Chapter 7

A Study on Consumers’ Attitudes towards Purchasing Decisions through Facebook in Malaysia

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ABSTRACT

In a contemporary business environment, online shopping via Internet has been used as a most important marketing tool. Nowadays, Internet is widely used for marketing purposes because it is a very effective tool to promote the products and services online. Online shopping is used to establish the organization’s image, better services, products information, and to get a competitive edge over their rivals companies. There is no doubt that the majority of organizations and customers are using Social Networking Services (SNSs) such as Facebook as a tool to exchange ideas and to sell and buy products and services. The aim of this chapter is to examine the factors influencing consumers’ attitudes towards purchasing decisions through Facebook in Malaysia. In this study, security, advertising, and product performance were used as independent variables while attitude towards Facebook online shopping was treated as a dependent variable. In this study a total of 260 participants were involved to analyze the empirical data. Pearson Correlation was used to examine the association of independent variables with dependent variables while Multiple Regression was employed to test the proposed research hypotheses. The findings show that the proposed research hypotheses are supported.

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1. INTRODUCTION

In a knowledge-based economy, knowledge, information and technology got an overwhelming response from the buyers and sellers. Online shopping is getting a good response from the customers. There are many advantages of online shopping provides such as better information (marketing) about the quality of the products and services, fast delivery and payment security. By using online shopping customers can easily get more information about the products and services that helps them to make a right decision. Basically, online shopping is the process of buying commodities and services from merchants who sell their products and services on the internet. Parker-Hall (2009) argued that this concept was first established before the World Wide Web (WWW) and the real transaction was processed through a domestic television by using technology called Videotext in 1979 by M. Aldrick in the United Kingdom.

Facebook is playing a very important role for many organizations to promote their products and services in the form of Business-to-Business (B2B), Business-to-Consumers (B2C) and Consumers-to-Consumers (C2C) services. Roberts (2010), reports that the facebook adds new features and developments continuously to satisfy their users. Norzieiriani & Ramayah (2010) suggested that the online shopping can make consumer association shopping sites that may save the customers’ time and money because they will be able to make comparison among the best prices and products quality without visiting many web sites. In addition, it allows customers to browse online shopping web sites in the privacy at their homes. From the business’s point of view, organizations have several ways to advertise, sell and communicate with their customers globally.

Malaysia is a fast growing developing economy in East Asia region. Malaysia is a multicultural and multiracial country. In Malaysia there is a positive growth in the internet subscription and internet purchase. Despite the significant growth in internet use, web shopping is still at the development stage in Malaysia, not much information known about the consumer attitude toward web shopping. Moreover, studies which relates to the factors that affect customer online purchase intention in the web-shopping is still lacking. Therefore, it is crucial to identify the determinants of consumer online purchase intention in the web-shopping environment in Malaysia context (Ling et al., 2010). In Malaysia online shopping is still at preliminary stage. Therefore, Malaysia needs to research and highlight the importance of online shopping to its nationals.

2. ONLINE SHOPPING

Chanidapa & Sirion (2012) argued that online shopping is different as compared to the traditional shopping behavior, and it is characterized with uncertainty, anonymity and lack of control and potential opportunism. Online shopping is a method, by which customers purchase products or services through internet. Internet has reshaped the behavior of customer to buy products or services through online shopping. Online shopping trends forced many organizations to use internet service to satisfy their customers. Internet service provided a fast, low cost and worldwide medium of advertising the products and services. Nowadays many organizations are using internet as one of the most important tools for their business promotions. Besides that, according to Zuroni & Jusoh
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