

Understanding Customer Behaviour towards Online Shopping

Nurul Nadia Abd Aziz

Faculty of Business Management,
Universiti Teknologi MARA Cawangan Pahang
Kampus Raub, Malaysia
nurul_nadia@pahang.uitm.edu.my

Normilia Abd Wahid

Faculty of Business Management,
Universiti Teknologi MARA Cawangan Pahang
Kampus Campus, Malaysia
normilia@pahang.uitm.edu.my

Abstract–This paper aims to empirically study the customer behaviour towards online shopping. The study also aims to determine gender differences in online shopping behaviour. This study employed the quantitative approach using a research instrument. A set of questionnaire was developed and distributed based on a systematic sampling technique to a sample of 400 students at a higher education institution in Malaysia to collect the primary data. The findings were then analysed using SPSS. The results indicated that, while both genders are similar in number, the male population seem to be more inclined towards online shopping.

Keywords: *Customer behaviour; gender differences, online shopping*

I. INTRODUCTION

Consumer behaviour is a popular issue in marketing research, as it enables marketers to develop better strategies for profit and customer satisfaction [1]. Understanding customers' online shopping behaviour is very crucial to an online retailer for effective customer relationship management. It is also very important that online retailers clearly understand the critical factors that influence online shopping behaviour among customers and execute marketing strategies accordingly [2]. This is caused by the growing need of customer relationship management in order to establish and maintain stronger online customer base [3]. Many businesses wish to capitalise on the momentum of online retail stores as more people have gradually changed their behaviour from the traditional mode to rely on internet shopping. Therefore, there is a need to capture the way customers behave when they are engaging in commerce activities. Moreover, it is of paramount importance for online retailers to understand the patterns of online customer behaviour so that they are able to execute the appropriate marketing strategies.

Some researchers have highlighted that potential online shoppers are usually university students, of no specific sex (similar percentage for males and females), aged between 15 to 34, and derive from low-income families [4]. Reference [5] stressed that to successfully attract this particular group of population, online retailers should learn more about them, more specifically their attitude towards online shopping, their online shopping intentions, and their antecedents. The study done by [6] revealed that 67% of Millennials and 56% of Gen Xers prefer

to shop online rather than in-store, and the shoppers spend half their money on online purchases [7].

However, although extensive studies have been carried out by other researchers on online shopping among university students [2, 8-11], these studies have failed to explain the spending behaviour of university students while they are shopping online with limited financial resources. In fact, the study on gender differences in online shopping, specifically among university students, is even rarer. Therefore, this paper aims to empirically study university students' behaviour towards online shopping and determine gender difference in online shopping behaviour. The results of this study are expected to help online retailers be more focused on advertising strategies that can attract buyers among university students with different genders.

The remainder of this paper is organised as follows: Section II presents the literature review; the methodology used in this study is described in Section III; Section IV describes the analytical results of this research, and the final section presents the conclusion and recommendations.

II. LITERATURE REVIEW

Online shopping has been widely accepted and has recently become a popular trend. The growth of online shopping is in conjunction with the development of the digital era with the introduction of tablets, smartphones, and more secure systems [12]. More people are now buying goods and services over the internet. Some efficiency aspects can be gained, like saved time and convenience. Indeed, the online shopper would rather save time than money when shopping online [13]. The internet offers many kinds of convenience to customers, as it is open to the customers 24 hours a day, 7 days a week, and this helps them to search online sites without limitation [14]. However, it is more satisfying to those who are seeking convenience and speed. It also provides customers more choices and eases the comparison of products and pricings.

Nowadays, online shopping has become a new trend among the younger generation, including university students to match their lifestyle. Reference [15] reported that online shopping was at a satisfactory level among students, and many other studies have also found that Gen Y represents the young and heavy online shoppers [16, 17]. Moreover, Gen Y is a crucial segment

for marketers to develop customer loyalty. It is therefore encouraged that online retailers concentrate on this particular segment of the market [15, 17], as most of them prefer to buy from online retailers operating on Facebook and Instagram. Reference [18] confirmed that advertising on Facebook has a positive influence on the behavioural attitude towards intention-to-purchase and purchase behaviour. Social networking is less formal, more trusted, and provides testimonials from previous customers [16].

Gender differences in online buying behaviour are important in shaping business strategy by looking for gender preference while making online purchases [19]. Gender influences the customers' attitudes and perception towards online purchasing. In a study done by [1], males indicated a more positive attitude and they were willing to purchase and spend money compared to females online. This is supported by [20] that stated that men perceived online shopping as more useful by considering new technologies that help them make purchases in a more conducive environment. In contrast, [21] mentioned that the percentage of both females and males shopping online is almost similar. However, both males and females differed in perspectives due to the influence of online shopping factors [20].

Since university students' lifestyles have changed due to the online shopping phenomenon, the scope of this study focused on the customer behaviour of university students towards online shopping. The main research question of this study is: What are the goods purchased by the university students? With limited financial resources, how much of their budget do they allocate to buying online and how often do they use online sites for shopping? Specific variables such as gender differences in online shopping behaviour were investigated.

III. RESEARCH METHODOLOGY

In this study, probability systematic sampling technique was utilised to access potential respondents. All the respondents were university students studying in the state of Pahang in Malaysia. A structured questionnaire was the main instrument used for data collection. The survey was conducted in the English language. A total of 400 copies of the questionnaire was distributed, out of which 280 copies were returned as correctly filled and usable. The data collected were analysed using descriptive statistics techniques, and the results of the data analysis are presented and discussed in the following section.

IV. RESULTS AND DISCUSSION

A total of 280 questionnaires were returned, giving a 70% response rate. The sample was approximately equal, with 141 (50.4%) male respondents and 139 (49.6%) female respondents. All the respondents were aged between 18 to 22 years old and had engaged in online shopping at least once in their life.

TABLE I. ONLINE SHOPPING EXPERIENCES OF RESPONDENTS

How often do you have online shopping?	Frequency		
	Male (N=141)	Female (N=139)	Total (N=280)
Twice a week or above	3	1	4
Weekly	3	0	3
Once per two weeks	5	4	9
Monthly	28	38	66
Occasionally	102	96	198

Table I shows the online shopping experience of the respondents. A majority of the respondents occasionally shopped online, with 102 male respondents and 96 female respondents respectively. Females recorded a higher number of regularly using the internet for online shopping, with 38 respondents slightly above the number of male respondents, which also stood at 28 respondents who shopped online on a monthly basis. An interesting fact from the results was that 11 male respondents indicated that they have a higher level of frequency when it comes to online shopping compared to the 5 female respondents. In detail, 5 male respondents (compared to 4 female respondents) shopped online twice per month, and another 3 male respondents shopped online every week. In addition, 3 male respondents (compared to the 1 female respondent) shopped online twice a week or even more often. The results indicated that while both genders are similar in number, the male respondents seemed to be more inclined towards online shopping.

TABLE II. CROSSTABULATION OF FINANCIAL SUPPORT FROM PARENTS * THE AVERAGE PRICE OF GOODS PURCHASED ONLINE * GENDER

Gets financial support from parents	Average price of goods purchased online (in a single purchase)	Gender		Total (N=280)
		Male (N=141)	Female (N=139)	
No	Below RM100	20	38	58
	RM100 - RM199	14	10	24
	RM200 - RM299	8	0	8
		42	48	90
Yes	Below RM100	45	45	90
	RM100 - RM199	28	35	63
	RM200 - RM299	10	8	18
	RM300 - RM399	5	1	6
	RM400 - RM499	5	1	6
	RM500 - RM999	2	1	3
	RM1000 and above	4	0	4
	99	91	190	

A cross tabulation between financial support from parents, the average price of goods purchased online, and gender was then performed. The results showed that most of the respondents did not mind spending on products lower than RM100 (52.9%), and they also spent between the ranges of RM100 to RM199 (31.1%) in a single purchase. It should be noted that the respondents of this study were students in institutions of higher learning in Malaysia and they received an educational loan from the same source, namely The National Higher Education Fund (Perbadanan Tabung Pendidikan Tinggi Nasional).

Table II indicates that 190 respondents (67.9%) received financial support from their parents, specifically 99 male, and 91 female respondents. In this category, there were also respondents who were able to buy online with a budget of RM300 to RM399 (6 respondents), RM400 to 499 (6 respondents), RM500 to RM999 (3 respondents), and more than RM1000 (4 respondents). Meanwhile, for respondents who ultimately relied on educational loan and did not receive financial support from their parents, they were only able to purchase online with the average price of goods lower than RM299 in a single purchase.

Table III shows the 22 categories of products that have been purchased by the respondents online, and they can indicate more than one category. The most common category of products preferred by 219 respondents (78.2%) to purchase online was clothes. This clothing category includes men, women, kids, and footwear. The other common categories of products purchased by the respondents included electronic devices (30.7%), gifts (26.8%), sports (24.3%), as well as dietary supplements (23.2%).

TABLE III. CATEGORIES OF PRODUCTS PURCHASED BY ONLINE SHOPPERS

What kind of items have you purchased online?	Frequency		
	Male (N=141)	Female (N=139)	Total (N=280)
Software	17	6	23
Computer hardware	40	3	43
Books or magazines	20	18	38
Music, CDs, DVDs	14	12	26
Games	36	5	41
Electronic devices	61	25	86
Travel	29	26	55
Clothes	91	128	219
Baby store	2	6	8
Sports	45	23	68
Flowers	6	6	12
Gifts	23	52	75
Toys	8	4	12
Grocery	4	2	6
Social event tickets	27	25	52
Services	5	1	6
Preloved items	19	26	45
Dietary supplements	24	41	65
Gold	4	1	5
Hobby items	35	17	52
Any kinds of services	10	6	16
Others	6	17	23

A comparison between the two genders found that male respondents dominated the purchase of goods online for the categories of electronic devices, sports, computer hardware, software, games, hobby items, travel (airlines, car rentals, hotels), social event tickets (concert, movies, water park, etc.), books and magazines, grocery, services, and gold. On the other hand, female respondents dominated the online purchase of products from the categories of clothes, dietary supplements, gifts, baby store, preloved items, toys, and other products that include cosmetic, contact lens, stationary, handbag, watch, and beauty products.

The respondents' online shopping behaviour was further compiled with respect to their gender and frequency of traditional shopping. The respondents were asked whether they have reduced their frequency of traditional shopping due to online shopping. For the male respondents, a total of 41 respondents (29%) said that they had reduced the frequency of traditional shopping due to online shopping, while the other 100 male respondents (71%) mentioned that online shopping does not reduce the frequency of their habit to shop using the traditional way. The breakdown of the percentage is almost the same for female respondents, in which the number of respondents who still shop using the traditional way and the number of respondents who have reduced the frequency of traditional shopping were 96 respondents (69%) and 43 respondents (31%) respectively.

TABLE IV. REASONS FOR PURCHASING ONLINE

For what reason do you shop online?	Frequency (N=280)	%
To save time	177	63.2
Can't find it in local store	153	54.6
To shop at any time	139	49.6
Convenience and ease of use	132	47.1
I had no time to go shopping	127	45.4
To buy things that are not available in Malaysia	122	43.6
To get better selection	91	32.5
Friend recommendation	87	31.1
To get the latest items	86	30.7
To save money	76	27.1
News and media effect	73	26.1
To get item faster	69	24.6
Just to see if it would work	41	14.6
Free delivery	53	18.9
Money back guarantee	25	8.9
Fraud protection provided by banks	18	6.4

Table IV presents the reasons for university students to purchase online. The main reasons are to save time (63.2% respondents), the inability to find the desired item in local stores (54.6%), and also the ability to shop at any time (49.6%). This result supports the previous findings that stated that purchasing through the Internet allows us to buy at any time [2, 22, 23]. In addition to convenience and ease of use (47.1%), there were also respondents who claimed that they do not have the time to go shopping to find the desired items (45.4%). The study's finding is consistent with the survey conducted in [2], who found that convenience and ease of use are the main influencing factor for online shopping. Moreover, there were also those who said that they use online shopping to buy things that are not available in Malaysia (43.6%). To get better selection (32.5%), friend's recommendation (31.1%), ability to get the latest items (30.7%) save money (27.1%), the effects of news and media (26.1%), and to get the items faster (24.6%) are the other more common reasons as to why university students shopped over the Internet.

When respondents were asked about the factors that convinced them to purchase using online (Table V), the top five factors stated by them were the price of the products and services (69.3%), the variety of products (57.5%), the quality of products and services (50.0%), ease of placing order (37.1%), and the ability to get products and services in a timely manner (31.8%).

TABLE V. FACTORS THAT CONVINCED ONLINE SHOPPERS TO PURCHASE ONLINE

What would convince you to shop online?	Frequency (N=280)	%
Price of products and services	194	69.3
Variety of products	161	57.5
Quality of products and services	140	50.0
Ease of placing orders	104	37.1
Getting products and services on time	89	31.8
Availability of various payment options	79	28.2
Free shipping service	68	24.3
Security of financial and personal information	67	23.9
Refund guaranteed	60	21.4

V. CONCLUSION AND RECOMMENDATIONS

This research provided insights into the online shopping behaviour of an important market segment, which is university students. The survey results showed that clothes (78.2%), electronic devices (30.7%), and gifts (26.8%) were the most common types of products that university students preferred to purchase over the Internet, while services (2.1%), grocery (2.1%), and gold (1.8%) were the least common. The results are in line with the study done by [2], who also found that clothes and electronic devices were the most common products purchased by university students using online shopping. Also, the descriptive analysis carried out by [16] on Gen Y found similar results.

In line with the findings of other studies [24-26], male respondents were fundamentally the more dominant consumers who shopped online. A probable reason is that the products that are more associated with men such as computers and electronics are amply available and can be easily purchased online [25]. Based on the descriptive analysis, the results revealed that there were gender differences in the categories of products purchased online. This study discovered that male respondents preferred to buy clothes, electronic devices, sports items, computer hardware, and games using online shopping. Meanwhile, the female respondents preferred to buy clothes, gifts, supplement foods, preloved items, travel, and social event tickets. The results indicated that different genders have different perspectives on the choice of goods purchased online. It seems like men are more inclined to the products' functional characteristics and benefit-oriented than women [26].

The university students' behaviour also indicated that they shopped online, regardless of whether they received financial support from their parents or not. Even respondents who did not get financial support from their parents and ultimately relied on educational loan do not mind spending products lower than RM300 in a single purchase. In this case study, the university students' who received financial support from their family, which was represented by almost 70% of the total respondents were more prominent to purchase online. In fact, some students who belong to this group do not mind spending products that cost from RM300 to more than RM1,000 in a single purchase. Therefore, based on these findings, university students can be regarded as one of the most important market segments because they have money and shopping interest [5].

This research is useful for online retailers to capture numerous business opportunities in emerging markets focusing on university students and gender preferences. The outcomes of this study can be used as a reference for future business plans of online marketing. Gender differences concerning types of goods preferences in online shopping suggested that different online market segments should be used with males and females. This paper has also provided a quantitative overview that can possibly serve as a keynote to online retailers to focus on promoting and performing good customer services [11] in order to target each gender group more effectively.

The major limitations of this study may be from our sample, which was drawn exclusively from the students in a higher education institution living in a single city in Malaysia. Hence, the findings of this study have limited generalisability because our sample cannot be generalised to represent all university students. Thus, with this limitation, we suggest future researchers replicate this study in different education campuses or in other cities in Malaysia to broaden the study scope in this subject area.

REFERENCES

- [1] L. P. Ling and R. Yazdanifard, "Does Gender Play a Role in Online Consumer Behavior?," *Glob. J. Manag. Bus. Stud.*, vol. 14, no. 7, pp. 49–56, 2014.
- [2] F. Huseynov and S. O. Yildirim, "Internet users' attitudes toward business-to-consumer online shopping: A survey," *Inf. Dev.*, vol. 32, no. 3, pp. 452–465, 2016.
- [3] M. Kumar, "Consumer behavior and satisfaction in e-commerce: a comparative study based on online shopping of some electronic gadgets," *Int. J. Res. Commer. Manag.*, vol. 7, no. 7, pp. 62–67, 2016.
- [4] B. H. J. J. M. J. Martín-dehoyos and B. Herna, "Differences between potential, new and experienced e-customers: Analysis of e-purchasing behaviour," *Internet Res.*, vol. 18, no. 3, pp. 248–265, 2008.
- [5] N. Delafrooz, "Factors Affecting Students' Online Shopping Attitude and Purchase Intention," 2009.
- [6] T. Wallace, "Ecommerce Trends: 135 Stats Revealing How Modern Customers Shop in 2017," *Big Commerce*, 2017. [Online]. Available: www.bigcommerce.com.
- [7] M. Katie, "The rise of online-only shops: customers lured by free returns and low prices," *The Telegraph*, 2016. [Online]. Available: <http://www.telegraph.co.uk>.
- [8] N. Kin and N. Farida, "Effects of convenience online shopping and satisfaction on repeat-purchase intention among students of higher institutions in Indonesia," *J. Internet Bank. Commer.*, vol. 21, no. 2, 2016.
- [9] P. Kumar and R. Bajaj, "Dimensions of perceived risk among students of high educational institutes towards online shopping in Punjab," *J. Internet Bank. Commer.*, vol. 21, no. Special Issue 5, 2016.
- [10] A. Sundar, "Internet shopping: factors influencing students buying intention online," *Int. J. Res. Commer. Manag.*, vol. 7, pp. 47–55, 2016.
- [11] Y. J. Lim, A. Osman, S. N. Salahuddin, A. R. Romle, and S. Abdullah, "Factors Influencing Online Shopping Behavior: The Mediating Role of Purchase Intention," *Procedia Econ. Financ.*, vol. 35, no. October 2015, pp. 401–410, 2016.
- [12] M. Revilla, "Effect of using different labels for the scales in a web survey," *Int. J. Mark. Res.*, vol. 57, no. 2, pp. 225–238, 2014.
- [13] S. Anthony, "Online shoppers 'prefer to save time over money,'" 2017. [Online]. Available: <http://www.retail-systems.com>.
- [14] A. Mittal, "E-commerce: It's Impact on consumer Behavior," *Glob. J. Manag. Bus. Stud.*, vol. 3, no. 2, pp. 131–138, 2013.

- [15] D. Choudhury, "Online Shopping Attitude among the Youth : A study on University Students," *Int. J. Entrep. Dev. Stud.*, vol. 2, no. 1, pp. 23–32, 2015.
- [16] M. Muda, R. Mohd, and S. Hassan, "Online Purchase Behavior of Generation Y in Malaysia," *Procedia Econ. Financ.*, vol. 37, no. 16, pp. 292–298, 2016.
- [17] A. Bilgihan, "Computers in Human Behavior Gen Y customer loyalty in online shopping : An integrated model of trust , user experience and branding," *Comput. Human Behav.*, vol. 61, pp. 103–113, 2016.
- [18] R. G. Duffett and R. G. Duffett, "Facebook advertising ' s influence on intention-to-purchase and purchase amongst Millennials," *Internet Res.*, vol. 25, no. 4, pp. 498–526, 2015.
- [19] R. Chakraborty, J. Lee, S. Bagchi-Sen, S. Upadhyaya, and H. Raghav Rao, "Online shopping intention in the context of data breach in online retail stores: An examination of older and younger adults," *Decis. Support Syst.*, vol. 83, pp. 47–56, 2016.
- [20] A. Akhlaq and E. Ahmed, "Gender differences among online shopping factors in Pakistan," *Organ. Mark. Emerg. Econ.*, vol. 7, no. 1, pp. 74–90, 2016.
- [21] S. Dhanapal, D. Vashu, and T. Subramaniam, "Perceptions on the challenges of online purchasing: a study from 'baby boomers', generation 'X' and generation 'Y' point of views," *Contaduría y Adm.*, vol. 60, pp. 107–132, 2015.
- [22] M. Handa and N. Gupta, "A Study of the Relationship between Shopping Orientation and Online Shopping Behavior among Indian Youth," *J. Internet Commer.*, vol. 13, pp. 22–44, 2014.
- [23] M. M. Kumar and P. G. Sobha, "Online shopping behavior among higher education students with special reference to Palakkad, Kerala, India," *IJARIE*, vol. 1, no. 5, pp. 507–514, 2015.
- [24] K. M. S. Faqih, "An empirical analysis of factors predicting the behavioral intention to adopt Internet shopping technology among non-shoppers in a developing country context : Does gender matter?," *J. Retail. Consum. Serv.*, vol. 30, pp. 140–164, 2016.
- [25] B. Hasan, "Exploring gender differences in online attitude," *Comput. Human Behav.*, vol. 26, no. 4, pp. 597–601, 2010.
- [26] Y. Chen, X. Yan, W. Fan, and M. Gordon, "The joint moderating role of trust propensity and gender on consumers ' online shopping behavior," *Comput. Human Behav.*, vol. 43, pp. 272–283, 2015.