



PERCEIVED USEFULNESS AND TRUST TOWARDS CONSUMER BEHAVIORS: A PERSPECTIVE OF CONSUMER ONLINE SHOPPING

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ABSTRACT

In this globalization era, the Internet has become an important tool for web browsing, social networking and even making online purchases. In Malaysia, few studies have examined the influence of perceived usefulness and trust on the online shopping behavior of consumers. Thus, the current study intends to investigate whether perceived usefulness and trust influence the online shopping behavior of consumers in northern Malaysia which comprises Kedah, Perlis, Penang and Perak. The relationship of the perceived usefulness and trust and the online shopping behaviors of the consumers will also be determined in this study. Quantitative research will be conducted by distributing questionnaires to 600 Internet users from different age groups, genders and backgrounds. Perceived usefulness and trust are predicted to influence the online shopping behaviors of consumers in northern Malaysia since these two factors were proven to influence the online shopping behavior of other developing countries such as China. The information obtained from this study will facilitate online retailers and shoppers' understanding of the different perspectives of both parties regarding the effects of perceived usefulness and trust on online shopping behavior. This study can be a useful guideline for researches to improve their studies.

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Keywords: Perceived usefulness, Trust, Consumer behaviour, Online shopping, Purchase Intention, Malaysia, Quantitative.

Contribution/ Originality

The paper's primary contribution is finding that the concepts or ideas of the relationship of perceived usefulness and trust toward online shopping behavior. Most of the studies focus on online purchase intention rather than online shopping behavior that link to final stage of purchases.

1. INTRODUCTION

The Internet is an important global communication tool, especially in this globalization era. The Internet is used for many purposes, particularly for web browsing using search engines, such as Google, Bing, and Yahoo!. People have even expanded the use of the Internet to social networking and online purchasing. The Internet provides a platform for its users, such as online retailers and buyers, to perform business transactions. Various websites are used for electronic commerce. Such websites include Amazon.com (United States) and Lazada.com (Malaysia), which provide business-to-consumer electronic commerce, and eBay.com (United States), Taobao.com (China), and Lelong.my (Malaysia), which provide consumer-to-consumer electronic commerce. Electronic commerce is common in developed countries, such as the United States, but it is still in the growing phase in developing countries, such as Malaysia, India, and China.

According to [Nordin and Nik Kamariah \[1\]](#), online shopping is gaining popularity particularly among countries with well-developed infrastructure for marketing activities over the Internet. Thus, it is essential for researchers to study and investigate on the potential development of electronic commerce in the developing countries. Although there are a lot of studies conducted in the context of online shopping, few studies investigated the online shopping behavior of consumers in Malaysia [1]. Most of the researchers investigated on their purchase intention rather than their purchasing behavior which is the last stage of online shopping process. Since selling through internet is different from selling on a traditional store, such behavior and new technological challenges are important to understand. Malaysia still has few Internet users who are willing to purchase online, but this number is increasing [1].

Therefore, this study is to investigate the influence of perceived usefulness and trust toward the online shopping behavior of consumers in northern Malaysia. In order to increase the online shopping rates in northern Malaysia, knowing online shopping behaviors and its drivers are essential to assist both the online retailers and consumers. Such drivers are important to understand because online retailers can implement marketing strategies that drive consumers to shop online. Perceived usefulness is one of the factors that will influence the online shopping behavior of consumers. How a website brings value, effectiveness, and advantage to consumers influences their decision to shop online [2].

Other than that, trust is also one of the greatest concerns to influence online shopping behaviours of the consumers. Building trust between sellers and buyers in a virtual business transaction is more difficult than that in a traditional context. Considering that online shopping is not as widely accepted by consumers in northern Malaysia as it is by those in other parts of Malaysia, such as central Malaysia, we need to understand this reluctance to purchase via the Internet. According to [Mukherjee and Nath \[3\]](#), how an online business gains trust from buyers in the absence of physical interaction has become the central concern in building and maintaining online customer relationships. The integrity of an online retailer is the main concern as a customer may be skeptical if his or her personal information is used for other purposes. This concern is especially true among Malaysian consumers, who are generally conservative and averse to changes in life, especially in northern Malaysia. How perceived usefulness and trust influence online shopping behavior in northern Malaysia as well as the expectations of consumers from the website and the

reasons why consumers are reluctant to purchase online need to be investigated. Moreover, the relationship of perceived usefulness and trust with online shopping behavior should be determined.

2. LITERATURE REVIEW

Online shopping behaviour is very important because the business transaction will be done in the absence of physical interaction between online retailers and the buyers [3]. Selling in an online context is different from selling in a physical store because it requires understanding consumer behavior in a virtual environment [4]. Moreover, online shopping behavior is especially essential in promoting online electronic services compared with traditional services because electronic services are tailored to consumer demands, convenient to use, and dependent on consumer perceptions [5]. Although there are many studies conducted on online shopping behaviors especially in United States [6], China [7] and Taiwan [8], there are still few of studies conducting in Malaysia particularly factors of perceived usefulness and trust influencing online shopping behaviors of the consumers. Perceived usefulness is an individual's point of view that using a system will improve his or her job performance [9]. If the consumers believe that online shopping will enhance their performance and productivity, individuals are likely to have positive attitude about online shopping [5].

Davis [10] introduced Technology Acceptance Model (TAM) to explain acceptance of information technology. Perceived usefulness and ease of use were proposed to explain the intention and behaviour to use an information system [10]. Davis [10] found that the influence of perceived usefulness on the actual usage of an online system is stronger than that of ease of use. This finding shows the importance of perceived usefulness in affecting the actual usage of online purchases and it is believed to influence the online shopping behaviour of the consumers in northern Malaysia. According to Peng, et al. [7], perceived usefulness directly and significantly influences the adoption of online shopping; in China, it contributes the greatest effect on the adoption of such behavior. From the evidence of their study, perceived usefulness play an important role in influence online shopping behaviours of the consumers. In Malaysia, there are some researchers that use Technology Acceptance Model (TAM) to explain the perceived usefulness on influencing the online shopping behaviour of the consumers [11, 12]. Yuliharsi, et al. [11], and Weng Marc and Ding Hooi [12] found that perceived usefulness indirectly influences the intention to shop online, which is mediated by the attitude toward online shopping. According to Rohaizan and Fatimah [13], perceived usefulness is the main factor that influences consumers in Malaysia to shop online. Based on this finding, online retailers can build marketing strategies by providing information in the online website that varying them from other competitors [13].

Trust is another factor that believed to influence the online shopping behaviour of the consumers. Trust is a multidimensional concept because trust was based on the rational assessment of an individual's ability and integrity ad on feeling of concern and benevolence [14]. In an online environment, trust is primarily built in a person-to-website manner rather than through person-to-person communication, mediated by technology [15]. Trust is important because online shoppers and retailers cannot physically see each other during interaction [16]. Lack of trust is one main reason why customers do not purchase online [15]. According to Lee, et al. [17], the intention to purchase online is influenced by the trustworthiness and reliability of the online retailers.

Unintended disclosure of sensitive consumer data, data sharing with third parties, lack of user authentication, and access to consumers' personal information may negatively influence the intention to purchase online [18]. Orapin [19] proposed that trust significantly influences consumers' online purchase intention in Malaysia.

Consumers' intention to shop online influences their online shopping behavior, which, in turn, leads to the actual action of buying [19]. Consumers' trust in an online store influences the frequency of their online shopping activities [20]. According to Yulihhasri, et al. [11], several online shoppers in Malaysia are unwilling to share their credit card numbers with online retailers. It was due to low trust intention from the customers. The more consumers trust in online shopping, the more they engage in online shopping activities [16]. It provided a useful insight to investigate whether perceived usefulness and trust also be of use to influence online shopping behaviors of consumers in northern Malaysia.

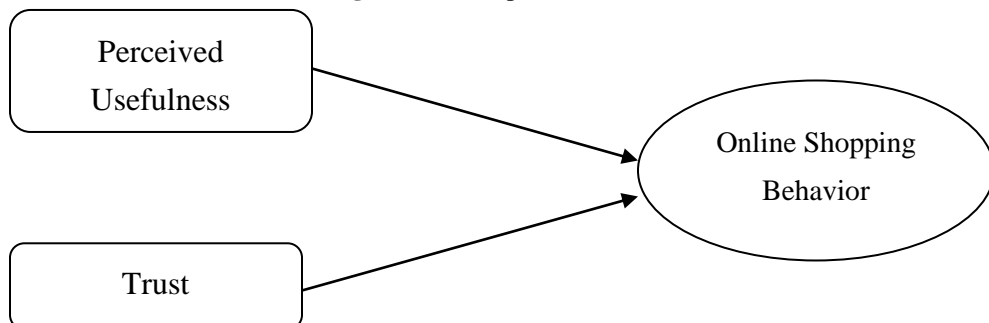
3. RESEARCH METHODOLOGY

The proposed research method should involve a survey of consumers in northern Malaysia, which comprises Kedah, Penang, Perlis, and Perak, to investigate how perceived usefulness and trust influence online shopping behavior. Quantitative research will be conducted by distributing questionnaires asking how important perceived usefulness and trust are to consumers' decision to shop online in northern Malaysia. Since most of the researches focused on university students as the target respondents, future research should include consumers from different groups including students or working people as target respondents to generalize the results. The total sample size is proposed to consist of 600 respondents from northern Malaysia which comprised of different age groups, genders and backgrounds. Survey questionnaires will be randomly distributed to selected Internet users by sending a link to the questionnaire through email and social networking sites and by handing them out. Convenience sampling is suggested because it involves drawing samples that are easily accessible and willing to participate in a study [21]. The hypotheses of the study are as follows:

Hypothesis 1: Perceived usefulness positively correlates with the online shopping behavior of consumers in northern Malaysia.

Hypothesis 2: Trust positively correlates with the online shopping behavior of consumers in northern Malaysia.

Figure-1. Conceptual Framework



4. CONCLUSION

Perceived usefulness and trust are important factors that contribute to the positive online shopping behavior of consumers in northern Malaysia. A positive perception of Internet shopping enhances job performance [5]. The integrity and reputation of online retailers [4] are vital in determining consumers' decision to purchase online. It is because the more the consumers' trust in online shopping, the more they will engage in online shopping activities [16]. The information to be obtained in this study will help consumers make a prudent decision while making online purchases. Moreover, it will facilitate consumers' understanding of the online business environment and the perspectives and considerations of consumers regarding the factors that influence their purchase intentions while engaging in online shopping. Furthermore, it can help online retailers successfully develop marketing strategies to attract many consumers in northern Malaysia to purchase from their stores. Online retailers' understanding of the online shopping behavior of consumers can produce the desired outcomes and profits. Given that only two variables (perceived usefulness and trust) are proposed, additional research should examine other factors that affect decision making on making purchases over the Internet, such as attitudes and subjective norm. Moreover, considering that the whole of Malaysia has access to both local and international websites, more studies can be conducted not only in northern Malaysia but also in other parts of the country. The present study can be a useful guideline for researchers to improve their studies.

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