

## **A Study of Online Purchase Intention Among Gen X in Malaysia**

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### **Abstract**

In recent years, changes in the commercial sector, along with the growing popularity of the Internet, have made Malaysian businesses increasingly conscious of the relevance of E-business in establishing a competitive advantage in the worldwide market. As a result, a greater knowledge of the elements that impact online purchase intent might aid in the development of more effective marketing strategies for certain segments. Four variables affecting online purchase intent were chosen for this study: trust, product and service quality, customer satisfaction, and delivery time. Three factors substantially affected online purchase intention, according to 203 Generation X respondents. The only exception was the quality of the product and service. Researchers, online platform developers, financial institutions, marketers, and the government would benefit greatly from the data and information gathered in this study since we will be able to assess and understand the variables that influence Gen X in Malaysia to purchase online.

**Keywords:** *Generation X; Purchase intention; Online shopping*



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### **INTRODUCTION**

The usage of information technology (IT) has grown quickly as a result of globalization, resulting in the widespread use of the Internet. According to Damanpour & Damanpour (2001), the Internet has transformed not only how people live but also how firms conduct business, interact and exchange information, and sell and acquire items and services. Most firms utilize the Internet to decrease marketing expenses and enhance competitiveness, according to Sulaiman et al. (2008). They claim that this is in accordance with enhancing consumer satisfaction and business margins. Electronic commerce (E-commerce) is unquestionably here to stay. Electronic commerce is described as a business that relies on digital communication and information technology to operate. E-commerce is the sale and purchase of goods and services through computer networks, primarily the Internet (Wen, Chen, and Hwang 2001). In recent years, changes in the commercial sector, along with the growing popularity of the Internet, have made Malaysian businesses increasingly conscious of the relevance of E-business in establishing a competitive advantage in the worldwide market. As a result, a greater knowledge of the elements that impact online buying intention would aid in the development of more focused marketing tactics. The reasons why people buy things are usually hidden beneath the surface of their age and generational cohorts (Kaur and Anand, 2018; Tan and Leby Lau, 2016). Cohorts are groupings of people who were born at the same time period and have gone through life together. Because generational cohort marketing is based on age, this type of segmentation has proven effective for understanding the people of each cohort who have similar values (Parment, 2013; Schewe et al., 2013). The group of Americans born between the mid-1960s and the early 1980s is known as Generation X. Between the baby boomers and the millennials, Gen Xers make up about 65 million people. Members of this generation are nearing the end of their

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working careers and maybe nearing their highest-earning years. They were born between 1965 and 1979/80 and are now between the ages of 41 and 56. As a result, the goal of this study is to look at the distinctive characteristics of Gen X when it comes to influencing online purchase intent in Malaysia. The findings of this study provide marketers and policymakers with insights on how to better appeal to Gen X based on their distinct beliefs and traits.

## **LITERATURE REVIEW**

Unlike conventional physical stores, internet stores combine the whole sales process into a single platform (Mummalaneni and Meng, 2009). Consumers gain from improved convenience through internet buying since it is free of geographic and temporal restrictions. They can't, however, physically touch, taste, or feel the real goods they're buying online. Purchase intention, according to (Younus, 2015), is the customer's desire to buy a product or service. Many factors influence a consumer's choice to buy a product, and the ultimate decision is based on the consumer's willingness to employ wide external variables (Keller, 2001). In the past, the intention has been defined as the precedence that motivates customers to buy items or services (Hawkins & Mothersbaugh, 2010). The behaviour of customers and their purchasing intentions are inextricably linked (Kim & Pysarchik, 2000).

In electronic commerce, trust is acknowledged to be an essential element in buyer-seller interactions and online purchase intent (Jarvenpaa et al., 1999; Zhou et al., 2007; Naveed and Eddaoudi 2009; Yuliharsi et al.2011; Swidi et al., 2012). In the context of e-commerce, trust refers to the online consumer's expectations about the online seller's attributes (McKnight et al., 2002). Trust, according to Kraeuter (2002), is the most critical long-term obstacle to customers comprehending the potential of e-commerce in an online context. People rely on significant purchasing decisions on their faith in the product, salesperson, and/or company (Kim et al., 2008).

Regardless of public perception, product quality is a competitive market for companies that influences purchasing decisions and profitability (Staff, 2018). As a result, any firm must prioritize high-quality products and services. It is because the low-quality products and services provided to customers would create a negative image and slow down the company's growth (Avenir, 2018). Furthermore, product quality should be a continuous process of improvement that results in the execution of products and services and the fulfilment of client demands and desires.

Customer satisfaction is one of the most significant elements in determining consumer purchase intent. Customer satisfaction is described as an assessment of how happy consumers are with a company's goods and services (Fontenot, 2005). Consumer satisfaction is crucial since a client can cease being a customer at any time and lose their allegiance to a company's product or service in an instant. In this study, satisfaction is measured in terms of outcomes by comparing prior expectations and perceived output for each element in order to assess the respondents' attitude toward those factors, satisfaction and gratifying them (Jiradilok, 2014).

Finally, there's the matter of delivery time. The time it takes for items purchased to arrive at the location where they are needed is referred to as delivery time (Larus, 2013). According to (Staff, 2016), delivery speed was cited by 87 percent of online customers as a major factor in their choice to purchase with an e-commerce business again. According to Parry (2016), the single element that impacts consumer loyalty and brand impression is delivery speed. As a result, a precise delivery time can boost a brand's image as well as a company's profit.

## RESEARCH METHOD

The most important component of the research process is the research framework, which is the structure that supports the research hypotheses. The link between the dependent and independent variables is depicted in Figure 1 by the dependent and independent variables. The research design was built around the connections between purchase intention among Gen X and trust, product service and quality, customer satisfaction, and delivery time as independent variables. The independent variables are utilized as intermediate variables to assess the factors influencing Gen X's buying intentions in Malaysia.

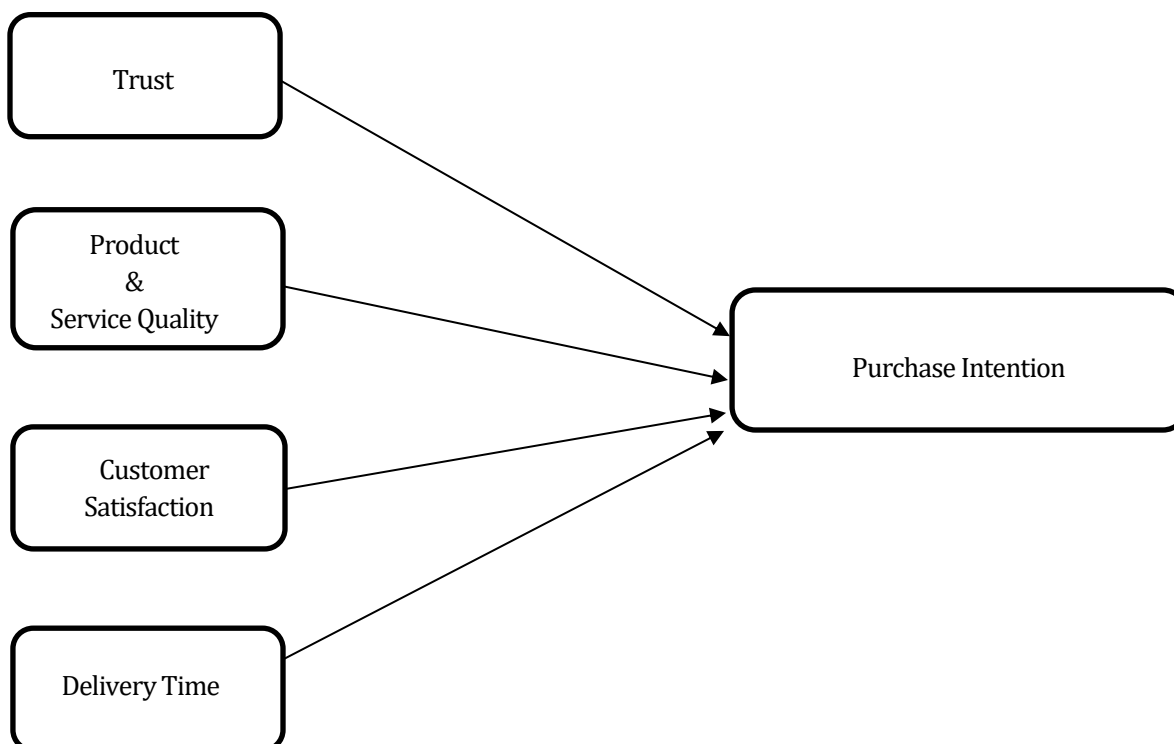


Figure 1: Research Framework (Developed for this research)

According to the study, the population is a determinable overall interest base. The participants in this research were a group of Gen Xers (people aged 41 to 56) from various areas of Malaysia. A total of 203 people responded to the survey. Non-probability sampling was employed in this study, in which the researchers chose samples based on their subjective assessment. The study relied on convenience sampling. This sampling method was chosen because of its speed, cost-effectiveness, and sample availability. Questionnaires are used to collect all of the data. Respondents will complete the questions in the questionnaire online, and their answers will be gathered online. Questionnaires were delivered face to face and in electronic form.

The Statistical Package for the Social Sciences (SPSS) is used in this study to analyze the demographic data, the ideas included in this study, and their relationships. SPSS can handle a large amount of data, allowing all of the analyses in this study to be completed. SPSS was utilized in this study since it is compatible with a variety of other data analysis software programmes.

## FINDINGS AND DISCUSSION

To provide a clear understanding, the findings are reported in the tables below. The theories that were created were also tested and summarized as follows:

Table 1: Demographic Information

Variables		Frequency	Percentage (%)
Gender	Male	83	40.9
	Female	120	59.1
Age	40-43	76	37.4
	44-47	47	23.2
	48-51	73	36.0
	52-55	7	3.4
Race	Malay	34	16.7
	Chinese	142	70
	Indian	26	12.8
	Others	1	5
Highest Level of Education	M	22	10.8
	Foundation	19	9.4
	Diploma	63	31.0
	Degree	97	47.8
	Postgraduate	2	1.0
Income Level	Below RM1000	30	14.8
	RM1501-RM3000	58	28.6
	RM3001-RM4500	84	41.4
	RM4501 and above	31	15.3
Monthly Online Purchases	1-3 times	75	36.9
	4-7 times	79	38.9
	8-10 times	40	19.7
	More than ten times	9	4.4

Table 1 summarizes the demographic information collected for this research, with a total of 203 respondents who are in the Gen X cohort from all over Malaysia.

Table 2: Reliability Analysis

Dependent Variables	Cronbach's Alpha	Number of Items
Purchase Intention	0.820	3
Independent Variables	Cronbach's Alpha	Number of Items
Trust	0.870	5
Product & Service Quality	0.874	4
Customer Satisfaction	0.871	4
Delivery Time	0.802	3

Table 2 shows the Cronbach's Alpha for each variable. All of the variables in this study had Cronbach's Alpha values over 0.7, indicating that they were all acceptable. The independent factors with the greatest Cronbach's Alpha are product and service quality (0.874), customer satisfaction (0.871), trust (0.870) and delivery time (0.802). At the same time, Cronbach's Alpha for the dependent variable of purchase intention was 0.820.

Table 3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.110	.162		.678	.499
Trust	.137	.063	.133	2.177	.031
Product & Service Quality	.034	.063	.034	.545	.586
Customer Satisfaction	.244	.066	.238	3.695	.000
Delivery Time	.629	.063	.601	9.977	.000

Table 3 shows the result of coefficients analyzed by SPSS. Table 3 demonstrates the relationship between dependent and independent variables through multiple linear regression analysis. The hypothesis is supported if the p-value (significance level) does not exceed 0.05. Thus, Table 3 shows that three of independent variables of the study, which are trust, customer satisfaction and delivery time, has a significant positive relationship towards the online purchase intention among Gen X in Malaysia, where the variables of p-value of trust, customer satisfaction and delivery time is 0.031, 0.000 and 0.000 respectively. However, product service and quality do not have a significant relationship towards the online purchase intention among Gen X in Malaysia. This is due to the p-value is more than 0.05 as the product & service p-value is 0.586.

Table 4: Hypotheses summary

No.	Hypothesis	p-value	Results
H1	There is a significant relationship between trust and online purchases intention among generation X in Malaysia.	0.031	Supported
H2	There is a significant relationship between product & services quality and online purchases intention among generation X in Malaysia.	0.586	Rejected
H3	There is a significant relationship between customer satisfaction and online purchases intention among generation X in Malaysia.	0.000	Supported
H4	There is a significant relationship between delivery time and online purchases intention among generation X in Malaysia.	0.000	Supported

Table 4 displays the results of the SPSS analysis of coefficients. The hypothesis is supported if the significant value (also known as p-value) does not exceed 0.05. Three independent variables are significant among four independent variables, according to the table above. In this study, trust (0.031), customer satisfaction (0.000), and delivery time (0.000) are all significant. Product and service quality (0.065) is not significant in the study because it exceeds 0.05.

## CONCLUSION

The technologically adept generation X provides a huge opportunity for internet enterprises, and the findings of this study can help academics and marketers alike. The major goal of this study was to gain a better understanding of the factors that influenced Generation X's online purchasing intentions in Malaysia. For this study, four factors were identified: trust, product and service quality, customer satisfaction, and delivery. All of the other criteria were shown to have a substantial impact on online purchase intention, with the exception of the third component, product and service quality.

To further increase e-commerce, it is proposed that the government work to educate the people about the advantages of online buying in Malaysia. For example, the government may work with well-known online buying platforms in Malaysia, such as Shopee, Lazada, and Grab Malaysia, to raise e-commerce awareness, particularly during this epidemic period. Online shopping would undoubtedly improve the Malaysian economy and assist merchants that are unable to conduct physical sales.

These findings might be beneficial in the creation of a complete model to help researchers better understand online purchasing intent. The findings of this study, which looked at the consumer behaviour of Malaysia's Generation X, would give a better understanding of Malaysian buy purchasing intentions and aid in the development of more successful online marketing tactics.

However, there are several limitations to be aware of when doing research. To begin with, the study's sample size was small, with only 203 participants. As a result, the data may not offer a true picture of online purchases among Malaysia's Generation X.

Second, the information cannot be acquired in a timely manner. Because the majority of respondents are unwilling or unable to finish the survey, this is the case. Researchers will find it more difficult to acquire data as a result of this.

More research should be conducted in order to obtain a bigger sample size of responders from different areas of Malaysia. With a bigger sample size, researchers may draw more solid conclusions about the relationship between the factors. The surveys should be delivered to numerous places to increase the accuracy of the data obtained.

Next, the danger of bias might have hampered the findings' accuracy. As a result, it is proposed that in future studies, more variables, moderators, and mediators be included in order to build a more thorough study model. Furthermore, because consumer behaviour is subjective, a combination of qualitative and quantitative research is recommended. To summarise, to obtain more reliable results, longitudinal research over a longer period of time and with bigger sample size is advised.

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