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The Barriers and Obstacles of Attitude towards Online Shopping in the Malaysian Market

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Abstract

This review paper focuses on the barriers and obstacle of attitude towards online shopping in the Malaysian market. From the review of literature, it is found that the Malaysian online shopping is still at the beginning stage as compared to other Asian countries which are at a more advanced stage. Among the contributor to this issue is the lack of understanding and negative attitude towards online shopping. Due to that, four main barriers have been identified and they are: privacy and security, trust, web design and perceived ease of use. This study is still at the early stage and needs further validation by reputable scholars and experts in the field to enhance its credibility. Thus, the issue will be explored further through quantitative study.

Keywords: Barriers, Obstacles, Online Shopping, Attitude, Malaysia, Market.

Introduction

A Consumer's attitude towards online shopping refers to the psychological state in which she or he is in, while making purchases over the Internet. Attitude directly influences decision making and is also central to a buyer's shopping behaviour. Therefore, the group with a more positive attitude should be the target market (Wu, 2003).

Faqih (2016) and Salem ur Rahman (2018) also noted that the characteristics and features of this new shopping method are still unfamiliar to consumers in developing countries and therefore needs more attention. It is no surprise then, that Haque et al (2006) observed that the attitude towards online shopping is somewhat negative among Malaysians This is because of the lack of understanding about online shopping and the impact on marketing (Harn, Khatibi & Ismail, 2006) and the less known facts about what determines online shopping and consuming attitude (Muniandy, Al-

Mamun, Permarupan & Zainol, 2014). It is supported by the study by Harn, Khatibi and Ismail (2006); Haque et al. (2009); Lim et al. (2016) mentioned that online shopping in Malaysia is still evolving and unfamiliar. This is further proven by the study by Jamil and Mat (2011) who stated that only a few studies were conducted on online shopping attitude of consumers in Malaysia. Online shopping in Malaysia is still at an early stage and little is known about consumer attitude toward this new channel of shopping and factors that influence their attitude towards it.

This statement was supported by the Malaysian Communications and Multimedia Commission (MCMC) which conducted the Internet Users Survey (IUS) 2017 and found that there is a 66.7% lack of confidence or skills and 64.6% security and privacy concerns as being the main reason for not shopping online. Figure 1 shows the list of reason for not shopping online.

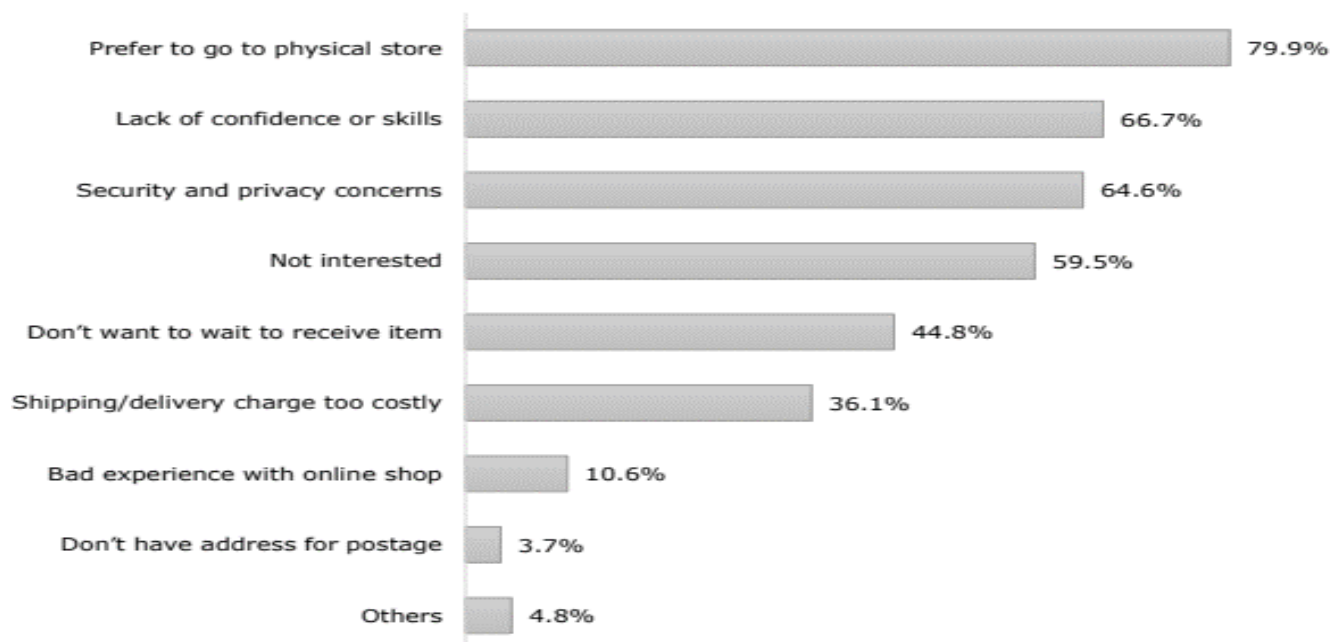


Figure 1: Reason for not shopping online

Sources: Malaysian Communications and Multimedia Commission (MCMC) 2017

In order to increase online shopping in Malaysia, factors influencing consumer attitude when shopping online should be given priority. It is important to identify the factors which influence consumers to shop online in order to capture the demands of consumers. It is important to address factors that could influence shopping behaviours (Azeem, 2012). Ignoring consumers' attitudes guarantees limited success of a marketing strategy campaign (Bhatt, 2014). Most of the previous studies has used variables such as belief (Oh and Jeong, 2015), brand (Kudeshia & Kumar, 2017; Punyatoya, 2015; Park et al. 2015) consumer experience (Yeo, Goh & Rezaei, 2017), knowledge (Wulandri, Rahyuda & Yasa, 2015) as the factors that influence consumer attitude towards purchase intention. With this in mind the objective of this study is:

- to review the factors such as trust, privacy and security, perceived ease of use and web design as the reasons that influence consumer attitude toward online purchase intention.

Overview of Barriers and Obstacle

According to Ranganathan & Ganapathy (2002) privacy and security are the best predictors of consumer attitude toward online purchase intention. Security risk is the main issue (figure 2) which takes up 74 per cent (Nielsen Global Survey, 2016) of what consumers are worried the most when they engage in an online purchase (Bart et al. 2005). It is supported by the study done by Levy and Weitz (2016) which reveals that security and privacy violations are the most important factors that hinder consumers from buying through online shopping. Malaysian people are unwilling to shop online because they are afraid their personal information will be stolen or misused by others (Haque et al. 2006). Tong (2010) indicates that a higher perception of risk leads to a fewer willingness to buy. The Malaysian Insider (2011) reported that four (4) out of ten (10) Malaysian online shoppers believe that security measures on credit/debit card online transactions online (Zendehdel et al. 2015) were inadequate. Egger (2000) noted that difficulty of use with respect to online payment privacy found to constitute a real barrier to online shopping. Consequently, the study by Belkhamza & Niasin (2017) mentioned that there is lack of research on the privacy concern on consumer attitude toward purchase intention. When the privacy and security is secure, consumers will build a trust and are encouraged to purchase through online shopping. Besides, the lack of direct experience with the product within e-commerce, leads to a feeling of uncertainty and therefore constitutes a risk for the consumers when buying online. This perceived risk results in a growing number of order returns, uncompleted order processes and consumers without any online purchase intention (Yaoyuneyong et al. 2014).

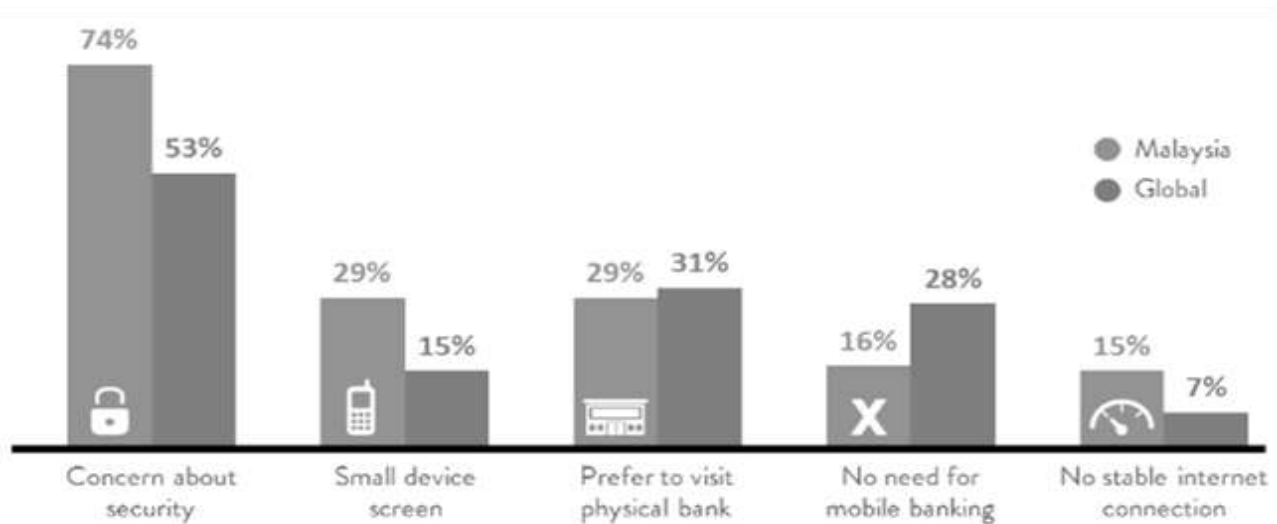


Figure 2: Reason why Malaysians are not likely to using online purchasing
Source: Nielson Global Survey, 2016

Trust is the second factor that influence consumer attitude. A lack of trust and negative attitude toward websites and brands have been identified as critical factors that impact purchase intention in an online context (Wu, Quyen & Rivas, 2017). According to Kim (2012), consumers' trust in their pre-purchase decision may positively affect the consumers' intention to purchase. Chiu, Huang and Yen (2010) proved in their study that trust is a positive predictor of consumer intention to purchase and can reduce the insecurity especially buying through online (Shiau and Chau, 2013). Based on previous studies, the lack of trust generates a negative effect on the willingness to

participate in online purchasing activities (Meskaran et al, 2013) and reasons why consumers do not engage in e-commerce (Lee and Turban, 2001). It is proven by MCMC (2017), where the report shows that there are only 48.8% who does online shopping (refer figure 3). Although online advertising has become a trend nowadays, some people experience a lack of trust towards online transaction. There is a need to investigate this issue as well, because without a clear understanding of consumer behavior, it would be difficult to devise effective marketing and sales strategies and even business models (Nejati et al. 2011). Hew (2017) revealed that most Malaysians do not trust the information from the internet, and only 17% of consumers trust the information from internet especially social media.



Figure 3 : Percentage of internet users by online activities

Source: Malaysian Communications and Multimedia Commission (MCMC) 2017

The third factor is web design. Retail stores have evolved from a simple sales outlet to an 'interactive theatre' or 'experience stager'. The concept of 'store atmospherics' has received attention not only from researchers but also from vendors in both offline and online modes. Hasan (2016) found that websites with an unpleasant visual design elicited feeling of irritation with users and upset them. A study done by Jin et al. 2015 suggested that website design to be explained in online shopping activities. Although a considerable amount of literature has been gathered on the impact of store atmospherics in traditional retail, there is a dearth of research studies in the online context (Bedi, Kaur & Lai, 2017). Various academic studies (Brady & Phillips, 2003; Ganguly et al. 2010) have confirmed that attractiveness significantly affects the usability of a website. A study in the Indian context by Ganguly, Dash and Cyr (2009) related to website characteristics has taken into consideration some of the variables related to online website but they have not directly measured the online website construct. Eroglu, Machleit and Davis (2003) were the first to measure the impact

of site website on shopping outcome. They have clearly suggested that website design affect the level of pleasure felt, which in turn leads to attitude formation and then online purchase intention. The findings of Eroglu et al. (2003) study posited that web design affects attitude towards online shopping intention. Cyr (2008) empirically proved that visual design of a website affects attitude and purchase intention. In an online environment, a website is the point of contact between the consumer and the firm, so online vendors need to build effective websites to enhance and maintain customer relationships (Wu, Quyen & Rivas, 2017). Therefore, its visual design has a great influence on the purchase intention of a consumer (Bramall, Schoefer & Mckechnie, 2004).

Lastly, perceived ease of use is also considered as a factor that influences consumer attitude. It is the perception of an individual that it requires no cost or effort in the adoption of new system or technology. Supporting the importance of ease of use for the retailers, research suggests that ease of use is one of the factors that initiate customers to act with repeat purchases (Gefen, Karahanna, & Straub, 2003). Malaysia is at the early stage of the era of internet marketing, thus prefer ease of use as an important factor to influence them to purchase online (Isa and Wong, 2015). A good website for a retailer should support easy navigation and customer intuition (Yang, Jun, & Peterson, 2004). Hence, the information and content should be concise and easy to understand. The information and content provided on the website should encourage customers to be self-reliant throughout the whole transaction. Any difficulties or incomprehensible situations the customer encounters will create frustration and incompetence for the customer, making them less satisfied (Yang et al. 2004). The interacting design is crucial for the prerequisite of the customer being independent throughout the transaction, and it requires comprehensive design and production. According to Rose et al. (2012), the ease of use is an important factor in the online environment. The research addresses that ease of use affects the likelihood of repeated purchases, making it an important experiential factor for consumer attitude.

Conclusion

There is abundant literature that discussed online shopping, and this study gives an overview on the barriers and obstacles faced by Malaysian e-commerce. It provides guidelines for the e-commerce vendors, businesses and stakeholders to guide their efforts to encounter the barriers. However, this study is still at early stage and needed further validation by reputable scholars and experts in the field to enhance its credibility. Thus, the issue will be explored further through quantitative study.

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