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Assessing the Impact of Website Design on Purchase Intent: A Case Study on Go Shop

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Abstract

Go Shop is considered as one of the recent contenders in the Malaysian e-commerce market, a growing competitive industry. A review of the literature ascertained that online stores' website design quality is very important to attract customers. Based on the technology acceptance model, perceived ease of use, perceived usefulness, and perceived enjoyment of the website design were examined in this study to predict the customers' purchase intention at Go Shop. A structured survey was used in this study and the respondents to the survey were working adults who were also part-time postgraduate students at one of the public universities in Malaysia. The survey was carried out at the computer lab of the Graduate Business School. A non-probability sampling technique was utilized, and a total of 43 responses were gathered. The results of the multiple regression analysis indicated that the respondents' purchase intention was significantly influenced by the website's perceived usefulness and perceived ease of use. However, perceived enjoyment was not a significant predictor of purchase intent. The managerial implications of the findings were discussed, followed by the suggestions for future research.

Keywords: On-line Shopping, Purchase Intent, TAM, Website Design

Introduction

Online shopping is one of the most popular online activities worldwide (Statista.com, 2018a). Globally, the retail e-commerce sales indicate a growing trend. In 2017, retail e-commerce sales worldwide amounted to 2.3 trillion US dollars. Earlier in 2014, the total sales recorded was 1.3 trillion US dollars. The sales are projected to grow to 4.88 trillion US dollars in 2021. As reported, desktop PCs are still the most popular device for placing online shopping orders but mobile devices, especially smartphones, are catching up (Statista.com, 2018a).

In Malaysia, in 2018, according to Statista data (Statista.com, 2018b), the e-commerce market amounts to US\$1,380 million. Revenue is expected to show an annual growth rate of 17.6%, resulting in a market volume of US\$2,635 million by 2022. It was also reported that the market's

largest segment is electronics and media with a market volume of US\$477 million in 2018. In term of user penetration, the rate stood at 61.6% in 2018 and is expected to hit 63.2% by 2022. As at 2018, the average revenue per user amounts to US\$69.60. Among the major players of B2C (Business to Customers) e-commerce market in Malaysia are Lazada, Zalora, 11 Street and Shopee. Measuring by the number of visitors per month, in May 2018, the market leader, Lazada Malaysia had approximately 29.08 million visitors. This was followed by Shopee (12.21 million), 11 Street (7.35 million) and Zalora (1.89 million). Go Shop and Tesco recorded a total visitor of 0.86 million and 0.81 million respectively (Statista.com, 2018b).

Go Shop is considered as one of the recent contenders in the Malaysian e-commerce market. The company has officially launched its business in January 2015. Go Shop is a joint venture between two companies, namely Astro Malaysia Holdings Bhd and GS Home Shopping Inc. from Korea (Astro.com, 2016). This strategic partnership capitalizes on the media reach of Astro, which has reached 5 million households as at September 2016, or a 69% penetration of total Malaysian households (Astro.com, 2016). Go Shop is targeted to generate RM500 million annual revenues within its first five years. To achieve this, Go Shop relies on the strength of its TV platform with Astro and capitalizing on the increasing popularity of e-commerce with an online platform of its own. Customers may choose to purchase from Go Shop online, either through its website on goshop.com.my or through Go Shop's mobile application platforms.

Considering the competitive environment of the e-commerce industry, further understanding of the influence of website design on consumer buying decision remain crucial to any market players, which includes Go Shop. The emerging area of research includes a study on online buyers' purchase intention and factors affecting their intention to continuously purchase online (Lee et al., 2016). The past studies have indicated that the quality of website design is very important for any online store to attract customers (Ganguly et al., 2010; Cyr, 2008; Benwell et al., 2020). The studies showed that the number of visitors has a positive correlation with a website's online sales, sales growth and increase in market share. Cyr (2008) asserted that effective web site design should be central for e-commerce vendors.

With reference to a Go Shop web, the purpose of this present study is to assess the influence of website design in terms of the perceived usefulness, perceived ease of use and perceived enjoyment on purchase intent. The study utilized the technology acceptance model (Davis et al., 1989), which is also known as TAM as the based framework. The findings of the study are expected to provide further insight into the roles of website design on online buyers' purchase intention and their implications to the online merchants.

Review of Literature

According to Van der Heijden et al. (2003), one of the issues that differentiate online consumers from off-line consumers is online consumers have to interact with technology to purchase the goods and services they need. The physical shop environment is replaced by an electronic shopping environment or, in other words, by an information system (IS).

TAM (Davis et al., 1989) has been widely used in studies related to technology usage which include studies of on-line business and website usage. From a technology point of view, the website that an online store employs to market and sell its products is referred to as the technology (Heijden et al., 2003). Kim and Lee (2011) addressed two perspectives in analyzing the design of a website. They are process and architecture perspectives. The latter refers 'the collection of webpage documents' as a system. The website design consists of four components namely, content (information shown in the website), structure (arrangement of information in the webpage), interaction (two-way communication between sellers and buyers) and presentation (how products details are presented to buyers). Cyr (2008) stated that the website design consists of three components, which are information design, navigation design, and visual design. These components also represent the architecture perspective of website design (Ganguly et al., 2010).

As highlighted in Van der Heijden et al. (2003) work, in TAM, the intention to behave is the key determinant of the actual behavior and there are two key beliefs that specifically account for technology usage. They are perceived usefulness and perceived ease-of-use. In later studies (Davis et al., 1992; Venkatesh & Davis, 1996) perceived enjoyment was included in the model as the determinant of user acceptance of the technology.

Perceived usefulness was defined by Davis et al. (1989) as 'the degree to which a person believes that using a particular system would enhance his or her job performance.' Perceived usefulness has a direct influence on the intention to use the Internet as a purchase platform (Guritno & Siringoringo, 2013). The web usability is crafted by information design, which according to Cyr (2008), this refers to the content and structure of information. In addition to the information design, the web usability is also contributed by other aspects of design such as navigation or website structure (Cyr, 2008).

Perceived ease-of-use was defined as 'the degree to which a person believes that using a particular system would be free of effort'. In the online business context, perceived ease of use refers to the degree of how consumers believe that retail website can help them to search more information with less effort (Chui et al., 2005). According to Reibstein (2002), the dimensions of ease of use include the ease of ordering, functionality, navigation of website and accessibility of information. Buyers' positive attitudes towards purchasing online were directly influenced by how they see the 'ease-of-use' of the web (Van der Heijden et al., 2003). The past study also recorded that perceived website usability directly influenced online consumer trust, which in turn influenced e-loyalty and e-loyalty includes online buyers' intention to revisit the store website (Flavián et al., 2006). As cited in Cyr's work (2008, p. 53), McKinney et al. (2002) urged that "No matter how thorough the information content of a site is, a customer who has difficulty in searching and getting the needed information is likely to leave the site".

Perceived enjoyment can be defined as the extent to which the activity of using computers is perceived to be enjoyable in its own right, apart from any performance consequences that may

be anticipated (Davis et al., 1992). Past study (Karasavoglou et al., 2013) recorded that the buyers' acceptance of a new technology which drives the intention to purchase online was significantly predicted by perceived enjoyment. Accordingly, the more enjoyable the online shopping process at a particular website, the more likely consumers will purchase on that website (Umair et al., 2013).

Based on the above, the hypotheses of the study are stated as follows and the conceptual framework of the study is presented in Figure 1.

H1: Perceived usefulness will significantly influence respondents' purchase intent at Go Shop.

H2: Perceived ease of use will significantly influence respondents' purchase intent at Go Shop.

H3: Perceived enjoyment will significantly influence respondents' purchase intent at Go Shop.

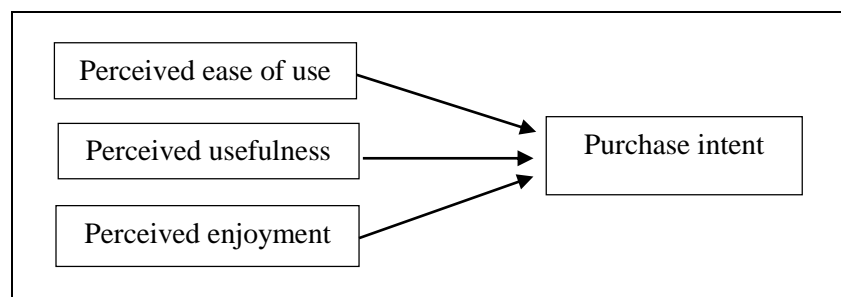


Figure 1: Research framework

Research Methodology

The study utilized a survey method. The respondents were invited to take part in this survey on a voluntary basis. They were working adults who were also part-time postgraduate students at one of the public universities in Malaysia. The survey was carried out at a computer lab of the Graduate Business School of the university within the allocated time and date. In the computer lab, first, the participants (respondents) were asked and were given time to browse the Go Shop website, then they were asked to fill up the questionnaire. The same approach was used in the previous studies (Cyr, 2008; Heijden et al., 2003). A complete questionnaire was then collected by the researchers. There were two sessions of the survey and the total responses received were 43. A convenience sampling technique was utilized in this study. The part-time postgraduate students were chosen as the respondents in view that they represent a group of consumers with purchasing power and the ease to get their participation for the survey which was carried out at the computer lab of the institution. The measurement items for purchase intention (4 items), perceived ease of use (5 items), perceived usefulness (4 items) and enjoyment (3 items) were adapted from the previous studies. The Cronbach alpha score for each of the construct measured ranged from .809 to .857, except for perceived enjoyment items, the alpha score was .648.

Analysis and Finding

The survey's findings indicated that 31 (72.1%) of the respondents aged 26 to 35 years and 12 (27.9%) aged 36 to 45. 28 (65.1%) of the respondents were female and 15 (34.9%) were male. In terms of the respondents' earning per month, 25.6% of them belong to an income group of RM

2,000 to RM 4,000, 44.2% (RM 4,001 to RM 6,000) and 20.9% (RM 6,001 to RM 8,000). The remaining 7% of the respondents earned above RM 8,000 per month.

The survey's findings also showed that 38 out of 43 respondents said they know about Go Shop. The majority (58.1%) of them stated that they know about Go Shop through TV ads, and this was followed by friends and relatives (39.5%). However, less than 30% (12 out of 43) of the respondents said they had bought product(s) from Go Shop. Of these 12 respondents, 6 of them stated that they bought the products through the website of Go Shop and 4 used a phone call to make the purchase. The respondents were also asked about the type of product(s) they bought at Go Shop. 66.7% (8 out of 12) bought kitchenware products. This was followed by beauty products 8.3% (1 out of 12) and fashion products 25% (3 out of 12).

A multiple regression analysis was carried out to assess the influence of perceived ease of use, perceived usefulness and perceived enjoyment on intention to purchase at Go Shop. The results of the analysis (Table 1) indicated that the regressed model was significant ($p < .001$) and the adjusted R-square of the model was .573. The respondents' purchase intention was significantly predicted by the web perceived usefulness ($\beta = .823$, $p < .001$). This was followed by perceived ease of used ($\beta = -.451$, $p < 0.005$). Perceived enjoyment, however, was found as non-significant in predicting the respondents' purchase intention ($\beta = .248$, $p > .05$). Thus, H1 and H2 of the study were supported and H3 was not supported.

Table 1: Regression analysis results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777 ^a	.604	.573	.44413

a. Predictors: (Constant), perceived ease of use, perceived usefulness, enjoyment
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	Beta	Std. Error	Beta		
(Constant)	0.798	0.658		1.213	0.233
1 perceived ease of use	-0.747	0.245	-0.451	-3.054	0.004*
Perceived usefulness	1.279	0.284	0.823	4.500	0.000*
Perceived enjoyment	0.223	0.123	0.248	1.817	0.077

a. Dependent Variable: Intention to purchase

Discussion and Conclusion

One of the challenges faced by the e-commerce players is to persuade consumers to purchase on their website (Peng et al., 2017). Ghandour (2015) asserts that a website for e-Commerce is a transactional platform as it sells its products or services online. Thus, the web must be built to create value. What matters most to the e-merchant store is to attract the targeted visitors to

their website and to convert them into buyers (Cyr, 2013). As addressed in the literature of online shopping, the website is referred to as the technology (Van der Heijden et al., 2003) and the website design is regarded as a system which consists of a collection of webpage documents (Kim et al., 2011). The analysis of this present study indicated that the respondents' purchase intention at Go Shop was significantly predicted by the web's perceived usefulness. The respondents' purchase intention at Go Shop was also significantly determined by the web's perceived ease of use. These findings suggested that both perceived usefulness and perceived ease of use of the website are important to the respondents in encouraging them to purchase products offered at Go Shop.

Practically, it is vital for Go Shop to pay attention to these two factors in designing their website. The findings of the study are in-line with the previous study which found that online shoppers are more preferred to stay on the website they visited if they feel that the website content and flow are useful. In contrasts, the online shoppers tend to leave the webpage visited should they feel that the information presented and the structure of the website, as well as the visual design of the web which includes color and graphics used, were not helping them to find what they are looking for.

On the other hand, the findings of this present study indicated that perceived enjoyment was not significant in predicting the respondents' purchase intention at Go Shop, although overall, based on the descriptive analysis, the respondents were agreed that the design of Go Shop web was attractive (mean score of 3.558), the color of the website looks vibrant (mean score of 3.628) and browsing the website offered an enjoyable experience (mean score of 3.256). This finding could be explained by the scope of usage intention of the technology as addressed in TAM. Heijden et al. (2003) argued that in an e-commerce context, usage intention represents a broader scope than purchase intention. A person may use an online store not only to purchase but also to learn about products and services and to compare alternative choices. Thus, in the Go Shop case, this could mean that the respondents may enjoy browsing the Go Shop web, but they may not intend to purchase any products on the web. Managerially, Go Shop may consider enhancing their products presentation to make it be visually appealing. Peng et al. (2017) study found that when consumers viewed the products display as visually appealing, they also will perceive the e-merchant website as useful. This, in turn, will result in the enjoyment of the shopping experience.

As a conclusion, the findings of the study provide further support to the existing literature on the roles of web design and its impact on online shoppers' buying decision. Customers' purchase intent at Go Shop is influenced by the quality of the website design which promotes perceived usefulness and perceived ease of use.

There were some limitations to this study. One of them is, the sample size was considered small. Further, the findings of the study should not be generalized to the entire population as the study employed a convenience sampling technique. Future studies may consider utilizing a bigger number of samples and to use any probability sampling design to represent the study population.

Other than that, future studies are recommended to analyze the impact of website design elements and the roles of cultures on Malaysian consumers' attitudes towards e-retailer's website. Cyr (2013) identified four elements of website design namely, information design, information content, navigation design and visual design and her study showed that consumers' perception of website design varies across countries and cultures.

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