

# **A Review of the Factors Influencing E-Shoppers Behaviour towards Online Shopping**

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## **ABSTRACT**

The aim of this study is to determine the factors influencing Malaysian e-shoppers online shopping behaviour in the perspective of electronic word-of-mouth, web atmospherics, trust and, e-satisfaction. This study applies the Theory of Planned Behaviour as the underpinning theory. Partial Least Square (PLS) path modelling approach based on Structural Equation Modelling will be adopt as the main analytical tool. Both, practitioners and scholars can benefit from this study by having a better understanding of Malaysian e-shoppers behaviour. Practitioners especially e-retailers and e-marketers can formulate business strategies, expand their opportunities and maintain sustainability in the e-commerce platform.

**Keywords:** Online Shopping, Consumer Behaviour, Electronic Word-Of-Mouth, Web Atmospherics, e-Satisfaction, Trust.

## **INTRODUCTION**

The popularity of the internet has reformed the world in all aspects such as people's lifestyles, connectivity, information gathering, education, entertainment, sports, political, technology and economic activities. This can be seen through the latest statistics published by Internet World Stats (2016). Internet World Stats (2016) reported there are 3,675,824,813 netizens in the world which represent about 50.1% of the total world population. In Malaysia itself, there are

21,090,777 netizens which 68.1 percent implies from the country population. These statistics were recorded up to 30 June 2016.

The growing usage of the internet has led to the expansion of electronic commerce. Revenue for the worldwide electronic commerce is estimated to rise to 3.4 trillion US dollars in 2019 while the revenue of Malaysia e-commerce market in 2016 amounts to US\$894 million and expected to rise by 23.7 percent, amounting to US\$2,585 million by the year 2021 (Statista, 2016). E-retailers and e-commerce marketers have taken the challenges to integrate this platform in their marketing strategies to advertise, promote and sell their products and services locally and globally through online business.

This paper focused on the relationship between direct predictors and actual online shopping behaviour. The objective of this study; (1) to determine the direct predictors (electronic word-of-mouth, web atmospherics, trust and, e-satisfaction) that influence actual online shopping behaviour among e-shoppers in Malaysia and, (2) to develop research model of the actual online shopping behaviour among e-shoppers in Malaysia.

The organisation of the papers is as follows: Section 2 starts with a literature review consisting of online shopping behaviour, electronic word-of-mouth, web atmospherics, e-satisfaction and trust, as well as the research hypothesis. Section 3 continues to describe the methodology and Section 4 presents the proposed researched model. Finally, the conclusion is covered at the end of this section.

## **LITERATURE REVIEW**

### **Online Shopping Behaviour**

Online shopping is a trending in this era, and there is a shift in online shopping behaviour as e-shoppers use internet-enabled multi-devices to shop online (Wagner et al., 2013). 53 percent of Malaysian e-shoppers shop online via desktop computers, i.e. notebooks and laptops while 47 percent use mobile phones such as smartphones and tablets (Nielsen Malaysia, 2014). This indicates that e-shoppers have numerous online channel formats such as e-commerce, m-commerce, social media, websites and blogs (Wagner et al., 2013). Malaysian Generation X (aged 35 to 54 years) and baby boomers (aged 55 years and above) are the key spenders for online shopping (EY Sweeney, 2016). E-shoppers are motivated to shop online because of convenience (Jiang et al., 2013), time saving (Jayasubramanian et al., 2015), variety-seeking of products (Rohm & Swaminathan, 2004), and price comparison.

The underpinning theory of the framework is adapted from Theory of Planned Behaviour by Ajzen. Theory of Planned Behaviour is widely used in the consumer behaviour studies to predict and describe human behaviour in a specific context (Ajzen, 1991). It is an expansion of the Theory of Reasoned Action by adding the contribution of perceived behavioural control. In the Theory of Planned Behaviour, intention is the main predictor for behaviour and it consists of

three different antecedents which are the attitude toward the behaviour, subjective norms and perceived behavioural control. Figure 1 illustrate the Theory of Planned Behaviour model

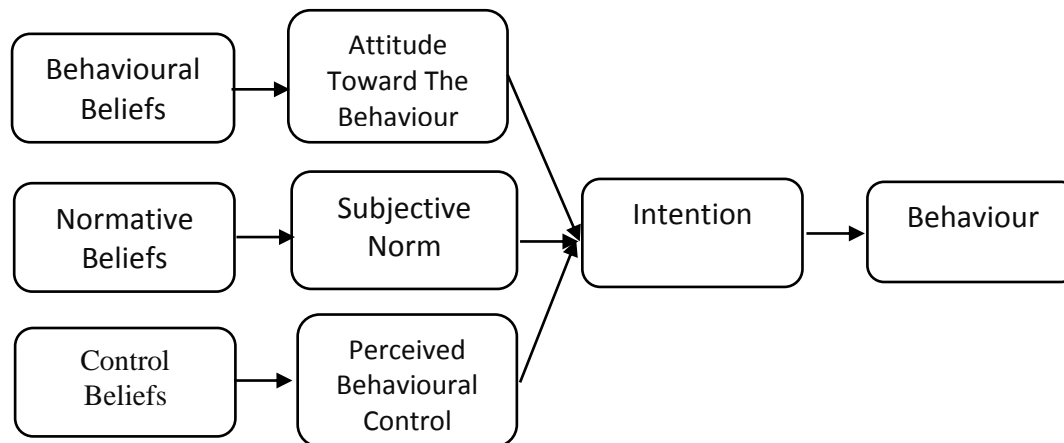


Figure 1 Theory of Planned Behaviour

The researcher is inspired to use electronic word-of-mouth (Al-Debei et al., 2015), web atmospherics (Weng, 2015) e-satisfaction (Omar et al., 2011) and trust (Akroush & Al-Debei, 2015) as the predictors in this study based on the proposed future research by several authors.

### Electronic Word-of-Mouth

The research of word-of-mouth has started in 1950's. Along, with the growth of information and communications technology, the word-of-mouth has evolved to virtual dimension known as electronic word-of-mouth. Electronic word-of-mouth is defined as positive or negative remarks about a product, service, brand or company that has been posted to the virtual communities via the internet by potential, actual or previous e-shoppers (Hennig-Thurau et al., 2004). E-shoppers can review, express and exchange unbiased product information and services with each other in three ways: one-to-one (email and instant messaging), one-to-many (e.g. websites, product reviews and hate sites) and many-to-many (e.g. blogs, virtual communities and forums) (Chan & Ngai, 2011). Negative electronic word-of-mouth holds potential threat for the company's reputation, product or services because criticism can spread at an extraordinary speed with boundless, unlimited e-shoppers.

### Web Atmospherics

Atmospherics concept was first introduced by Kotler. It is defined as the "conscious designing of space to create certain buying effects, specifically the effort in designing buying environments to produce specific emotional effects in the buyer to enhance purchase probability" (Kotler, 1973). In another word, atmospherics is the setting of the physical store that influences the customer's mood in the purchasing decision. This concept was later applied to the online settings by Eroglu, Machleit, & Davis, (2003). Online store website creates the first impression and represents the company's image. Therefore, organising and maintaining a user-friendly

e-shoppers website with adequate web atmospherics is essential for the success of the e-retailer. The web atmospherics should be enhanced aesthetically with proper and good construction to influence e-shopper to purchase online (Weng, 2015).

### **E-Satisfaction**

E-satisfaction is defined as “the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm” (Anderson & Srinivasan, 2003). A good online shopping experience will satisfy and retain e-shoppers. Retaining e-shoppers will encourage repurchase of goods and services. It will also contribute to e-shoppers loyalty. The factors that influence e-satisfaction are fast delivery of goods and services (Chou et al., 2015), security of the online payment and product quality (Omar et al., 2011), ease of ordering, simple navigational capabilities and easy to operate search engine (Kim, 2002).

### **Trust**

Several studies reveal that trust is one of the major contributors to encourage e-shoppers to shop online. (Gurung & Raja, 2016; Akroush & Al-Debei, 2015; Kaur & Quareshi, 2015; Weng, 2015). Moreover, trust is the most crucial factor in e-retailer and e-shopper’s relationship (Kaur & Quareshi, 2015). Thus, it is common that e-shoppers refuse to purchase online because of lack of trust towards e-retailers (Grabner-Kräuter & Kaluscha, 2003). For example, 52 percent of Malaysian e-shoppers refused to purchase online using a credit card because they are skeptical in giving out their credit card information. Therefore, certain companies have taken steps by allowing e-shoppers to place online orders but pay off-line in order to stay competitive in the market (Nielsen Malaysia, 2014).

### **HYPOTHESIS**

#### **The relationships between electronic word-of-mouth, web atmospherics, e-satisfaction, trust and online shopping behaviour.**

Currently, there is a lack of study that covers about electronic word-of-mouth, web atmospherics, e-satisfaction, trust and actual online shopping behaviour in Malaysia. This paper attempts to fill the gap by examining the literature and presenting a model that explains actual online shopping behaviour through theoretical underpinning. Therefore, a relationship between electronic word-of-mouth, web atmospherics, e-satisfaction, trust and actual online shopping behaviour should be investigated. Thus, hypotheses are being proposed based on the conceptual model as stated below:

- H1: There is a positive relationship between electronic word-of-mouth and actual online shopping behaviour.
- H2: There is a positive relationship between web atmospherics and actual online shopping behaviour.

H3: There is a positive relationship between e-satisfaction and actual online shopping behaviour.

H4: There is a positive relationship between trust and actual online shopping behaviour.

### **RESEARCH METHODOLOGY**

This study examines several predictors, which lead to actual online shopping behaviour through the Partial Least Square (PLS) path modelling approach based on Structural Equation Modelling. Exploratory factor analysis, reliability analysis and confirmatory factor analysis will be used to test for construct validity, reliability, and measurements loading. Statistical Package for Social Science (SPSS) will be used to analyse the preliminary data and provide a descriptive analysis of the sample such as means, standard deviations and frequencies.

The study will be carried out in a quantitative nature. It seeks to provide an exploratory study on the e-shoppers behaviour in online shopping. Secondary references such as books, journal and credible websites will be the inputs for an extensive review of relevant literature. A structured and self-administered survey will be employed targeting e-shoppers from Universiti Kuala Lumpur millennial students as respondents.

### **A Proposed Research Model**

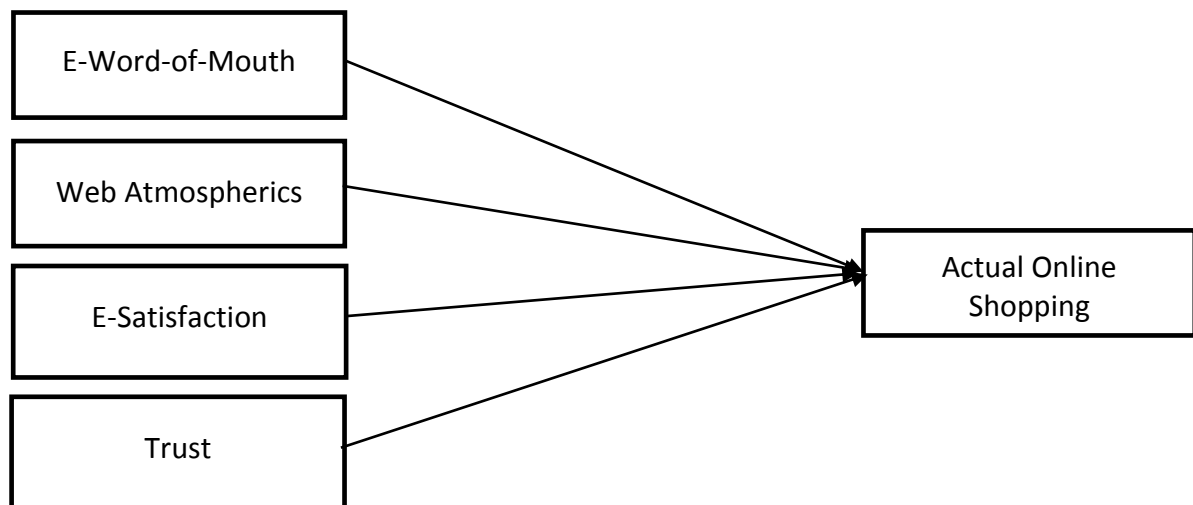


Figure 2 Proposed Research Model

Based on various literature review, several studies suggested studying the relationship between electronic word-of-mouth, web atmospherics, e-satisfaction, trust and actual online shopping. In relation to that, this paper proposed a research model as illustrated in Figure 2.

## **CONCLUSION**

As a conceptual paper, this study is limited to literature and prior empirical research. The study provides valuable insights for scholars and practitioners. Scholars will have a better understanding of e-shoppers behaviour in the marketplace to advance their research in the marketing field, whereas, practitioners from a managerial perspective such as e-marketers and e-retailers can plan strategies, expand business horizons and retain customers in the virtual business. Future studies can replicate the current study's model to be applied in different countries.

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