



TRUST AND PRIVACY CONCERN TOWARD REPURCHASE INTENTION IN ONLINE SHOPPING: EVIDENCE AMONG STUDENTS IN HIGHER EDUCATION

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DECLARATION

I hereby declare that this submission is my own work and has been generated by me as the result of my own original research.

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ABSTRAK

Kajian ini dijalankan untuk menguji faktor kepercayaan dan kebimbangan privasi pelajar yang mempengaruhi niat pembelian semula dalam pembelian atas talian di Universiti Pendidikan Sultan Idris (UPSI). Dalam kajian ini, seramai 375 responden telah menjawab soal selidik dan data tersebut telah dikumpulkan. Teknik pensampelan bukan kebarangkalian telah digunakan untuk mengumpulkan data daripada responden yang mempunyai pengalaman pembelian atas talian. Data primer dan sekunder digunakan untuk memberikan data yang tepat dalam kajian. Bagi analisis data, aplikasi SPSS versi 21.0 digunakan untuk mendapatkan keputusan bagi analisis deskriptif, analisis ke atas dua sampel bebas, kolerasi dan regresi berganda dalam kajian ini. Bagi hasil kajian yang didapati, ia membuktikan bahawa terdapat kesan positif antara kepercayaan dan kebimbangan privasi pelajar UPSI terhadap pembelian semula melalui pembelian atas talian. Selain itu, kajian mendapati bahawa tidak mempunyai perbezaan atas faktor kepercayaan dan kebimbangan privasi di antara pelanggan wanita dan lelaki bagi niat pembelian semula. Diharapkan kajian ini dapat menyumbang kepada peniaga atas talian untuk memahami lebih baik dalam mengekalkan pelanggan mereka. Juga, ia dapat memberi gambaran yang jelas kepada pengkaji pada masa akan datang mengenai niat pembelian semula oleh pelanggan melalui internet.



ABSTRACT

This research is to determine the effect of trust and privacy concern toward repurchase intention in online shopping focused on students in Sultan Idris Education University (UPSI). In this study, a total of 375 respondents had participated in the questionnaire and the data were collected successfully. The non-probability techniques were used to collect the data from the respondents which have online purchase experiences. The primary and secondary data were used to provide reliable data for the research. For data analysis, SPSS version 21.0 application was used to get the results for descriptive analysis, independent T-test, Pearson correlation and multiple regression in this research. For the findings, it proved that there was positive effect between trust and privacy concern of UPSI students toward repurchase intention through online shopping. Also, there is no significantly different of trust and privacy concern between female and male customers toward repurchase intention. It is hoped that findings will contribute to online sellers for better understanding in retaining their customers. Moreover, it provides better insight for future researcher regarding customer's online repurchase intention.



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LIST OF ABBREVIATIONS

B2C	Business-to-consumer
GDP	Gross Domestic Product
IUS	Internet Users Survey
SPSS	Statistical Package For Social Science
TPB	Theory of Planned Behavior
TRA	Theory of Reasoned Action
UPSI	Universiti Pendidikan Sultan Idris



CHAPTER 1

INTRODUCTION

1.1 Introduction



In the present climate, information technology is changing our daily life in different dimensions. With the rapidly evolving information technologies, online shopping become very usual and important part in this modern world. The growth in popularity of online shopping has rapidly increase ecommerce sales in the worldwide. According Jessica Young (2019), global e-commerce sales sprang up from \$2.43 trillion in year 2017 to \$2.86 trillion in year 2018, which increase 18.0% within a year also increase online's share of total retail sales to north of 15%. The two powerhouses which contributed more than half of worldwide e-commerce sales of physical goods were China and followed by United States (Jessica Young, 2019).





The same thing happen in most of the Asian countries, Malaysia is one of the country with significant growth in online shopping recently. Malaysia with the population of more than 20 million people, about 59% of Malaysian shop online at least once a month or more frequently (ASEAN UP, 2018). Deputy Minister of International Trade and Industry, Datuk Seri Ahmad Maslan (2018) said “the e-commerce sector has recorded significant growth in 2016 and contributed RM74.6bil, or 6.1% to the gross domestic product (GDP) from RM68.3bil, or 5.9% in 2015”. Beside that he also mentioned “In order to ensure the progress of this sector, government had set up a National E-Commerce Strategic Plan 2016-2020”.

Therefore, the data clearly showed that many people choose to conduct shopping online and brings convenience to daily life when compare with shops at a brick- and mortar store. There are many factors that can influence customers decision when comes to buy a particular product or service through the online. Factors such as security, privacy concerns, trust and ease of use, perceived usefulness, perceived enjoyment and subjective norm are the elements which affect customers online purchase intention (Trivedi, S. K., & Yadav, M., 2018; Kulathunga, K. M. S. ., & Athapaththu, J., 2018; Boon Liat, C., & Shi Wuan, Y., 2014).

1.2 Research Background

Shopping by store to store always has been such time consuming activity that faced by most of the people in modern life; but not anymore with the existing of online shopping. Based on Export.gov (2019), due to the highly developed digital technology in our country which allow 16.53 million of online customers (50 percent of the population) and 62 percent of mobile users use their devices to purchase online. Among all the online shopping websites, the top 3 leaders of online shopping websites in Malaysia market are Shopee, followed by Lazada Malaysia and Lelong.my (ASEAN, 2019). According to ASEAN UP (2018), the top ranking of products that Malaysian purchased online was fashion and beauty, followed by electronic products then sports





and hobbies products. It shows that online shopping have become one of the famous trend and it is poised to keep growing in Malaysia.

As the online shopping platform become more and more competitive, it is important for the e-seller to persuade the customer to continue purchase from the same platform once the customer choose to purchase from the first time. E-loyalty has become an important for e-commerce because of the potential benefits that brings from e-business. E-loyalty means that a customer will revisit or repurchase from the same website and is defined as “a customer’s commitment and favorable attitude toward online companies” (Safa, 2014).

Repurchase intention is “the subjective probability that a customer (i.e. experienced customers) will continue to purchase a product from the same online seller” (Chiu et al., 2012). Repurchase intention is a psychological behavior which prove by Fishbein and Ajzen (1975), they showed the relations between cognition, intention and behavior which related with the theory of reasoned action planned behavior (TPB) (Ajzen, 1991). According to the theory, customer intentions to purchase a particular goods and services are determined by the person’s attitude and subjective norm concerning the behavior (Al-Gahtani and King, 1999). According to these studies, TPB models for appreciating customer’s intention to adopt technology in repurchase from the same e-seller. Concerned with the issues, this study attempts to know the effect of the privacy concerns and trust towards repurchase intention.

1.3 Research Problem

Shopping online has been widely accepted by consumers due to the rapid development of information technology. Katawetawaraks, C., & Wang, C. L. (2011), stated that customers more prefer online shopping when seeking for convenience and speed in





modern life. However they are some customers that are dissatisfied with the online shopping experiences. As an evidence, Deputy Minister of Domestic Trade and Consumer Affairs mentioned that about 3410 cases of the E-commerce fraud have been recorded as at September 31 this year (Bong, 2018). On the other hand, Internet Users Survey (IUS) stated that a slight decline in the percentage of internet users which was 77.6% in 2016 to 76.9% in 2017 and one of the reasons that contribute to non-internet users was privacy concerns (Ng, 2018). The internet users are the key that drive the growth of the online shopping sector which mean the more the internet users, the greater the growth of online shopping sector. Online shopping often triggers privacy concerns and trust issues which will result negative impact toward behavioral intention of some customers (Friik, A., & Mittone, L., 2018; Bergström, A., 2015).

In this very competitive and rapidly shifting business environment, sellers need to keep up with the growing rate of their customer's demand level and maintaining long term relationships with their customers. If an organization can build trust among existing customers, it develops the scope of consumer repurchase intention (Porter, 1974). In previous research studies, it showed that price is not the only important factor in these relationship, however the service quality given also consider in determining repurchase intention (Liang, L. J., Choi, H. C., & Joppe, M., 2018; Giovanis, A. N., Tomaras, P., & Zondiros, D., 2013; Yang, Z., & Peterson, R. T. 2004; Zhang, A., Hui, Y. Van, & Leung, L., 2004).

Although many researches and studies have been carried out in online consumer repurchase intention and hypothesis are formed, however the influence of the related variables towards consumer online repurchase intention are various and can be further studies (Trivedi, S. K., & Yadav, M., 2018; Liu, Y., & Tang, X., 2018; Lin, C., & Lekhawipat, W., 2014). Moreover, although there has been many researches carried out previously on online repurchase intention, but lack of studies counted in Malaysia where online shopping is getting popularity among university students (Farah, G. A., Ahmad, M., Muqarrab, H., Turi, J. A., & Bashir, S., 2018; Rezaei, S., & Amin, M., 2013).



This study is intended to study and analyses specifically the factor of trust and privacy concern that influence the online repurchase intention. Students are group of customers which active in internet and heavy Internet users compared with other parts of the population (Zendehdel, Paim, & Osman, 2015). According Edmunds, R., Thorpe, M., & Conole, G. (2012), university students at the age of 18-30 years old has great intention towards online shopping even though they do not have sufficient funds for shopping. Therefore, students were selected because these group of students have the highest online shopping rate.

1.4 Objectives

The objectives of this research are:

- i. To examine the perception of trust between female and male customers is significantly difference.
- ii. To examine the perception of privacy concern between female and male customers is significantly difference.
- iii. To examine the correlation between trust and repurchase intention.
- iv. To examine the correlation between privacy concern and repurchase intention.
- v. To examine the effect of trust toward student's repurchase intention through online shopping in UPSI.
- vi. To examine the effect of privacy concern toward student's repurchase intention through online shopping in UPSI.

1.5 Research Questions

Six research questions are formulated to act as guidance in collecting relevant information and data. The six research questions are:



- i. Is there significantly difference for perception of trust between female and male customers?
- ii. Is there significantly difference for perception of privacy concern between female and male customers?
- iii. Is there correlation between trust and repurchase intention?
- iv. Is there correlation between privacy concern and repurchase intention?
- v. What is the effect of trust toward student's repurchase intention through online shopping in UPSI?
- vi. What is the effect of privacy concern toward student's repurchase intention through online shopping in UPSI?

1.6 Research Hypotheses

To be more specific, it will be analyzed whether there is significant difference of trust and privacy concern between male and female customers. Then, the correlation of both independent variable and dependent variable. Also, to examine whether factors such as trust and privacy concern have an effect on repurchasing intention through online shopping. This will be tested through the following six hypotheses:

- H1.* Perception of trust between female and male customers is significantly difference.
- H2.* Perception of privacy concern between female and male customers is significantly difference.
- H3.* There is correlation between trust and repurchase intention.
- H4.* There is correlation between privacy concern and repurchase intention.
- H5.* Prior trust has a positive effect on student's repurchase intention through online in UPSI.
- H6.* Prior privacy concern has a positive effect on repurchase intention through online shopping in UPSI.





1.7 Operational Definition

These four element's definition are described as below:

Online shopping is viewed as a process that taken by the customers to get products or services through the internet (Jiang, L., Yang, Z., & Jun, M., 2013). Through the internet, customers can find, purchase and get any products or services by visiting the website of the retailer directly.

Trust is referred to belief of an individual in the trustworthiness of others as determined by their perceived competence, benevolence and integrity (Lin, H. F., 2011). Trust happen when we believe someone through his/her personality which result in strong relationship.

Privacy Concern reflects the individuals' beliefs about the risks and potential negative consequences and losses associated with sharing information (Zhou, T., & Li, H., 2014).

Privacy concern refers to the negative impact that might happen when we share our data or information through the internet.

Repurchase Intention can be defined as individual's willingness to make next purchase from the same retailers based on previous experience (Semeijn, J., van Riel, A. C. R., & Ambrosini, A. B., 2004). Repurchase intention is an actual action where customers repeat purchase from the same retailer due to satisfaction of previous buying experience.



1.8 Structure of the Thesis

Generally, this research can be organized into five chapter which is introduction, literature review, research methodology, data analysis and followed by discussion, conclusion and recommendation. Chapter one is about introduction. This chapter discusses about the study from a general issue or problem to specific area of research, also leads to hypothesis that attempt to answer in this research. Next, chapter two is literature review. Literature review provide foundation of knowledge on topic and reason of further study based on the existing literature relating to the effect on repurchase intention through online shopping. A model was also proposed in this chapter. Chapter three is about research methodology. The chapter describes the process and also procedures used in conducting this research. The sample selection and the analysis carried out were also present in this chapter. Then, chapter four is about the research findings. The empirical results of the study were discussed in this chapter. The findings are shown in various methods and also the details analysis so the readers can easily follow the flow of the research. Lastly is chapter five. This chapter present the summary of the study the overall conclusion of the research findings. Recommendations and limitations were also suggested in this chapter.

1.9 Conclusion

In chapter one, the matter discussed were the introduction about the topic, background of the study, problem statement, research objectives and research questions. Moreover, the research hypothesis, operational definitions and structure of the research were also presented.