

## FACTORS INFLUENCING ONLINE GROCERY PURCHASE INTENTION AMONG GEN-X IN KLANG VALLEY MALAYSIA

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Received Date: 2<sup>nd</sup> October 2022

Accepted Date: 3<sup>rd</sup> January 2023

### ABSTRACT

*This study was conducted to determine the most significant factors that influence online groceries purchase among Gen-X in Klang Valley, Malaysia. The independent variables are perceived usefulness, perceived ease of use, price, website design quality, trust, and perceived risk. The research adopted a convenient sampling technique for the sample collection. 505 valid responses were collected. The data collected were analyzed using Minitab software. The results revealed that the most significant relationships to online purchase intention are perceived usefulness, trust, and price. Recommendations to all related stakeholders including academicians, consumers, businesses, and authorities were also included to leverage the findings.*

**Keywords:** Purchase Intention, Perceived Usefulness, Perceived Ease of Use, Price, Website Design, Trust, Perceived Risk, Online Grocery Shopping, Gen-X.

### 1.0 INTRODUCTION

The COVID-19 pandemic has expedited the digitalization process and e-commerce activities, thus changing the way consumers shop (Alfonso V, 2021). Buying goods and services online has become a common routine these days for numerous individuals globally. More than 2.14 billion individuals around the world are anticipated to purchase merchandise and groceries online, despite some still prefer to shop the traditional way and some shop both online and offline (Wut Yee Phyo, 2019).

Few reports found that 26% of online shoppers are more willing to purchase fresh groceries online. In Southeast Asia, Malaysia is one of the driving nations to practice e-commerce with an increase of 88% growth rate for online groceries sales. Online grocery shopping appeals to be more comfortable because consumers can now purchase their groceries from home without the need to travel to a supermarket, push the shopping cart, and wait in the queue for payment (Fong Ching Ming et al., 2020).

Gen-X was born between 1965 – and 1980 also known as a middle generation experience the transition from analog to digital phase. Gen-X was born on the cusp of when our world turns into a digital-first society (Vinoth. S, 2018). They have different characteristics, behavior, beliefs, and attitudes and look for a balance between personal life, family, and career. Their desires are wide-ranging and at the same time they have stronger buying powers, and they

generally often shop at value-oriented stores. They prefer a useful and practical approach to buying and will engage in secured buying behavior.

This research analyzed Gen-Xs' responses to see whether there are any significant relationships between perceived usefulness, perceived ease of use (Davis 1986), price (Phan & Mai, 2016), website design (Kim, Shaw, & Schneider, 2003), trust (El-Ansary & Roushdy, 2013) and perceived of risk (Singh, 2015) with consumer purchase intention towards online shopping of groceries.

There were limited previous studies done to find out the significant factors affecting consumers' intention among a specific group of Gen-X in Klang Valley to purchase grocery via online. Hence the analysis is made with the aim to examine whether the following factors: perceived usefulness, perceived ease of use, price, website design quality, trust, and perceived risk have an influence on online grocery purchases among this target group. The result of this study will have implications for users and indirectly contribute to the online vendors' understanding of what customer wants, as well as a policymaker to improvise current policies. The researchers hoped that the findings of the study will be able to guide all related stakeholders to make online grocery shopping the best shopping alternative that can benefit customers and other online shopping participants.

Figure 1 showed the proposed research framework that illustrates six independent variables that may have a significant relationship with the dependent variable.

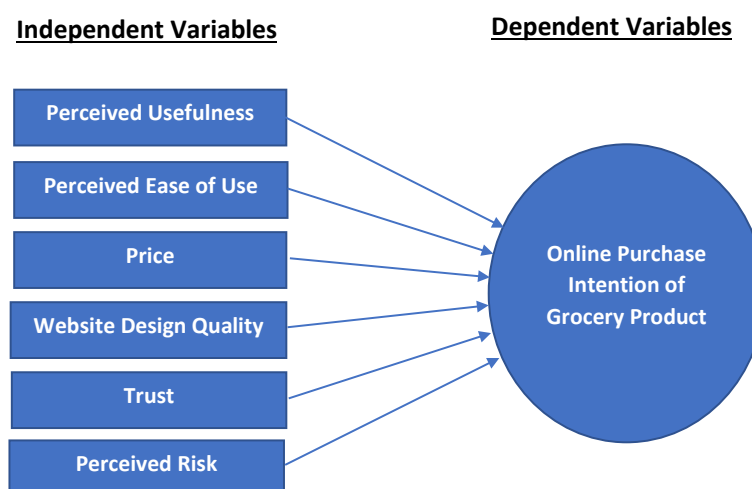


Figure 1: Proposed research framework

## 2.0 METHODOLOGY

The research is conducted to understand the factors that contributed to an online grocery purchase intention among Gen-X in Klang Valley. Questionnaires were distributed using google form using convenience sampling methods. It is an effective and convenient way to obtain information and data from the population. The questionnaires were adapted from Tee Yee Teng (2018). The respondents answered options in the Likert scale ranging from strongly disagree as 1 to strongly agree as 5. Data was analyzed using SPSS version 26.

### 3.0 RESULT

**Table 1: Regression Analysis – Model Summary**

Model Summary	R2	P-Value
	0.568	0.000

Table 1 showed the result of the regression analysis. It showed that R2 is 0.568, which means all factors have a 56.8% influence on Gen-X online grocery purchase intention.

**Table 2: Correlation Coefficients**

Predictors	Coefficients			
	Coefficients	Standard Coefficients	t	P-Value
Constant	-0.0630	0.1908	-0.33	0.741
<b>Perceived Usefulness</b>	0.2057	0.0801	2.57	0.011
Perceived Ease Of Use	0.1428	0.0763	1.87	0.062
<b>Price</b>	0.2749	0.0473	5.81	0.000
Website Design Quality	0.1108	0.0683	1.62	0.105
<b>Trust</b>	0.3427	0.0723	4.72	0.000
Perceive Risk	-0.0658	0.0497	-1.32	0.186
Dependent Variable: Online Purchase Intention				

The equation for this research based on Table 2 is as follows:

$$\text{Online Purchase Intention} = -0.062 + 0.2057 \text{ Perceived Usefulness} + 0.1428 \text{ Perceived Ease of Use} + 0.2749 \text{ Price} + 0.1108 \text{ Website Design Quality} + 0.3427 \text{ Trust} - 0.0658 \text{ Perceive Risk}$$

The findings in Table 2 showed that perceived usefulness (IV) has a  $\beta = 0.2057$  and  $p = 0.011$ . It means that perceived usefulness explains 20.57% of the significant relationship with the online purchase intention (DV). This finding is supported by Tee Yee Teng (2018) who mentioned in the study consumers tend to purchase the product online if the perceived usefulness and trust exist throughout the process.

Next, the findings showed that Perceived Ease of Use (IV) has a  $\beta = 0.1428$  and  $p = 0.062$ . It means that Perceived Ease of Use has no significant relationship with the online purchase intention (DV). This finding is supported by a study by Juniwati, (2014); which indicates that perceived ease of use does not have a significant impact on online purchase intention.

Next, Price (IV) have a  $\beta = 0.2749$  and  $p = 0.000$ . It means that Price explains 27.49% of the significant relationship with the online purchase intention (DV). Price is one of the significant factors that affect the purchase intention be it online or offline for a wide range of products and services (Dam, 2020; Rai, B. 2021)

Next, Website Design Quality (IV) have a  $\beta = 0.1108$  and  $p = 0.105$ . Website Design Quality do not significantly influence the online purchase intention (DV). This finding is supported by the study of Hasanov and Khalid (2015), which found that website design has no significant impact on purchase intention.

Next, Trust (IV) has a  $\beta = 0.3427$  and  $p = 0.000$  which means that Trust explains 34.27% of the significant relationship with the online purchase intention (DV). This factor has the strongest relationship among all independent variables. This finding is supported by a study done by Juliette Vera Maria Naudin (2021) which suggested that trust is a significant factor that positively affects online purchase intention.

Lastly, Perceive Risk (IV) has a  $\beta = -0.0658$  and  $p = 0.186$ . It means that Trust does not significantly influence the online purchase intention (DV) since the P-value is less than 0.05. This finding is supported by G. Jordan et al. (2018) who indicated that based on their study on the consumers' fear of financial losses, reputation damage, and perceived risk, it is evidence that the perceived risk is negatively affecting online purchase intention.

Based on the results obtained above, only three variables provide significant influence on online purchase intention. The variables are perceived usefulness, price, and trust, as these three variables have a p-Value less than 0.05.

#### 4.0 DISCUSSION

The results can be analyzed by looking into the respondents' demographic profile, and the internal and external factors that influence their purchase intention. Based on the demographic profile, it was found that the majority of the respondents are aged between 42 and 49 years, married, having extensive working experience, and a majority of them have higher educational background. This reflects that these respondents had long accepted technology in their daily life. Thus, the perceived ease of use is not a barrier for them to access the internet or e-commerce website. However, the perceived usefulness had given them great impact as we could relate it to the COVID-19 pandemic in the country that started in March 2020. The restrictions imposed by the government had force Malaysian to learn and get used to the e-commerce environment, prevent face-to-face and maintain social distance. Since then, e-commerce has been widely accepted and growing rapidly. In this study, the respondents found that the grocery stores' websites are useful, save time and stay safe.

Price significantly influenced the online purchase intention, as the flexibility and convenience of using websites, the online shoppers have easy access to the information needed and make a comparison from a variety of brands, substitute products, price ranges, and the specifications and functions. This is aligned with our study on grocery products where the price is the main contributor to the purchase intention, especially during the pandemic period, with the high unemployment rate in the country.

Trust is another factor that influences online purchase intention. Trust could be established from the experience of performing similar activities such as online purchases. As the online purchase is not new in the market, many well-established e-commerce owners started to sell grocery products. The purchase online naturally increases during the pandemic, i.e., Lotus, Lazada, Shopee, Grab, and food panda. The social interaction of the e-shoppers could be a powerful tool in expanding the leads to buy online. The study on e-commerce companies demonstrated a close relationship between reputation and trust (Maia et al., 2018). Online consumers have no hesitation to use the same website to purchase grocery products as compared to the newly established website where consumers may not trust and hesitate to buy from them.

#### 5.0 CONCLUSION

As the online platform becomes increasingly crucial to consumers in everyday lives, it is important to know which and how the factors affect their purchase decision, particularly on grocery items. Consumers are shifting their purchasing behavior from traditional mode to online platforms, and this is becoming a normal routine among shoppers as they prefer to go for simpler mode, convenient and fast.

The result of this study can provide great understanding to all related stakeholders in the e-commerce business mainly online vendors. As the aim of this paper is to examine the relationship of the influencing factors for online grocery purchases, the online vendors especially can benefit from the input of this study to increase their sales by focusing on the

significant factors that influence consumers' decision to buy grocery via online. The result will also allow online vendors to develop a better and more intensive marketing strategy to gain more confidence among customers to participate in online purchase medium. The policymakers as well can benefit from this study by developing certain policies ensuring consumer protection in this e-commerce activity and they may also consider providing a special incentive to all online shopping participants be it from consumers or from the vendor's end.

## ACKNOWLEDGMENTS

We thank UNITAR International University for funding the publication of this paper.

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