

New Marketing Research Journal
Special Issue, 2014
PP: 133-142

Elements affect online repurchase intentions of Malaysia's online shoppers.

Meisam Karami

Faculty of Management (FM), 81310 UTM Skudai, Johor, Malaysia
E-mail: kmeisam3@live.utm.my

Ali Akbar Hozhabri

Faculty of Management (FM), 81310 UTM Skudai, Johor, Malaysia

Ezzatollah Asgharizadeh

Associate Professor Faculty of Management Tehran University

Khalil Md Nor

Associate Professor Faculty of Management (FM), 81310 UTM Skudai, Johor, Malaysia
E-mail: m-khalil@utm.my

Saif-Ur-Rehman Khan

Associate Professor Faculty of Management (FM), 81310 UTM Skudai, Johor, Malaysia

Mohammad Ali Hajizadeh Gashti

Faculty of Management (FM), 81310 UTM Skudai, Johor, Malaysia
E-mail: ahgmohammad3@live.utm.my

Abstract

Today, the internet is the significant tool of online shopping in all around the world. Online transaction systems make shopper possible to make payment for services or products utilizing the internet. The current paper purpose is to focus on the elements that can affect online repurchase intentions. In the current paper we utilized survey questionnaire to gather 102 in Malaysia from those that at least done one online shopping. In addition, data collection is using regression model to determine the significance relationship between the trust and privacy and online repurchase intentions.

Moreover, the current research provides functional information for managing online businesses.

Keywords: Malaysia, online shopping, repurchases intentions

I. INTRODUCTION

Your Nowadays, internet creates opportunities for companies to continue competitive through rendering users with a serviceable. Have shopping via the internet is rapidly growing and it also one of the most purchasing forms. Furthermore, Grunert and Ramus indicate that the internet capable make easy shopping for consumers and businesses man [6]. However, internet cerate an international medium therefore, it can remove the barriers via communication thus the communication and business can be faster and easier and also this process can help companies to reduce their cost dependence on agents and distributors [17]. Moreover, internet mean allows the companies to deal directly with users, eliminate middleman's cost and eventually decrease the final cost paid by users [20]. Companies realize that it is less expensive to venture into international market via the internet [22] [21] [[2].

Rosenberg and Czepiel, indicate that while first time buyers are consequential to the organization; they are more costly to serve than existent buyers are [14] . Therefore, it is significant to conclude the elements affect online repurchase intentions of Malaysia online shoppers. Thus, the current paper objectives to examine the elements affect online repurchase intentions of Malaysia's online shoppers. Furthermore, enlarged technology acceptance model (TAM) is adopting as the fundamental model to integrate privacy and trust. These two determining factors are examined to comprehend their affect on online buyers in Malaysia.

II. LITERATURE REVIEW

A. Privacy

Privacy mention secures and guards of the customers' information online shopping in the site (Ward and Lee, 2000). Obviously, the technologies which is new becoming larger function for treat of information which is made privacy to an increasing degree influential issue (Flavia'n et al., 2006). Therefore, suspiciousness of consumer absolutely is expanding concern in what way personal information is processed and collected [4]. Great number of customers appeared frightened to purchase services and products online or to supply individual information or intelligence online because horror of feasibility and privacy absence that retailers which are online are unexploited their individual information in Malaysia. As an example, it is exhibiting which buyers will waver the online shopping if there is no secure feeling for them, so their information of credit card is guaranteed and sheltered from possibility hackers [3]. In online vendor system, previous studies on online shopping literature represent in order for consumers' privacy comprehension have a consequential and favorable impact on their confidence [2]. There is quantitative consequence of same flow which is displayed by Udo that

shows in order to the safety of privacy are the immense interest of internet purchasers [15] [4]. In the condition that it is, if buyers do not inevitable of privacy safety they alter to reluctant to online shopping, besides if privacy is insurant they wishes will change to have more online shopping. However, if privacy is secure, they are following Hypothesis 5:

H1. There is positive association between privacy and online repurchase intentions

B. Trust

Customer trust or user trust executes a necessary function for providing supports long term association accompanied through retailer. In similar idea, trust is connecting the generosity, capability, and honesty of another [2].

Goode and Harris, illustrate distinguish trustworthiness of online like a measure that the site usually act and respond as hypothesized [5]. In accord with Kim et al [8] service trustworthiness is one of the main electronic qualities of service tools succeed to extensive satisfaction of customer. Ndubisi presents trust worthiness of service as a satisfaction and orientation of buyer and he also indicates that loyalty selected as a mediated by satisfaction[10].

Trust of customer has an essential function in supporting long-term associations with the repurchase intentions. Trust absences decrease the customer's chances to occupy with online transaction due to the fact that they are reluctant to have transaction with a supplier that do not trust to repurchase intentions. The majority of literature has emphasized the role of trust as being central to the success of building repurchase intentions [20]. In fact, research of earlier point out which trust is a fundamental function that come from repurchase intentions as following Hypothesis 5:

H2. There is positive association between trust and online repurchase intentions.

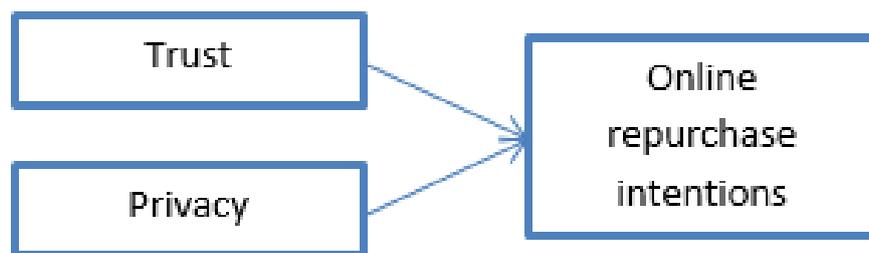


Figure 1. Conceptual framework

II. DATA

C. Methodology

The information for the paper was collected from different sources. In this research we obtained the primary data by questionnaire from students which studying in Universiti Teknologi Malaysia (UTM), Skudai, Malaysia. We put to use snowballing sampling method for single out the participants for the inquiries. This was to make certain to such a degree the participants utilized the internet to buying a goods. Before, we were concerned in participants' capability and readiness to purchase again goods electronic purchase, it was measured logical for gather data and information from participants that have previous experience in online shopping [21]. The method of Key informants is regard as appropriate one who answers if appropriate option process is utilized by John and Reve [7]. Therefore, utilizing guidelines on pick out key defendant from prior studying [1] Key informants were selected and shown founded their knowledge of the inquiries flow, their experience with online purchase, and readiness for answer.

D. Questionnaire design

In this study we used the questionnaire which is separated into part A and B. Part A comprise on the demographic questions like gender, occupation, respondents' age and education level. Section B is request answers on the key concept of the framework of study by way of explanation of trust and privacy.

E. Measures

Totally, 124 finished questionnaires have been returned back, and 22 of questionnaires are unreadable because of incomplete responses, that outcome to 102 usable responses. Original items for this research are establish on prior validated survey to examination many user restoration of a past condition of online shopping comprise trust and privacy and repurchase intentions. Measures for privacy were based on Chiu et al. and Roma'n [2] ,[13] ,Trust is measured with items based on Pavlou and Fygenson [12]. Moreover, the conceptual variables measurement is established upon a seven-point Likert. Wang et al. and Lin and Sun have found the seven-point Likert scales to be effective measure [16],[9].

E. Data analysis

We are considered to create reductions dependent upon the consequence. The tools of descriptive analytical like standard deviation and mean were utilized to present in a condensed form of the respondents' feedback. For measuring validity and reliability the variables, reliability tests and factor analysis were directed in the preceding time of subjecting the information to inferential analysis. The four variables were examined for their connections by satisfaction of customer utilizing regression and correlations analysis. For this analysis SPSS was utilized.

RESULTS AND FINDINGS

Table III illustrates the demographic profile of the 102 participants that participated in this study. It is presented that female have a higher percentage likened with male. There are more participants that are single than participants who are married. Following table shows the demographic information participants of this research.

Table IV shows the standard deviations, mean values, and the items number for each variable. In this table the independent variables such as trust yielded the highest mean (5.67), go after privacy (5.64). However, all variables yielded mean value more than 5 that one may deduce which the respondent perceptions on all variables in most situations are favorable.

Table 1 demographic information

| Items | Categories | Percentage | Frequency | Cumulative (%) |
|--|---------------|------------|-----------|----------------|
| Gender | Female | 55.9 | 57 | 44.1 |
| | Male | 44.1 | 45 | 100 |
| level of Education | Under diploma | 7.8 | 8 | 7.8 |
| | Diploma | 7.8 | 8 | 15.7 |
| | Degree | 15.7 | 16 | 31.4 |
| | Master | 42.2 | 43 | 73.5 |
| | PH.D) | 26.5 | 27 | 100 |
| Age | Under 20 | 7.8 | 8 | 7.8 |
| | 21-30 | 48 | 49 | 55.9 |
| | 31-40 | 26.5 | 27 | 82.4 |
| | 41-50 | 9.8 | 10 | 92.2 |
| | More than50 | 7.8 | 8 | 100 |
| Marital status | Singe | 60.8 | 62 | 39.2 |
| | Married | 39.2 | 40 | 100 |
| experience of online repurchase | Excellent | 30.4 | 31 | 30.4 |
| | Good | 49 | 50 | 79.4 |
| | Average | 19.6 | 20 | 99 |
| | Bad | 1 | 1 | 100 |
| Online items for purchased? | Friends | 16.7 | 17 | 81.4 |
| | Oneself | 64.7 | 66 | 64.7 |
| | Family | 18.6 | 19 | 100 |
| | members | | | |
| How many times you had online shopping in the past five years (times) | Under 2 times | 19.6 | 20 | 19.6 |
| | 2-3 | 27.5 | 28 | 47.1 |
| | 4-6 | 24.5 | 25 | 71.6 |
| | 7-9 | 6.9 | 7 | 78.4 |
| | >10 times | 21.6 | 22 | 100 |

Table 2. Multiple regressions analysis (R and R 2) Model Summaryb

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|------|----------|-------------------|----------------------------|---------------|
| 1 | .954 | .909 | .902 | .16711 | 1.8998 |

Table IV represents the values of Cronbach's alpha for the dependent and independent variables in current study. The outcome asserts that value of Cronbach's alpha range from 0.711 to 0.830. The Cronbach's alpha value of 0.7 or higher is considered acceptable (Nunnally, 1978). Therefore, the data on these variables are reliable and consistent with standards of research.

Table 3. Mean and reliability of variables Statistics

| | Repurchase intention | Trust | Privacy |
|------------------|----------------------|--------|---------|
| Mean | 3.6406 | 3.8018 | 3.8618 |
| Std. Deviation | .62122 | .57105 | .62723 |
| Reliability test | .822 | .757 | .749 |
| Number of items | 7 | 7 | 7 |

Normal P-P plot of regression standardized residual supply a visual examination of the assumptions of normality amid the predicted dependent variable scores and the errors of prediction. The primary benefit is that the assumptions may be analyzed in one glance; thus, any violation may be determined easily and quickly.

A 458 diagonal line shows the normal probability line. The dots shows the actual residual, if the residuals are normally distributed the values must fall on the diagonal line of identity. Figure 2 represents the normal P-P plot of regression standardized residual of this study. The information gathered should be measured as normally distributed for a sample $n = 102$ derived from the normal population.

Table 4 Correlation coefficients

| Constant | Privacy | Trust | Repurchase intention |
|----------------------|---------|-------|----------------------|
| Privacy | 1 | | |
| Trust | .466 | 1 | |
| Repurchase intention | .304 | .407 | 1 |

Table V shows the conceptual variables correlation matrix. A two-tail test at 0.05 significance level asserts that there are positive associations between independent and dependent variables. Table VI also shows that, R^2 -value = 0.909 and $R = 0.954$. It indicates that 90.9 percent of the variation in Y may illustrate through all two predictors the variation in X.

Table 5. Regression coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|----------------------|-----------------------------|-------|---------------------------|--------|------|-------------------------|-------|
| | Std. Error | B | Beta | | | Tolerance | VIF |
| (Constant) | .204 | -.205 | | -1.005 | .319 | | |
| Privacy | .045 | .191 | .255 | 4.259 | .000 | .572 | 1.749 |
| Trust | .056 | .105 | .128 | 1.870 | .067 | .438 | 2.285 |
| Repurchase intention | .048 | .065 | .086 | 1.361 | .179 | .513 | 1.951 |

Table VII represents two independent variables (trust and privacy) predict 91 percent of the variation in online repurchases intention. The outcomes also represent the evaluate coefficients details, where b (constant) is 20.559, bPR is 0.147, bTR is 0.169. The outcome presents that two variables are significant at 0.05 significance level (0.05). It shows that there is linear association among the dependent and independent variables.

V. CONCLUSION

The current paper is focusing on factors affecting customers' online repurchase intention. The outcome of this research asserts that the all the element recognized in the research impact the intention to repurchases online. The result from current study corroborates some of prior studies findings and it is an advance over many as the integrated model illustrates a higher amount of variance in repurchases intention than any prior model. However, the integrated model is more beneficial in comprehending users online repurchase behavior intention.

The current research shows some form of contribution that the study has been in literature in Malaysia. While recently the research about online shopping has been increased in Malaysia, the quality is still a far cry concerning the work amount done in numerous of its countries in Asian. This recommends as suitable that the result can be related to a numerous of countries in Asian marketers and consumers. Furthermore, commonly Malaysia is dubbed "truly Asian" due to it is a potpourri of Asian values and cultures [20]. This paper finding could be useful for relevant government agencies, especially with respect to improving internet foundation.

The current research has some direction for future research such as First; the current paper considers the number of usable responses in this study small. Works in the future must be considering for higher response rate. Therefore it can enlarge the consequently the generalizability of the findings and representativeness of the sample. Furthermore, research in the future should consider the responses from businesses as well.

REFERENCES

- [1] Campbell, D. (1955), "The informant in quantitative research", *American Journal of Sociological*, Vol. 60, January, pp. 110-33.
- [2] Chiu, C.M., Chang, C.C., Cheng, H.L. and Fang, Y.H. (2009), "Determinants of customer repurchase intention in online shopping", *Online Information Review*, Vol. 33 No. 4, pp. 761-84.
- [3] Collier, J.E. and Bienstock, C.C. (2006), "Measuring service quality in e-retailing", *Journal of Service Research*, Vol. 8 No. 3, pp. 260-75.
- [4] Flaviaa'n, C. and Guinali'u, M. (2006), "Consumer trust, perceived security and privacy policy: three basic elements of loyalty to a web site", *Industrial Management & Data Systems*, Vol. 106 No. 5, pp. 601-20.
- [5] Goode, M.M.H. and Harris, L.C. (2007), "Online behavioural intentions: an empirical investigation of antecedents and moderators", *European Journal of Marketing*, Vol. 41 Nos 5/6, pp. 512-36.
- [6] Grunert, K.G. and Ramus, K. (2005), "Consumers' willingness to buy food through the internet", *British Food Journal*, Vol. 107 No. 6, pp. 381-403
- [7] John, G. and Reve, T. (1982), "The reliability and validity of key informant data from dyadic relationships in marketing channels", *Journal of Marketing Research*, Vol. 19, November, pp. 517-24.
- [8] Kim, J.H., Kim, M. and Kandampully, J. (2009), "Buying environment characteristics in the context of e-service", *European Journal of Marketing*, Vol. 43 Nos 9/10, pp. 1188-204.
- [9] Lin, G.T.R. and Sun, C.C. (2009), "Factors influencing satisfaction and loyalty in online shopping: an integrated model", *Online Information Review*, Vol. 33 No. 3, pp. 458-75.
- [10] Ndubisi, N.O. (2011), "Conflict handling, trust and commitment in outsourcing relationship: a Chinese and Indian study", *Industrial Marketing Management*, Vol. 40 No. 1, pp. 109-17.
- [11] Nunnally, J.C. (1978), *Psychometric Theory*, 2nd ed., McGraw-Hill, New York, NY.
- [12] Pavlou, P.A. and Fygenson, M. (2006), "Understanding and predicting electronic commerce adoption: an extension of the theory of planned behavior", *MIS Quarterly*, Vol. 30 No. 1, pp. 115-43.
- [13] Roma'n, S. (2007), "The ethics of online retailing: a scale development and validation from the consumers' perspective", *Journal of Business Ethics*, Vol. 72 No. 2, pp. 131-48.
- [14] Rosenberg, L. and Czepiel, J. (1983), "A marketing approach for consumer retention", *Journal of Consumer Marketing*, Vol. 1 No. 1, pp. 45-51.
- [15] Udo, G. (2001), "Privacy and security concerns as major barriers for e-commerce: a survey study", *Information Management & Computer Security*, Vol. 9 No. 4, pp. 165-74.

- [16] Wang, C.C., Chen, C.A. and Jiang, J.C. (2009), "The impact of knowledge and trust on e-consumers' online shopping activities: an empirical study", *Journal of Computers*, Vol. 4 No. 1, pp. 11-18.
- [17] Yu, J. (2006), "Marketing to Chinese consumers on the internet", *Marketing Intelligence & Planning*, Vol. 24 No. 4, pp. 380-92.
- [18] Ward, M.R., and M.J. Lee, 2000. 'Internet Shopping, consumers search and product branding', *The Journal of Product & Brand Management*, Vol. 9, No. 1, pp. 6-20.
- [19] Chai Har Lee, Uchenna Cyril Eze, Nelson Oly Ndubisi, (2011), "Analyzing key determinants of online repurchase intentions", *Asia Pacific Journal of Marketing and Logistics*, Vol. 23 Iss: 2 pp. 200 – 221.
- [20] Meisam Karami, Shaghayegh Maleki Far, Ehsan Abdollahian and Saif ur Rehman Khan (2013). Online Shopping Factors Behavior Effect on E-CRM Capabilities in Malaysia. *World Journal of Management and Behavioral Studies* 1 (2): 44-52.
- [21] Meisam Karami, Saif-Ur-Rehman Khan, Sayyede Parisa Saeidi, Parvaneh Saeidi, Sayede Parastoo Saeidi (2012). The effects of online shopping factors on customers repurchase intention in Malaysia. *Current Trends in Technology and Science* ISSN: 2279-0535. Volume: 2, Issue: 2.
- [22] Houshang Mobarakabadi, Meisam Karami, Shaghayegh Malekifar, Khodadad Yarkarami (2013). Influence of Online Shopping Behavior Factors on E-Satisfaction of Customer. *Jurnal Teknologi*, 64:3, 1–7.

