

**FACTORS INFLUENCING ONLINE SHOPPING BEHAVIORS OF
FACEBOOK USERS AMONG UNDERGRADUATE STUDENTS IN
UUM, SINTOK, KEDAH**

By

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ABSTRAK

Membeli-belah dalam talian di Malaysia adalah satu inovasi teknologi baru kerana baru sahaja bermula untuk menewaskan sektor peruncitan Malaysia dengan perkhidmatan membeli-belah dalam talian. Proses tingkah laku membeli membincangkan mengenai produk yang dibeli melalui dalam talian. Proses membeli dalam talian mempunyai persamaan dengan tingkah laku membeli-belah tradisional kecuali tiada bersemuka transaksi berlaku. Tujuan kajian ini adalah untuk mengkaji faktor-faktor yang mempengaruhi tingkah laku membeli-belah dalam talian di kalangan pelajar. Kajian ini memberi tumpuan kepada pelajar sarjana muda di universiti Utara Malaysia, Sintok, Kedah yang mempunyai akaun Facebook. Seramai 250 pelajar dipilih sebagai responden tetapi hanya 168 daripada mereka memberi maklum balas kepada soal selidik. Perisian Pakej Statistik untuk Sains Sosial (SPSS) Versi 22.0 telah digunakan untuk menganalisis data yang dikumpul. Kebolehpercayaan analisis, regresi dan korelasi telah digunakan untuk kajian ini. Analisis korelasi Pearson menunjukkan risiko mempunyai hubungan negatif kepada tingkah laku sebenar membeli-belah dalam talian manakala sikap dan pengalaman mempunyai hubungan positif dengan pembolehubah bersandar. Tambahan pula, analisis regresi berganda menunjukkan bahawa semua pembolehubah tidak bersandar mempunyai pengaruh yang besar ke atas pembolehubah bersandar. Cadangan untuk penyelidikan pada masa hadapan untuk melihat cara untuk mempengaruhi sikap pembeli dalam talian di kalangan pelajar dengan menyiasat beberapa faktor penting lain yang dapat meningkatkan tingkah laku membeli mereka pada masa akan datang.

ABSTRACT

Online shopping in Malaysia is a new technology innovation since it has just begun to beating the Malaysia retailing sector with online shopping services. Online buying behavior process discusses about the products bought through online. The process of online buying behavior is kind of similar to traditional shopping behavior except there is no face to face transaction occurred. The aim of this study is to investigate the factors that influencing the online shopping behavior among students. This study is focus on undergraduate students in university Utara Malaysia, Sintok, Kedah who have the Facebook account. A total number of 250 students chosen as respondents but only 168 of them responded to the questionnaire. Statistical Package software for Social Science (SPSS) Version 22.0 was used to analyze the collected data. Reliability analysis, multiple regressions and correlation were applied to this study. The Pearson correlation analysis indicated that perceived risk is a negatively associated with actual online shopping behavior whereas attitude and experience have positive relationship with dependent variable. Furthermore, the multiple regression analysis revealed that all the independent variables have significant prediction on dependent variable. It is suggested for future research to look at the way to influence the attitudes of online buyers among student by investigate some other important factors that able to improve their buying behavior in the future.

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LIST OF ABBREVIATIONS

CAGR	Compound Annual Growth Rate
SMBs	Small and Medium sized Businesses
MBA	Master in Business Administration
TAM	Technology Acceptance Model
TRA	Theory of Reasoned Action
PU	Perceived Usefulness
PEOU	Perceived Ease of Use
TCT	Transaction Cost Theory
IDT	Innovation Diffusion Theory
CAS	College of Science and Art
COB	College of Business
COLGIS	College of Law, Government, and International Studies
SPSS	Statistical Package for Social Science
UUM	Universiti Utara Malaysia
FB	Facebook
DV	Dependent Variable
IV	Independent Variable

CHAPTER 1

INTRODUCTION

1.0 Background of Study

Nowadays online shopping has become very popular and familiar. This is because many people use the Internet as an alternative to purchase a product. MasterCard Worldwide Insights (2008) defined shopping online as the process of buying goods and services sold over the Internet. Shopping online has also been recognized as a purchase over the internet, e-shopping and buying or shopping online. Kim (2004) defined internet shopping as inspection, search, browse for, or view a product to get more information on the possible purchase intentions on the Internet. To see another perspective, Chiu et al (2009) considered shopping online as the exchange of time, energy and money to get your product or service. Datamonitor (2009) believed that retailers see it as an online business, e-commerce or online shop, which refers to "selling groceries through online channels, valued at retail selling prices".

There are several ways to determine the online shopping and it probably depends what kind of perspectives that people looking for. Currently, shopping through online has become a phenomenon and users accept it as it has many benefits. In the view of consumers, shopping online provides low prices and clear range types of goods and services and convenient alternative to shop easier. Indirectly it will make users become more comfortable while shopping without thinking about the difficulty of squeezing through the crowd, stuck in long lines at

the cashier counter and fight for parking in the shopping center. Instead, according to Kim (2004), retailers will see it as a great business opportunity to seize and will never lose the chance to grab the potential customers.

Malaysia's Internet retail realized RM842 million in 2011 and will expect to post compound annual growth rate (CAGR) of 15% to reach RM1.7 billion in 2016. With Malaysian consumers shifting their shopping needs online, a lot of small and medium sized businesses (SMBs) or even corporation are taking advantage of this opportunity by setting up their alternative e-commerce stores to better serve their customers' needs. For instance, also reported that SenHeng Electric, MPH Bookstore, Parkson, Tesco and Isetan has formed internet retailing as an added way for their customers to shop and as a marketing approach to reach more possible customers (Euromonitor, 2012).

However, numerous researchers still claimed online shopping in Malaysia is still at the early stage of development (Paynter and Lim, 2001; Haque et al, 2006; Tang and Tong, 2013). Malaysia is the lowest compared to other countries in Asia. Below is the ranking in Asia for year 2009 :

Table 1.1
Ranking in Asia

No	Countries
1	Japan
2	South Korea
3	Australia
4	Taiwan
5	Singapore
6	New Zealand
7	Hong Kong
8	China
9	Vietnam

10	Philippines
11	India
12	Indonesia
13	Malaysia

Sources : ComScore (2009).

Meanwhile, from survey made by Eng, Yee, and Chuah (2013) in Malaysian Communications and Multimedia Commission, the statistic for Internet users in Malaysia in 2012 is 18.6 million (63.6%) and locations of access largely included at homes, work places, education place, and Internet access points either commercial and complimentary. Hence, this survey shows that, people can access the Internet at any places and also can shop online anywhere they are.

Study by Ian Phau, Poon, SM (2000) regarding Internet shopping in Singapore found that products and services that offer the best price and relatively high on differentiation are more likely to be bought via the Internet. According to Lian and Lin (2008), different products types affect consumers' degree of acceptance of online shopping.

Based on prior studies, there are stacks of topics that relate to online shopping and have different opinions about that. Table below show the reasons why people shop online.

Table 1.2
Reason to shop online

No	Reason	Percentage
1	able to shop 24 hours a day	81%
2	saves time	76%
3	easy to find what consumers looking for	56%
4	selection of items	49%

5	can search by brands what consumer like	46%
6	available product information	46%
7	low prices	45%
8	good customer service and friendly communication	35%
9	low shipping costs	24%
10	easy to return purchases	15%

There are numerous aspects that stimulus online shopping behavior based on former studies. Gong, Stump and Maddox (2013) reported, the factors that determine of consumer online behavior are include consumer characteristics (demographics, attitude, motivation, perceived risk and trust), product characteristics (price and product type), merchants and intermediate characteristics (brand, service, privacy and security control), environmental influences (exposure, market uncertainty and competition) and medium characteristics (ease of use and information quality).

In February 2004, Zuckerberg launched Facebook. Within 24 hours of its launch, a total of 1,200 Harvard students had signed up, and in a month, almost half the population of young Harvard student generated already have a profile on the website. In the next two months, membership expanded to other universities in the Boston area. In September 2005, the United States began high school allowed to register and then it began to spread around the world and to universities in the United Kingdom in the next month. Finally, persons which have the address "e-mail" from around the world also joined this social network. Facebook membership is free and benefits derived from advertising. According to N. A. Samsudin (2009) in his book Secrets of Marketing Facebook, Google and

Yahoo are the largest and biggest place to promote and market product or services. After that, from time to time, the functions of Facebook are growing since 2007 until now. Facebook members can give gifts to friends, create free advertising at their own account and also can build their own applications. The company announced the number of registered members they have exceeded 30 million in 2007, and this makes them the largest social network with tendency towards education.

In social networks, friends are the most powerful equipment and influential. This is because a friend is a person who has been acquainted with us and we have built a close relationship. Therefore, Facebook is the best portal to network with friends old and new. This uniqueness allows advertisers can expand their own social network and use this for social relations the success of their own businesses. In general, there are three unique in Facebook can help advertisers promote products with fast. The first is the uniqueness that advertisers can use tag application to disseminate information to friends in Facebook. This application allows advertisers to specify the recipient information. The second uniqueness is that advertisers can use a personal account the same to build a fan page and personal page. Last uniqueness the advertisers can connect with a particular customer in person through chat applications or inbox. Apart from these three peculiarities in Facebook, the social network also has other features that allow it becomes the first choice for advertisers to promote and run business in this portal.

Further, the researcher will develop questionnaires and collect information as well as do an analysis of the data collected from the Facebook users among undergraduate students in UUM.

1.1 Problem Statement

With the growth of educational services in Malaysia, university students become one of the most important market segments for two reasons. Firstly, this group has money and shopping interests. Secondly, this is the segment of the population that has the potential of earning a greater income in future (Jariah, Husniyah, Laily and Britt 2004). Therefore, it will be a great significance to find out the factors which influence students to shop online if we want to enlarge the group of online buyers and the volume of internet shopping. Unfortunately, studies examining student's behavior towards online shopping in the Malaysian environment are of a limited number (Haque et al, 2006). In order to increase online shopping in Malaysia, understanding consumer online shopping behaviors and what factor influencing it should be given priority. In this study, researchers focus on three factors which is consist of attitude, perceived risk and experience.

There are limited studies regarding the online shopping behavior and this will result in lack of information about it. Other than that, many researchers in different countries and cultures do the research in different scopes and models. So, this study will give understanding into the Facebook users in UUM undergraduate students and how they behave with regard to online shopping.

Hence, this research tries to investigate the relationship between attitude, perceived risk, experience and actual online shopping behavior. The research also tries to investigate how attitude, perceived risk and experience affect actual online shopping behavior towards undergraduate students of UUM. So, to understand the driving forces toward online shopping and their relationship with attitude, perceived risk and experience, it is important to recognize how students make their online purchase.

1.2 Research Questions

- i) Is there any relationship between attitude and actual online shopping behavior?
- ii) Is there any relationship between perceived risk and actual online shopping behavior?
- iii) Is there any relationship between experience and actual online shopping behavior?

1.3 Research Objectives

Specifically, the objectives are:

- i) To examine the relationship between attitude and actual online shopping behavior.
- ii) To examine the relationship between perceived risk and actual online shopping behavior.

- iii) To examine the relationship between experience and actual online shopping behavior.

1.4 Scope of Study

This study is conducted in Universiti Utara Malaysia, Sintok Kedah. The undergraduate students were chosen for this study as they had been exposed to the online shopping and almost all of the undergraduate students have Facebook account.

1.5 Significance of Study

In general, this study identifies consumer attitudes toward online shopping. It offers insight that helps to shed lights on the potentiality and future growth of online shopping on a specific product. The results of this study are useful for the local companies in Malaysia so that they can have a better understanding of the dynamic online markets before venturing into online retailing. The research also seeks to help companies plan to increase the risk of product quality so that products can be reduced before entering the market. Buyer behavior can be identified more clearly about their perceptions and behavior on the desired product quality, on-line services can be enhanced seller. Sellers are able to decide with more competitive pricing to the risk of losses on the product and the seller can be reduced.

First of all, the result of the study can indicate that many other specific products can be marketed and sold through online channel under Malaysian

context. Secondly, it is expected that result from this study can help online retailers to improve or change their business strategy to attract more consumers through online shopping under Malaysian context. Thirdly, retailers and consumers can make full use of the telecommunications infrastructure and management provided by our government. Finally, the results of this research could hopefully improve the general knowledge about online shopping and could become a reference to the future researchers.

Communicative technologies and electronic resources are important in order to get the new information. If compared to other traditional sources like libraries, researchers need to spend more time to find the best information and fulfill the need of the researchers. So, researchers always use the Internet to find, collect information and to create new ideas for research purposes because it can be accessed more easily and faster. As a conclusion, the findings of this study can be used to increase the role of the research organizations, educational institutes, and libraries by providing them the necessary information.

1.6 Body of Knowledge

By doing a research on area of education with examining the factors influence actual online shopping behavior on Facebook user among the undergraduate students due to this contribution to the public universities in Malaysia and behavioral management studies. This study also help to strengthen the theory building in individual behavior perspectives which generate the result

based on the real life context. It also shows how those variables relate among each other. Hence, it can recognize the variables have to be focused on and how does it may effect on decision on online shopping. Finally, a better understanding will receive by readers on factors influencing online shopping.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter elaborates the definition and clarifications of online shopping behavior and the predictor of actual online shopping behavior like demographic, attitude and perceived risk. The important guidelines, quotes or findings from earlier researches are stated. Next, the framework research, and hypotheses development is reviewed.

2.1 Review of Previous Related Literature

2.1.1 Attitude

Attitude defined as a psychological construct which represents an individual's readiness to act or react in a certain way (Voon et al, 2011). Other researcher defines attitude as a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence upon the individual's response to all objects and situations with which it is related (Allport,1935); Asiegbu et al, 2012). According to Fishbein and Ajzen (1975) and Asiegbu et al (2012), attitude is a learned predisposition to respond or react in a consistently favorable (like) or unfavorable (dislike) manner with respect to a given object/situation. In a simpler definition, attitude as a mind-set or a tendency to act in a particular way due to both an individual's experience and temperament and

the reactions/responds include the component of feelings (emotions), thoughts (beliefs) and actions (behaviors) (Pickens, 2005). It is consistent with the study by Allport (1935) and Wilson (2005), who theorized the attitude-behavior relationship was not seen as one dimensional as previously thought, but multi-dimensional.

Attitude is positively influencing the intention to shop online (Ajzen, 1991). Previous studies have proven that attitude and online shopping intention have a positive relationship (Malik and Guptha, 2013; Kim, 2012; Lee Chen, 2010; Lee, 2008; Amorso and Hunsinger, 2008; Tan, Yan and Urquhart, 2006). Online shopping behavior is determined by attitude of online shoppers and current behavior towards to the online channel (Hernandez, Jimenez, and Martin 2011). In addition, based on previous study regarding the TPB studies, there is a positive relationship between attitude and intention (Tan, Yan and Urquhart, 2006). Meanwhile, Kim (2012) stated that attitude positively influence online shopping.

Earlier findings indicated that internet usage has positive effects on consumer's online shopping attitude to shop online. Possible online customers will use the internet as a platform to gather information and they have a tendency to have positive attitudes on online shopping (Dennis, et al., 2002).

Internet purchasers and Internet non-purchasers had different attitudes about Internet shopping (Lee and Johnson, 2002). Among them were different levels of comfort in providing financial information over the Internet. Other research has suggested that the current Internet store browsers were likely to be future buyers because of their familiarity with the Internet as a shopping tool (Shim, et al., 2001). Research has also noted that consumers were also more

conscious of a product before going online, tended to have a greater level of confidence in their online shopping ability and had higher satisfaction for a product researched and purchased (Fram and Grady, 1995; Lee and Johnson, 2002; Seckler, 1998). As attitudinal differences vary between the non-web shopper, the Internet store visitor, and the Internet store browser, it might be assumed that the online buyer will probably have dissimilar attitudes also in four focal areas defined by the literature; consumer issues, marketing issues, technology issues and product type (Cowles, Kieker, and Little, 2002).

Research on consumers' attitudes and behavior towards online shopping has been the main focus in e-commerce recently (Chen, 2009; Mojtaba Nourbakhsh et al, 2012). This may be due to an individual's attitude towards consuming a product is one of the most important antecedents for predicting and explaining consumers' choices across products and services, including food products (Voon et al, 2011).

Attitudes are complex systems made up from person's beliefs and trust about the object, his feelings toward the object, and his action tendencies with respect to the object. From other view, attitude is a person's overall evaluation of a concept and it can range anywhere on the continuum from extremely negative to extremely positive. Generally, attitudes are developed from personal experiences and learning with reality, as well as from information, from friends, sales people and news media. They are also derived from both direct and indirect experiences in life. In short, consumers' perceptions of the product and service would

determine their readiness to accept and adopt the product and service or otherwise (Peter et al., 2002).

Consumers' attitude towards online shopping is known as the main factor that affects online shopping behavior (Michael, 1998). Attitude directly influence decision making and also is central to a buyer's shopping behavior. Consequently, the group with more positive attitude should be the target market (Shwu-Ing, 2003). According to study conducted by Haque et al. (2006), attitude towards online shopping is considerably quite negative among Malaysians. Therefore, it is important to recognize that numerous factors precede attitude formation and change. The process of consumers' decision-making on online shopping relates to the experiences and satisfaction they perceive while shopping. The Malaysian Internet users conducting online shopping to seek benefits such as cost saving, convenience, cheaper price, a way to easily search for information, and a 24-hours services (Haque, Mahmud, Tarofder, and Ismail, 2007). As pointed out by Rodgers and Thorson (2000), various consumers' motives affect attitude towards online shopping so internet users become more used to this medium.

Many previous studies have investigated the influence of attitudes in the adoption of online shopping and indicated that attitudes are important in predicting online shopping intentions or behaviors. Level of online shopping intention was relatively high and direction of attitude towards online shopping was positive among the postgraduate students in Malaysia (Delafrooz, 2009). Jarvenpaa et al. (2000) assessed consumers' intention to shop online indicated that consumers' intention to shop online (or willingness to buy in an internet shop) is positively

associated with attitude towards internet buying, and influences their decision-making and purchasing behavior.

Previous researches by George (2004) and Yang et al. (2007) had revealed that attitude towards online shopping is a significant predictor of making online purchases and purchasing behavior. According to Shwu-Ing (2003), the group with more positive attitude towards online shopping should be the target market as attitude is believed to influence online purchase decisions directly. In particular, attitude serves as the bridge between consumers' background characteristics and the consumption that satisfies their needs (Shwu-Ing, 2003). According to Jahng et al. (2001) in the context of online shopping, the first dimension of attitudes for investigation is the consumers' acceptance of the Internet as a shopping channel. The second dimension for investigation is the consumer attitudes toward a specific Internet store (to what extent consumers think that shopping at this store is appealing).

Consumers' personal tendency was shown to affect their attitude toward online shopping. The findings showed that utilitarian orientations had higher effect on attitude while hedonic orientations had no significant effect with attitude toward online shopping. This may be due to the low level of involvement of the young consumers who have experience in online shopping (Delafrooz, et al., 2010). Consumers' attitudes were influenced by hedonic need fulfillment. Their happiness relates to the shopping process itself rather than the result and means outgoing person tend to shop at physical stores and enjoy shopping. Therefore, shy person who are not good at communicating with other people may tend to shop

online as they can avoid in person interaction with others. As it is not necessary for consumers to interact with others face to face, this may attract introverts to shop online (Angst, 2008).

Prior researches, suggested that convenience has a positive influence on attitude toward online shopping. An applied assessment of these dimensions exposed that individuals who purchase online, perceive value convenience and price as the most significant benefits of online spending. Therefore, online retailers need to guarantee that the online shopping process over their websites is complete as simple and low-cost as possible for consumers to shop online (Kim, 2004).

There have been intensive studies of online shopping attitudes and behavior in recent years. Most of them have attempted to identify factors influencing or contributing to online shopping attitudes and behavior. The researchers seem to take different perspectives and focus on different factors in different ways. For example the research by Case, Burns, and Dick (2001) suggest that internet knowledge, income, and education level are especially powerful predictors of Internet purchases among university students according to an online survey of 425 U.S. undergraduate and MBA students. Ho and Wu (1999) discovered that there are positive relationships between online shopping behavior and five categories of factors, which include e-stores logistical support, product characteristics, websites technological characteristics, information characteristics, and homepage presentation. Schubert and Selz (1999) examine the quality factors of electronic commerce sites in terms of information, agreement, and settlement phases. They

also review those factors related to e-commerce community. Hence, the proposed hypothesis is;

H₁ : There is a positive relationship between attitude and actual online shopping behavior.

2.1.2 Perceived Risk

Perceived risk can be defined as a kind of subjective expected loss (Peter and Ryan, 1976). Meanwhile, Featherman and Pavlou (2003) also defined perceived risk as the possible loss when pursuing a desired result. The tendency of people that may have an experience in a certain degree of risk when they purchase the products or services via the web based shopping channel. This is because perceived risk has the characteristics to raise weaknesses and inhibiting the customers' willingness to involve in online shopping activities. That is why many online shopping transaction activities are much happening regarding with uncertainties risks to potential customers (Faqih, 2013). Based on previous studies, perceived risk negatively influences the behavioral intention to use online shopping to purchase the products or services (Faqih, 2013; Lee, 2008).

Perceived risk refers to the uncertainty and negative outcomes of performing a behavior. The perceived risk of e-shopping has been extensively researched. These studies measured the perception of risks either in a general way (Jarvenpaa et al., 2000; Liu and Wei, 2003) or in a specific way. Specific risks include financial (Bhatnagar et al., 2000), product performance, time/convenience

(Forsythe and Shi, 2003), payment (Koyuncu and Bhattacharya, 2004), transaction security (Liao and Cheung, 2001), technology, vendor, consumer (Lim, 2003) and privacy (Lunn and Suman, 2002). Further, the uncertainty measurements derived from TCT (such as performance uncertainty, behavioral uncertainty, environmental uncertainty) are also indicators of risks. In general, perceived risk negatively influences consumers' intention and actual use of e-shopping. Conversely, consumers are more likely to patronize the e-stores having sound security and privacy features (Liu et al., 2004; Miyazaki and Fernandez, 2001).

Potential consumers are often prevented from shopping online by their concern for security (Han et al., 2001). However, perceived risk can be reduced by knowledge, skill, and experience on the Internet, computer, and online shopping (Ratchford et al., 2001; Senecal, 2000; Sukpanich and Chen, 1999; Ha et al., 2001).

According to Lee and colleagues (2001), two main categories of perceived risk emerge in the process of online shopping. The first is the perceived risk associated with product/service and includes functional loss, financial loss, time loss, opportunity loss, and product risk. The second is the perceived risk associated with context of online transactions, and includes risk of privacy, security, and nonrepudiation. Among them, the influence of financial risk, product risk, and concern for privacy and security is significant (Senecal, 2000; Borchers, 2001; Bhatnagar et al., 2000).

Risk factor can be best described as the feeling of insecure when dealing with online purchase. Online buyers or consumers are exposed with online risk such as hacker mischiefs. Moreover, when buyers make payment using credit cards, they are exposing their confidential and important information which could also be manipulated by those hackers who steal others' credit cards information for their own use. This finding has given a stronger view to those specified by Mosaad, (2009), who suggested that majority of his respondents felt that internet shopping is risky due to the same reason. In fact, Nenonen (2006) and Rahim (2008) highlighted, amongst the identified perceived risks including financial, product performance, social, psychological and time convenience loss. Delivery service is mentioned to be at risk as well. The time taken for delivery may take quite some time or even longer time therefore anything might happen in the middle of the process. Buyers may lose the item. Online vendors might not be responsible for the loss and this leaves the buyers to bear all the consequences. Besides that, product risk has also been identified as a major aspect of online purchasing as described by Forsythe (2006) and Liu (2010) Perceived risk is also a significant effect that influences the initial willingness of consumers to shop online. Areeg Al-Mowalad (2013) found that perceived risk indicated that when the perceived risk is greater, the relationship between intention and online purchasing will be weakened. Hence, the proposed hypothesis is;

H₂ : There is a negative relationship between perceived risk and actual online shopping behavior.

2.1.3 Experiences

“A customer experience consists of hundreds of small activities that create perceptions in the minds of customers” (Zafar et al., 2012). A research conducted in China aim to investigate the consumer’s attitude towards online banking research explained that there was a significant difference between online banking users and non-users in computer and technical experience. However, the difference in personal banking experience was found not to be significant between online banking adopters and non-adopters (Laforet and Li, 2005). According to Brown et al. (2004), customer experience in the Internet was found to affect the adoption of Internet banking in Singapore but not in South Africa (Tan and Teo, 2000). Karjaluoto et al. (2002) conducted a survey to determine the factors that will influence the attitude towards online banking and the potential users’ intention to use online banking services. The survey results shows that prior computer experience, individual banking experience and attitude towards computer were positively associated with online banking usage.

Intention to shop online is also influenced by consumers’ Internet shopping history (Shim et al., 2001). It is demonstrated by past research findings that prior online shopping experiences have a direct impact on Internet shopping intentions (Eastlick and Lotz, 1999; Weber and Roehl, 1999). Study by Helson (1964) suggested that an individual’s response to a judgmental task is based on three aspects: (1) Sum of the individual’s past experiences, (2) The context or background and (3) The stimulus. To the extent that minimal context or system-specific information is given, the individual will make system-specific evaluations

based on prior experiences with the system. In the online shopping context, consumers evaluate their Internet shopping experiences in terms of perceptions regarding 23 product information, form of payment, delivery terms, service offered, risk involved, privacy, security, personalization, visual appeal, navigation, entertainment and enjoyment Burke, (2002); Parasuraman and Zinkhan, (2002); Mathwick et al., (2001). In case prior online shopping experiences resulted in satisfactory outcomes and were evaluated positively, this leads consumers to continue shopping on the Internet in the future (Shim et al., 2001). Such past experiences decrease consumers' perceived risk levels associated with online shopping. However, if these past experiences are judged negatively, consumers are reluctant and unwilling to engage in online shopping in future occasions. This illustrates the importance of turning existing Internet shoppers into repeat shoppers by providing them with satisfying online shopping experiences (Weber and Roehl, 1999).

According to research done by Areeg Al-Mowalad (2013), past experience which is negative in nature can lead the respondents such as consumers not to get involved with this kind of transaction anymore. This study reported only 2.5%, stated that they do not prefer online purchase due to several experiences. Some of them asserted that they have had bad experience in online purchase, thus decided not to continue with that. However, there were also a group of respondents who shared their experience in terms of usefulness in conducting online purchase. Some of them, on the other hand, confessed that they had never heard about online shopping previously.

Experienced online buyers have better feeling and extra trust on online service than non-experienced customers who have not at all online shopping experience previously (Goldsmith, 2002).

In a study by Helson (1964), he argued that an individual's response to a judgmental task is based on three aspects, which are sum of the individual's past experiences, context or background, and stimulus. Web shopping is a relatively new activity for a wide range of consumers, online purchases are still perceived as riskier than native ones (Laroche, Yang, McDougall and Bergeron, 2005). Therefore, web-shopping consumers will depend heavily on experience quality in which the experience quality can be obtained only through prior purchase experience. Prior experiences will strongly affect future behavior. In the web-shopping context, customers evaluate their online purchase experiences in terms of perceptions regarding product information, form of payment, delivery terms, service offered, risk involved, privacy, security, personalization, visual appeal, navigation, entertainment and enjoyment (Burke, 2002; Parasuraman and Zinkhan, 2002; Mathwick, Malhotra, and Rigdon, 2001).

According to Elliot and Fowell (2000), customer experience with the Internet drives the growth of Internet shopping. Shim and Drake (1990) argue that customers with strong online purchase intention in web shopping usually have prior purchase experiences that assist in reducing their uncertainties. Therefore, customers will only purchase product from the Internet after they have already experienced them.

In addition, customers who have prior online purchase experience will be more likely to purchase through online than those who lack such experience. Seckler (2000) explains this phenomenon that as individual gain experience with web-shopping, perhaps with small purchases at first, they will be more likely to develop confidence and skills that facilitate more ambitious buying through the Internet. Dabholkar (1994) asserts that when an individual has less prior knowledge of the problems encountered, behavioral choice is mostly depended on expectancy-value model. Therefore, shoppers who have never done an online purchase before are more risk-averse than who have bought products through online means (Lee and Tan, 2003).

If prior online purchase experiences resulted in satisfactory outcomes, this will lead customers to continue to shop on the Internet in the future (Shim, et. al., 2001). Unfortunately, if these past experiences are evaluated negatively, customers will be reluctant to engage in online shopping in the future. This explains the importance of turning existing Internet shoppers into repeat shoppers by providing them with satisfying online shopping experiences (Weber and Roehl, 1999). Based on the vast extant literature, it can be concluded that customer's online purchase experience will have a significant effect on his or her future purchase intention for online shopping (Shim et al., 2001; So et al., 2005; Brown, et. al., 2001; Lynch and Ariely, 2000).

After sales services can help to sustain customer's loyalty, and drive to repeat purchase. Consumers have a tendency to make a buying when they have good communication with retailers. That means a good service by sellers plays a

significant role in consumer's present buying decision and repeat purchase behavior. As earlier buyers are capable to contribute response and feedback on online retailer's website, also affects the possible customer's buying decision (Man, 2012).

A satisfy online shopping experience that stimulates memory resident positive imagery of the online store or business can affect a consumer's web trust and satisfaction. That means the previous experience of an online consumers can influence his or her repeat purchase behavior, both positively and negatively. To increase consumers' loyalty and increase their repeat purchase behavior, online sellers should develop a relationship with online buyers at the first time of their purchase (Yoon, 2002). Hence, the proposed hypothesis is;

H₃ : There is a positive relationship between experience and actual online shopping behavior.

2.1.4 Actual Online Shopping Behavior

There are some definitions of online shopping. First, online shopping behavior is the process of purchasing products or services through the Internet (Li and Zhang, 2002). Secondly, according to Davis (1993), online shopping is defined as the use of online stores by customers up until the transaction stage of purchasing and logistics. Third, Yoo, Boonghe, and Donthu (2001) stated Internet shopping as online versions of physical retail stores that involves all transactions and activities to take place in online cyber spaces. Fourth, Ramayah and Suki (2008) defined

that, online shopping is the process customers to buy the products or services with interactive shopping through the Internet. Meanwhile, BusinessDictionary.com specified that, online shopping is the act of purchasing products or services through the Internet. Otherwise some study claimed online shopping behavior based on the manifestation of online sellers website, the photos of products but not the real product (Park and Kim, 2003).

From all the definition above, the researcher adopts the definition from Al-Maghrabi and Dennis (2010) that describe that all the activities include buying products and services that are done via the Internet shows that e-shopping, online shopping, and Internet Shopping are the same thing. So, it can ease for researcher understand what the definition of online shopping because there is the others name except online shopping based on previous studies.

Online buying behavior process discusses about the products bought through online. The process of online buying behavior comprises of five steps and it is similar to traditional shopping behavior. For instance, consumer identify the necessity for buying some product, they will bring up to the internet and start to hunt for the information and look for all the alternatives and lastly make a purchase which best fits to their needs. Before making final purchase consumers are bombarded by several factors which limits or influence consumers for the final decision (Liang and Lai, 2000).

There are five processes in online shopping behavior. Firstly, clients will recognize the specific products or services that they desire to buy through the

Internet. From time to time customers get attracted to buy products or services because of the information and attraction from the Internet. Then, they will evaluate and survey the alternatives and they will choose to buy the best product that suitable their requirements or criteria. After that, the customers will decide to buy that products and services. Then the real purchasing process will take place (Al-Jabari, 2013).

Online shopping in Malaysia is a new technology innovation since it has just begun to beating the Malaysia retailing sector with online shopping services (Haque et al., 2006). In order to rise online shopping in Malaysia, understanding consumer online shopping behavior and factors influencing this behavior when shopping online should be given priority. Research indicates that 81% of those who browse web sites for goods and services do not actually make an online shopping (Gupta, 1995; Kline, 1998; Shim, Eastlick, Lotz, and Warrington, 2001). Interestingly, Taylor Nelson Sofres (2002) reported that only 3% of Malaysians Internet users shopped online in May 2002, less of 1% compared to 4% in 2001 (Chua, 2008; Hamid and Khatibi, 2006). Majority Malaysians (76 %), especially younger people were using the internet for non-shopping activities such as seeking information, playing games, entertainment, or communicating with friends and others (Hamid and Khatibi, 2006).

Consumer shopping behavior is strongly influenced by consumers' characteristics. In addition, attitudes serve as the bridge between consumers' characteristics and online shopping behavior. As mentioned by Defeng,

Bingchuan, and Li (2006), attitude towards online shopping is influenced by demography factors, such as gender, age and income. In addition consumers have different personality, which may influence how they perceive their online shopping behavior (Wolfenbarger and Gilly, 2001).

Hence, consumer personality that can be classified into utilitarian orientation and hedonic orientation lead to different shopping behaviors. Finally, opportunities of online shopping can be restricted by internal and external constraints on behavior (Karami, 2006). It is important in explaining human behavior since an individual who has the intention of accomplishing a certain action may be unable to do so because his or her environment prevents the act from being performed.

Moreover, there are some barriers which have contributed to the unwillingness of Malaysians to shop online because they are afraid their personal information will be stolen or misused by others (Haque et al., 2006). Despite the high potential of online shopping in Malaysia, there is still a lack of understanding concerning the online shopping and its impact on marketing (Chua, Khatibi, and Ismail, 2006). Consequently a framework is needed to structure the complex system of effects of these different factors, and develop an in-depth understanding of consumers' attitudes towards Internet shopping and their intentions to shop online.

Online stores also have advantages and disadvantages. One of the advantages is it can cut the transaction cost among the customers and the vendors. Moreover, it can create a new brand in an online business where customers can choose an online product as the main preferred. Next, online store is convenient which is

customer no need to travel, time saving (no need for waiting in long lines), available anytime and anywhere, free and rich information about the products and services, can make comparison with other products and services. While in terms of disadvantages, online stores are not found in brick mortar stores. In addition, it cannot give maximum satisfaction to the customers in term of five senses like seeing, hearing, tasting, smelling, and touching when the customers buy the products and services via online. So, the customer will lack of trust and increase their risk because this way is not involve direct interaction with the vendors (Chatterjee and Basuroy, 2000)

Prior study decided online shopping behavior was defined in dissimilar ways. Greatest studies considered only purchase behavior. Where, certain studies stated together purchases and information gathering as online shopping behavior (Chen et al., 2002). The measures of actual online shopping behavior primarily consist of three dimensions which are the adoption of online shopping, the amount expended online, and the regularity of using online shopping. Online shopping frequency was measured on any a numerical scale or an ordinal scale. For example, Limayem (2002) inquired respondents to report the amount of purchases they completed by internet; while others stated the frequency of online shopping on a six-point ordinal scale consists of never, at least once, once a month, several times per month, once a week, and daily (Eastin, 2002).

In most studies, these three dimensions were examined distinctly. Several studies adopted a concept of online shopping behavior created by factor analysis. Some study used two items concerning online shopping regularity to construct a

behavior scale (Chen et al., 2002). While others, extracted actual online shopping behavior from four variables evaluating online shopping spending and frequency. Study conducted by Kim et al. (2000) and Corbitt et al. (2003) combined four dimensions of online shopping behavior includes spending, frequency, the percentage of online buying to total purchases in price, and the intent to increase or decrease purchasing in the future.

Hence, his research will help in understanding actual online shopping behavior is extremely crucial to attract and maintain the existing customers. Therefore, the vendors or the seller need to improve their understanding of online customer behavior.

2.2 Theories

There were psychologists and sociologists that come with various model theories about actual behavior, factors influencing actual shopping behavior and decision making process related to this paper concerned.

2.2.1 Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) by Davis (1989) is among the most popular theories used to describe online shopping behavior. The classic Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980), and Technology Acceptance Model (TAM) have been lengthily adopted for explaining and predicting user behavior in an online shopping environment.

The TAM theorizes that actual system use is determined by users' behavioral intention to use, which is, in turn, influenced by their attitude toward usage. Attitude is directly affected by users' belief about a system, which consists of perceived usefulness (PU) and perceived ease of use (PEOU) (Davis, 1989). This belief-affect intention behavior causation has established valid in the online shopping environment. The TAM was developed to predict and to describe consumer receiving of online shopping by prolonging the belief attitude-intention-behavior relationship in the TAM and TRA. In development of the TAM, perceived usefulness and perceived ease of use reflect the utilitarian aspects of online shopping, while perceived enjoyment reflects the hedonic aspects of online shopping. Former research indicates that perceived usefulness and perceived ease of use reflect utilitarian aspects of online shopping, while perceived enjoyment reflects hedonic aspects of online shopping (Monzuwe et al., 2004). Hence, in the TAM, together utilitarian and hedonic aspects can be considered that both of utilitarian and hedonic aspects of consumer experience influence consumer attitude toward using a new technology or system.

The TRA and TAM declares that beliefs such as perceived benefits are absolutely mediated by attitude. Researcher suah as Verhoef and Langerak (2001) who employed the TRA in a study establish that outcome beliefs had a significant influence on the attitude toward online shopping.

The TAM is widely used in e-shopping research. Ahn et al. (2004) and O'Cass and Fenech (2003) directly applied the TAM to investigate e-shopping behavior. On the other hand, most studies constructed an adapted conceptual framework

drawn from the TAM. Gefen and Straub (2000) proposed that PU and PEOU directly affect intention to use and ignored the influence of the mediating variable, attitude toward using. Adopting the same simplification (Liu and Wei, 2003) additionally proposed that perceived risk is an antecedent factor of intention to use. Henderson and Divett (2003) tested direct links from PU and PEOU to actual use of online shopping.

2.2.2 Transaction Cost Theory (TCT)

Williamson (1985) defines a transaction as a process by which a good or service is transferred across a technologically separable interface. “In classical economic theory, it is assumed that information is symmetric in the market. Since both buyers and sellers are assumed to have the same amount of information, the transaction can be executed without cost. In reality, however, markets are often inefficient. In order to proceed with a transaction, consumers must conduct activities such as searching for information, negotiating terms, and monitoring the on-going process to ensure a favorable deal. The costs involved with such transaction-related activities are called transaction costs” (Liang and Huang, 1998).

TCT can explain various problems of economic organizations (Rindfleisch and Heide, 1997). Its basic principle is that individuals would like to conduct transactions in the most efficient way (Williamson, 1985). That is, the lower the transaction costs, the more likely individuals are to conduct the transaction. Transaction costs are determined by several constructs, including uncertainty and

asset. Since information in the market is always asymmetric, the outcomes of a transaction may not follow, or may even be contrary to expectations, leading to uncertainty. Transactions are encouraged through reducing uncertainty, as one form of lowering the transaction costs. Asset specificity refers to the lack of transferability of the assets from one transaction to the other. Since “assets with a high amount of specificity represent sunk costs that have little value outside of a particular exchange relationship” (Rindfleisch and Heide, 1997), higher asset specificity is associated with lower transaction costs for the exchange relationship to which the specificity applies, and higher transaction costs for other exchange relationships.

Liang and Huang (1998) applied TCT to investigate consumers’ intention to shop online. E-shopping intention is also directly influenced by uncertainty and asset specificity. Teo and Yu (2005) proposed that buying frequency is also a (negatively-associated) predictor of transaction costs, with trust replacing asset specificity.

2.2.3 Innovation Diffusion Theory (IDT)

Compared to traditional shopping, e-shopping is an innovative application of information technology by retail industries. Therefore, IDT can be applied to explore consumers’ e-shopping behavior. Generally, the cumulative adoption of an innovation follows a sigmoid curve, with adoption growing slowly in its initial years, growing steeply as it reaches its half-way point, and growing slowly again

as it nears its saturation level (maximum penetration). The rate of adoption is mainly dependent on five attributes of an innovation; relative advantage (the extent to which an innovation is perceived to be better than the one it substitutes for or competes with), compatibility (the extent to which an innovation is perceived to be consistent with the experiences and requirements of potential adopters), complexity (the extent to which an innovation is perceived to be difficult to use), trialability (the extent to which an innovation can be experimented with on a limited basis) and observability (the extent to which the utility of an innovation is visible to the public). Relative advantage, compatibility, trialability, and observability of an innovation are found to be positively related to its rate of adoption, while complexity is negatively associated with its rate of adoption (Rogers, 1983). Further studies suggested that applicability and reliability are important for diffusion of risky innovations (Dearing et al., 1994).

Rogers (1995) diffusion of innovations theory states that innovation is a process communicated through formal and informal channels over time between members in social systems. When a new product or innovative technology is introduced in the market, consumers learn about it and then decide whether or not to adopt it. Adoption implies that a consumer accepts the new technology and uses it on a regular basis. Innovations are diffused in the market as individual consumers make their decisions to adopt them at different times (Dickerson and Gentry, 1983). In the case of Internet purchasing the use of the Internet as shopping tool is serving such a phased adoption of use or adoption (Agarwal and Prasad, 1999). Consumers who were in the same category, such as non-web user,

web-store visitor, Internet browser, and Internet buyer have some common characteristics which are in demographics (Rogers, 1995). Rogers' theory suggests how an innovation's benefits interact with the potential adopter's characteristics and needs to influence the individual's decision to adopt or not to adopt an innovation. Rogers (1995) divides the adoption process into five stages; knowledge, persuasion, decision-making, implementation and confirmation. In the knowledge stage, an individual builds his or her understanding of the innovation and its function. Previous experiences with similar technology and personal characteristics of the individual mediate the potential for acquiring new knowledge. In the persuasion stage, an individual develops his or her beliefs and attitudes toward the innovation. During the decision-making stage, the potential adopter makes a decision either to adopt the innovation or not. If the decision is made to adopt, the consumer moves into the implementation stage. Finally in the confirmation stage, the consumer reevaluates the adoption decision based on his or her level of satisfaction and then decides whether or not to continue to use the innovation.

Rogers' diffusion of innovations theory has been applied to research on consumer behavior (Gatignon and Robertson, 1985; Mahajan, et al., 1990; Wright and Charitt, 1995) as an explanation of the movement of new ideas, practices and products through a social system (Gatignon and Robertson, 1985; Wright and Charitt, 1998). When transferring Roger's model to this study's research questions, previous research has only addressed the consumer's intent to buy, by definition

the first two or three stages of the model (Mahajan, et al., 1990; Shim, Eastlick, Lotz and Warrington, 2001; Sultan, 2000).

2.3 The Conceptual Framework

The research framework for this study involved three independent variables and one dependent variable based on the hypothesis as follows. The independent variables include three factors which are consumer attitude, perceived risk and. Meanwhile the dependent variable is the actual online shopping behavior.

The variables illustrated in Figure below;

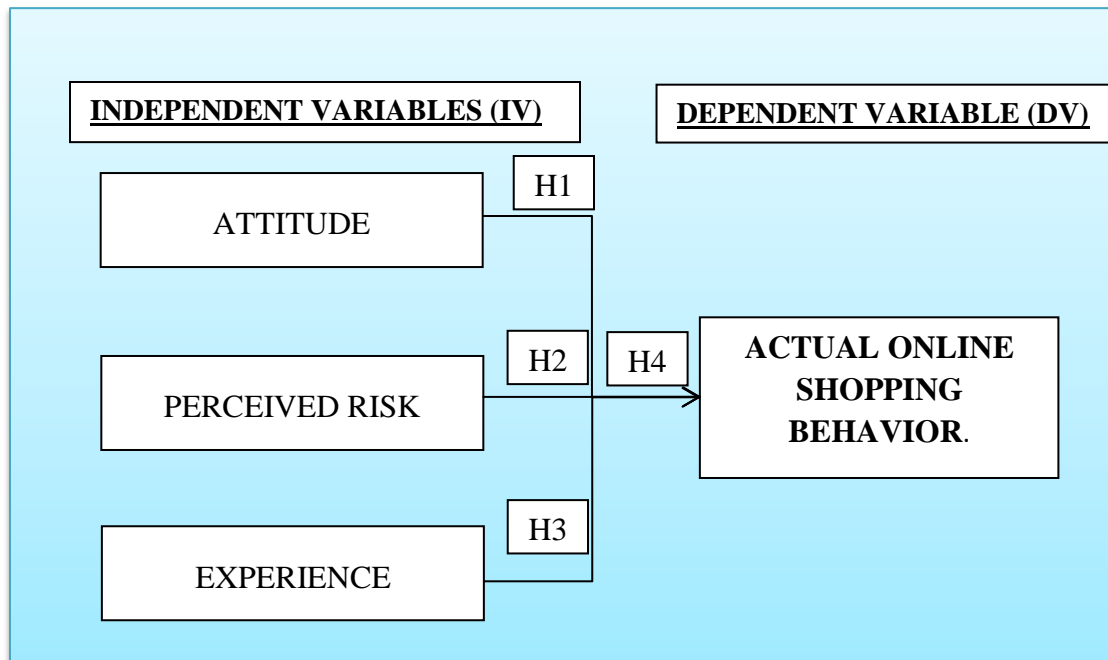


Figure 2.1 : *Conceptual Framework*

2.4 Hypothesis statement

H₁ : There is a positive relationship between attitude and actual online shopping behavior.

H₂ : There is a negative relationship between perceived risk and actual online shopping behavior.

H₃ : There is a positive relationship between experience and actual online shopping behavior.

H₄ : All the independent variables (attitude, perceived risk and experience) have a relationship with the dependent variable (actual online shopping behavior).

CHAPTER 3

METHODOLOGY

3.0 Introduction

This chapter is presents a detailed description of the research design, measurement, data collection and administration, and data analysis techniques.

3.1 Operational Definition

3.1.1 Actual online shopping behavior

Behavior is the manifest, observable response in a given situation with respect to a given target. Single behavioral observations can be aggregated across contexts and times to produce a more broadly representative measure of behavior (Ajzen and Fishbein, 1980).

3.1.2 Attitude

Attitude is informed by beliefs needed to engage in the behavior (Ajzen, 1991). It is defined as individual's positive or negative feeling that is related to performing in a specific behavior. An individual will hold a favorable attitude toward a given behavior if he/she believes that the performance of the behavior will lead to mostly positive outcomes.

3.1.3 Perceived risk

Peter and Ryan (1976) defined perceived risk as a kind of subjective expected loss, and Featherman and Pavlou (2003) also defined perceived risk as the possible loss when pursuing a desired result.

3.1.4 Experience

Experience in online shopping can be defined as a process of four stages describing the successive steps of an online transaction (Tamimi et al., 2003). Cho and Park (2001) considering that an online customer is not simply a shopper but also an information technology user who one that can argue that the online experience is a more complex issue than the physical shopping experience, the Web experience can be defined as the consumer's total impression about the online company (Watchfire Whitepaper Series, 2000) resulting from his/her exposure to a combination of computer-generated marketing tools.

3.2 Research Design

This study focuses on the research design of non-experimental quantitative, such as surveys, where researchers usually try to relate a variable to another or link them instead of manipulating them (Hopkins, 2000). The purpose of this research study is to facilitate the findings of the sample to the population by studying a sample population because it presents the numerical description of trends, attitudes or views of the population (Creswell, 2003). Based on Polgar and Thomas (2000), surveys are normally used in research for the purpose of (1) creating attitudes,

opinions or beliefs about certain issues, (2) study the characteristics of the population on certain variables, and (3) collect information about demographic characteristics (age, gender, ethnicity, etc.) of the population. The reasons for choosing this design by referring to Sekaran (2003), researchers can collect all the responses from the respondents and resolved within a reasonable time and it is cost-efficient. The collection of cross-sectional data at one point in time is the nature of the survey.

3.2.1 The Quantitative Analytical Approach

Babin, Carr and Griffin (2010) shows that quantitative research as researchers to access objective of the research through the empirical medium measurement (i.e., the size of numerical and statistical analysis). Lowhom (2007) stated quantitative research investigate to confirm the theory with experiment and analyze the numerical results. Peter Ashley and Bill Boyd (2006) clarify that "quantitative methods associated with the size of a rational and objective phenomena observed". The hypothesis formulated before the start of the study. Quantitative researchers start by manipulating mathematical analysis or numbers (i.e., statistical) after the date all have been collected (Neuman, 2003). According to Creswell (2003) states that "quantitative research found statistically significant conclusions about the population by studying a sample representative of the population".

In this study, the researcher required to use the questionnaire in order to obtain data from large population. This is because the questionnaire is suitable and

preferable approach to collect huge quantitative data. In this study, quantitative research design was used to investigate the factors influencing online shopping behavior among undergraduate students which possess study in Universiti Utara Malaysia, Sintok, Kedah.

3.2.2 Sources of Data

The main sources to develop ideas are from previous studies such as Journal and Thesis that is related to this topic. However, they are two bases of data used in the study which are primary and secondary data. The data and information gotten first hand by the researcher on the variables for the purposes of the study is called primary data (Sekaran, 2003). The information was taken from the questionnaire and distributed to the respondent.

While, secondary data is the kind of data that obtained throughout the literature review. Researcher obtain the data through the articles that are published as well as online journals that are available from outside the organization which are useful to the researcher in understanding the study from other people's view.

3.2.3 Unit of Analysis

Sekaran (2003) states that unit of analysis refers to the data collected during subsequent data analysis change. The research is to seek the finding to student's online shopping behavior in Universiti Utara Malaysia. Therefore the research is done on undergraduate students who are unit of analysis.

3.2.4 Population and Sampling Frame

Population is defined as the entire group of people, events and things that the researcher needs to investigate. The population in this study involve undergraduate students in Universiti Utara Malaysia, Sintok, Kedah. The numbers of undergraduate students are obtained from Department of Academic Affairs in UUM. The total population of students in UUM are 16,259.

Sample size is an actual number of subjects chosen a sample to signify the population characteristics or known as subset of the population (Sekaran, 2003). The researcher used Krejcie and Morgan's (1970) table to determined sample size. This scientific guideline provides certain sample size based on certain population size. Since the population size is 16,259, thus the Krejcie and Morgan's table suggested that when the population are 16,259, so the targeted sample size should be 377. The population of this study comprised of the Facebook users of undergraduate student of UUM.

Table 3.1
Population and Sampling

Total population (N)	16,259
Sample (N)	377

Source: Krejcie & Morgan (1970)

3.3 Measurement of Variables

Most of the measurements used in this study were adapted from the previous instruments. So it can avoid the enormous time and effort in developing new instrument. In this section, the survey instrument and scales of variability will explain in detail

3.3.1 The Survey Instrument

Survey questionnaire is distribute to the choose respondents. The survey consists of two sections: demographic and four respective variables which are actual online shopping behavior, attitude, perceived risk and experience. The questionnaire will collect on the spot after the respondents finish answering the questionnaires.

In order to have good total response, data collection procedure must be well administered. The relevant points from these sources that associate with the variables of the study is used in producing the questionnaire. Opinion to questions put forward in the survey is in the form of Likert Scale. This scale is chosen because the researcher wants to see the respondent favoritism of the statement put forward whether they give a positive or negative reaction to the concept that is highlighted (Jupp, 2006).

Table 3.2
Sources of Instruments

Variables	Item	Sources	Scale
Actual Online Shopping Behavior	9	Al-Jabari (2013)	1 = strongly disagree to 5 = strongly agree.
		Jalal (2009)	
Attitude	9	Gong, Stump, and Maddox (2013)	1 = strongly disagree to 5 = strongly agree.
Perceived Risk	9	Thamizhvanan and Xavier (2012)	1 = strongly disagree to 5 = strongly agree.
Experience	7	Khare and Singh (2012)	1 = strongly disagree to 5 = strongly agree.

3.4 Sampling Design

Sampling design means that the researcher chooses an appropriate number of elements from the whole population of unit of analysis. According to Sekaran (2003) the sampling design is important to generalize the total population.

3.4.1 Sample & Sampling Technique

Probability Sampling: Simple Random Sampling

The researcher has selected simple random sampling on this study because the sample size has known. Sekaran (2009) explained that there were two types of sampling which are probability sampling and non-probability sampling. The probability sampling is the elements of the population that have known opportunity or probability of being selected as sample subjects. In probability sampling consists of simple random sampling, systematic sampling, stratified random sampling, cluster sampling, area sampling and double sampling.

3.5 Data Analysis Techniques

The data analysis will perform by using the SPSS for Window Version 22.0 which determines the nature and strength of linear relationship among variables (Sekaran, 2003).

Several analyses will be uses as part of the data analysis techniques. For descriptive analysis, it is use to describe the basic feature of the data from study. This is done to simplify large amounts data in the sensible way. It will transform into mean, standard deviation, frequency, and percentage from the data collected through survey questionnaire. From there, it helps researcher to understand the characteristics of the respondent systematically and analysis can be made on the results.

Meanwhile the inferential analysis will explain on the relationship between all variables in the study. It explains the sample characteristics that had been chosen from the population. The generalization of the sample characteristics from the population can be done from this inferential statistics. This mean researcher can makes conclusion based on the population characteristics from sample given.

3.5.1 Validity analysis

Validity analysis is defined as “the extent to which a construct measures what is supposed to measure” (Hair, Babin, Money, and Samouel, 2003). Factor analysis is use to validate the measure. As the questionnaire set were taken from previous research and been adapted according to suitability with the undergraduate students which familiar with the Malaysia environment, therefore every items in questionnaire had been proven content validity.

3.5.2 Reliability analysis

The most popular test for inter-item consistency reliability is Cronbach’s alpha coefficient. The Cronbach’s Alpha is used to measure the reliability of the instruments in the study and the most common form of internal consistency reliability coefficient is between two scores ranging from 0 to 1.00. Bougie and Sekaran (2010) clarified that commonly reliability coefficient that considered average in the range of 0.60, and the 0.70 and above is considered as high

reliability standards. It was found that the questionnaire items in this research are in the range of 0.6 to 0.8 which considered acceptable as the minimum benchmark of the minimum Cronbach's Alpha value is 0.50 indicated by Sekaran (2003).

3.5.3 Descriptive Statistic

Descriptive statistic is to explore the data collected and particularly useful if one just wants to make general observation about the data collected. Standard deviation and variance in statistic will give more information about the division of each variable. According to Sekaran (2003), the frequency analysis is to summarize the whole question asked. It is a display of the frequency occurrence of each score value and can be represented in tabular form or in graphical form.

3.5.4 Hypothesis Testing

To test the relationships between research variables, the analysis which is correlation testing to determine the associations between each response in each respective variable.

3.5.5 Inferential Statistic: Pearson Correlation

Correlation analysis used to measures two or more variables based on their relationship either in positive or negative correlation (Sekaran 2003). Moreover, correlation analysis is to measure the interrelationship between two variables which are mutually inclusive of dependent and independent variable.

It is good provider of information by Pearson Correlation matrix to the nature, direction and significance of the vicariate relationship. In theory, they could be a great positive relationship between two variables shown by 1.0 in the value and symbolically by r . The scales which have been outlined by David (1971) which can be used to interpret the relationship between two variables are in below:

Table 3.3
Pearson Correlation Scale

Scales	Relationship
0.80 and above	Very strong relationship
0.50 – 0.79	Strong relationship
0.30 – 0.49	Moderate relationship
0.10 – 0.29	Low relationship
0.01 – 0.09	Very low relationship

3.5.6 Multiple Regressions

Multiple regressions are defined as an expansion of bi-variety correlation. Regression's result is the equation that symbolized the dependent variable has prediction to several independent variables. This method will used when they have relationship between independent variables and dependent variables. Independent variables can be constant or categorical.

3.6 Conclusion

This chapter has described the methodology of the research. They are research design, data collection methods, the quantitative analytical approach, population and sample, sampling design, measurement technique, and data analysis methods. The following chapter will discusses the findings of this study.

CHAPTER 4

RESULTS AND DISCUSSION

4.0 Introduction

This chapter discussed the research findings from the survey. There were 250 questionnaires distributed to the undergraduates' student in Universiti Utara Malaysia. Anyhow only 168 (67.2%) respondents answered the questionnaire and were submitted back to the researcher. Result of the data analysis was gathered using two statistical tools. The first is the descriptive statistics where analysis findings of the frequency. The second tool is the inferential statistic which is used to perform correlation to determine the hypothesis. The result of the data analysis is explained in the following categories:

- Demography analysis of respondents.
- Descriptive analysis of respondents.
- Hypothesis testing – Evaluation on decision to accept or reject research hypothesis.

Besides that, on the basis of the results of this study, several findings can be summarized. The summary of the findings was elaborated in the respective results.

4.1 Frequency Analysis

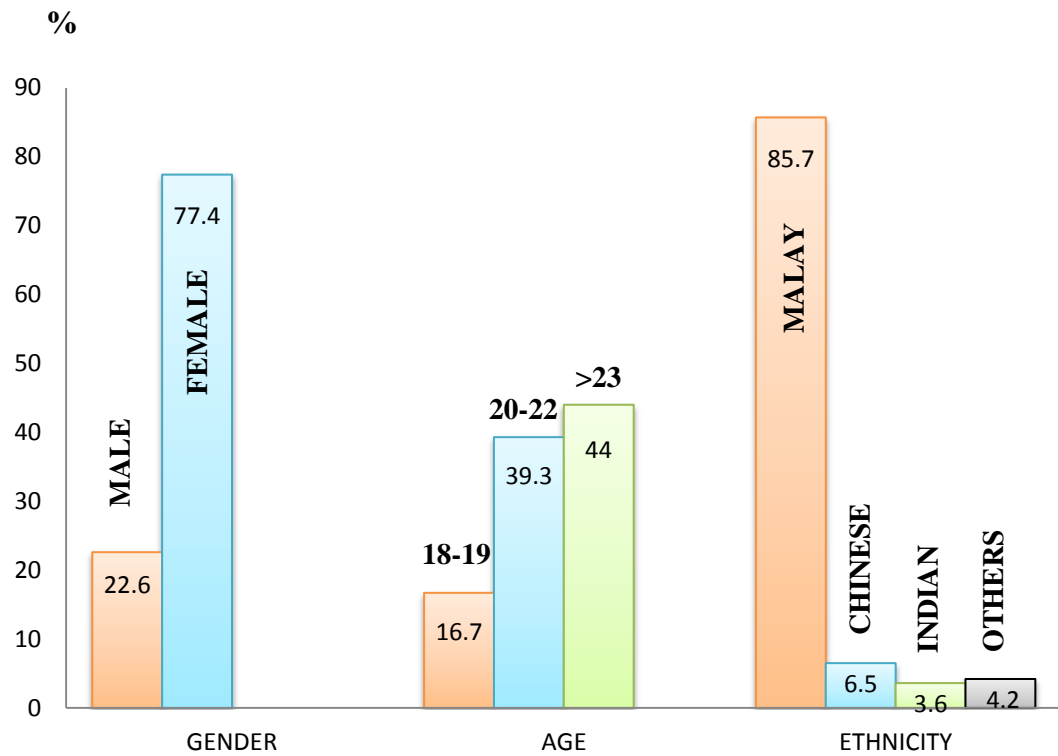
Frequency distribution analysis was conducted to get a count of the number of the respondents with different values and expressing in percentage value. All

tables below show that the analysis of respondents' background included gender, age, semester, current year of study, faculty, ethnicity, year of using the internet, year of having Facebook account, how often buying through online and how much spend to shop online.

4.1.1 The Demography of Respondents

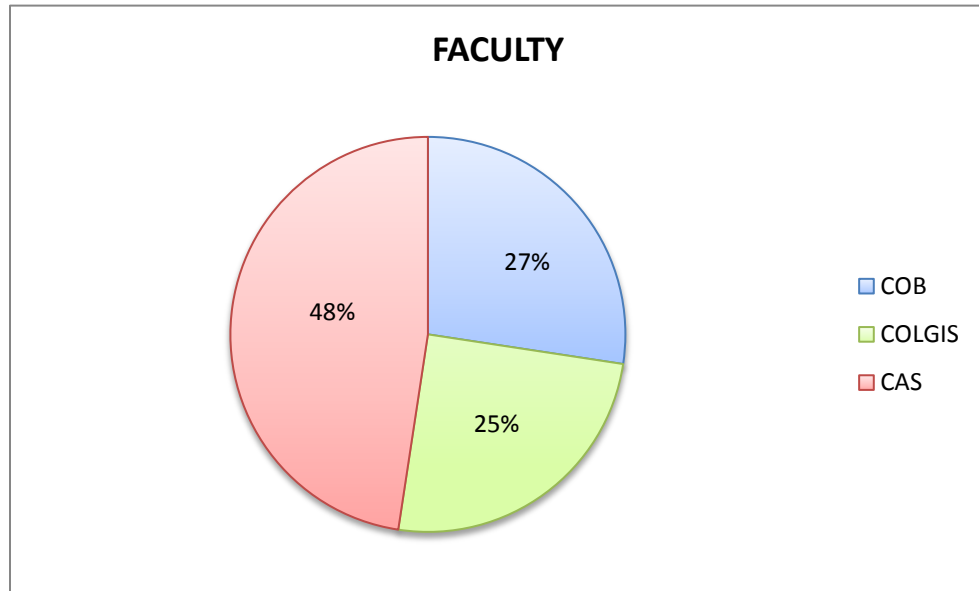
The analysis was performed on gender, age, semester, current year of study, faculty, ethnicity, year of using the internet, year of having Facebook account, how often buying through online and how much spend to shop online.

Figure 4.1
Demography Analysis



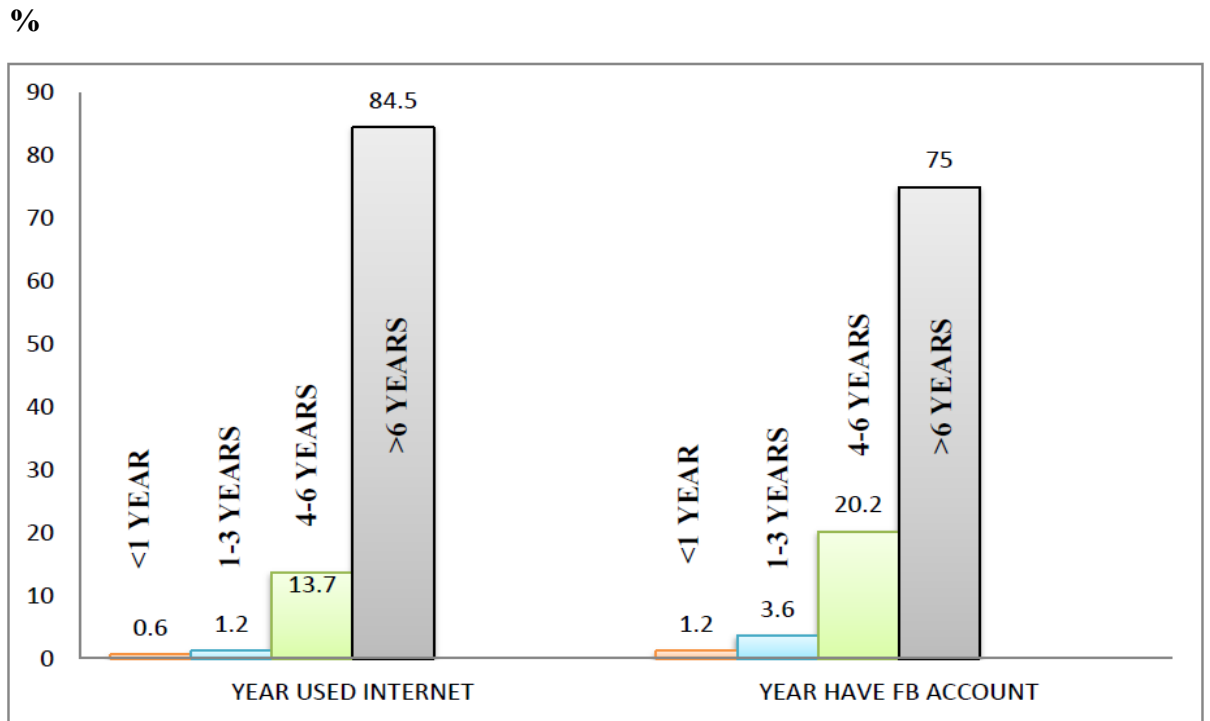
The gender composition shows that 22.6% are male respondents, while 77.4% are female. The composition of the highest age group is from 23 years and above which is 44.0% while the lowest is from range 18-19 years which is only 16.7%. The Malays are ranked as the largest number of respondents at 85.7%, followed by Chinese 6.5%, others with 4.2% and Indian with 3.6%.

Figure 4.2
Respondent's Faculty



In relation to faculty involvement, respondents from the College of Science and Art (CAS) recorded the high composition which is 47.6% followed by College of Business (COB) with 27.4% and lastly the College of Law, Government, and International Studies (COLGIS) with 25.0%.

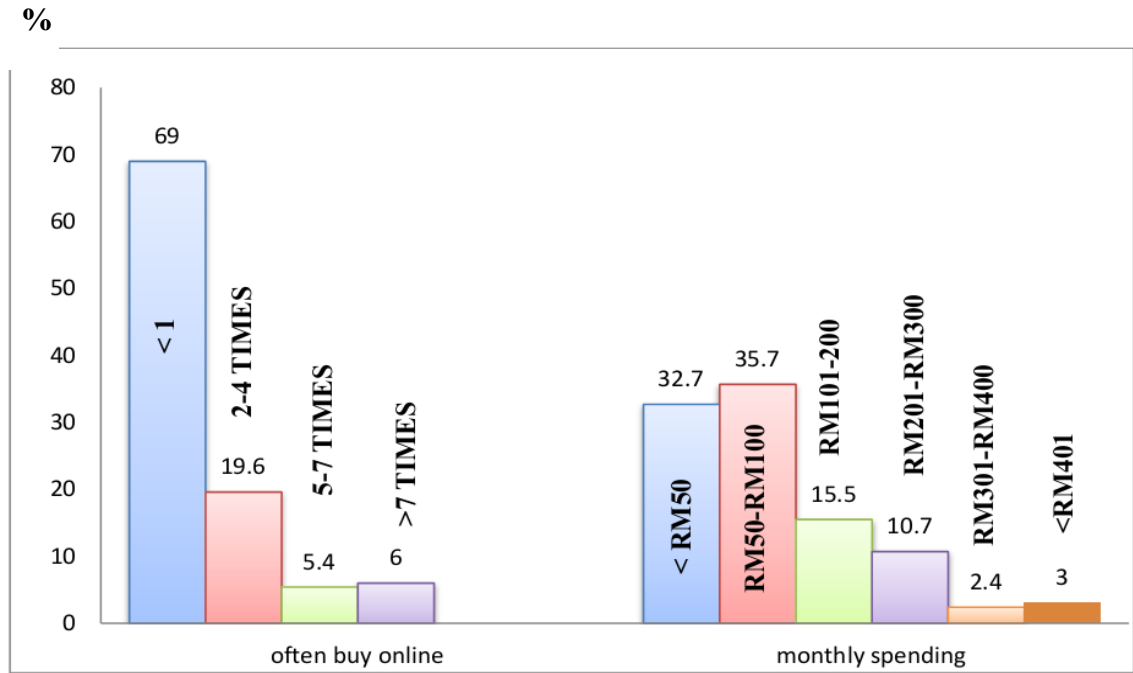
Figure 4.3
Experience Using Internet and FB Account



There are eight different semesters that included which the highest respondents take part in the survey are in semester 6 with 29.2% and the lowest students is in semester 7 with percentage of 0.6%. Moreover, the third year respondents recorded the highest percentage of 41.1% in the year of study composition and respondent in fourth year of study are the lowest percentage of 1.8%. The highest years of using the internet by respondents is more than six (6) years with 84.5%, four to six (4-6) years with 14.7%, one to three (1-3) years with 1.2% and the lowest is less than one (1) year with 0.6%.

Otherwise, the highest year the respondent have Facebook account is more than six (6) years with 75.0%, followed by four to six (4-6) years with 20.2%, one to three (1-3) years with 3.6% and lastly less than one (1) year with 1.2%.

Figure 4.4
Respondent Online Frequency and Monthly Spending towards Online Shopping



However, for the how often the respondent buy through online show the highest percentage is one (1) time with 69.0% and the lowest is four to six (4-6) time with 5.4%. Moreover the highest number of respondent spend to shop online is between RM50-RM100 per month with 35.7% and the lowest spending in range of RM301-RM400 with 2.4%.

Table 4.1
Demographic statistic (N = 168)

	Classification	Frequency	Percentage (%)
Gender	Male	38	22.6
	Female	130	77.4
Semester	1	20	11.9
	2	23	13.7
	3	31	18.5
	4	22	13.1
	5	20	11.9
	6	49	29.2
	7	1	0.6
	8	2	1.2
Current Year of Study	First year	43	25.6
	Second year	53	31.5
	Third year	69	41.1
	Fourth year	3	1.8
Age	18-19	28	16.7
	20-22	66	39.3
	23 and above	74	44.0
Faculty	COB	46	27.4
	COLGIS	42	25.0
	CAS	80	47.6
Ethnicity	Malay	144	85.7
	Chinese	11	6.5
	Indian	6	3.6
	Others	7	4.2
Year use the internet	<1 year	1	.6
	1-3 year	2	1.2
	4-6 year	23	13.7
	>6 year	142	84.5
Year have Facebook account	<1 year	2	1.2
	1-3 year	6	3.6
	4-6 year	34	20.2
	>6 year	126	75.0
How often buy online	1 time	116	69
	2-4 times	33	19.6
	4-6 times	9	5.4
	>7 times	10	6.0
How much spend	<RM50	55	32.7
	RM50-RM100	60	35.7
	RM101-RM200	26	15.5

RM201-RM300	18	10.7
RM301-RM400	4	2.4
>RM401	5	3.0

4.2 Descriptive Statistic

Descriptive statistics is a pattern and general trends in a data set. Table 4.2 shows descriptive statistics for all variables. The result shows that mean for perceived risk is 3.5833. This variable is the highest mean while the least mean is attitude with 3.4438. For standard deviation, it shows that the highest standard deviation is actual online shopping behavior; 0.738 while lowest standard deviation is perceived risk with 0.624.

Table 4.2
Descriptive statistics

	N	Mean	Std Deviation
Actual online shopping behaviour	168	3.4775	0.73769
Attitude	168	3.4438	0.68174
Perceived risk	168	3.5833	0.62367
Experience	168	3.5034	0.70089
Valid N (listwise)	168		

4.3 Reliability Analysis

The researcher performed the reliability analysis on the questions related to Section B, Section C, Section D and Section E which are the dependent and independent variables using Cronbach's Alpha to check the internal consistency of the questionnaire. The Cronbach's Alpha from the study is shown in Table 4.3.

Table 4.3
Cronbach's Alpha coefficient

Variables	Cronbach's Alpha	N of Items
Actual Online Shopping Behavior	0.860	9
Attitude	0.884	9
Perceived Risk	0.837	9
Experience	0.853	7

Bougie and Sekaran (2010) stated that a reliability coefficient of 0.60 is considered as average, those in the 0.70 and above shown that high reliability standard. After data have been analyzed, the Reliability test for dependent variable which is actual online shopping behavior consists of 9 items of reliability coefficient. The result shows Cronbach's Alpha is 0.860. This result is at the range of 0.8 which considered as high reliability and accepted in this study. For independent variables, attitude consists of 9 items of reliability coefficient and Cronbach's Alpha is 0.884. According to Bougie and Sekaran (2010), the result shows that this variable also high reliability. Besides that, for perceived risk, the result shows that the reliability coefficient have consist 9 items and Cronbach's Alpha is excellent which at 0.837 and can be accepted. Whereas, experience consists of 7 items are reliability coefficient and the results shows that Cronbach's Alpha is 0.853 which is excellent and can be accepted.

4.4 Correlation Result Analysis

Table 4.3 below shows the correlation results analysis of this study. The results indicates that there was a positive correlation between attitude and actual online shopping behavior with $r = 0.743$ and $p = 0.000$; $p < 0.05$. It was found that when there is increase in attitude, hence the actual online shopping behavior will be decided. For variable of perceived risk, there was a negative correlation between perceived risk and actual online shopping behavior with $r = -0.251$ and $p = 0.001$; $p < 0.05$. The result shows that when the customers knew well the perceived risk will be faced, hence the actual online shopping behavior will be decreased. Besides, for experience, the result reveals that there was a positive correlation between experience and actual online shopping behavior with $r = 0.539$ and $p = 0.00$; $p < 0.05$. As a conclusion, it was found that when there is improve in experience, hence the actual online shopping behavior will be determined.

Table 4.4
Correlation analysis

		Correlations			
		Attitude_Mean	PerceivedRisk_Mean	Experience_Mean	ActualOnlineShoppingBehavior_Mean
Attitude_Mean	Pearson Correlation	1	-.168*	.574**	.743**
	Sig. (2-tailed)		.030	.000	.000
	N	168	168	168	168
PerceivedRisk_Mean	Pearson Correlation	-.168*	1	-.194*	-.251**
	Sig. (2-tailed)	.030		.012	.001
	N	168	168	168	168
Experience_Mean	Pearson Correlation	.574**	-.194*	1	.539**
	Sig. (2-tailed)	.000	.012		.000
	N	168	168	168	168
ActualOnlineShoppingBehavior_Mean	Pearson Correlation	.743**	-.251**	.539**	1
	Sig. (2-tailed)	.000	.001	.000	
	N	168	168	168	168

*. Correlation is significant at the 0.05 level (2-tailed).

4.5 Hypothesis Testing

4.5.1 Result of Multiple Regression Analysis

The hypotheses for this analysis are:

H₁: There is a positive relationship between attitude and actual online shopping behavior

H₂: There is a negative relationship between perceived risk and actual online shopping behavior

H₃: There is a positive relationship between experience and actual online shopping behavior

Multiple regression analysis was used to evaluate the effect of independent variables (attitude, perceived risk, and experience) on dependent variable (actual online shopping behavior). As depicted in Table 4.5, the regression results revealed the R square value of 0.584. This indicates that 58.4% of variance that explained the DV (actual online shopping behavior) was accounted by the IVs (attitude, perceived risk and experience) where the F value = 76.654 at $p < 0.05$. Based on ANOVA table, all the factors (attitude, perceived risk and experience) show significant relationship with the actual online shopping behavior.

Further analysis for all dimensions (IVs), attitude (t-value = 10.333, $p < 0.05$), perceived risk (t-value = -2.225, $p < 0.05$) and experience (t-value = 2.443, $p < 0.05$) were significant predictors of actual online shopping behavior. The results point out that there is positive relationship between independent variables (attitude and experience) with dependent variable (actual online shopping behavior). This means that, high in attitude and experience will lead to increase in

actual online shopping behavior. For perceived risk, the result reveals that there is negative relationship between perceived risk and actual online shopping behavior. When risk in online shopping is high, the actual online shopping behavior will decrease. As conclusion, H1, H2, and H3 are accepted.

Table 4.5
Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764 ^a	.584	.576	.48029

a. Predictors: (Constant), ExperienceMean, PerceivedRiskMean, AttitudeMean

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.047	3	17.682	76.654	.000 ^b
	Residual	37.831	164	.231		
	Total	90.878	167			

a. Dependent Variable: ActualOnlineShoppingBehavior_Mean

b. Predictors: (Constant), Experience_Mean, PerceivedRisk_Mean, Attitude_Mean

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.031	.338		3.049	.003
	Attitude_Mean	.689	.067	.637	10.333	.000
	PerceivedRisk_Mean	-.135	.061	-.115	-2.225	.027
	Experience_Mean	.159	.065	.151	2.443	.016

a. Dependent Variable: ActualOnlineShoppingBehavior_Mean

4.6 Hypotheses Summary

Table 4.6 present the results of the hypothesis testing conducted in this study. A bivariate Pearson's correlation coefficient analysis indicated that three variables (attitude, perceived risk and experience) have shown a significant difference towards the actual online shopping behavior. Based on multiple regression analysis, all three variables (attitude, perceived risk and experience) indicate the significant relationship toward actual online shopping behavior. Therefore, ANOVA table indicates that all the independent variables have significant relationship towards the actual online shopping behavior.

Table 4.6
Hypotheses Summary

Hypothesis	Supported/ Rejected
Hypothesis 1	
<i>H1: There is a positive relationship between attitude and actual online shopping behavior.</i>	Supported
Hypothesis 2	
<i>H2: There is a negative relationship between perceived risk and actual online shopping behavior.</i>	Supported
Hypothesis 3	
<i>H3: There is a positive relationship between experience and actual online shopping behavior.</i>	Supported

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter elaborates and discuss about the recommendation to the related parties and future study. At the end of the chapter, the conclusion is also highlighted.

5.1 Recapitulation of the study

This study attempted to find the relationship between independent variables which are attitude, perceived risk, experience and the dependent variables which is actual online shopping behavior and look at which factors that have significant influence to Facebook users among undergraduate students. Data was distributed and collected by hand in UUM Sintok. About 250 queationnaires were distributed, out of it, around 168 were returned making the response rate is 67.2%.

5.2 Discussion

5.2.1 Results of Correlation

Relationship between attitude and actual online shopping behavior

The finding of this study shows that there is positive relationship between attitude and actual online shopping behavior. Previous study finds that the

consumer attitude factors were significant predictor of internet purchasing (Yoldas, 2012). Otherwise, attitude towards online shopping is a significant predictor of making online purchases and purchasing behavior (George, 2004; Yang et al., 2007).

Relationship between perceived risk and actual online shopping behavior

Previous study indicates negative relationship between perceived risk and actual online shopping behavior. This study examines that there is negative relationship between perceived risk and actual online shopping behavior. This also indicated that perceive risk is one of the factor that influencing the actual online shopping behavior. Furthermore, researcher found that the process of using the Internet for shopping is not safe. Moreover, regarding to the risk of online shopping, by giving identifying and credit card information is a risky activity for them. Other than that it is a risk for the online shopping consumer not to see the product and they do think that the product may come different from the web site. Persons normally found it risky not to see the product before buying (Yoldas, 2012)

Relationship between experience and actual online shopping behavior.

The finding of this study shows that there is positive relationship between experience and actual online shopping behavior. Prior study have found that more years of computer experience and internet use had a positive, direct effect on the user's acceptance of information technology. This proposes that consumers with more years of computer would be more likely to adopt the internet for purchasing

(Balabians, and Reynolds, 2001). Otherwise, related technology variables included technology skill and the technology anxiety as significant elements that predicted online buying behavior (O’Keefe et al., 1998).

5.2.2 Results of Multiple Regressions

The result of this study indicated that attitude, perceived risk and experience have significant prediction on actual online shopping behavior. Previous researches by George (2004) and Yang et al. (2007) have revealed attitude towards online shopping is a significant predictor of making online buying behavior. Besides, attitude is believed to influence online purchase decisions directly (Shwu-Ing, 2003). Experience shows significant prediction on actual online shopping behavior. Customers will only purchase products from the Internet after they have already experienced them (Shim, and Drake, 1990). Other than that, consumers with more years’ experience of computer would be more likely to adopt the internet for purchasing (Balabians, and Reynolds, 2001).

5.3 Limitations

The study is conducted in UUM, Sintok Kedah only which the focus is for the UUM students because of limited time and cost saving. In addition, the population is limited to undergraduate students in UUM not for all students studying in UUM regardless of what semester they were currently.

5.4 Recommendation from the Research

Online Retailers

Such information will help online retailers to improve more effective and efficient online retail outlets. Comments about website are taken as specific strategies for moving consumer to more shopping with them. Otherwise, diffusion of innovation theory may be helpful to the online retailers. They can practice this theory to their online business. The theory propose five step innovation adoption process consist knowledge, persuasion, decision, implementation, confirmation. Other than that, online retailers should try to make their online stores more entertaining by using up to date technology such as 3D animation or video clips. By doing so, consumers may spend more time surfing the stores, thus staying more long time at the site and possibly leading to more purchases. Furthermore, it also may possible to offer the online buyer special or unique services.

In order to be successful online retailers, they need to understand well what factors can make their business more success and implement the suitable strategy. As most of the online consumers are price sensitive, online retailers needed to recommend an appropriate pricing tactic to fulfill the needs of the shoppers. Retailers not only can set a lower price of the product, they also can create price advantage through indirect price. Furthermore, retailers can offer free delivery charge and also give out free gift as attraction to the online shoppers to shop more. Also, online retailers need to offer competitive price and more assortments of products in order to attract people inspiring them to make a purchase decision.

Online Shopping Buyers

It's important to online shopping buyers to prefer well-known online retailers/shop to start purchase their product. They can make a survey which online stores are better and more trusted to deal with. This action indirectly will help buyers from been cheat by the company. Otherwise, buyers also can search and find the customer review from previous customers of the same retailers. Other than that buyers also can compare the price and products from many online retailers in order to get the best offer given by the retailers. Furthermore, by having information, online shopping buyer will prefer to buy from a safety website and comfort of navigation and order.

5.5 Suggestion for Future Research

It is important that future research have the clear parameters, taking into account the interests of stakeholders. It should be informed theoretically, and also influenced by various studies that go beyond consideration of what interventions work. There are challenges essential in evaluating the results of career guidance; the most understandable is the need for further research. This study only focuses undergraduate students of UUM and thus, may not be representative of the overall population. Hence, future study should examine a broader sample. Moreover, comparing college students from rural, suburban and urban might also make available critical perceptions for the online retailers. Additionally, in order to be effective, an internet shopping must attention on the consumer and marketing

factors of internet shopping. In order to enable internet purchasing, online retailers should recognize both of the consumer and marketing factors and improve the quality or service at their internet stores. Other than that, other independent variables could be added up in order to obtain the precise result and finding. The variables selected must have highly significant relationship with the dependent variables for the specific outcomes.

5.6 Conclusion

This research is to investigate the factors that influencing the actual online shopping behavior among the undergraduate students. The target population was undergraduate students in Universiti Utara Malaysia (UUM). Thus the result of respondents was 168. Overall, the study focuses on three factors which are attitude, perceive risk and experience. From the correlation analysis, it shows that all the factors (attitude, perceived risk and experience) have the positive relationship with the actual online shopping behavior. The multiple regression analysis models revealed that 58.4% of the variance in actual online shopping behavior was accounted for by the IVs (attitude, perceived risk and experience). With having understandable on the actual online shopping behavior, it will help to look at the way to influence the attitudes of online buyers among student by investigate some other important factors that able to improve their buying behavior in the future.

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