



Factors Affecting Online Purchase Retention Among Malaysian Women During the Pandemic

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Abstract. Online shopping has continuously been in the upward trend. The pandemic further pushed the need to purchase online to a higher level. This study is commenced in order to determine the factors affecting online purchase retention. The respondents for this study are women since they are an important group who purchase online. A total of 154 respondents contributed to this study. Survey method is applied in this study and questionnaire is used to collect the data. The data is analyzed using Multiple Regression Analysis to identify which factors is affecting online purchase retention among women. In accordance with the results, it is found that both perceived usefulness and perceived trust play a significant role in affecting consumers' online purchase retention with perceived trust being the most important factor.

Keywords: online purchase retention · perceived usefulness · relationship length · service quality · perceived trust

1 Introduction

Online purchase is a trend now since there is an increase in consumers preference to buy products or services through the Internet. Online purchase is a form of electronic commerce where people buy items in a convenient way to them. In 2020, the internet users in Malaysia were 26.69 million out of the total population of 35.52 million [1]. According to [2] the Malaysian internet users in 2022 is forecasted to be 29.49 million. The global internet users are 4.95 billion at the start of 2022. This represents 62.5% of the total world population [3]. This shows that more than half of the world's population are using the Internet.

During the Covid-19 pandemic, online purchasing has become more of a necessity form of shopping due to the movement control order in Malaysia. In addition, due to the danger of the virus, more people started to shop online. People who did not shop online previously began to learn how to purchase online. With the restricted movement, the need to scan the QR code, the restriction on the number of people that can enter a premise, people got used to the online purchase culture and found it to be convenient.

Online platforms such as Lazada, Shopee and TaoBao have seen increase in their profits. Most businesses and retailers are moving to cyberspace to avoid losses since people are using Internet more often [4]. According to [5] there are approximately 2.05

billion of online shoppers in the year 2020 and there is an estimation of 2.14 billion of online shoppers in the year 2021. It is a huge figure as it represents 26.28% of the world's population who shops online [5].

With shopping online growth in an upward trend, the e-commerce technology is also being improved. People are finding it convenient to get their things online. They enjoy shopping online as they save a lot of time compared to going to the physical store. The pandemic that is affecting globally, has motivated more people to utilize on online mode to purchase. The growth of e-commerce and online shopping has made businesses to increase efforts to gain customer's attention [6]. It is critical not only to search for new customers but to retain existing customers as well. It is therefore, important to know what factors affect online shoppers' purchase retention. Based on past research, the role of gender and age were examined [4]. Previous researches that have been done mostly focused on online purchase intention. They include [7, 8] and [9]. The studies on online purchase retention include [4, 6, 10] and [11]. However, there is a lack of study from the Malaysian perspective and in terms of women. Women represents a significant portion of Malaysian population at 15.9 million compared to 16.3 million males. This indicates that women represent nearly half of the population of Malaysia which signifies their importance in the study. This research aims to fulfil the research gap. Therefore, the focus of this study will be on the factors affecting online purchase retention among the Malaysian women. The factors that are considered include perceived usefulness, relationship length, service quality, and perceived trust.

2 Literature Review

Customer's online purchase retention refers to the customers being loyal to a particular store and will always repurchase [12]. [13] defined repurchase intention as the assessment of repurchase of services from the same company. Another definition by [14] is the customers' consideration in their assessment to re-buy from the same company. Online purchase retention is critical to ensure business are able to increase their profits [12]. It is also related to business success and survivability. Therefore, businesses consider repurchase intention to be very important and put effort in ensuring the repurchase intention exists among its customers. According to [15] and [16] not only repurchase intention can influence customers' buying habit for a long period of time, it can also discourage purchase of similar item from the competitors.

Perceived usefulness is defined as the perception customers have on their transaction performance, where it will increase if they purchase online [17]. It is important for businesses where they would want customers to find the transaction to be useful and through that continue to repurchase the product. Past researcher that has found perceived usefulness link with online purchase retention include [17]. The study revealed the relationship between perceived usefulness and online purchase retention to be positive. [18] who did a study in the UK in the Mobile Apps Sector found perceived usefulness to be significantly affecting the usage intention, and therefore, lead to reuse the same apps. This finding is supported by [19] who pointed out that perceived usefulness has significant impact on users' retention of online shopping websites. Earlier study by [20] in China also supported that perceived usefulness does influence the use and reuse of the same technology. Thus, the following hypothesis is developed:

H1: There is a significant relationship between perceived usefulness and online purchase retention.

Relationship length is referred to as the amount of time the seller and buyer have maintained their buyer-seller relationship [21]. It is one of the determinants of customer loyalty. In other words, the repurchase intention is high. According to [22] relationship length determines the possibility of repurchase visit. [10] points out that the longer the relationship length, it increases the chances of repurchase. [23] found that there is a relationship between relationship length and customer retention. The study by [24] reveals relationship developed over time can influence the online trust and loyalty will increase. Thus, the following hypothesis is developed:

H2: There is a significant relationship between relationship length and online purchase retention.

Service quality is defined as the level of service provided by the seller that meets the customers' expectation [25]. It is important for businesses to ensure they provide quality service to satisfy the customers and thus, lead to customers considering to repurchase again from the seller. [26] points out a good quality service serves the customer's expectation well. [27] found there is a significant relationship between service quality and customer behaviour in purchase return in Chinese online marketplace. Similarly, [28] found service quality and customer loyalty's relationship to be significant while [29] indicated that service quality improves customer loyalty. Thus, the following hypothesis is developed:

H3: There is a significant relationship between service quality and online purchase retention.

Trust is defined as belief that the company will do exactly as promised [30]. According to [31] perceived trust is one of the determinants of online purchase retention. [10] points out that trust is significantly related to the customer loyalty. [32] found that trust plays a critical part in influencing customers to book and rebook accommodation from the same providers. Similarly, [30, 33], and [11] found trust to be influencing repurchase intention. Therefore, when trust level is high among the customers, the probability of customer purchase retention is high as well. Thus, the following hypothesis is developed:

H4: There is a significant relationship between perceived trust and online purchase retention.

3 Methodology

The study used a quantitative design method. A research framework is constructed as shown in Fig. 1. The figure shows the relationship between the independent variables (perceived usefulness, relationship length, service quality, perceived trust), and the dependent variable (online purchase retention). Purposive sampling technique is used to collect the data. The respondents are women. The instrument for the questionnaire is based on available literature which include [10, 12, 34–36] and [37]. Pilot testing is done first on a small sample. After testing the validity, a field survey is conducted. The calculation of sample size is done using the G Power. In setting the effect size at 0.15, α err prob at 0.05, power at 0.95 and the number of predictors at 4 the minimum sample size is 129 respondents. However, the respondents obtained for this survey is

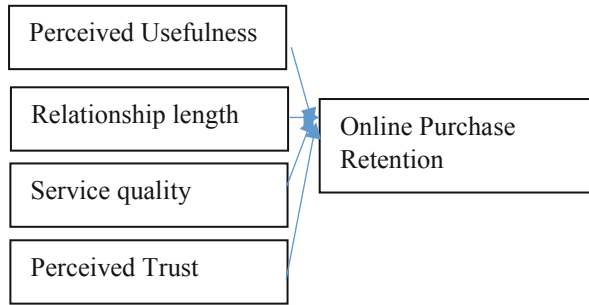


Fig. 1. Research framework

154 thus, meeting the sample size requirement. The questionnaire is distributed through the internet. The data collected is analysed using the SPSS. Multiple Linear regression Analysis is used to test the hypotheses.

4 Results

The demographics of the respondents is shown in Table 1. In terms of ethnicity, majority are Chinese (80.5%). The age of the respondents ranges from below 20 to above 50 with majority of them belong to age between 21 to 30. Most of the respondents have a degree level of qualification. The respondents have generally good knowledge of e-commerce. The respondents have a high frequency of online shopping and majority spends around RM301-RM600. In terms of satisfaction level, majority are satisfied. Other than that, the respondents use multiple platforms to shopping online with Shopee having the highest frequency, followed by Lazada and Taobao.

In testing the relationship of the factors with online purchase retention, Multiple Regression Analysis is applied. Through the analysis, the hypothesis testing results are obtained. Based on the results in Table 2, the R-square value obtained is 0.683 which indicates that 68.3% of the variation in the dependent variable (repurchase intention) is explained by the independent variables (perceived usefulness, relationship length, service quality and perceived trust).

The factors that affect online purchase retention based on the results in Table 3 are perceived usefulness (PU) where the Beta value is 0.230 and the p-value is 0.012 and perceived trust (PT) where the Beta value is 0.359 and the p-value is 0.000. This indicates that both perceived usefulness and perceived trust are factors that influence online purchase retention. In addition, perceived trust is the most important factor that influence online purchase retention. However, relationship length (RL) and service quality (SQ) are found not to influence online purchase retention.

Table 1. Profile of respondents

<u>Demographics</u>	<u>Frequency</u>	<u>Percentage</u>
<u>Ethnicity</u>		
Malay	12	7.8
Chinese	124	80.5
Indian	18	11.7
<u>Age</u>		
Below 20	12	7.8
21–30	109	70.8
31–40	21	13.6
41–50	11	7.2
Above 50	1	0.6
<u>Education level</u>		
Pre-university	10	6.5
Diploma	25	16.2
Degree	119	77.3
<u>Knowledge of e-commerce</u>		
Not much knowledge	8	5.2
Average knowledge	32	20.8
High knowledge	102	66.2
Very high knowledge	12	7.8
<u>Frequency of online shopping</u>		
Low	7	4.5
Average	26	17.0
High	98	63.6
Very high	23	14.9
<u>Amount spends</u>		
Less than RM300	16	10.4
RM301-RM600	86	55.8
RM601-RM1000	46	29.9
Above RM1000	6	3.9
<u>Satisfaction level</u>		
Low	4	2.6
Average	40	26.0
High	89	57.8
Very High	21	13.6

Table 2. Regression Analysis

R	R-square	Adjusted R-square	F	Sig
.826 ^a	.683	.674	70.011	.000 ^b

Table 3. Coefficient Table

	Unstand Coeff B	SE	Stand Coeff Beta	t	Sig
Con	1.115	.185		6.016	.000
PU	.230	.090	.251	2.548	.012
RL	.077	.061	.105	1.265	.208
SQ	.097	.084	.116	1.153	.251
PT	.359	.074	.421	4.875	.000

5 Discussion

More people now are going for online shopping instead of just conventional shopping due to the situation of the pandemic. The purpose of this research is to investigate the factors influencing online purchase retention among Malaysian women which includes perceived usefulness, relationship length, service quality and perceived trust. The objective has been satisfied. It is found that two of the factors influence online purchase retention which are perceived usefulness and perceived trust.

In order to ensure that there is online purchase retention, providers or seller must ensure customers are comfortable with the online transaction. In other words, the customers should be able to see and experience perceived usefulness of the system and transaction. They should be getting the required information and see the benefits in purchasing online. The result is in line with studies such as [18] and [20] who did the study in the China and UK respectively. The next factor that influences online purchase retention is perceived trust. It is essential that customers consider the seller or the provider to fulfil the promise they made in online purchase. This will increase the satisfaction and confidence level of the customers and motivate them to continue purchasing from the same seller or the provider. In addition, it helps also in building customer loyalty. The finding of this study further provide support in terms of the relationship between perceived trust and online purchase retention. The result is in line with previous studies such as [10, 30, 32, 33] and [11].

However, relationship length is found not to influence online purchase retention. This result is contradicting with study by [10] who state that relationship length does increases the chances of repurchase. During the pandemic, consumers have limited choice to choose from. As long as they are able to obtain the product or services, they

are willing to purchase and continue to purchase. Thus, relationship length is not a critical determinant. Similarly, service quality is also found not to be an important factor in the decision for online purchase retention. This result too is not in line with previous study by [26] who pointed out that a good quality service serves the customer's expectation well. The situation during the pandemic is different from the normal situation and the result shows that service quality is not a critical determinant in deciding the online purchase retention. Generally, the providers would have met a minimum level of service quality and this is accepted by the consumers.

This study helps the online businesses as well as those who are in the process of setting up their business on online platform. The pandemic has assisted in accelerating the trend of online shopping and businesses should put effort in ensuring the trend continues even though the situation due to the pandemic becomes better. Online sellers' in improving business performance need to ensure the users are comfortable with the transaction experience. Women who are the respondents of the study clearly pointed out the importance of perceived usefulness of the system. In order to ensure continuous purchase retention this factor is important. Another factor found to be critical in this study is the building of trust. Only when there is trust towards the seller, it will increase the confidence and willingness to continue purchasing. When the promise is not met, it will cause the consumers to move away to another seller or provider. This means the seller failed to ensure online purchase retention to continue. At the same time, although service quality is found not to influence online purchase retention, nevertheless it should not be neglected by the providers as it is important too in increasing more consumers to be loyal customers and continue purchasing. Similarly building of relationship between customers and providers should also be taken into account.

6 Conclusion

The research is able to meet the objective set. Two critical factors affecting online purchase retention are perceived usefulness and perceived trust. Since the study is done during the pandemic, it may to a certain extent have impact on the findings for relationship length and service quality which are found not to influence online purchase retention. There are several limitations to the study such as only four variables are considered and there could be other factors that influence online purchase retention. Another limitation is majority of the respondents are mainly in the age group 30 and below. The sample size is also small to reflect the larger population. Future study may consider the similar factors and add other critical factors. The older generation can be considered and a larger sample size can be used.

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