Tendency of Generation Y in Malaysia to Purchase Online Technological Products

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Abstract: The purpose of this study is to investigate the determinants that influence the behavioural intention of online purchases among generation Y. The rapid growth of broadband web internet technology changes our lifestyle of consumers by offering a wide variety of products online. Main novelty of this study is in its studied type of products. The study used modified TAM (Technology Adoption Model). The study addresses the key issues of perceived usefulness, perceived risk and perceived ease of use of consumers to purchase online technological products in order to establish a consensus among Gen Y. The sample size comprises of 200 undergraduate students and questionnaire is developed on Google drive and distributed through online survey methods using Facebook and Twitter. The analyses are completed with Pearson correlation coefficients and multiple linear regressions. The findings revealed that perceived usefulness and perceived risk of the website are significantly related to behaviour intention of online purchases among generation Y. The findings showed that Gen Y are willing to purchase online, if the retailers provide security on e-Transactions. The result will give useful information and attract more retailers to establish online business.

Key words: e-Commerce, technological products, generation Y, technology adoption, Twitter

INTRODUCTION

In record, the internet subscriber has reached up to 35% of the population in 2011 and over 2.7 billion people at 39% of the populations in 2013 based on (International Telecommunications Union) ITU study. Therefore, the future of digital economy looks promising with the high penetration of internet in 2013 (ITU, 2013). Thousands of organizations are moving towards e-Commerce business model and many countries’ government also implement policies to transform their economies into digital economies. Malaysia is one of the countries that the government is inspired to aggressively transform and shape Malaysia into a digital economy. e-Commerce has existed in Malaysia since the mid-nineties but the ecosystem of Malaysia is still far behind from countries like Korea, United Kingdom and Hong Kong. According to Leong and Lee (2009), 30% of Malaysian internet users are involved in online shopping. This low level involvement in online shopping is relatively low as compared to other developed countries in Asia Pacific Region. As it can be inferred, Malaysians are considerably reluctant to shop online compared to those countries. With a new PayPal survey conducted by OK (Enterprise IT News, 2012), it is stated that Malaysians intend to spend half of their holidays shopping online this year and that has saved 36 h of their precious time. Therefore, it is believed that Malaysians have higher acceptance of extending their shopping behaviour from offline to online. This, thus enables the market of online shopping in Malaysia believed to be full of opportunities and the chances are enormous. Among the internet users preference in Malaysia, booking travel with airline tickets, hotel and tour reservations are the top pick (The Nielsen Company, 2012).

However, a mid-2005 survey by the Malaysian Communication and Multimedia Corporation (MCMC), presents that only 9.3% of internet users had purchased products or services through the internet during the preceding 3 months. Among of the product and services purchased online by the consumers, airline tickets were the most popular item (43.8%) followed by books (15.6%) and music (6.8%). All these transaction spent on are relatively smalls and over 57.7% of transactions worth less than RM 500. It shows that Malaysians are reluctant to purchase high price products such as technological products (laptops, mobile phones) through internet as they prefer to see, touch and feel the product by themselves. According to the Nielsen Company’s Mobile Insights Survey, it show majority of Malaysians (71%) especially the younger generations were using internet for non-shopping purpose such as looking for information, communication with others, playing games and other entertainments.