Factors Leading to Online Purchase Intention on Facebook and Instagram of Generation Z

[1]Shahirah Amira Mohd Sayadi, [2]Shafie Sidek, [3]Kamarulzaman Ismail, [4]Neelamehan Manickiam,[*5]Ganesh Thanasegaran, [6]Amer Hamzah Jantan

ABSTRACT--- *The purpose of this study is to examine factors leading to online purchase intention on Facebook and Instagram of Generation Z. This study is significant in at least two ways. First, it extends the work. Second, it provides information to organization such as marketers on ways to improve customer of Generation Z satisfaction. The sample size of the study consisted of 168 respondents that have experience shopping online. Four influencing factors (perceived ease of use, perceived usefulness, subjective norm and media richness) were examined on online purchase intention. The results of simple regression analysis reveal that three factors (perceived ease of use, perceived usefulness and media richness) have significant and positive impact on online purchase intention.*

Keywords--- *Purchase Intention, Generation Z, Perceived Ease of Use, Perceived Usefulness, Subjective Norm, and Media Richness.*

I. INTRODUCTION

In recent decade, the Internet population has been exploding due to the development of Internet as the business platform, business world also has changed tremendously. According to Internet World Stats, the Internet user of Asia is 50.1% with the population of world is 55%. The statistics shown that 91% of Asia people are widely use the Internet; this can make businesses focus on gives out a full attention onto the Internet to promoting the businesses to all customer and potential customer around the world especially through social media websites.

In addition to the international evidences, local statistics also supports the facts that online platform is growing tremendously. According to International Trade and Industry Minister Mustapa Mohamed, the latest numbers from the Department of Statistics Malaysia also indicate that the digital economy accounted for 18.2% of the country's GDP in 2016 while the share of e-commerce in the national GDP has increased to 6.1% compared with 5.9% in 2015. This could mean that, a company must identify and understand which fundamental that can give rise to e-commerce of a business.

Among all online business platforms, social media such as especially Facebook is identified as the most popularize. According to Global Stats, the usage of social media statistic in Malaysia throughout April 2018 to April 2019 is very high which are for Facebook is 73.31%, Instagram is 7.84%, Twitter 7.08%, YouTube 2.98%

---

[1] *Faculty of Economics and Management, Universiti Putra Malaysia.*
[2] *Faculty of Economics and Management, Universiti Putra Malaysia.*
[3] *Faculty of Economics and Management, Universiti Putra Malaysia.*
[4]*Faculty of Economics and Management, Universiti Putra Malaysia.*
[5] **Faculty of Economics and Management, Universiti Putra Malaysia, ganesh@upm.edu.my.*
[6] *Faculty of Economics and Management, Universiti Putra Malaysia.*

and Tumblr 0.28%. A company can take advantage of this facts to promote and sell their products to potential customers while they engage with their friends and families on social media. In doing so, companies need to understand the factors that potentially influence people to make online purchase intention through social media websites.

The abovementioned needs have lead us to undertake this study to examine the relationship among the factors lead to online purchase intention among Gen Z on Facebook and Instagram. We combine 3 relevant theories to achieve the abovementioned objectives. Two factors in the Technology acceptance model (perceived usefulness, perceived ease of use), a factor from Theory of Planned behaviour (subjective norm) added with media richness theory factor are combined into this study since there are supports from the majority studies in the field of consumer behaviour prefer impulsive or affective buying rather than cognitive evaluation (Beatty and Ferrell, 1998).

II.   LITERATURE REVIEW

Social media refer to the online platforms and tools that people use to share opinions and experiences including photos, videos, music, insights and perceptions with each other (Turban et al., 2009). Facebook and Instagram is the best way to promote business product because of the users often with their smartphones.

The power of the social network has pushed the businesses to use social media as a platform to conduct e-commerce (Siew Sin et al., 2012). The customer will have intention to purchasing online when the features in the social media are attract the customer. Every individual or businesses should participate in advertising product in social media because every people are connecting to each other through this platform. Thus, it is important to examine the variable factors that lead to the online purchasing in social media. This study is to examine variables such as perceived ease of use, perceived usefulness, subjective norm and media richness towards online purchasing in Facebook and Instagram.

Perceived ease of use is a degree to which one believes that performing certain task in that particular system would not require much effort (Davis, 1989). Perceived ease of use is in major belief of technology acceptance model TAM and it is claim as the users is easier to use the application and it is accepted by the users. In this research study, researcher study about the ease of use in the Facebook and Instagram that can attract generation Z to do online purchase intention. Generation Z want technology that is easy to use and easy to solve the problem (Rothman, 2014). According to Siew Sin et al. (2012) show the study of perceived ease of use in purchase intention is positively affected.

Hypothesis 1: Perceived ease of use positively affects the online purchase intention of generation Z through Facebook and Instagram.

According to Davis FD (1989), perceived usefulness defines "the degree to which a person believes that using a particular system would enhance his or her job performances". Perceived usefulness is also in technology acceptance model TAM. The users will believe it is positive use-performance relationship when the application is in high perceived usefulness (Davis, 1989). In this research study, researcher study about the usefulness in the Facebook and Instagram that can attract Generation Z to do online purchase intention. According to Rothman (2014), Generation Z use online social media platform to find any information compared to find the particular information using verbal communication. These variables had consistently supported by many empirical studies

to have on the behavioral purchase intention. Previous study indicated that perceived usefulness positively affects the online purchase intention.

Hypothesis 2: Perceived usefulness positively affect the online purchase intention of generation Z through Facebook and Instagram.

Subjective norm is the third variables in the research and was derived from TPB. According to Venkatesh and Morris (2000), subjective norm or social influence is the degree of a person's perception that people who are important to him or her think he or she should or should not perform the behavior in question. In this online purchase intention context is means that a person can influences people around him or her to do the online purchase based on what he or she does in their Facebook and Instagram. Subjective norm would be a vital factor in this study because social influence among social media users is very high. This factor is estimated to be a positive impact on leading to online purchase intention. In this research study, researcher study about the existence of subjective norm in the social media that can attract generation Z to do online purchase intention. Furthermore, Wei et al. (2015) study showed that social influence has a positive effect on the online purchase intention.

Hypothesis 3: Subjective norm positively affect the online purchase intention of generation Z through Facebook and Instagram.

The last independent variables are media richness. According to Markus (1994), media richness plays an important role in terms of organizational decisions with regard to media choice and use. This variable is play in terms of the effectiveness media use in the social media. Dennis Kinney (1998) claim that the richer the media, the better of understanding the message which result in better performance on equivocal tasks. According to Rothman (2014), generation Z are tech savvy and is very constant contact every time with social media such as Facebook or Instagram. In this research study, researcher study about the media richness in the social media that can attract generation Z to do online purchase intention. This factor is estimated to be positive impact on leading to the online purchase intention of generation Z through Facebook and Instagram.

Hypothesis 4: Media richness positively affect the online purchase intention of generation Z through Facebook and Instagram.

Based on the hypotheses, the research framework is depicted as in Figure 1.
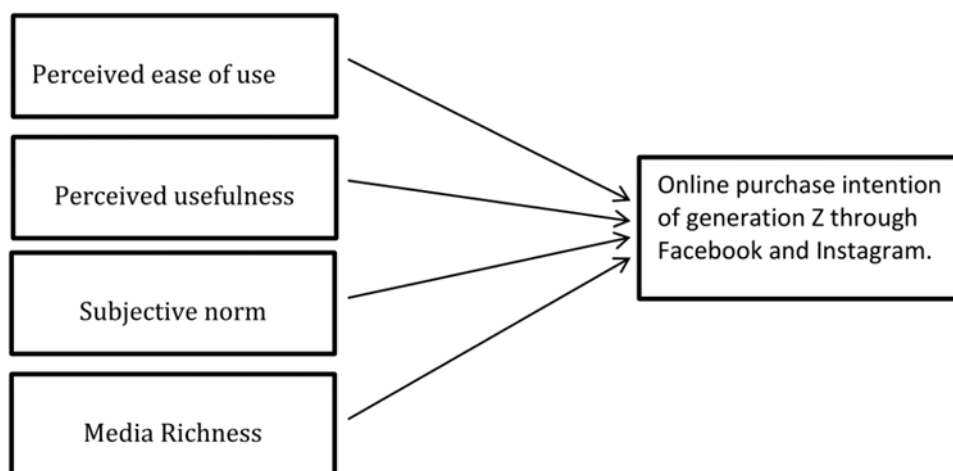

Figure 1: Research Framework

III.   METHODOLOGY

In this study, respondents are required to demonstrate their level of agreement in 5 Likert scale, between "1 = Strongly Disagree", "2 = Disagree", "3 = Neutral", "4 = Slightly Agree" and "5 = Strongly Agree. Measurement of perceived usefulness Facebook/ Instagram in Section A consists of 15 questions measuring the advantages gained from online purchase, such as engagement, aid in decision making, time and energy saving. In section B, another 15 questions measure the ease of use for Facebook and Instagram. The questions measures how simple to perform tasks in buying process on Facebook and Instagram such as simple step in choosing the product and paying for it as well as returning the defective product. Section C in the questionnaire measures the subjective norm of the respondents. 10 questions are presented to measure the influence of others in buying decision such as online reviews, shares and comments by others, influences appearance and recommendation by friends and families. In Section D, Media richness is measured by 15 questions covering various types of multimedia used in communicating the potential buyers such as various strategies in video, voice, photo and text usage. The Dependent factor, Intention to purchase is measured by 6 questions in Section E which evaluate the respondent's intention to purchase in term of the soonest possibility, potential frequency of purchase, spending amount, loyalty and priority. Lastly, the demographic data of the respondents were captured in section F. The questionnaire contents were validated by experts in Universiti Putra Malaysia. Reliability test were also conducted using SPSS package which return the Cronbach alpha higher than 0.5 (Andale, 2016).

The survey was completed by 168 social media users of Generation Z around Klang Valley area. Respondents were chosen randomly by visiting local universities as well as *Terminal Bersepadu Selatan* (TBS) bus station. Respondents were approached to respond to the online questionnaire. After they have completed the survey, they were encouraged to share the online survey link (Google Form) to their friends who are also social media user of Generation Z to participate in the survey. After cleaning process, the raw data were then brought for SPSS regression test to accept or reject the hypotheses listed earlier.

IV.   RESULTS AND DISCUSSION

The demographic data shows that among 168 respondents, male (51.8%) and female (48.2%). Religion distribution of respondents, Muslim (49.4%), Buddhist (23.3%), Christian (22%), Hindu (1.2%) and others (4.2%). Race distributions, Malay (49.4%), Chinese (45.2%), Indian (1.2%) and others (4.2%). Marital status distribution, unmarried (96.4%) and married (3.6%). Employment status, undergraduate students (57.1%), unemployed (11.9%), full time employee (11.3%), self-employed (17%). Income level distribution, 0 - 1000 (41.7%), RM 1000 to RM 2000 (36.3%) and RM 2000 to RM 3000 (22%). Frequency of Facebook and Instagram usage, once a day (76.2%), several times a week (6.1%) once a week (7.7%). Time spend to browse online per week of the respondents, 5 to 10 hours per week (35.1%), more than 10 hours per week (35.7%), 2 to 5 hours (21.4%),1-2 hours per week (7.8%).

Based on data analysis Table 1 and Table 2, the result show that the model with perceived ease of use a component as the independent online purchase intention use as dependent variable has R square value of 0.035, which means that is 3.5% of the variance in purchase intention significantly explain by the perceived ease of use.

The result shows that the coefficient Beta for perceived ease of use is positive (0.187) and significant ($p<0.05$). Thus, hypothesis H1 is supported.

Table 1: Model summary between perceived ease of use and online purchase intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.187ᵃ	.035	.029	.71339

a. Predictors: (Constant), Perceived Ease of Use
b. Dependent Variable: Online Purchase Intention

Table 2: Coefficient between perceived ease of use and online purchase intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.475	.433		5.712	.000
	Perceived Ease of Use	.261	.106	.187	2.451	.015

a. Dependent Variable: Online Purchase Intention

The result is consistent with Technology Acceptance Model and supported by previous study that reveals there is significant positive relationship between perceived ease of use and the purchase intention (Siew Sin et al., 2012). The respondents answered that factor of perceived ease of use such as information that they get from the seller fit well with what they are looking for, the 'frequently asked question' FAQ content is easily to understand to solve most of the problem, and the systematic item arrangement makes it easy to use Facebook and Instagram. Rothman (2014) claim that Generation Z want technology that is easy to use and easy to solve the problem. This can be seen based on what respondent answered in the questionnaire. From the Generation Z view, when the particular system features of Facebook and Instagram are free of effort, which help to increase the purchase intention of the user. Therefore, it can conclude that high perceived ease of use can increase online purchase intention on Facebook and Instagram of Generation Z.

Based on data analysis on table 3 and 4, the result show that the model with perceived usefulness as the independent and online purchase intention use as dependent variable has R2 value of 0.099, which means that is 9.9% of the variance in perceived usefulness as the independent and online purchase intention has significantly explain by the perceived usefulness. The result shows that the coefficient Beta for ease of use is significant ($p<0.5$) and positive (0.315). Thus, hypothesis H2 is supported.

Table 3: Model summary between perceived usefulness and online purchase intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.315ᵃ	.099	.094	.68925

a. Predictors: (Constant), Perceived Usefulness
b. Dependent Variable: Online Purchase Intention

Table 4: Coefficient between perceived usefulness and online purchase intention

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
2	(Constant)	1.696	.432		3.927	.000
	Perceived Usefulness	.463	.108	.315	4.274	.000

a. Dependent Variable: Online Purchase Intention

The result implied that high perceived usefulness could improve online purchase intention on Facebook and Instagram of Generation Z. Generation Z generally prefer to purchase through social media because the process to select the product is fast, the comparing product features is relatively easy and the communication link that allows verification of seller in Facebook and Instagram help them in online purchase. The result is also consistent with the previous study that reveals there is a significant positive relationship between perceived usefulness and the purchase intention (Siew Sin et al., 2012).

Based on data analysis Table 5 and Table 6, the result show that the model with subjective norm a component as the independent online purchase intention use as dependent variable has R2 value of 0.014, which means that is 1.4% of the variance in purchase intention significantly explain by the perceived ease of use. The result shows that the perceived ease of use is not significant (p>0.05). Thus, hypothesis H3 is not supported.

Table 5: Model summary between subjective norm and online purchase intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.118[a]	.014	.008	.72109

a. Predictors: (Constant), Subjective Norm
b. Dependent Variable: Online Purchase Intention

Table 6: Coefficient between subjective norm and online purchase intention

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
3	(Constant)	2.963	.373		7.951	.000
	Subjective norm	.138	.090	.118	1.532	.127

a. Dependent Variable: Online purchase intention

The result implied that Generation Z are generally not influenced by others in making their purchase decision. Generation Z are generally have their own thought and not easily influenced by positive review, testimonial evidences or recommendation by others on Facebook and Instagram.

Based on data analysis Table 7 and Table 8, the result show that the model with media richness as the independent and online purchase intention use as dependent variable has R2 value of 0.071, which means that is 7.1% of the variance in purchase intention significantly explain by the media richness. The result shows that the media richness is significant (p<0.05) with positive coefficient Beta (0.266). Thus, hypothesis H4 is supported.

Table 7: Model summary between media richness and online purchase intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
4	.266a	.071	.065	.70003

a. Predictors: (Constant), Media Richness
b. Dependent Variable: Online Purchase Intention

Table 8: Coefficients between media richness and online purchase intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.167	.387		5.604	.000
	Media Richness	.339	.095	.266	3.554	.000

a. Dependent Variable: Online Purchase Intention

The result above implied that when various multimedia is used strategically to communicate with the potential buyer, the intention to purchase through Facebook and Instagram will be increased significantly. The result is consistent with the argument by Dennis Kinney (1998) in Zhang (2015) claim that the richer the media, the better understanding the message stated.

V. CONCLUSION

Generation Z has high potential to purchase through Facebook and Instagram when the system is simple and easy to use especially in buying process. Their intention to purchase online is also increase when it bring more advantages over conventional way of purchasing such as time, money and energy saving. Generation Z are not easily influenced by their friends and families. Strategic use of multimedia is necessary to improve Generation Z intention to purchase through Facebook and Instagram.

REFERENCES

1. Beatty, S. E., & Ferrell, M. E. (1998). Impulse buying: Modeling its precursors. Journal of Retailing, 74(2), 169-191.

2. Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3), 319-340.

3. Dennis, A. R., & Kinney, S. T. (1998). Testing media richness theory in the new media: The effects of cues, feedback, and task equivocality. Information Systems Research, 9(3), 256-274.

4. Markus, M. L. (1994). Electronic mail as the medium of managerial choice. Organization Science, 5(4), 502-527.

5. See Siew Sin, Khalil Md Nor, Ameen M Al-Agaga. (2012). Factors Affecting Malaysian young consumers' online purchase intention in social media websites. Procedia - Social and Behavioral Sciences, 40, 26–333.

6. Venkatesh, V., & Morris, M. G. (2000). Why don't men ever stop to ask for directions? Gender, social influence, and their role in technology acceptance and usage behavior. MIS Quarterly, 24(1), 115-139.