

**FACTORS AFFECTING OF GEN Y IMPULSE  
BUYING ON ONLINE AMONG IPTA/IPTS  
STUDENTS IN MALAYSIA**

**LIM SHU NING**

**BTM (HIGH-TECHMARKETING)**

**2017**

**UTeM**

**LIM SHU NING**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

**SUPERVISOR'S APPROVAL**

'I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor of Technology Management (High-Tech Marketing)

SIGNATURE : .....  
NAME OF SUPERVISOR : DR MURZIDAH BINTI AHMAD MURAD  
DATE : .....

SIGNATURE : .....  
NAME OF PANEL : DATIN SURAYA BINTI AHMAD  
DATE : .....

**FACTORS AFFECTING OF GEN Y IMPULSE BUYING ON ONLINE IN  
MALAYSIA**

**LIM SHU NING**

**The thesis is submitted in partial fulfillment of the requirements for the award of  
Bachelor of Technology Management (High Technology Marketing)**

**Faculty of Technology Management and Technopreneurship  
Universiti Teknikal Malaysia Melaka**

**June 2017**

## DECLARATION OF ORIGINAL WORK

“I hereby declare that this project is the result of my own research except the cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.”

Signature :  
Name : LIM SHU NING  
Date :

## **DEDICATION**

This work is dedicated to my parents, my family and finally my course mates who are always in my thoughts and recognition.

## ACKNOWLEDGEMENTS

First and foremost, I would like to seize the opportunity to express my sincere and deepest gratitude to my supervisor, Dr Murzidah who has guided and supported me throughout the entire research project with her patience, guide and understanding. I would like to further extend my appreciation to her insightful comment and advice that had contributed in keeping me on track to make this dissertation possible.

Secondly, I would like to express my sincere thanks to all my friends who have assisted in managing the questionnaires distribution and collection. They also always give me some comments and suggestions.

Lastly, deepest thanks and appreciation to my family members, especially my lovely parents, their endless support, encouragement, and full support during the report completion from the beginning till the end.

Thank you very much, without their support and encouragement; I may probably not be able to finish this research.

## ABSTRACT

This research was based by internet development on this era of globalization, this can support what people needs. Today, the World Wide Web (www) technology successfully used to help people in the way to market their products. Many corporate, either large or small use the internet technology to enhance their selling and gain interest. From now, relationship between manufactures to the customer had no shelter any longer. The developer of internet technology establishes the situation which will make the competition in many entrepreneurs increasingly strict. It happens not only in our country Malaysia but also globally. The consumer behavior of Malaysia people is distinct. Most of Malaysian spend their money online and do the impulse buying while shopping. This research was conducted to who ever made a buying online in Malaysia. This research targeted to inspect the hedonic shopping motive, external factor, individual internal factor and trust affect impulse buying in online purchases. The data was collected using questionnaire of 300 respondents by purposive sampling, which aimed to determine the response of respondents to each variable.

**Keywords:** impulse buying, online shopping, hedonic shopping motive, external factor, individual internal factor, trust

## **ABSTRAK**

*Kajian yang telah dijalankan adalah berdasarkan penggunaan internet di dalam era globalisasi yang tidak canggih sepenuhnya. Hari ini, jaringan internet telah berjaya memberi bantuan kepada masyarakat dalam memasarkan servis dan produk mereka. Terdapat banyak syarikat korporat semasa besar atau kecil menggunakan teknologi internet untuk meningkatkan jualan dan memperoleh keuntungan. Hubungan antara pembekal dan juga usahawan sudah tidak mempunyai halangan seperti jarak, ruang dan masa dengan penggunaan internet. Perkara ini bukan sahaja terjadi di Malaysia tetapi di seluruh dunia. Tambahan pula, pengguna Malaysia mempunyai tingkah laku yang unik di mana mereka lebih berminat berbelanja di atas talian dan dengan tidak terancang. Kajian ini telah dilakukan kepada rakyat Malaysia yang pernah membuat pembelian secara atas talian. Selain itu, kajian ini juga untuk menguji faktor yang mempengaruhi pembelian yang tidak dirancang dengan penggunaan internet. Antara faktor yang telah dikaji ialah motif hedonic, kepercayaan, faktor dalaman individu dan faktor luaran. Dalam kajian ini, data telah dikumpul dengan menggunakan soal selidik yang diedarkan atas talian kepada 300 orang responden untuk mengkaji tindak balas terhadap setiap faktor yang dikaji.*

**Kata kunci:** *pembelian yang tidak dirancang, berbelanja atas talian, motif hedonic, kepercayaan, faktor dalaman individu, faktor luaran*



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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

In this chapter, the researcher had covered the background study of the research topic which is online impulse buying. In addition, the researcher included about the factor affecting their buying behaviour. Furthermore, problem statement, scope and limitation of study, important of research and research questions were presented in this chapter.

This research also will be discussed about the increasing percentage of Generation Y on online impulse buying in Malaysia. We as a consumer buy products for all kinds of reasons to relieve a depressed mood or simply for fun. Non-rational purchases are known as impulse purchases.

#### **1.2 Background of Study**

In this new high technology new era, window shopping not only the choice of the consumers but they also can buy through online. With the growth of information

communication technology (ICT), computer and internet had enable consumers to do shopping through the online retail store. No matter is online or offline shopping, it still will create a behavior which called impulsive buying behavior. From result of some website we can see nowadays around 40% world population has their own internet connection today. The number of the internet users is increasing every year especially from 1999-2013. And from 2005, the first billion was reached and follow by another second billion in 2010 and another third billion in 2014. The sources we get is from Internet Live Stats 2013 about the data of International user and the biggest user is from Asia country, the second is from the Americas (North and South), the third is Europe, the fourth is Africa and the little user is Oceania. From here we can know that Asia people are the frequent usage of internet. Malaysia is at range No.30 from 201 countries, from the data it can show our country people like buying through the internet. In Malaysia, the use of the Internet has gained so rapidly from a consumer perspective; the internet can provide more information to them. With the Internet they can also access to any range of products they wish to view all around the world. According to the Internet World Stats, worldwide Internet user growth rate for the period 2000-3008 was 342.2%. As a march 2009, Malaysia is the one of the 49 countries with a penetration rate of 62.8% (*Internet Live Stats*).

(Stern 1962) indicates that impulse buying is synonymous with “unplanned buying” and defines it as “any purchase which a shopper makes but has not planned in advance.” This definition is fairly consistent among other impulse purchasing literature. More recently; researchers have extended this definition beyond a simple unplanned purchase to include an emotional element or an urge to make the purchase. Rook (1987, p. 191) defined impulse buying as “when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately.” There is some factor that influences impulse buying which is income level. Income level positively influences on consumer impulse buying behaviour, (Wells, Farley & Armstrong 2007) Consumers who want to buy with lower income and consumers with higher income would mostly involve into impulsive purchase (Amna Sirhindi 2010).

In conclusion, we know that now the Internet is the important in our life. With the use of internet can increase the indicative to increase of impulse buying. In this research, we want to know which factor affects more in consumer impulse buying.

### **1.3 Problem Statement**

Now the youngest between 20's and 30's intend to spend more in online shopping and this is the cause of impulse buying, which is the main reason why they now they are spending a lot and in debt problem, a recent survey by the Asian Institute of Finance (AIF) showed.

The high tech technological is also cause of impulse buying because people can search and online everywhere. This is the factor contribute to the impulse buying. From the surveyed also found that percentage of the youngest that is on long –term debt is increasing and this is caused by impulse buying.

They like to buy branded product and using a credit card. They need to pay their debt on time with minimum monthly payment. Besides this survey, they also find that 54 percent of young working adults have saved a portion of their monthly income (Malaysia Mail Online 15Oct, 2015).

Before this impulse buying happened more in a retail store, but now it mostly happens in website, which is user shift their spending to the Web. In between they will offer the shopper to purchase online but pick up in store, this will make consumer feel that they are saving the shipping cost. This opportunity also can encourage consumer to buy when they are in the store. Amazon as a retailer that expose consumers to experience new products. To be competitive with others, you need to lower your shipping cost or when buying more than 2 items then is free shipping. If you can make it low value, then not all retailers are necessary to afford for it (Kryстина Gustafson 2014).

Retailer keeps reminding to purchase those high-margin items near the checkout lane. From the research shows that consumers will make impulse buying every week, according to a study by Marketing Support, Inc. “Forty percent of consumers will spend more at stores with planned, while just 25percent reported online buying,” this a good news for retailers. But in another way the shopping feature has been created for consumers to connect directly to the store’s website. With this consumer can directly add the item to the cart without venturing to the retailer’s website. [Buy-online, pick-up-in-store] this is an option to give shoppers return to the store. Retailers must tap into more technologies to connect with impulse opportunities (Payments News & Mobile Payments Trends 2014).

Impulse buying is very common now because it happen based on our emotions, maybe we buy it when we are happy or maybe when we are unhappy. People can classify in a few stages for impulse buying, first maybe is because of social status or because of image. The second is based on their experience and hard to control themselves from buying emotions. Third, experience of less happiness, and they are busy to make improvement about their mood. Last, impulse buyers are less likely to consider their spending, what they want is just have it. (Zimmerman 2012)

Online retail is growing up this few years. People are more comfortable with spending more in-store compare to online, based on survey results from Live Person 61%. 61% respondents will spend more in-store compared to 21%will spend more online. When in impulse buying, 77% overindulge in in-store behavior compared to just half of them who do so online. For other trend the volumes of spending for in-store versus online. 39% will spend more on more online than in-store(Staff 2013)

#### **1.4 Research Question**

1. What is the level of impulse buying by Malaysian?
2. Which factors influence impulse buying?
3. What is the relationship between factor affecting and online impulse buying?

#### **1.5 Research Objective**

1. To identify levels of impulse buying by Malaysian.
2. To examine factors influence impulse buying.
3. To analyze the relationship between factor affecting and online impulse buying.

#### **1.6 Scope of Study**

My scope was based on all Malaysian who frequently shopping through online. The main focus of this study is online impulse buying in fashion design and the target respondents for the research is IPTA/IPTS students around Kulala Lumpur and Selangor. This research will test the online buying behavior around government and private university around Central Region. This research is wanted to know about the level of impulse buying within online users and want to know about which factors consider to impulse buying. Beside that this research also wants to know which level of consumer frequently buying through online, For example, is that high income level people will buy frequently through online or medium income or low income. Other than that, the scope is to know the relationship between promotions and decided to do impulse buying while shopping online. As we know, now fashion can be a part of online

shopping because consumers can just stay at home and choose what they want to buy. This also can be a convenience for office workers because they are fixed with their working hour. Nowadays, consumers mostly will buy from china website which is called TaoBao.com.

### 1.7 Limitations of Study

As long as the time to prepare for this report is limited, so the biggest limitation is an aspect of geography. This study will focus in whole Malaysia which is the scope is very big. Hence, the data collections for this research are limited and the result could not be generalized in all provinces in Malaysia. This is due to time constraint where approximately 6 months only given to complete the study.

Furthermore, the research is limited just to the consumer who is buying through online only. Hence, the effectiveness of the Internet in other business type could not be identified. On the other hand, the data collection process also has limitations. Since, the data collected will be conducted through online; most of the customers will not give full attention in completing questionnaires while rushing to settle their work. Hence, the researcher might unable to get accurate data collected from all the respondents.

We still have our own lecture time and other assignment, so we need to distribute our time nicely. Another one is about the credibility of the data cannot make sure whether they understand the question because the questionnaire maybe is through online. The cost of transportation or article also our limitation, maybe we need to go someplace to do our research or many articles we need to print. This limitation of the research is only to know decision to do impulse buying while shopping online only. The respondents for this research not only who that have been making buying through online shopping in Malaysia.

## 1.8 Importance of Study

### *The researchers:*

- This research can add knowledge about the factors that cause the consumer to impulse buying through online.

### *The Entrepreneurs:*

- This can benefit the entrepreneurs' products that are more prone to impulse buying. This can be a consideration for marketers to improve their marketing strategy.

### *The Academics:*

- These research results are expected to provide benefits on impulse buying and later maybe can be used as a reference for research.

The results of this study contribute to the intention that impact on Gen Y impulse buying behavior.

From this study, the characteristics that the ability of the online business owners understand that will influence shopping enjoyment of Gen Y in Malaysia towards online impulse buying behavior. Therefore, the increasing of impulsive buying of Gen Y will be increase with the improving in online shopping is focusing with the attribute which is significantly affect shopping enjoyment of Gen Y.

Separately from the online stores, the traditional brick and mortar stores could also know a thing or two from our study. The cause of the current challenges faced by brick and mortar stores not only online stores but also among themselves. They have to learn and adopt their business online to become more competitive and to attract more customers.

The contribution of this study for future research is for who will be interesting to conduct the research into this field, which is Gen Y online impulsive buying behavior. The theoretic dedication can be used as a witness and sustain for future researchers.

## **1.9 Summary**

Basically, this chapter will discuss on the research background, problem statement, and research objectives of our study. Nowadays, we know that the importance of having e-commerce as well as evaluate the factors on the impulsive buying behavior of Gen Y consumers in which they are lucrative. The results we aim to produce are that might be useful for further studies and as a reference for other researchers. The literature review will be discussed in chapter 2.