the advantages by using quatitative research is that the ability of quantitative methods to use smaller groups of people to make assumption out of larger groups that would be more expensive to study.

### **3.1.2 Descriptive Research**

Descriptive design was chosen for this study, this design able to provide numerical data that helps to identify the characteristics and relationship between the variables. This research design requires to collect quantitative data among the large representative sample. As such, questionnaires are distributed to targeted population for data collection.

## **3.2 Data Collection Methods**

### **3.2.1 Primary data**

Data collection is the gathering of information from the respondents. Among our members, we distribute questionnaires to our targeted respondents that are in Kampar, Perak and they are within Gen Y age group. Primary data is the main source for our data collection. Primary data refers to the data that were collected for the first time and for the specific study on hand (Burns & Bush, 2010). Sources for primary data are on interviews, surveys, experiments, and questionnaires. (Sudman and Blair, 1998:74). We are using primary data is because the primary data are original and related to our study, thus the result will be more reliable and relevant.



### **3.3 Sampling Design**

#### **3.3.1 Target Population**

The target population of this study is people around the age group of Gen Y that is within 20 until 34 years of age and which mostly consists of students because Kampar is populated with Gen Y students from University Tunku Abdul Rahman and Tunku Abdul Rahman College. The students come from different places and we are able to know what the responses are even though they are not from the same place. As mentioned by Jones (2002), Gen Y individuals have very high Internet usage rate and according to Taylor and Cosenza (2002: 393), Gen Y is able to influence parents's purchasing habits as well as spending family money.

#### **3.3.2 Sampling Technique**

The sampling technique chosen for this study are non-probability sampling technique and quota sampling technique. According to Tashakkori and Teddlie (2003), non-probability sampling technique is when a person does not hold equal chances of being selected in a sample. This is suitable for us because people that are too young or too old will not be selected as our respondents. While quota sampling is one of the non-probability sampling technique that select the respondents with their characteristics being relevant to the research questions (Koolwijk, 1974; Kromrey, 1980:138 Friedrichs, 1973:133). We first identify our targeted respondents by observing whether they meet the age range of Gen Y then approach them and ask for their age. If they met the age range then another question from us is whether they have made any purchases online. If yes for both questions then we will distribute our questionnaires to the respondents.

### **3.3.3 Sampling Size**

Sample size is the number of respondents that are chosen among the population while conducting the research. As recommended by Guilford (1954), a minimum sample size of 200 is appropriate. While Gorsuch (1974) distinguished that sample size below 50 is considered small and 200 is considered as large. As proposed by Cattell (1978), 500 would be a good sample size, however sample sizes of 200 or 250 are sufficient too. As such, we are distributing 300 questionnaires to our targeted respondents around Kampar area.

### **3.3.4 Drop-off Surveys**

This study is using drop-off survey as data collection method, which is one of the methods of self-administered survey. This method is carried out by distribute the questionnaires to the respondents and they will complete the survey on his/her own without the monitoring of administer and administer may return to collect the completed questionnaire at a later time. Several ways of drop-off survey were conducted. Firstly, the four members will be separated into two groups, the first group is responsible to reach the respondents in UTAR, enter to lecture classes before the class starts and distribute the survey forms to the students. Then, we collect the survey forms from them. Second group is responsible to distribute the survey forms at popular hawkers stall in Kampar at dinnertime, because we are able to reach both UTAR and KTAR students and lecturers at there, which most of them are our target population.

## **3.4 Research Instrument**

### **3.4.1 Questionnaire Design**

Before we distributed our questionnaires, firstly, the age of our targeted respondents are asked and whether they have the experience of purchasing things online. This is to make sure they match our research objectives of Gen Y and also made online purchase.

The questionnaire consists of 2 parts, Section A and Section B. There is a short explanation of impulsive buying, so that the respondents have an idea about the research topic and the purpose of this survey. There are two questions in Section A, which are gender and income level. It is used to know the demographic profile of the respondents in brief. Nominal scale is used in this section, where number is just for classification.

However, there are 26 questions in Section B and divided in 5 subsections. The 5 subsections are consisted 3 independent variables (website design, security and privacy and online shopping service), mediator (shopping enjoyment) and dependent variable (online impulse buying). Likert scale is used in this section, respondents are required to choose one from the scale varying from 1 to 5 which is from strongly disagree to strongly agree, to show their degrees of agreement to the statement.

### **3.4.2 Pilot Test**

According to Hair, Money, Samouel & Page (2007), pilot study is a test that is conducted before the actual questionnaire is distributed, this able to help us identify the problems on the questionnaires whether the respondents understand the questions on it and no miscommunication. From that, we able to make improvements and adjustments until the final questionnaire is constructed and distributed to our targeted respondents.

## **3.5 Data Analysis**

### **3.5.1 Descriptive Analysis**

Descriptive statistic is a way to summarize all the values making up the variable and interpret into descriptive information and value (Eiselen, Uys & Potgieter, 2005). Zikmund (2003) state that, descriptive statistics used to measure and describe the characteristic of the population or sample. To summarize the data, there are few common ways can be used by researchers such as frequency distribution, percentage distribution and calculating average. In our study, frequency distribution and percentage distribution will be conducted and shown in the table form.

## **3.5.2 Scale Measurement**

### **3.5.2.1 Reliability Test**

According to Parker, Simmons, Shuster, Siliciano, & Guthrie (1988) and Santos (1999), the primary objective of using reliability test is to figure out the consistency and stability of the research instrument. Moreover, reliability test indicates whether the researcher was correct in estimating a certain variables to yield interpretable statements (Cronbach, 1951).

In our studies, we had selected the Cronbach's Alpha test as the tool to examine the correlation of our variables. Cronbach's Alpha is used to test the internal consistency and pairwise correlation among the variables that we had used in this study. In short, it means that how closely or compact related the variables are as a group (Nunnally & Bernstein, 1999) & (Malhotra, 2010). In addition, the value of Cronbach's Alpha can be range between negative infinity to positive 1 (Tavakol & Dennick, 2011).

The theoretical value of coefficient varies from zero to one. If the result shows the value of 0.6 or below, the internal consistency accuracy is unacceptable (Malhorta, 2010). In general, the value of alpha above 0.60 is acceptable and it implies a strong association among the variables (Bademci, 2014).

### **3.5.2.2 Validity Test**

Test validity is a term of a test which measures what it supposed to measures. In short, a measure is said to be valid if it had successful

measures what it is supposed to measure (Riege, 2003). We had opted the face validity test in the study. Face validity test is a test that based on measure by refers to the “surface” of a study (Weiner & Craighead, 2010). In other words, according to Anastasi & Urbina (1997) & Cram101 Textbook Review (2012), a test can be considered to be have face validity if it “looks like” it is going to measure what is supposed to be measure or manipulate the construct of interest.

### 3.5.3 Inferential Analysis

#### 3.5.3.1 Pearson Correlation Analysis (PCA)

PCA is a statistical technique that indicates the linear correlation or relationship between two variables (Taylor, 1990). It is generally appropriated to determine if a relationship exist between two variables (Hauke & Kossowski, 2011). The value of PCA is in between negative 1 and positive 1 which indicates a perfect positive and negative relationship respectively and zero value indicates that there is no any relationship among the variables (Gujarati & Porter, 2009).

Table 3.1 Rules of Thumb about Correlation Coefficient Size

| <b>Coefficient Range</b> | <b>Strength of Association</b>  |
|--------------------------|---------------------------------|
| $\pm .91 - \pm 1.00$     | Very strong                     |
| $\pm .71 - \pm .90$      | High                            |
| $\pm .41 - \pm .70$      | Moderate                        |
| $\pm .21 - \pm .40$      | Small but definite relationship |
| $\pm .00 - \pm .20$      | Slight almost negligible        |

Source: Malhotra, N. K. *Marketing research: An applied orientation* (6<sup>th</sup> ed.). New Jersey: Pearson.

#### **3.5.3.2 Simple Regression Analysis (SRA)**

SRA is the most generally used analysis method when examined the relationship between independent and dependent variables (Fox, 2008). Likewise, SRA is an approach that led us to understand the effect of independent variables on dependent variables (Ramachandran, 2014). According to Pesaran and Smith (2014), and Roussas (2014), the effect of the independent variables on dependent variables can be obtained either direct or indirect effect by using SRA.

### **3.6 Conclusion**

As conclusion, chapter 3 is the basis of the process of collects the data and information and gives the researcher a clear picture on what he/she is carrying out. In this study, we were discussing the methods of collecting the data, sampling design, the procedures of data collection, questionnaire design, scale measurement and data analysis. In chapter 4, we further analyze the results obtained from the statistical analysis.

## **CHAPTER 4: DATA ANALYSIS**

### **4.0 Introduction**

In this chapter, the collected data are analyzed by using SAS program. The analyzed data are the raw data collected from the 277 sets of questionnaires out of 300 sets of questionnaires distributed. For the analysis, frequency distribution and percentage distribution are used to analyze the respondents' demographic profile and their income level. Furthermore, Pearson Correlation Analysis and Simple Linear Regression are also used to analyze the strength between the independent variables, mediator and dependent variable.

### **4.1 Response Rate**

We distributed our 300 sets of questionnaires to our targeted respondents which were the Gen Y in Kampar area. We first approached to the potential respondents then clearly explained our purpose of doing the survey and hoped that they would participate in it. Good thing most of them were helpful while on the hand, there were some that we found out they answering the questions randomly without even looking at it, there were also some returned with only one page filled in. As such, out of the 300 sets distributed, only 277 sets are usable.



## 4.2 Descriptive Analysis

### 4.2.1 Respondent Demographic Profile

There are 2 questions of respondent demographic profile. The questions are gender and income level of the respondents. Each of it was analyzed in table form and pie chart shown as below.

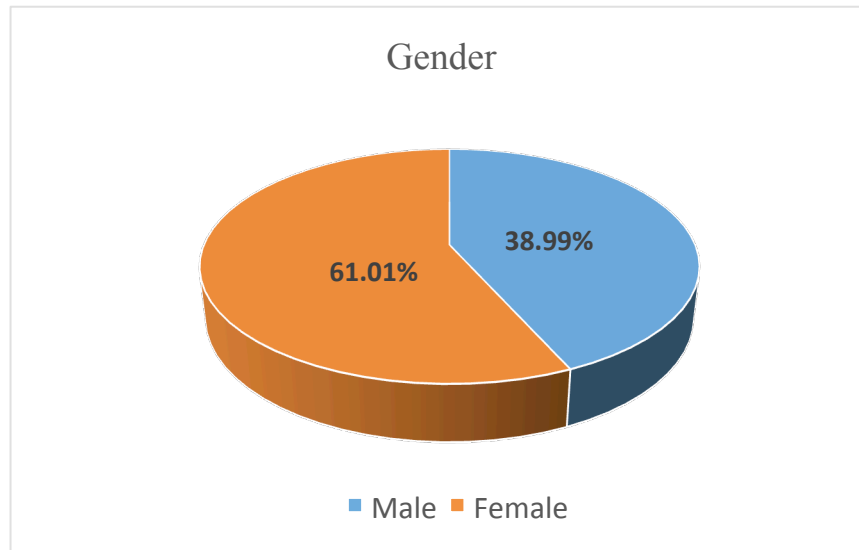
#### 4.2.1.1 Gender

Table 4.1: Statistics of Respondents' Gender

| Gender | Frequency | Percent | Cumulative<br>Frequency | Cumulative<br>Percent |
|--------|-----------|---------|-------------------------|-----------------------|
| Male   | 108       | 38.99   | 108                     | 38.99                 |
| Female | 169       | 61.01   | 277                     | 100.00                |

Source: Developed for the research

Figure 4.1 Percentage of Respondent Based on Gender



Source: Developed for the research

According to the Table 4.1, it shows that there are 108 of male respondents and 169 of female respondents. There are 38.99% represented by male respondents while 61.01% represented by female respondents which stated in Figure 4.1.

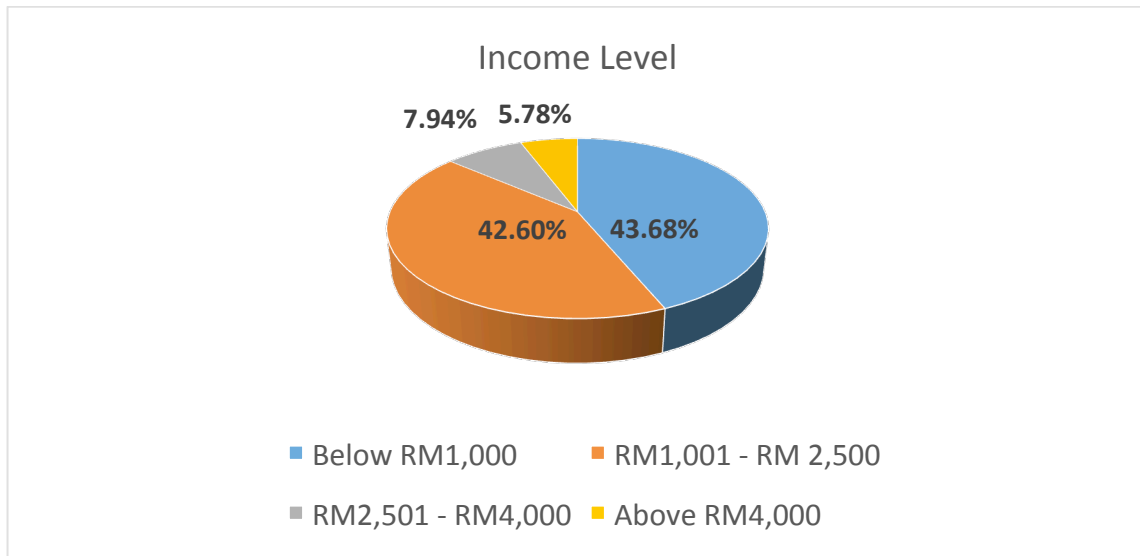
#### **4.2.1.2 Income Level**

Table 4.2 Statistics of Respondent's Income Level

| Income Level     | Frequency | Percent | Cumulative Frequency | Cumulative Percent |
|------------------|-----------|---------|----------------------|--------------------|
| Below RM1,000    | 121       | 43.68   | 121                  | 43.68              |
| RM1,001- RM2,500 | 118       | 42.60   | 239                  | 86.28              |
| RM2,501- RM4,000 | 22        | 7.94    | 261                  | 94.22              |
| Above RM4,000    | 16        | 5.78    | 277                  | 100.00             |

Source: Developed for the research

Figure 4.2 Percentage of Respondent Based on Income Level



Source: Developed for the research

Table 4.2 and Figure 4.2 reveal the income level of the respondent. Majority of the respondent's income level is below RM1,000 which consists of 43.68%. There are 118 respondents fall in the range of RM1,001- RM2,500 (42.60%). Moreover, there are 22 of respondents income level at the range of RM2,501- RM4,000 (7.94%) and 16 of respondents income level is above RM4,000 (5.78%).

## **4.3 Scale Measurement**

### **4.3.1 Reliability Test**

Cronbach Coefficient Alpha method is used to assess the internal consistency. Based on the data shows in table 4.1, the alpha value for some independent variables is between  $0.5 < \alpha < 0.6$  indicating that the result is poor while others is

$0.6 < \alpha < 0.7$  indicates acceptable reliability, as according to the rule of thumb for Cronbach Coefficient Alpha stated that alpha between 0.5 and 0.6 is consider poor while alpha value between 0.6 and 0.7 is acceptable. Besides that value that closer to 1 is the most reliable and value that closer to 0 has the least reliability.

Based on table 4.1, website design, security and privacy, shopping service, shopping enjoyment and impulse buying have alpha value of 0.616, 0.545, 0.689, 0.510 and 0.535. Shopping services has the strongest reliability when compare to others independent variables with an alpha value of 0.689.

Table: 4.3 Reliability Statistics

| Cronbach Coefficient Alpha with Variable |                        |        |
|--|------------------------|--------|
| Variables                                | Standardized Variable  |        |
|  | Correlation with total | Alpha  |
| Website Design                           | 0.3251                 | 0.6164 |
| Security / Privacy                       | 0.4701                 | 0.5451 |
| Online Shopping Service                  | 0.1636                 | 0.6885 |
| Shopping Enjoyment                       | 0.5363                 | 0.5105 |
| Impulsive Buying                         | 0.4902                 | 0.5348 |

Source: Developed for the research

## 4.4 Inferential Analysis

### 4.4.1 Pearson Correlation Analysis (PCA)

According to Hair, Money, Samouel, & Page (2007), they stated that Pearson Correlation Coefficient is used to identify the direction, strength and the significance of bivariate relationships among the variables.

Table 4.4 Pearson Correlation Analysis

|                          | Website Design | Security/ Privacy | Online Shopping Services | Shopping Enjoyment | Impulse Buying |
|--------------------------|----------------|-------------------|--------------------------|--------------------|----------------|
| Website Design           | 1              |                   |                          |                    |                |
| Security/ Privacy        | 0.3548         | 1                 |                          |                    |                |
| Online Shopping Services | -0.00689       | 0.01023           | 1                        |                    |                |
| Shopping Enjoyment       | 0.25125        | 0.45002           | 0.28030                  | 1                  |                |
| Impulse Buying           | 0.28803        | 0.40814           | 0.18691                  | 0.38369            | 1              |

Source: Developed for the research

The coefficient value between independent variable of Gen Y's online impulsive buying behavior with website design (0.288) and shopping enjoyment (0.384), according to the rules of thumbs, coefficient value between  $\pm 0.21$  -  $\pm 0.40$  is considered as small but there is a definite relationship. Other than that, the coefficient value of security/privacy (0.408) which is falls under the coefficient range between  $\pm 0.41$  -  $\pm 0.70$  and this indicates that there is a moderate relationship between the shopping services and generation Y's online impulse buying behavior. Whereas, shopping services has weak relationship with Gen Y's online impulsive buying behavior, the coefficient value is 0.187 which is falls under the coefficient range of  $\pm 0.00$  -  $\pm 0.20$ .

On the other hand, the moderator, shopping enjoyment with dependent variable; website design (0.251) and online shopping service (0.28) has small but has definite relationship, whereas security/privacy (0.45) has moderate relationship with shopping enjoyment.

## 4.4.2 Four-ways Simple Linear Regressions

### 4.4.2.1 Independent Variables – Dependent Variable

Table 4.5 Summary of Independent Variables and Dependent Variable

| Variable             | R Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|----------------------|----------|-------------------|--------|--------------------|---------------|
| Website Design       | 0.2241   | 0.2156            | <.0001 | 0.2852             | 0.1845        |
| Security and Privacy |          |                   |        | 0.2835             | 0.3474        |
| Shopping Services    |          |                   |        | 0.2161             | 0.1662        |

Source: Developed for the research

By referring to the table of Analysis of Variance, the P- value (Pr>F) is <0.0001. The p-value is smaller than the alpha value 0.05. Thus, there is significant relationship between the predictors (website design, security and privacy, shopping services) and dependent variable (Gen Y's online impulse buying behavior).

The value of R-square is 0.2241 this means that 22.41% of the outcome is significant accounted for the examined regression line. This indicates there is only 22.41% of the variation in online impulse buying behavior can be explained by our predictors (website design, security and privacy,

shopping services). Meanwhile, the remaining 77.59% is explained by others factors.

Based on the table above, security and privacy has the highest value for standardize estimate which is 0.3474. Thus, security and privacy is the key factor that affected Gen Y's online impulse buying behavior and follow by website design (0.1845) and shopping services (0.1662).

#### 4.4.2.2 Independent Variables – Mediator – Dependent Variable

Table 4.6 Summary of Independent Variables, Mediator and Dependent Variable

| Model                   | R-Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|-------------------------|----------|-------------------|--------|--------------------|---------------|
| Website Design          | 0.2493   | 0.2383            | <.0001 | 0.1896             | 0.1458        |
| Security / Privacy      |          |                   |        | 0.2207             | 0.2704        |
| Online Shopping Service |          |                   |        | 0.2047             | 0.1324        |
| Shopping Enjoyment      |          |                   |        | 0.1907             | 0.1883        |

Source: Developed for the research

By referring the data shows in the Table 4.6, the P-value (Pr>F) is <0.0001. By comparing with the alpha value 0.05, p-value is less than the



alpha value. Thus, we reject H0. We can conclude that there is significant relationship between the predictors (website design, security and privacy, shopping services, shopping enjoyment) and dependent variable (Gen Y's online impulse buying behavior).

Furthermore, the value of R-square is 0.2493. It means there is only 24.93% of the variation in the online impulse buying behavior can be explained by each predictor (website design, security and privacy, shopping services, shopping enjoyment). While the 75.07% only can be explained by others factors. The R-Square value increases when one more predictor (shopping enjoyment) is added to the model. However, according to Malhotra (2007), by adding more predictors to the model, the R Square is never decrease even though the variable is not significance. To compensate this, R-square is adjusted at 23.83% based on the number of predictors and sample size.

Besides that, by looking at the standardize estimate, security and privacy has the highest value which is 0.2704 and follow by shopping enjoyment (0.1883), website design (0.1458) and shopping services (0.1324). Hence, this makes the security and privacy the key factor among all predictors.

#### **4.4.2.3 Mediator – Dependent variable**

Table 4.7 Summary of Mediator and Dependent Variable

| Model              | R-Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|--------------------|----------|-------------------|--------|--------------------|---------------|
| Shopping Enjoyment | 0.1472   | 0.1441            | <.0001 | 0.3885             | 0.3837        |

Source: Developed for the research

Based on the diagram above, in the table of Analysis of Variance, the P-value ( $Pr>F$ ) is  $< 0.0001$ . By comparing the p-value with alpha value 0.05, the p-value is smaller than alpha value. Hence, we can conclude that there is significant relationship between the mediator (shopping enjoyment) and dependent variable (Gen Y's online impulse buying behavior).

Furthermore, the R-square in the table above is 0.1472, this shows that there is only 14.72% of variance in online impulse buying behavior can be explained by our mediator (Shopping Enjoyment). The remaining 85.28% is explained by other factors.

#### 4.4.2.4 Independent Variables – Mediator

Table 4.8 Summary of Independent Variables and Mediator

| Model                   | R-Square | Adjusted R-Square | $Pr>F$   | Parameter Estimate | Std. Estimate |
|-------------------------|----------|-------------------|----------|--------------------|---------------|
| Website Design          | 0.2888   | 0.2810            | $<.0001$ | 0.1391             | 0.1083        |
| Security / Privacy      |          |                   |          | 0.3295             | 0.4088        |
| Online Shopping Service |          |                   |          | 0.4227             | 0.2769        |

Source: Developed for the research

Based on the data shows in the table of Analysis of Variance, the P-value ( $Pr>F$ ) is  $<0.0001$ . By comparing with the alpha value 0.05, p-value is less than the alpha value. Thus, we reject  $H_0$ . We can conclude that there is

significant relationship between the predictors (website design, security and privacy, shopping services) and mediator (shopping enjoyment).

The value of R-square is 0.2888. This indicates only 28.88% of variation in shopping enjoyment can be explained by our predictors (website design, security and privacy, shopping services). Meanwhile, there is 71.12% of the variation is explained by others factors.

From the table above, security and privacy has the highest value for standardize estimate which is 0.4088 when compare with others. It means that the security and privacy is the key factor among other variables that affected shopping enjoyment follow by shopping services (0.2769) and website design (0.1083).

## **4.5 Conclusion**

In this chapter, data collected from the respondents are analyzed by using SAS. The results shown the relationship and strength between the independent variables, mediator and dependent variable. Then, in the following chapter will be the discussion on the study's limitations as well as conclusion.

## **CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS**

### **5.0 Introduction**

This chapter begins with the summary of descriptive analysis, scale measurement, and inferential analysis. Furthermore, there are also discussions on implication and limitations of this study, and also recommendation for future research, lastly is the overall conclusion for this study.

### **5.1 Summary of Hypothesis Testing**

| Hypothesis      | Description   | Sig. Value | Conclusion |
|-----------------|---|------------|------------|
| H <sub>1a</sub> | There is a significant relationship between website design and Gen Y's online impulsive buying behaviour.           | <.0001     | Supported  |
| H <sub>1b</sub> | There is a significant relationship between security/privacy and Gen Y's online impulsive buying behaviour.         | <.0001     | Supported  |
| H <sub>1c</sub> | There is a significant relationship between online shopping services and Gen y's online impulsive buying behaviour. | <.0001     | Supported  |
| H <sub>2a</sub> | There is a significant relationship between website design and shopping enjoyment.                                  | <.0001     | Supported  |
| H <sub>2b</sub> | There is a significant relationship   | <.0001     | Supported  |

|                 |   |        |           |
|-----------------|---|--------|-----------|
|                 | between security/privacy and shopping enjoyment.  |        |           |
| H <sub>2c</sub> | There is a significant relationship between online shopping services and shopping enjoyment.  | <.0001 | Supported |
| H <sub>3</sub>  | There is a significant relationship between shopping enjoyment and Gen Y's online impulsive buying behaviour.                           | <.0001 | Supported |
| H <sub>4a</sub> | There is a significant relationship Gen Y's online impulsive buying behaviour, shopping enjoyment and website design.                   | <.0001 | Supported |
| H <sub>4b</sub> | There is a significant relationship between Gen Y's online impulsive buying behaviour, shopping enjoyment and security/ privacy.        | <.0001 | Supported |
| H <sub>4c</sub> | There is a significant relationship between Gen Y's online impulsive buying behaviour, shopping enjoyment and online shopping services. | <.0001 | Supported |

Source: Developed for the research

## **5.2 Summary and Discussion**

Based on the analysis result, we found out that all four variables have indeed a significant relationship towards impulse purchase. While security and privacy, and shopping service hold the strongest relationship amongst other variables with the impulse purchase. As mentioned in the past studies in chapter 2 of literature review, security and privacy is the major concern when consumers are doing online purchase because they tend to worry the leak of their confidential information, as such online stores that hold better image and reputation have better trust. While for shopping service, consumers likely to make impulse purchase when they are experiencing good shopping service provided by the stores such as fast and simple access with the mobile devices and also accessible limitless time throughout the day.

Other than that, the mediator shopping enjoyment that is included in this study shows a significant relationship to the variables and also impulse purchase. Based on the analysis result, with the involvement of shopping enjoyment to the variables and impulse purchase, it has increased the overall relationship which is a good sign in triggering impulse purchase.

## **5.3 Implication of Study**

### **5.3.1 Managerial Implications**

Based on the results throughout this study, it shows that security and privacy has the most significant influence on the impulse purchase. It shows that consumers are really concern on their confidential information that are provided to the online stores such as identity card number, home address, credit card number and others. It reflects the saying of Chen (2010) that security and privacy are a confidential structure and it is reliable to keep customer's private and confidential information. Therefore, online stores should emphasize on it and strengthen the security system in order to give confidence to the consumers. For example, online vendors can build trust by offer guarantees, privacy and policy agreement, and alliance with security company to further improve the protection of the information. Furthermore, having physical store increases the trust and confident level of the consumers towards the particular brand and online store. As mentioned by Ertell (2010), Internet users are getting more concerning on the security or their information especially when the store lack of brand identification and not physically present. As such, online vendors should by any chance opens a physical store so the consumer have stronger trust towards the online store. Moreover, having physical stores might even help the brand to increase sales and becomes more reputable.

Besides, shopping enjoyment in this study shows weak significant relationship towards impulse purchase. However, Chavosh, Halimi & Namdar, 2011; Bong Soeseno, 2010 mentioned that when a person enjoys the shopping, he/she tends to browse longer on the website and expected to have stronger urge to buy impulsively. Therefore, in order to make the shopping more enjoyable, online vendors should have frequent updates on the selling items to avoid the consumers

from getting bored on browsing the same items all over again. Furthermore, online vendors can change the website theme once a few months to make the website stays attractive that consumers feel fresh on the website. Moreover, online vendors can also increase shopping enjoyment by providing rewards to the browsers based on consumers browsing period. For example, rewards or discounts will be given for those that browse at the website for a targeted time.

### **5.3.1 Theoretical Implications**

There were quite a number of studies that previously done on impulse purchase behavior and Gen Y buying behavior but there were limited studies on Gen Y impulse buying behavior in Malaysia. As such, this study might be beneficial to future researchers that are interested on such similar field of study. The result on chapter 4 has proven the validity and reliability of this study so it might be helpful for future research to be taken as reference.

Next, since shopping enjoyment has created a positive significant relationship along with the other variables in this study, it is considerable that shopping enjoyment should be taken into account for further studies and better understanding. With better detail and knowledge on it, vendors could learn and think of ways to attract more consumers that will increase the sales and the market's economy.

## **5.4 Limitation of Study**

The first limitation of this study is most of the references of past studies used are originated from foreign countries, as there are lacks of information about Gen Y online impulsive behavior in Malaysia as most of the researches carried out in Malaysia do not



focused on Gen Y. Adopting the journals from overseas for Malaysia context might inappropriate, the variables might be significant in foreign country but not in Malaysia, the culture difference might cause an inadequate of variables.

Second, the result of this study may not be generalized for whole Gen Y in Malaysia, the ethnic group of the respondents were not taken into consideration. Malaysia is the country that populated by different of ethnic groups, it is crucial to analyze based on the different of ethnic groups, because different ethic that has their different tradition might response differently.

## **5.5 Recommendation for Future Research**

The future research should study more on Malaysia Gen Y's consumer behavior from different perspective, for example compulsive behavior, as it is very lucrative market and the purchasing power is shifting toward Gen Y. Assumption of the Gen Y behavior of Malaysia is similar to foreign countries might be inappropriate, it should be studied more detail to gain more insight for both academic and managerial purpose.

Future researchers should take ethnic group into consideration for framework construction, different ethnic might have different response and behavior due to different in tradition. For better generalization and reliable results to represent the population of Malaysian, it is important to analyze their consumer behavior based on ethnic group as Malaysia is populated by different ethnic groups, so that the practitioners able to gain better insight on setting strategy to target Gen Y of Malaysia.

## **5.6 Conclusion**

In conclusion, the research is to study the determinants that influences generation y's online impulsive behavior in Malaysia. There are total 277 sets of questionnaire have been used to analyze and hypothesis testing has been conducted. Moreover, the chapter is about identification and discussion about implication and limitations of this study and recommendations for improvement. This study might help online business to understand the determinants that affect Gen Y's impulsive buying behavior in Malaysia.

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## Appendix A

### **The Influencing Factors of Generation Y Online Impulsive Buying Behavior Survey Questionnaires**



FACULTY OF BUSINESS AND FINANCE  
BACHELOR OF MARKETING  
FINAL YEAR PROJECT  
SURVEY QUESTIONNAIRE

**Title: Influencing factors on Gen Y online impulse buying behaviour**

Dear Sir/Madam,

We are final year undergraduate students of Bachelor of Marketing (Hons), from Universiti Tunku Abdul Rahman (UTAR). The purpose of this questionnaire is to evaluate the influencing factors on generation y's online impulse buying behavior.

There are two (2) sections in this questionnaire. Please answer ALL questions to the best of your knowledge. There are no wrong responses to any of these statements. For your information, all responses will be kept strictly confidential and for academic purpose only. We greatly appreciate your effort and time involved in completing this questionnaire.

Thank you for your participation.

Prepared by:

|                |            |
|----------------|------------|
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| Yeoh Wan Teng  | 12ABB07306 |

### Section A: Demographic Profile

In this section, we are interested in your background in brief. Please tick your answer.

QA1. Gender            ☐ Male                            ☐ Female

QA2. Income level    ☐ Below RM1,000        ☐ RM1,001-RM2,500

☐ RM2,501-RM4,000    ☐ Above RM4,000

### Section B: Website design, security/privacy, online shopping service, shopping enjoyment and online impulsive buying

This section is seeking your opinion on which website attributes will affect customer shopping enjoyment and trigger customer impulse buying behaviour on online store.

Please circle the best answer based on the scale of 1 to 5 [(1) = Strongly Disagree; (2) = Disagree; (3) = Neutral; (4) = Agree; (5) = Strongly Agree].

| No  | Questions  | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|-----|--|-------------------|----------|---------|-------|----------------|
| IV1 | Website design   |                   |          |         |       |                |
| WD1 | I can easily find the product I need in the website of online store. | 1                 | 2        | 3       | 4     | 5              |
| WD2 | The website has an easy and efficient navigation.                    | 1                 | 2        | 3       | 4     | 5              |

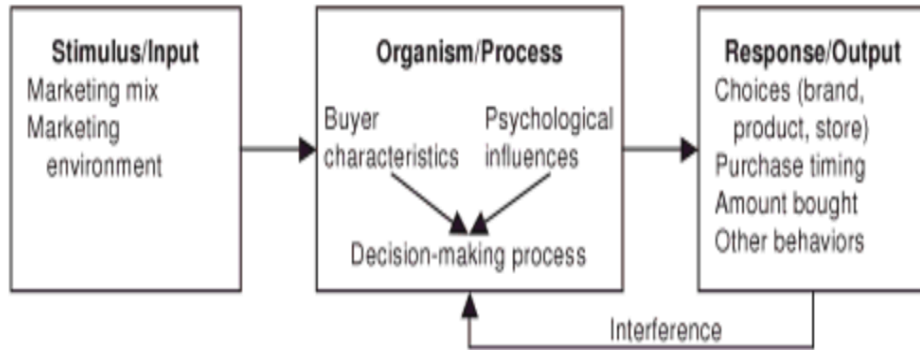
|     |  |   |   |   |   |   |
|-----|--|---|---|---|---|---|
| WD3 | The website provides detailed product information.                                   | 1 | 2 | 3 | 4 | 5 |
| WD4 | The website of online store is user friendly.  | 1 | 2 | 3 | 4 | 5 |
| WD5 | The website provides product pictures from different angles.                         | 1 | 2 | 3 | 4 | 5 |
|     |  |   |   |   |   |   |
| IV2 | Security and privacy   |   |   |   |   |   |
| SP1 | The website of online store has adequate security features.                          | 1 | 2 | 3 | 4 | 5 |
| SP2 | I feel secure when providing my personal information in the website of online store. | 1 | 2 | 3 | 4 | 5 |
| SP3 | I feel my privacy is protected in the website online store.                          | 1 | 2 | 3 | 4 | 5 |
| SP4 | I feel secure while doing transaction in the website of online store.                | 1 | 2 | 3 | 4 | 5 |
| SP5 | I feel that my personal information is safe with the online store.                   | 1 | 2 | 3 | 4 | 5 |
|     |  |   |   |   |   |   |
| IV3 | Online shopping service  |   |   |   |   |   |
| SS1 | I enjoy to shop online because I can access to online store at anytime and anywhere. | 1 | 2 | 3 | 4 | 5 |
| SS2 | The website is ready and willing to respond to customer needs.                       | 1 | 2 | 3 | 4 | 5 |
| SS3 | The services provided can save my shopping time.                                     | 1 | 2 | 3 | 4 | 5 |
| SS4 | The website makes purchase recommendations that match my needs.                      | 1 | 2 | 3 | 4 | 5 |
| SS5 | I can compare the price easily through online.                                       | 1 | 2 | 3 | 4 | 5 |
|     |  |   |   |   |   |   |

|     |  |   |   |   |   |   |
|-----|--|---|---|---|---|---|
| IV4 | Shopping enjoyment   |   |   |   |   |   |
| SE1 | I like to shop.  | 1 | 2 | 3 | 4 | 5 |
| SE2 | I am willing to spend time on shopping.                                | 1 | 2 | 3 | 4 | 5 |
| SE3 | I often do online shopping.  | 1 | 2 | 3 | 4 | 5 |
| SE4 | I consider shopping as one of my entertainment.                        | 1 | 2 | 3 | 4 | 5 |
|     |  |   |   |   |   |   |
| DV  | Online impulsive buying  | 1 | 2 | 3 | 4 | 5 |
| IB1 | I will buy impulsively online.   | 1 | 2 | 3 | 4 | 5 |
| IB2 | I feel a sense of excitement when I make an impulse purchase.          | 1 | 2 | 3 | 4 | 5 |
| IB3 | I buy things according to how I feel at the moment.                    | 1 | 2 | 3 | 4 | 5 |
| IB4 | I tend to buy impulsively on online store compare to physically store. | 1 | 2 | 3 | 4 | 5 |

## **Appendix B**

### **Review of Relevant Theoretical Framework Model**

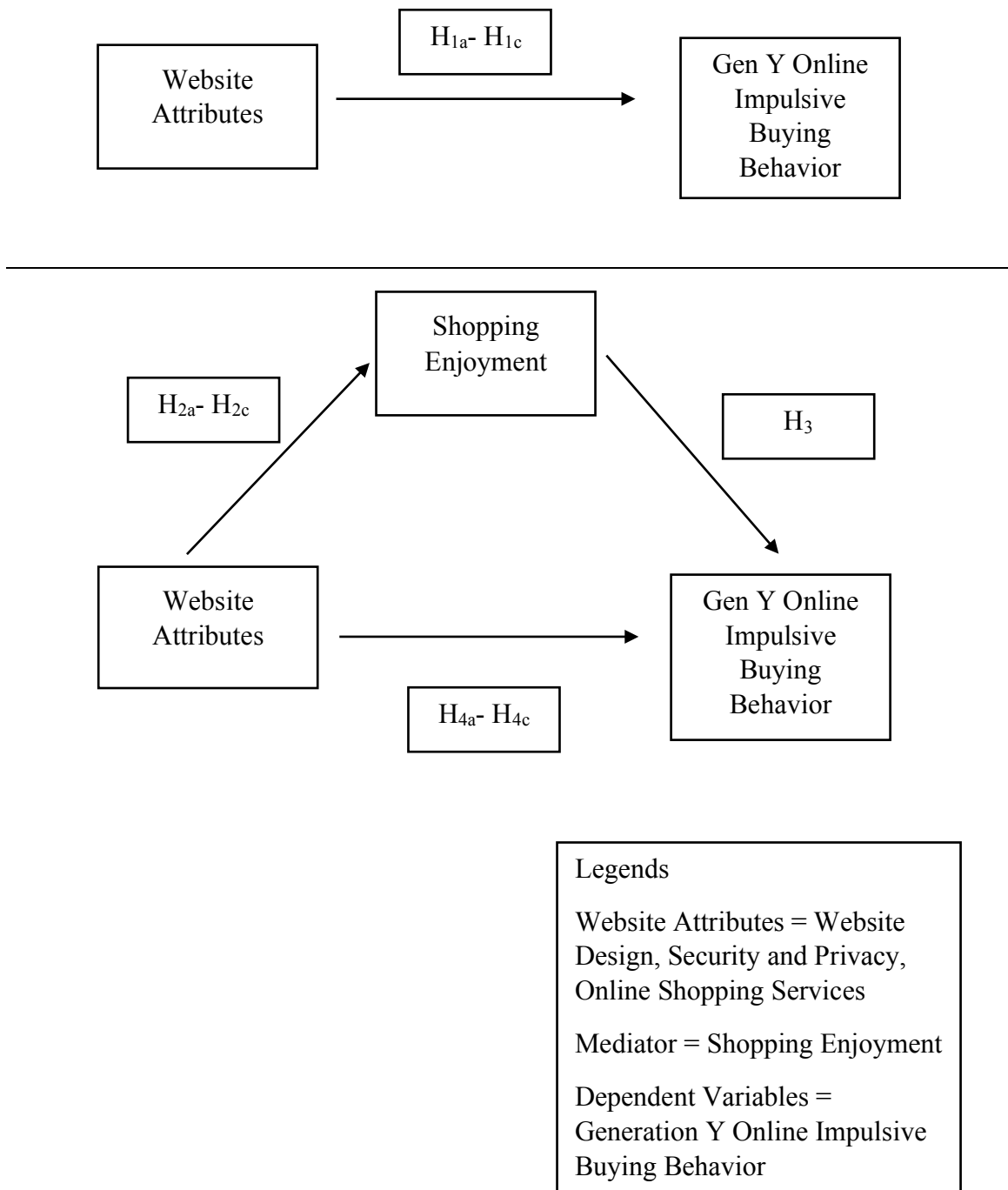
Figure 2.1: The S-O-R Model (Mehrabian&Russell, 1974)



## Appendix C

### **Proposed Theoretical/ Conceptual Framework**

Figure 2.2: Research Framework



Source: Developed for the research



## **Appendix D**

### **Reliability Test**

Table: 4.3 Reliability Statistics

| Cronbach Coefficient Alpha with Variable |                        |        |
|--|------------------------|--------|
| Variables                                | Standardized Variable  |        |
|  | Correlation with total | Alpha  |
| Website Design                           | 0.3251                 | 0.6164 |
| Security / Privacy                       | 0.4701                 | 0.5451 |
| Online Shopping Service                  | 0.1636                 | 0.6885 |
| Shopping Enjoyment                       | 0.5363                 | 0.5105 |
| Impulsive Buying                         | 0.4902                 | 0.5348 |

## **Appendix E**

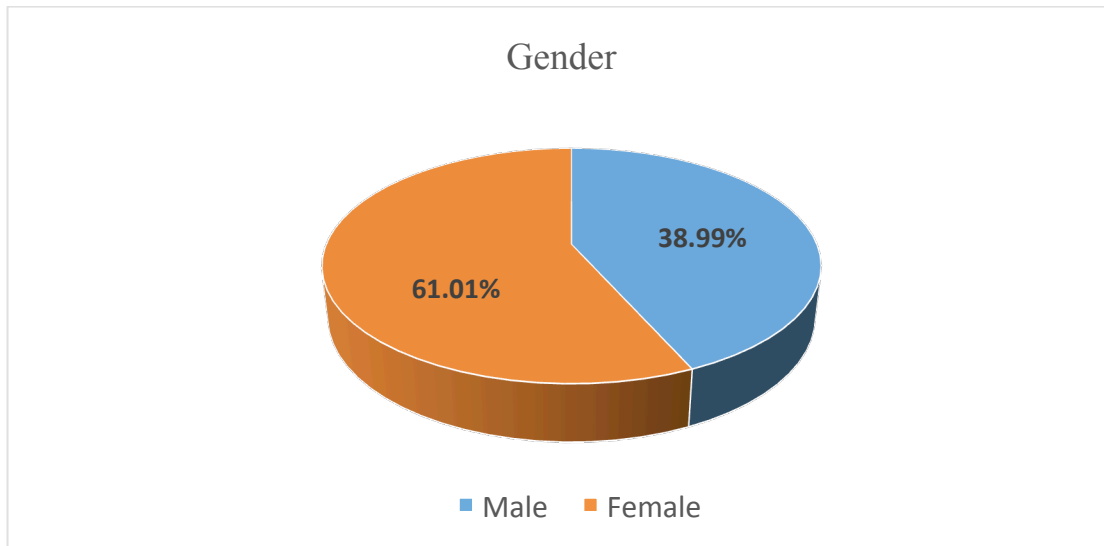
### **Frequency Statistics**

**Table 4.1 Statistics of Respondents' Gender**

| Gender | Frequency | Percent | Cumulative Frequency | Cumulative Percent |
|--------|-----------|---------|----------------------|--------------------|
| Male   | 108       | 38.99   | 108                  | 38.99              |
| Female | 169       | 61.01   | 277                  | 100.00             |

Source: Developed for the research

**Figure 4.1 Percentage of Respondent Based on Gender**



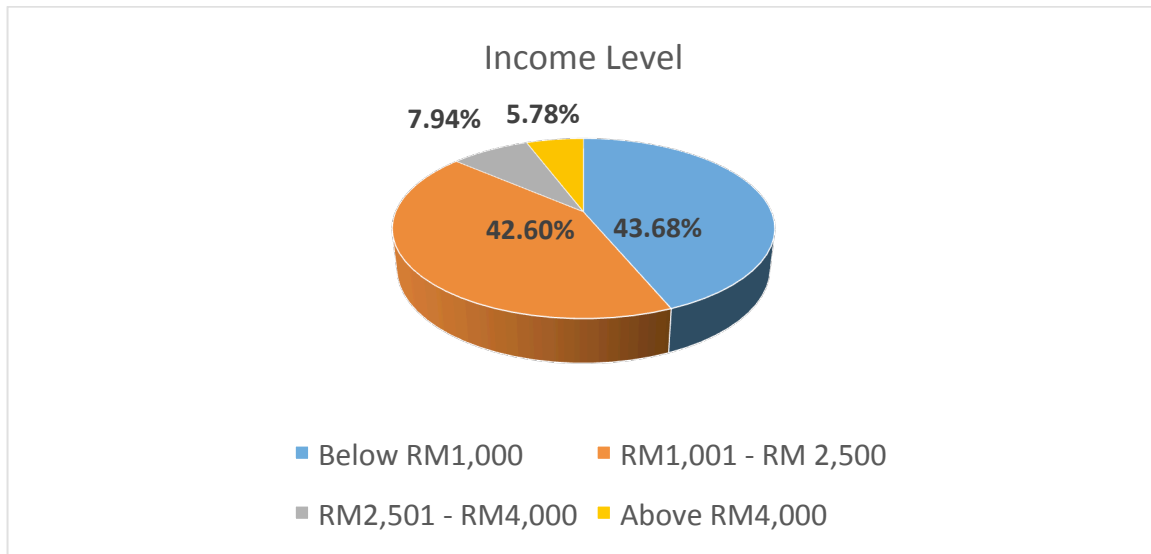
Source: Developed for the research

#### 4.2 Statistics of Respondent's Income Level

| Income Level     | Frequency | Percent | Cumulative Frequency | Cumulative Percent |
|------------------|-----------|---------|----------------------|--------------------|
| Below RM1,000    | 121       | 43.68   | 121                  | 43.68              |
| RM1,001- RM2,500 | 118       | 42.60   | 239                  | 86.28              |
| RM2,501- RM4,000 | 22        | 7.94    | 261                  | 94.22              |
| Above RM4,000    | 16        | 5.78    | 277                  | 100.00             |

Source: Developed for the research

Figure 4.2 Percentage of Respondent Based on Income Level



Source: Developed for the research

## **Appendix F**

### **Pearson Correlation Analysis**

Table 4.4 Pearson Correlation Analysis

|                          | Website Design | Security/ Privacy | Online Shopping Services | Shopping Enjoyment | Impulse Buying |
|--------------------------|----------------|-------------------|--------------------------|--------------------|----------------|
| Website Design           | 1              |                   |                          |                    |                |
| Security/ Privacy        | 0.3548         | 1                 |                          |                    |                |
| Online Shopping Services | -0.00689       | 0.01023           | 1                        |                    |                |
| Shopping Enjoyment       | 0.25125        | 0.45002           | 0.28030                  | 1                  |                |
| Impulse Buying           | 0.28803        | 0.40814           | 0.18691                  | 0.38369            | 1              |

Source: Developed for the research

## **Appendix G**

### **Simple Regression Analysis**

Table 4.5 Summary of Independent Variables and Dependent Variable

| Variable             | R Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|----------------------|----------|-------------------|--------|--------------------|---------------|
| Website Design       | 0.2241   | 0.2156            | <.0001 | 0.2852             | 0.1845        |
| Security and Privacy |          |                   |        | 0.2835             | 0.3474        |
| Shopping             |          |                   |        |                    |               |
| Services             |          |                   |        | 0.2161             | 0.1662        |

Source: Developed for the research

Table 4.6 Summary of Independent Variables, Mediator and Dependent Variable

| Model                   | R-Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|-------------------------|----------|-------------------|--------|--------------------|---------------|
| Website Design          | 0.2493   | 0.2383            | <.0001 | 0.1896             | 0.1458        |
| Security / Privacy      |          |                   |        |                    |               |
| Online Shopping Service |          |                   |        | 0.2207             | 0.2704        |
| Shopping Enjoyment      |          |                   |        | 0.2047             | 0.1324        |
|                         |          |                   |        | 0.1907             | 0.1883        |

Source: Developed for the research

Table 4.7 Summary of Mediator and Dependent Variable

| Model              | R-Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|--------------------|----------|-------------------|--------|--------------------|---------------|
| Shopping Enjoyment | 0.1472   | 0.1441            | <.0001 | 0.3885             | 0.3837        |

Source: Developed for the research

Table 4.8 Summary of Independent Variables and Mediator

| Model                   | R-Square | Adjusted R-Square | Pr>F   | Parameter Estimate | Std. Estimate |
|-------------------------|----------|-------------------|--------|--------------------|---------------|
| Website Design          | 0.2888   | 0.2810            | <.0001 | 0.1391             | 0.1083        |
| Security / Privacy      |          |                   |        | 0/3295             | 0.4088        |
| Online Shopping Service |          |                   |        | 0.4227             | 0.2769        |

Source: Developed for the research

## **Appendix H**

### **Summary of Hypothesis Testing**

Table 5.1: Summary of Hypothesis Testing Results

| Hypothesis      | Description   | Sig.<br>Value | Conclusion |
|-----------------|---|---------------|------------|
| H <sub>1a</sub> | There is a significant relationship between website design and Gen Y's online impulse buying behavior.            | <.0001        | Supported  |
| H <sub>1b</sub> | There is a significant relationship between security/privacy and Gen Y's online impulsive buying behavior.        | <.0001        | Supported  |
| H <sub>1c</sub> | There is a significant relationship between online shopping service and Gen Y's online impulsive buying behavior. | <.0001        | Supported  |
| H <sub>2a</sub> | There is a significant relationship between website design and shopping enjoyment.                                | <.0001        | Supported  |
| H <sub>2b</sub> | There is a significant relationship between security and privacy and shopping enjoyment.                          | <.0001        | Supported  |
| H <sub>2c</sub> | There is a significant relationship between online shopping services and shopping enjoyment.                      | <.0001        | Supported  |
| H <sub>3</sub>  | There is a significant relationship between shopping enjoyment and Gen Y's online impulsive buying                | <.0001        | Supported  |

|                 |   |        |           |
|-----------------|---|--------|-----------|
|                 | behavior  |        |           |
| H <sub>4a</sub> | There is a significant relationship between Gen Y's online impulsive behaviour, shopping enjoyment and website design.          | <.0001 | Supported |
| H <sub>4b</sub> | There is a significant relationship between Gen Y's online impulsive behaviour, shopping enjoyment and security/privacy.        | <.0001 | Supported |
| H <sub>4c</sub> | There is a significant relationship between Gen Y's online impulsive behaviour, shopping enjoyment and online shopping service. | <.0001 | Supported |

Source: Developed for the research