The effects of shopping orientations towards customers' online purchase intention

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Keywords
Shopping Orientations, Online Purchase Intention, Impulse Purchase Orientation, Quality Orientation, Brand Orientation, SmartPLS, PLS-SEM, Malaysia.

Abstract

The advancement of the World Wide Web has resulted in the creation of a new form of retail transactions electronic retailing (e-tailing) or online shopping. The number of internet users has been steadily increasing all over the world, including developing countries. As the number of websites continues to expand and consumers increase their use of the Internet, companies must find ways to convert visitors to buyers and boost return visits to their sites. Hence, this study examines the effects of impulse purchase intention on customers' online purchase intention among undergraduate students of public universities in Malaysia. The survey approach utilizes Google Forms as a real-time formative feedback tool to collect students' feedback since it is a very simple, systematic, and easy to implement approach. The online questionnaire using Google Forms with a cap of 200 respondents were distributed. In total, several 138 completed responses were subsequently collected. The data were then analysed using the PLS-SEM algorithm. The findings show that impulse purchase intention and quality orientation possess explanatory and predictive capacity to predict customers' online purchase intention.

Introduction

The number of internet users has been continuously increasing all over the world, including developing countries. According to Malaysian Communications and Multimedia Commission (MCMC, 2017), there are about 25.08 million Internet users in Malaysia which accounts for 79 percent of the total Malaysian population. Among the e-commerce, online shopping is a potential and growing industry in almost every nation includes Malaysia. With these capabilities, the internet has the potential to create a fundamental shift in how people communicate (Ross et al., 2009).

There is an inconclusive finding in past studies regarding the effects of shopping orientations toward customers' online purchase intention. For example, some studies found that element of trust had stronger direct effect on online shopping intention (Delafrooz, 2011), while initial trust is not significantly influence online shopping intention (Jin & Osman, 2014). Moreover, Kimery and McCard (2002) defined trust as customers' willingness to accept weakness in an online transaction based on their positive expectations regarding future online store behavior. Egger (2006) argued that enough trust needs to exist when placing an order online and when the customer submit his or her financial information and other personal data in undertaking financial transactions. Furthermore, the inconclusive findings regarding the effects of shopping orientations toward customers' online purchase intention maybe explained by previous research has found that individuals tend to believe that, in comparison with others, they are less likely to experience negative events, and more likely to experience positive events. This tendency is known as '*optimistic bias*', or 'unrealistic *optimism*' (Weinstein, 1980).

There are limited studies in Malaysia on Ethnicity and Culture differences. Since consumer behaviour is cultural-specific, it is unclear whether the reported findings of the consumer online purchase intention in the western countries (which exhibit low uncertainty avoidance in the Hofstede cultural typology), can be directly applied in a cross-cultural context such as in Malaysia Malaysia (which exhibit

high uncertainty avoidance in the Hofstede cultural typology (Kwek, 2010). It is important to point out that, many researchers claimed that, there has been an expansion of educational services in Malaysia, while consequently university students have become one of the important consumer market segments (Sabri et al, 2008). Therefore, due to the students' purchasing power in the market, web retailers and marketers to completely understand the attitude and intention of this group of untapped consumer market of university students.

However, Kiang et al. (2011) investigated that, even though the statistics showed growing online sales, there are still many online customers who use the data gathered online, making purchase offline. This can be proved by the large abandon rates of purchasing carts. Paul Talbot (2018) investigated that marketing strategy can be stray from business strategy. There have been hundreds of studies surrounding cart abandonment statistics. The average cart abandonment rate for 2017 was 78.65 percent. In other words, over 3/4 of shoppers choose to leave the site without completing a purchase (Serrano, 2018). Consequently, a significant gap is created in this research. Therefore, this study will examine the impact of shopping orientations to the customer online purchase intention in the context of web-shopping environment in Malaysia. In addition, this study also aims to identify which shopping orientation has the most significant impact on customer online purchase intention.

Literature Review

2.1 Customer Online Purchase Intention

Customer online purchase intention was one of the intensive research areas in the extant literature. Customer online purchase intention in the web-shopping environment will determine the strength of a consumer's intention to carry out a specified purchasing behaviour via the Internet (Salisbury, Pearson, Pearson & Miller, 2001). Furthermore, the theory of reasoned action suggested that consumer behaviour can be predicted from intentions that correspond directly in terms of action, target and context to that consumer behaviour (Ajzen & Fishbein, 1980). According to Day (1969), the intentional measures can be more effective than behavioural measures to capture customer's mind as customer may make purchases due to constraints instead of real preference when purchase is considered.

Purchase intention can be classified as one of the components of consumer cognitive behaviour on how an individual intends to buy a specific brand. Laroche, Kim and Zhou (1996) assert that variables such as consideration in buying a brand and expectation to buy a brand can be used to measure consumer purchase intention. Based on the argument of Pavlou (2003), online purchase intention is the situation when a customer is willing and intends to become involved in online transaction. Online transactions can be considered as an activity in which the process of information retrieval, information transfer, and product purchase are taken place (Pavlou, 2003). The information retrieval and exchange steps are regarded as intentions to use a web site; however, product purchase is more applicable to an intention to handle a website (Pavlou, 2003). Therefore, it is crucial to evaluate the concept of online purchase intention in this study. In order to trigger customer online purchase intention, web retailers must explore the impact of shopping orientations on the customer online purchase intention.

2.2 Impulse Purchase Orientation

Piron (1991) defines impulse purchase as an unplanned action that result from a specific stimulus. Rook (1987) argues that impulse purchase takes place whenever customers experience a sudden urge to purchase something immediately, lack substantive additional evaluation, and act based on the urge. Several researchers have concluded that customers do not view impulse purchase as wrong; rather, customers retrospectively convey a favourable evaluation of their behaviour (Dittmar, Beattie, & Friese, 1996; Hausman, 2000; Rook, 1987). Therefore, Ko (1993) reports that impulse purchase behaviour is a reasonable unplanned behaviour when it is related to objective evaluation and emotional preferences in shopping. Wolman (1973) frames impulsiveness as a psychological trait that result in response to a stimulus. Weinberg and Gottwald (1982) state that impulse purchase is generally emanated from purchase scenarios that feature higher emotional activation, less cognitive control, and largely reactive behaviour. Impulse purchasers also tend to be more emotional than non-purchasers. Consequently, some researchers have treated impulse purchase as an individual difference variable with the anticipation that it is likely to affect decision making across situations (Beatty & Ferrell, 1998; Rook & Fisher, 1995). Given the ongoing

development of the digital economy and the shopping convenience being delivered through digitalized exchanges, one might reason that more impulse individuals may be more prone to online shopping. Donthu and Garcia (1999) assert that online shoppers were more likely to be impulse oriented. The study from Zhang, Prybutok and Strutton (2007) conclude that impulse purchase is positively related to the customer online purchase intention.

2.3 Quality Orientation

Quality is regarded as a key strategic component of competitive advantage and therefore the enhancement of product or service quality has been a matter of main concern to firms (Daniel, Reitsperger, & Gregson, 1995; Foster & Sjoblom, 1996). Foster et al. (1996) defined Quality as a strategic component of competitive advantage. Therefore, to boost the quality of product or service is a matter of concern to the firms. For manufacturing firm Crosby (1979) defined quality as conformance to specifications. It refers to the extent to which a product meets certain design standards. Garvin (1984) described that differences in the quantity of some ingredient or attribute possessed by the product are considered to reflect differences in quality. Whereas in the user-based definition, quality is the extent to which a product or service meets or exceeds customers' expectations. Bellenger et al. (1980) explained that recreational shoppers consider various factors while choosing the store such as quality, variety of products and pleasant store ambience. In the context of web-shopping environment.

2.4 Brand Orientation

A brand is defined as a name or symbol, trademark and package design that uniquely identifies the products or services of a retailer and differentiates them from those of its competitors (Aaker, 1991). Brown, Pope and Voges (2001) define shopping orientations as related to general predisposition toward the acts of shopping. In the cyber marketplace, a corporate brand identity is a cognitive anchor and a point of recognition where customers perceive a great deal of uncertainty (Rajshekhar, Radulovich, Pendleton & Scherer, 2005). For many online retailers, the brand name is the company name. In the e-commerce environment, trusted corporate and brand names are used by customers as substitutes for product information when they intent to make online purchase (Ward & Lee, 2000). Several studies have found that brand loyalty exhibits strong impact on purchase intention in the traditional offline retailing world (Hawes & Lumpkin, 1984; Sproles & Kendall, 1986). A strong brand name not only attracts new customers, but also has the lock-in ability to make customers feel comfortable with their purchase decisions. A study carried out by Jayawardhena, Wright and Dennis (2007) conclude that brand orientation is positively related to the customer online purchase intention.

2.5 Framework and Hypotheses Development

The prior literature review conducted earlier offers the basis for the development of the research framework of the study and its hypotheses. This study hypothesized impulse purchase orientation, quality orientation, and brand orientation to have positive relationships with customers' online purchase intention. Therefore, the research framework is shown as in Figure 1, followed by the three hypotheses of the study.

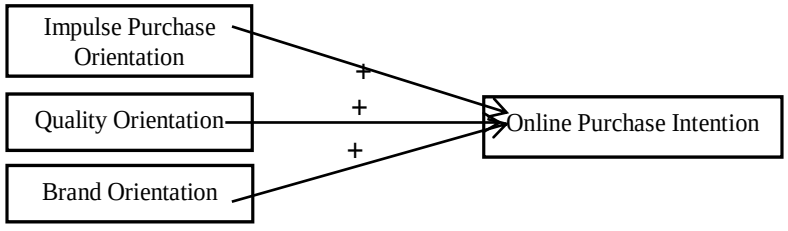

Figure 2: Theoretical framework

H_1: Impulse purchase orientation positively influence customers' online purchase intention.
H_2: Quality orientation positively influence customers' online purchase intention.
H_3: Brand orientation positively influence customers' online purchase intention.

Data and Methodology

We espoused a quantitative approach in conducting the study. The samples for this study were Malaysian university students aged between 21-25. To ensure that the sample characteristics corresponded to the nature of the study, a non-probability purposive sampling technique was adopted to ensure the collected data were indeed from valid sources. A 5-point Likert scale anchored by "strongly disagree" (1) to "strongly agree" (5) was used as the measurement for the independent and dependent variables. Sample size estimation was determined using G*power 3.0 analysis (Faul et al., 2007). By using G-Power Analysis software, with the effect size of f square 0.15, α error pro 0.05, power Gf 0.95 with 3 tested predictors, therefore 119 respondents are the minimum sampling for this study. A Google Form is shared via email and all the collected responses are organized in a Google Spreadsheet stored in Google Drive. To collect data, the students were selected randomly, and the online version of the instrument was sent to 200 Malaysian university students. In total, several 138 completed surveys were collected (response rate = 69%). Figure 1 depicted the research framework that contained statements of five variables investigated. The variables were examined using multiple items (Hayduk & Littvay 2012) and the data was then analysed using SmartPLS 3.0 (Ringle et al., 2015) to assess the hypotheses.

4.0 Research Results and Discussion

With a total of 138 respondents made up of undergraduate students of public universities in Malaysia, majority of the respondents were male (56.2%) and the remaining were female (43.8%). More than 56.8 percent of the respondents were between 19-21 years old. In addition, majority of the respondents (43%) were Sabahan followed by respondents from Peninsular Malaysia and the Sarawakians that made up 32.5 percent and 24.5 percent respectively. In the following Table I, the respondents' demographic and profile information has been summarized and presented.

Table I-Respondents' Profile

Variable		Frequency	Percent
Gender	Male	78	56.2
	Female	60	43.8
Age	19-21	78	56.8
	22-24	45	32.5
	25-27	15	10.7
Place of Origin	Peninsular Malaysia	45	32.5
	Sabah	59	43.0
	Sarawak	34	24.5
Ethnicity	Malay	21.3	15.4
	Chinese	18.4	13.3
	Indian	5.2	3.8
	Sabah Natives	53.0	38.4
	Sarawak Natives	33.8	24.5
	Other	6.3	4.6

4.1 Measurement Model Assessment

Table II displays the findings of construct reliability (CR) and convergent validity testing. The results confirm that the constructs (or variables under investigation) to have high internal consistency reliability (Roldán & Sánchez-Franco, 2012) and enough average variance extracted (AVE) to validate the convergent validity (Hair et al., 2017).

The outer loadings of the items, as the measures of the relationship between the items and the latent constructs, were evaluated on the grounds of the guidelines provided by Hair, Hult, et al. (2014). Through this procedure, no item was deleted from their respective constructs. Then, Cronbach's alpha and composite reliability as the measures for estimating internal consistency reliability (Hair, Black, Babin, & Anderson, 2010), and convergent validity as an extent of positive correlations among the items of a construct (Hair, Hult, et al., 2014; Hair, Ringle, & Sarstedt, 2011), were estimated.

The results displayed in the following Table II shed light on the fact that all the relevant requirements had been fulfilled since the reliability values were above 0.7 and there was no Average Variance Extracted (AVE) value smaller than 0.5.

Table II: Measurement Model Assessment

Construct	Item	Loadings	CA	CR	AVE	CV (Ave > 0.5)
BO	BO-1	0.887	0.916	0.941	0.798	Yes
	BO-2	0.925				
	BO-3	0.903				
	BO-4	0.857				
IPO	IPO-1	0.818	0.753	0.847	0.590	Yes
	IPO-2	0.816				
	IPO-3	0.891				
	IPO-4	0.483				
OPI	OPI-1	0.828	0.918	0.933	0.637	Yes
	OPI-2	0.871				
	OPI-3	0.784				
	OPI-4	0.795				
	OPI-5	0.769				
	OPI-6	0.757				
	OPI-7	0.785				
	OPI-8	0.792				
QO	QO-1	0.866	0.836	0.902	0.753	Yes
	QO-2	0.891				
	QO-3	0.846				

**No item was deleted as loading Composite Reliability > .708 (Hair et al., 2010, & Hair et al., 2014)*

Table III displayed HTMT criterion to evaluate discriminant validity (Ringle, et al., 2015) of the latent variables based on $HTMT_{0.85}$ and $HTMT_{0.90}$ criterion. The result specifies that the discriminant validity is well-established at $HTMT_{0.85}$ (Diamantopoulos & Siguaw, 2006). The findings indicated that it is appropriate to proceed with structural model assessment to test the hypotheses of the study as there is no issue of multi-collinearity between items loaded on different constructs in the outer model.

Table III: Htmt Criterion

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	BO	IPO	OPI	QO
BO	-			
IPO	0.827	-		
OPI	0.620	0.812	-	
QO	0.820	0.820	0.723	-

Criteria: Discriminant validity is established at HTMT0.85/HTMT0.90

4.2 Structural Model Assessment

Collinearity and path coefficients

As suggested by Hair, Hult et al. (2014), the existence of high correlations among the exogenous constructs in the model which is referred to as collinearity was assessed through checking the VIF values. This procedure revealed that all the values were smaller than 0.5, implying that collinearity could not be a problem for the initial model under study. Hence, the model was evaluated for the significance of the path coefficients as the hypothesized relationships among the constructs (Hair, Hult, et al., 2014; Hair, Ringle et al., 2011).

To access the hypotheses, bootstrapping routine with 5000 samples was run (Hair et al., 2017). Table IV demonstrates the assessment of the path co-efficient, which is represented by Beta values for each path relationship. The results show two hypotheses were indeed supported namely impulse purchase orientation and quality orientation. The brand orientation however did not influence customers' online purchase intention.

Model's predictive accuracy and relevance

The values of R^2, which is a measure of the model's predictive accuracy, its adjusted version, and Q^2, as the main output of blindfolding module in SmartPLS 3.0 which represents the model's predictive relevance (Hair, Hult, et al., 2014), have been displayed in the following Table IV for all of the endogenous constructs in the model.

Table IV also displays the quality of the model. On the hypotheses which are tested to have significant relationships, both impulse purchase orientation and quality orientation are found to have carried substantial and moderate effect sizes. The predictive relevance values for all three dependent variables are larger than 0, indicating that the independent variables can predict the customers' online purchasing intention as anticipated by Q^2 using blindfolding procedure (Hair et al. 2017).

Table Iv-Path Coefficients and Model Quality Assessment

Table IV: Path Coefficients and Model Quality Assessment

Direct Effect	Beta	S.E.	t-value	p-value	5.00%	95.00%	Decision	f^2	R^2	VIF	Q^2
H1: IPO -> OPI	0.487	0.075	6.526	0.000	0.345	0.633	Supported	0.282	0.548	1.860	0.317
H2: QO -> OPI	0.389	0.114	3.400	0.001	0.175	0.624	Supported	0.113		2.966	
H3: BO -> OPI	-0.063	0.107	0.587	0.558	-0.270	0.134	Not Supported	0.003		3.252	

Path Coefficient 0.01, 0.05 (Hair et al. 2017)

Lateral Collinearity: VIF 3.3 or higher (Diamantopoulos & Sigouw 2006)

R2 ≥ 0.26 consider Substantial (Cohen, 1989)

F2 ≥ 0.26 consider Substantial (Cohen, 1989)

Q2 > 0.00 consider large (Hair, 2017)

4.3 Regression Analysis

The result of the multiple regression analysis was presented in Table IV. The p value of the impulse purchase orientation (p = 0.000) is less than the alpha value of 0.05. Therefore, the research concludes that an impulse purchase orientation is positively related to the customer online purchase intention. Hypothesis 1 is supported. This finding supports the existing literature which states that the shopping orientations in term of impulse purchase will positively affect the online purchase intention (Zhang, et. al., 2007).

The p value for the quality orientation (p = 0.001) is also less than the alpha value of 0.05. Therefore, it can be suggested that quality orientation is positively related to the customer online purchase intention. Hypothesis 2 is therefore supported. This finding supports the existing literature that quality orientation will positively influence the customer online purchase intention (Gehrt, et. al., 2007).

Finally, the result from the research also postulated that the brand orientation is negatively related to the customer online purchase intention, as the alpha value is more than 0.05 (p value = 0.558). Hypothesis 3 therefore not supported. Thus, brand orientation is not significant to influence the customer online purchase intention. This finding does not support the existing literature that brand orientation will positively be related to the customer online purchase intention (Jayawardhera, et. al., 2007).

5.0 Conclusion

5.1 Implications of the Research

The research findings have brought managerial implications to the various stakeholders. In terms of managerial implication, the research findings do provide some insights and feedbacks for the e-retailers to formulate and implement various business strategies to increase the customer online purchase intention. The research finding discovered that the antecedents of the customer online purchase intention could be applied in both low uncertainty avoidance countries and high uncertainty avoidance countries (especially in Malaysia), particularly among Millennials who also get called Generation Y. Malaysian millennials comprise 29% of the current population 32.45 million. To increase the customer impulse purchase, online retailers can provide e-mail updates on product development or offer special discounts for a limited time to the potential online customers. There are many ways to structure the offers and, the websites that will entice customers to make impulse purchases. Offering conditional free shipping and running sales are two effective motivators of online impulse buying. For targeting quality-orientated customers, online retailers can provide full online version of product quality information and product search information through

the website to them. Customer satisfaction is dependent on the product or service quality. Moreover, customer satisfaction increases customer loyalty; therefore, the retailers' profit will increase ultimately. Online retailers may offer loyalty programmes or club memberships for those online customers who exhibit strong brand orientation. Obviously, online retailers need to know how to influence and to create a positive brand perception. Keep the brand genuine and coherent. Be consistent and persistent.

5.2 Limitations of the Research

Although the research findings provide some new insights to researchers, these findings should be viewed considering some limitations. The study in this research is focusing on those respondents who have some experiences in engaging online purchase intention. Therefore, the study does not cover those potential customers who do not have experienced in online transaction but have the intention to engage in online purchase activities. By incorporating the potential online customers in the study, this will enhance the generalisability of the subsequent research. In addition, the study does not explore the impact of gender differences in moderating the relationship between shopping orientations and customer online purchase intention. The finding from Jayawardhena et al. (2007) discovered that gender has a significant influence on online purchase intention. By incorporating the gender construct in studying the relationship between shopping orientations, and customer online purchase intention may able to enrich the extant literature. Lastly, this study focuses only on 5 constructs as independent variables. Future research might add any other constructs or possible moderator-mediator variables to a research study. Nevertheless, the addition of mediating and moderating variables to any research program reflects the maturation of scientific research to addressing the specifics of how and for whom interventions achieve their effects.

5.3 Recommendations for Further Research

Due to the limitations of this research, three recommendations are suggested for further research for the purpose of enhancing the study of the customer online purchase intention. i). It is proposed to evaluate the impacts of shopping orientations on the customer online purchase intention among the potential customers who have strong intention to engage in online purchasing activities. ii). Besides, it is recommended to evaluate the relationship between shopping orientations and customer online purchase intention based on race, ethnicity and culture differences, gender differences as well as the role of gender in mediating and moderating the relationship between shopping orientations and customer online purchase intention. iii). Lastly, it is suggested to utilize probability sampling technique to evaluate customer online purchase intention in the future research. Probability sampling give the best chance to create a sample that is truly representative of the population.

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