

Factors Determinate Customer Shopping Behaviour Through Internet: the Malaysian Case

¹Ahasanul Haque, ²Ali Khatibi and ³Shameem Al Mahmud

¹Department of Business Administration International Islamic University Malaysia, Faculty of Economics and Management Sciences, Box No. 10, 50728 Kuala Lumpur, Malaysia

²School of business, management and Science University Malaysia

³Faculty of Management, Multimedia University, 63100 Cyberjaya, Malaysia

Abstract: This study try to explore factors that are affect shopping behaviour of the customer, how does Internet marketing affect the behaviour of the customer. Factor analysis is used in this study to identify the salient attributes that have impact on consumers' shopping behaviour about Internet marketing. Since, Factor analysis represents an analytical process of transforming statistical data (as measurements) into linear combinations of variables. In addition, multiple regression model was estimated to anticipate the effects of the explanatory variables. Findings of regression analysis indicated taht all four factors such as Internet marketing environment, product characteristics, familiarity and confidence and promotional offer have significant impact on customer intention about Internet marketing. In conclusion, underlying uncertainty of customers as to the security of transaction on the Internet. Customers may not yet be ready for the transactional purposes due to security concern and mentally afraid doing transaction online due to security reason. They believe that online transactions are not secured enough to protect the payment method as disclosure of information.

Key words: Factors determinate, Internet Marketing, Shopping behaviour, Malaysia

INTRODUCTION

Internet offers numerous features (capacity, speed, percision and convenience) that help firms attract a large number of potential customers (Khanh and Kandampully, 2002). Consumer use the Internet defferent reasons ranging from only gathering information to purchasing product online. Buying over the Internet was more fun, safer, quicker and they were more confident about their ability to buy online (Ronald Goldsmith, 2002). Although, purchasing online is still a small portion of Internet usages, most analysts expect it to increase dramatically once consumer feel satisfy and safe about their purchases and protection of their privacy. Establishing and maintaining personalized communication with customers throughout the transaction can be expensive. Such communication channels can be used to gather important customer feedback and to measure customer satisfaction (Khanh and Kandampully, 2002).

The advent and development of Internet has created new opportunities for marketing professional to make better current marketing practices (Kalakota *et al.*, 2001; Pires and Aisbett, 2001). Internet for marketing to consumers depends to a large extent on the characteristics of the products and services being marketed (Peterson, *et al.*, 1997). Moreover, Internet marketing can be a time and cost-saving supplement to marketer overall marketing starategy. Since, Internet marketing is the component of marketing that deals with the planning, pricing, promotion, and distribution of products and services online (Pan-Western E-Business Team, 2005). A good Internet marketing strategies clearly communicate a firm's unique selling proposition, or the unique collection of benefits that creates value for its customers.

Products that are being marketed through the Internet can be classified into two groups (Legard, 1998). The first group of products contain its items that consumers do not need to see personally before purchasing. These products include computer to compact disc to scanned goods, and can be evaluated using just text, pictures and other digitally communicable information. This group of products is ideally suited to Internet shopping whereby the Internet could serve significant transaction and communication functions

Corresponding Author: Ahasanul Haque, Department of Business Administration International Islamic University Malaysia, Faculty of Economics and Management Sciences, Box No. 10, 50728 Kuala Lumpur, Malaysia

(Peterson *et al.*, 1997). The second group of products is termed as 'experience products', which include items that consumers prefer to see and touch before purchasing, such as clothes and groceries. This group of products is not suitable for Internet shopping since information about the product's features may not be sufficient for consumers to engage in Internet-based transactions.

However, most consumers gather information on products, make price comparisons and then visit a local store to make purchase. Internet marketing is becoming a more and more important strategy for the company to promote advertise and interact more customer online. This is especially true in the context of Malaysia where Internet shopping is still new and consumers are less familiar, and often more skeptical towards online shopping, but little is known about them. Therefore, in order to understand consumers need and want, it is very important for us to have a survey to find out the factors of the Internet marketing in Malaysia towards consumer buying behaviour, in terms of two different ways; a) factors that are affect byuing decision of the customer b) how does Internet marketing affects the behaviour of the customer.

Literature Review:

The Internet has grown exponentially over the last decade from its humble beginnings to its present incarnation as apparently present everywhere, in the western world at least, has revolutionised a lot of business and consumer behavior (Harter, 1999; Wilson and Laskey, 2003). Since, it is used to built and maintain customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both buyers and sellers (Imber and Besty-Ann, 2000). However, despite its popularity and importance in the digital economy, no comprehensive literature review has been conducted in the field of Internet marketing (Ngai, 2003).

Internet Marketing Environment:

It is important for the Internet marketer to attract the existing consumers in the highly competitive online marketplace and evaluate the size of the target market (Haque *et al.*, 2006). Since, generally, in traditional market environment is tangible and permanent form of communication is needed for a transaction process between a buyer and seller (Kaur, 2005). Then again, Internet marketing is an electronic form where a computer is able to recognise, reproduce and store means that business could now be conducted in a paperless environment (Haque *et al.*, 2006). That means electronic marketing is an application of business-to-consumer electronic commerce which can be further broken down into online shopping and online purchasing or buying (Ige, 2004).

Internet marketing environments allow vendors to create retail interfaces with highly interactive features. According to Haubl and Trifts (2000) interactivity from a consumer perspective is the implementation of sophisticated tools to assist shoppers in their purchase decisions by customising Internet shopping environment to their individual preferences. That means in Internet marketing environment consumers are able to tailor the web content according to their need and liking. This gives consumer the same power as the content provider. Online buyers have fewer security worries, appreciate the quickness and flexibility of online buying and see the web as making buying easier (Ronald Goldsmith, 2002). To satisfy all levels of competence among consumers, and their different requirements, tastes, and preferences a site must offer a vast array of features and functions which will inevitably make it slower to load and more complicated to use (Reichheld and Scheffer, 2000). Speed of access to the Internet appears to be a major concern to many Internet users (Karakaya, 2001), therefore firms must create websites which are fast to load and eliminate too much graphics or interactivity on their web site. Information such as discounted product and compiling special offers from several different companies selling the same product and displaying them to the public could increase customer satisfaction. Potential customers have an opportunity to make a detailed comparison of the offering before making an informed choice (Khanh and Kandampully, 2002).

Hence, from above discussion we can say that in Internet marketing environment a distinction has been made between person interactivity and machine interactivity (Habul and Trifts, 2000). Environmental factors can influence the use of technology, including Internet shopping (Pratibha, 2003). Since, according to Man *et al.* (2005) some technology adoption concerns are more psychological than technical. Moreover, a better understanding of the Internet marketing environment and its operating process will definitely alleviate concerns and lead to higher usage of online shopping. Some situations must be needed to do shopping online. Indeed initially, according to MORI (2001) the level of e-shopping is strongly related to the level of the Internet access. Moreover, poorly designed interfaces, cluttered page layouts, inadequate and ineffective search engines, dead links, outdated information, tedious navigational structures and complex checkout procedures may all contribute to consumer frustration with online shopping (Leo, 2002).

Product Characteristics:

The appropriateness of marketing through the Internet is different across different product types (Peterson *et al.*, 1997; Moon, 2004). Product characteristics is an important aspect to understand consumers intentions to patronize specific retail channels. Since, Internet is more suited for marketing of some products than others (Vijayarathy, 2002). According to De Figueiredo (2000) products can be classified on a continuum based on the ability of consumers to gauge the quality of products in a digital environment. On the other hand, Jahng *et al.*, (2000) argued that the appropriateness of a shopping medium for a specific product can be measured by the fit between the levels of seller and product presence offered by the medium and those (levels) required by the product. Wei-yu *et al.*, (2004) also stated that characteristics of the product and electronic sales channel is important for success of e-retailing. As, Degeratu *et al.*, (1999) identified product characteristics as an important part of purchasing decision and consumer behavior models.

The importance of product in online business comes from the fact that, the image of the online stores has some fundamental differences from traditional stores (Rowley, 2000a,b). Generally, consumers like to choose a store that maximises their satisfaction with these perceived qualities (Heejin and Alan, 2004). Since, human senses play significant role in making shopping decisions (Haque *et al.*, 2006). According to Haque *et al.* (2006) products need to be examined by human senses and those products which need physical human senses are less likely to be sold online. On the other hand, tangibility and intangibility are also two major characteristics that are frequently used to describe a product (Poon and Joseph, 2000; Cho and Park, 2003). Tangible goods require the cooperation of off-line functions to be delivered directly to customers. Then again, intangible products are more suitable for Internet marketing.

So, from the above discussion it can be said that unique characteristics of the Internet marketing is intangibility (Cho and Park., 2003). However, products and services without those characteristics or with low importance will have electronic appeal (Michael, 1998; Simpson and Matthew, 2001). Products with a high sight/sound primal product appeal have the greater electronic shopping potential (Brian *et al.*, 2003).

Familiarity and Confidence:

Familiarity is an important factor to increase consumer satisfaction. Generally, familiarity draws distinction between familiar and unfamiliar fields and puts up with the familiar (Luhmann, 1984). Confidence, on the other hand, emerges in situations characterised by contingency and danger, which makes it meaningful to reflect on preadaptive and protective measures. Therefore, familiarity breeds confidence and confidence breeds success.

Consumer confidence is considered as one of the key elements in the efficient functioning of the internal market, while e-commerce is an essential tool in promoting it, due to its unique potential for large-volume cross-border transactions in goods and services (European Parliament Briefing Note, 2006). In general, the greater level of familiarity and comfort with a product, the less the need to be physically involved its repurchase and the easier to buy electronically. The decision often relates to the need to build confidence, whether through the clear branding or the differentiation of improved value added services and care.

Moreover, familiarity is created when there are long sales history, strong brand images of a company and previous satisfaction of using the product (Coltman *et al.*, 2000; Degeratu *et al.*, 1999; Wen-Yeh *et al.*, 2004) and confidence is derived from consumers' attitudes that directly influence their purchasing intentions (Donnavieve and Sivakumar, 2002). Brand names online became more important in some categories than offline and highlighted brand names are also more valuable when information on fewer attributes is available online (Degeratu *et al.*, 1999). Sen and Johnson (1997) found that familiarity resulting from the mere possession of a brand could lead to positive evaluation of the brand. It can be enhanced by frequent exposure to the brand (Park and Stoel, 2005). Alba and Hutchinson (1987) also suggested that increasing familiarity with a brand might create a better knowledge structure in an individual's memory and thus, that person would believe that they know a brand well.

The degree of uncertainty or risk consumers feel about their ability to judge the outcome of purchasing the product may be considered the inverse of the buyer's confidence in making that purchase. Laroche *et al.*, (1996) examined the influence of brand familiarity on confidence in brand evaluation in a traditional store setting. They found that familiarity with the brand increased, a consumer's confidence about that brand increased, suggesting that consumers perceive less risk when they are more familiar and confident with a brand. On the other hand, satisfaction is also another factor which can lead to confidence. Customers with successful experience and satisfaction shopping are more likely to embrace the next innovation (Jen-Her and Tzyh-Lih, 2004).

Promotional Offer:

In marketing, promotion means all those tools that a marketer uses to take his product from the factory to the customers and it involves the advertising sales promotion, personal selling, public relations, publicity and merchandising (Pithadia and Sharma, 2005). According to them promotion involves common understanding, Demographic and psychographics profile, media habits, and level of awareness. Since, it is an important marketing tool in today's businesses (Kumar *et al.*, 1998).

The boundaries defining sales promotions are neither clearly drawn nor used consistently (Peattie and Peattie, 1995), but a relatively workable definition of sales promotions is "marketing activities usually specific to a time period, place or customer group, which encourage a direct response from consumers or marketing intermediaries, through the offer of additional benefits" (Peattie and Peattie, 1994). The widespread use of consumer sales promotions has sparked considerable debate over their effectiveness (Kwok and Uncles, 2005). Critics argue that sales promotions are ineffective as they make consumers more promotion prone, resulting in market share losses in the long run (Ehrenberg *et al.*, 1994; Totten and Block, 1987). However, other researchers have shown that sales promotions lead to real long-run increases in sales and profits (Dhar and Hoch, 1996; Hoch *et al.*, 1994). This discrepancy suggests there are other factors at work; for instance, that sales promotions are more effective when they provide benefits that are congruent with those of the promoted product (Chandon *et al.*, 2000).

Sales promotions can offer many consumer benefits, among these the most obvious benefit is monetary savings, although consumers also may be motivated by the desire for quality, convenience, value expression, exploration and entertainment (Babin *et al.*, 1994; Kwok and Uncles, 2005). These benefits enable consumers to maximise their shopping utility, efficiency and economy. Consumer sales promotions were directly tested by Chandon *et al.*, (2000), who showed that: monetary promotions are more effective for utilitarian products as they provide more utilitarian benefits, which are compatible to those sought from utilitarian products; and non-monetary promotions are more effective for hedonic products as they provide more hedonic benefits, which are compatible to those sought from hedonic products (Kwok and Uncles, 2005).

MATERIALS AND METHODS

Conceptual Framework of the Study:

This paper proposes to identify the relationships between consumer shopping behaviour about Internet marketing and the relevant affective factors. Based on the discussion presented in literature review, it was identified that Internet marketing environment, product characteristics, familiarity and confidence, and promotional offer are the main factors that affecting consumer shopping intention about Internet marketing. Therefore, based on these factors, the study framework is constructed and presented in Figure 1.

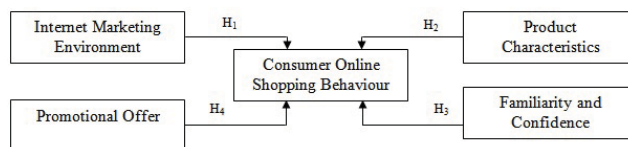


Fig. 1: Theoretical Framework

Hypotheses of the Study:

Based on the analytical interpretations in the previous section, following hypothesis have been selected in the study:

- H₁: There is significant relationship between Internet marketing environment and consumer shopping behaviour.
- H₂: There is significant relationship between product characteristics and consumer shopping behaviour.
- H₃: There is significant relationship between familiarity and confidence and consumer shopping behaviour.
- H₄: There is significant relationship between promotional offer and consumer shopping behaviour.

Data Collection:

The primary data for this research were collected through a structured questionnaire to answer the research questions and objectives pertaining to factors determinate of Internet Marketing. The survey questionnaire consists of six distinct sections, each of which contains questions pertaining to different parts of the study. A convenience sampling method is used to collect data mainly from the current Internet users from the Peninsular Malaysia which has the highest concentration of Internet users. Even though the sampling method adopted has limitations in terms of generalisability as compared to other method of sampling, it is assumed that the sample represent the whole population of Internet users in Malaysia. The survey was conducted mainly via personal

interviews. Apart from the ability to reach large target respondents and inexpensive way to conduct the survey, the survey through e-mail also enabled respondents to easily provide extensive responses to open-ended questions in describing their experiences in respect of Internet shopping. The survey questionnaire was only e-mailed to those Internet users who agreed to participate in the survey. This is particularly important because Internet shopping in Malaysia is still new and at the infancy stage, extensive responses from open-ended questions will provide valuable input to the study so that a better understanding of Internet shopping in Malaysia can be achieved.

Total 650 sample sizes are found to be adequate for this study, of which 617 questionnaires were received. Each of the response received was screened for errors, incomplete and missing responses. Efforts were also taken to contact the affected respondents through e-mail for clarification and corrections, especially for missing or blanks responses. However, those responses that had more than 25% of the questions in the survey questionnaire that have been left unanswered or incorrectly answered were discarded from data analysis. After the screening process was carried out, only 602 responses were considered complete and effective for data analysis. This represents a success rate of 92%, which is considered to be good in view of time and cost constraints.

Statistical Technique:

A statistical technique Factor analysis is used in this study to identify the salient attributes that have impact on consumers' perception about Internet marketing. Since, Factor analysis represents an analytical process of transforming statistical data (as measurements) into linear combinations of variables. It is a statistical method used for combining a large number of data into a considerably smaller number of factors with a minimum loss of information (Hair, *et al.*, 1992). In addition, Regression analysis is used to investigate the relationship among the variables which influence the consumers' perception about Internet marketing.

RESULTS AND DISCUSSION

Reliability Coefficient:

If a measurement scale is reliable, then repeated measurements of the same characteristics will yield similar score over time and across situation (Dillon *et al.*, 1993). Burns and Bush (1998) stated that reliability is the tendency in a respondent to respond in the same or in a very similar manner to an identical or near-identical question. According to Sekaran (2003) the reliability of a measure indicates the extent to which the measure is without bias (error free) and free hence offers consistent measurement across time and across the various items in the instrument.

In this study reliability coefficient tested by using Cronbach's alpha (α) analysis. Since, to measure the reliability for a set of two or more construct Cronbach alpha is a commonly used method where alpha coefficient values range between 0 and 1 with higher values indicating higher reliability among the indicators. Hence, 0.8744 is the highest value that can be achieved from confidence. Followed by 0.8376, 0.7864 and 0.7523, advertisement, customer service and customer expertise respectively (Table 1).

Table 1: Reliability Analysis

Descriptions	N of Cases	N of Items	Alpha
Internet Marketing Environment	602	7	0.8376
Product Characteristics	602	7	0.8744
Familiarity and Confidence	602	6	0.7864
Promotion Offer	602	6	0.7523

The reliability of a measure indicates the extent to which the measure is without bias (error free) and hence offers consistent measurement across time and across the various items in the instrument. It is a measure that established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set. Cronbach's alpha is liability coefficient that indicates how well the items in a set are positively.

Socio-Economic Profile of the Respondents:

Respondent's socio-economic profile is shown in Table 2, out of the total respondents 54.32% were males and 45.68% were females. The majority of the respondents were Malay (43.86) followed by Chinese (32.72%) and Indian were 19.43%. Among the respondents only 3.99% informed that they are from other races. Among the respondents 19.43% were less than 20 years old, 25.9% respondents informed that there age belong to 20 to 25 years old age group, 20.44% were from 25 to 30 years old age group, 18.11% from 30 to 35 years and 16.11% were above 35 years old. This statistics indicate that most of the Internet users are belong to 20 to 35 years age group.

In terms of marital status of the respondents, 48.67% respondents were singles while 44.35% were married. Only 6.98% respondents informed that they are divorced or staying separated. Regarding education, the sample of the study showed that most of the respondents have been through higher education. More than three-fourth of the respondents were either secondary or tertiary degree holders (14.78% respondents completed primary education, 41.86% done secondary education, and 43.36% completed tertiary education). This result clearly indicates that the majority of Internet shoppers are educated.

Besides being educated, most of the consumers were employed in various sectors in the economy. A total of 16.11% reported they did government sector job, 28.92% are private sector employee, 18.77% replied that they have their own business, 31.39% are students, and 4.81% reported that they involved in other jobs. This statistics indicate that near about three-fourth of the consumers are doing job. It is not surprising that 34.39% of the respondents earn less than RM2000 per month. Where as 31.40% respondents earned less than RM3000 per month and 21.92% earned less than RM4000 per month. Only 12.29% respondents informed that their monthly income is more than RM4000.

Table 2: Respondents Socio-Economic Profile (N=602)

Descriptions	Frequency	Percentage	Valid Percent	Cumulative (%)
Gender:				
Male	327	54.32	54.32	54.32
Female	275	45.68	45.68	100
Age:				
Less than 20	117	19.43	19.43	19.43
20-25	156	25.91	25.91	45.34
25-30	123	20.44	20.44	65.78
30-35	109	18.11	18.11	83.89
Above 35	97	16.11	16.11	100
Race:				
Malay	264	43.86	43.86	43.86
Chinese	197	32.72	32.72	76.58
Indian	117	19.43	19.43	96.01
Others	24	3.99	3.99	100
Marital Status				
Single	293	48.67	48.67	48.67
Married	267	44.35	44.35	93.02
Divorced/Separated	42	6.98	6.98	100
Education				
Primary	89	14.78	14.78	14.78
Secondary	252	41.86	41.86	56.64
Tertiary	261	43.36	43.36	100
Occupation				
Govt. Sector	97	16.11	16.11	16.11
Private Sector	174	28.92	28.92	45.03
Own Business	113	18.77	18.77	63.80
Student	189	31.39	31.39	95.19
Others	29	4.81	4.81	100
Monthly Income:				
Less than 1000	93	15.45	15.45	15.45
1000-2000	114	18.94	18.94	34.39
2000-3000	189	31.40	31.40	65.79
3000-4000	132	21.92	21.92	87.71
Above 4000	74	12.29	12.29	100

Consumer Buying Behaviour:

It is important for policy makers, economic forecasters, business managers with timely and important information on consumer attitudes. This interest in consumer attitudes reflects a widespread belief that the sentiments and expectations of individual consumers directly affect the direction of marketers. It is believed that consumers' attitudes affect intention to shop and eventually whether a transaction is made. Consumers' buying behaviour towards Internet marketing is important information to predict their readiness to adopt e-commerce. The major component of consumers' buying behaviour towards this technology is their attitude towards online transaction, product, services and web vendors. In the survey, the respondents were asked to respond on issues pertaining to Internet as a medium for purchasing goods in general. Despite the advent of Internet, 45.84% respondents informed that they never shop through Internet (Table 3). On the other hand, two-fourth of the respondent told that they have experience to shop online. Only a total 6.48% of the respondents reported that they shop online once a month (Table 3). Where as 8.48% shop through online once every three months, 12.80% shop once every 6 months, 12.95% shop once every nine months and 13.45% informed that they shop through Internet once every twelve months. This frequency distribution of the respondents' responses reflects their shopping habits through online.

Table 3: Frequency of Internet Shopping According to Premise (N=602)

Premise	Frequency of Purchasing	%
Once a Month	39	6.48
Once every 3 Months	51	8.48
Once every 6 Months	77	12.80
Once every 9 Months	78	12.95
Once every 12 Months	81	13.45
Never	276	45.84
Total	602	100

Factor Analysis:

Factor analysis was carried out on the consumers' shopping attitude towards Internet marketing to group together variables that are highly correlated. The process of factor analysis involves two stages: factor extraction to make an initial decision on the number of factors underlying asset of measured variables of interest and factor rotation for easy interpretability of factor extraction result and for making final decision about the underlying factors. The underlying structure of 20 items was analyzed using principal component analysis followed by varimax rotation. The factor analyses revealed five dimensions underlying consumer attitude toward Internet marketing. They are: the Internet marketing environment (F1), product characteristics (F2), familiarity and confidence (F3), and promotional offer (F4).

The total variance explained by factors is indicated in (table 4) which suggests that the five factors account for 71% of the total variance. Factor 1, which accounted for about 32% of the variation can be considered as "Internet marketing environment" as it is strongly associated with certain aspects of attitude towards Internet marketing. These include; "Internet shopping is convenient" (with highest factor loading of 0.833); "have Internet shopping experience" (0.821); "Internet marketing provide usefull information" (0.638); "familiar with Internet marketing" (0.661).

Table 4: Factor Analysis on the Items Scale

Items	Factor Loading			
	F1	F2	F3	F4
Internet Marketing Environment				
Internet shopping is better than store shopping	.727			
Internet shopping is cheaper than storer shopping	.624			
Internet shopping is enjoyable	.796			
Internet shopping provide better customer services	.662			
Product Characteristics				
Product that needs physical examination is suitable		.884		
Product that needs sense of sight is not suitable		.912		
Product that needs sense of sound is not suitable		.872		
Product that needs sense of smell & taste is suitable		.842		
Familiarity and Confidence				
Familiar with Intenret marketing			.661	
Internet shopping is convenient			.833	
Have Internet shopping experience			.821	
Internet marketing provide usefull information			.638	
Often shop through Internet			.729	
Internet marketing is not secured			.683	
Have bad experience			.679	
Confident to shop branded product			.719	
Promotion Offer				
Internet marketing provide more promotion				.663
Price is cheaper than store				.811
Promotional offer is attractable				.793
Promotional offer is convincing				.838

Bartlett's Test of Sphericity: Approx. Chi-Square=2967.951, df=20 Sig=0.0000 Kaiser-Meyer-Olkin Measure of Sampling Adequacy=0.853

Table 5: Total Variance Explained for Each Factor Based

Factor	Eigenvalue	% of variance	Cumulative %
1	5.558	32.643	32.643
2	2.382	14.721	47.364
3	1.762	9.982	57.346
4	1.514	8.832	66.178
5	1.045	6.110	72.288

All variables had positive loadings in factor 1 (Internet shopping environment) with total variance (9.9%), which consists of sub-variables namely: “Internet shopping is enjoyable” (with factor loading of 0.796); “Internet shopping is better than store shopping” (0.727); “Internet shopping provide better customer services” (0.662) and “Internet shopping is cheaper than storer shopping” (0.624). The sign of the loading indicates the direction of the relationship between the factor and the variable. Factor 2 which accounts for about 14.7% of the variation was named as “product characteristics” factor. This factor consists of sub-variables namely: “product that needs sense of sight is not suitable” (with factor loading of 0.912); “product that needs physical examination is suitable” (with factor loading of 0.884); “product that needs sense of sound is not suitable” (0.872), and “product that needs sense of smell & taste is suitable” (0.842).

The third factor is good “familiarity and confidence” with a total variance of 8.8%, which consists of sub-variables: “often shop through Internet” (with the highest factor loading of 0.729); “confident to shop branded product” (0.719); “Internet marketing is not secured” (0.683) and “have bad experience” (0.679). The fourth factor is “promotional offer” with a total variance of 6.1%, which consists of sub-variables, namely: “promotional offer is convincing” (with highest factor loading of 0.838), followed by “price is cheaper than store” (0.811); “promotional offer is attractable” (0.793); “Internet marketing provide more promotion” (0.663).

Hypothesis Testing:

After extraction four independent variables for factor analysis, hypotheses of this study were tested by using regression analysis. Results for consumer perception showed in Table 6, 7, and 8 reflects the results of consumer perception about Internet marketing. Results indicated that 75.4 percent of variance of consumer perception about Internet marketing by these four independent variables with a significant ‘F’ value of 68.783 being significant at $p < .000$ (Table 6 and 7). Therefore, there is an evident that these four factors have significant impact on consumer shopping behaviour through Internet.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871(a)	.754	.749	.48752386

a Predictors: (Constant), Internet shopping environment, product characteristics, familiarity and confidence and promotion offer

Table 7: Anova(B)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	102.259	6	17.168	68.783	.000(a)
	Residual	32.741	129	.247		
	Total	135.000	135			

a Predictors: (Constant), Internet shopping environment, product characteristics, familiarity and confidence and promotion offer

b Dependent Variable: shopping behaviour

The hypotheses of this study are concerned with the individual effect of four variables on the consumer shopping behaviour Internet marketing. The test of these hypotheses leads to accomplish the objectives of this study. The strength of influence of each of the independent variables would have on the consumer buying behaviour about Internet marketing been addressed and results were shown in the Table 8.

Table 8: Coefficients(A)

Model	Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	-4.283E-16	.041		.000	1.000
	Internet marketing environment	.307	.041	.307	7.120	.000
	product characteristics	.271	.041	.271	6.421	.000
	familiarity and confidence	.339	.041	.339	7.632	.000
	promotional offer	.417	.041	.417	9.724	.000

a Dependent Variable: shopping behaviour

H₁: The result showed that Internet marketing environment emerges as the important factor affecting the consumer perception about Internet marketing. A significant positive effect of Internet marketing on consumer buying behaviour is seen from table 8. This result supports our first hypothesis. Therefore, based on this positive coefficient of the service quality, this study concludes that there is a significant positive effect on consumer perception. H₂: The product characteristics is another important determinant proven to be statistically at $p < .000$ level, and has positive influence on the consumer perception about Internet marketing. Since, success of the online or Internet shopping depends on the product characteristics.

H₃: The result regarding familiarity and confidence showed that it has positive impact on consumer buying behaviour about Internet marketing. Where beta coefficients .339 and p<.000, therefore H₃ accepted at 95% confident level. H₄: Promotional offer has significant impact on consumer perception shop through Internet. Since, it is used to communicate with the consumers with respect to product offerings. Promotion has a key role in determining profitability and market success. According to the study of Alvarez and Casielles (2005), promotional offer of a product state at the moment of purchase as an explanatory element of the process. Promotion is a tool that can help manufacturers and/or retailers in the achievement of their objectives (try the brand, help to decide what brand to buy, etc.). Immediate price reduction is the technique that exerts greatest influence on the brand choice process.

Conclusion and Implications:

The Internet offers tremendous possibilities, it is very easy to get connected to the Internet and people can surf and shop on the Internet 24 hours a day. There are unique opportunities on the web for marketing company's to promote their services, selling products and gathering information. This opportunity allows companies to compete globally in the Internet to promote or sell their product. Instead of using traditional marketing that required face-to-face, personal interaction can now be accomplished by Internet. There are no doubts that with the growth of Internet, customers are able to search on particular product without hassle and customers also are able to shop online without going to the shopping complex. The advancement of Internet marketing that market the product through Internet allow customer to get an up-to-date information or catalogue for the latest product or services.

In Malaysia, Internet marketing is something new therefore the transactions are very limited especially involving the payment. The results of this study shows that Internet Marketing may relate to underlying uncertainty of customers as to the security of transaction on the Internet. Customers may not yet (or may not ever) be ready for the transactional purposes and security issues are the main concern. Malaysian customer still have the mentality of afraid doing transaction online due to security reason. They believe that online transactions are not secured enough to protect the payment method such as credit card and also disclosure of information. In addition, there is significant correlation among the areas of concern and issues faced by user of Internet Marketing such as advertising, confidence, customer services and expertise and familiarity.

Government plays important roles to increase the usage of Internet among Malaysian. The current Internet charges in Malaysia can be considered as cheap and hopefully it is going to maintain for another few years. The theme "one house one computer" is a good idea from the government to make the Malaysian Knowledge-Society. Withdrawal from EPF money had been stopped, therefore alternatives should be implement to make the society are able to have one computer for one home such as deduction from their monthly EPF instead of withdrawal one wholesome of money. With the help from government, by providing the infrastructure it will help Malaysian to be able to cope with the growth of new technologies and able to compete in digital world.

REFERENCES

- Adam, S., R. Mulye, K.R. Deans, and D. Palihawadana, 2002. "E-marketing in perspective: A three country comparison of business use of the Internet", *Marketing Intelligence & Planning*, 20(4): 243-251.
- Alba, J.W., J.W. Hutchinson, 1987. "Dimensions of Consumer Expertise", *Journal of Consumer Research*, 13(1): 411-54.
- Babin, B.J., W.R. Darden and M. Griffin, 1994. "Work and/or Fun? Measuring Hedonic and Utilitarian Shopping Value", *Journal of Consumer Research*, 20 (March): 644-56.
- Borgerson, L. Janet and E. Jonathan Schroeder, 2002. "Ethical issues of global marketing: avoiding bad faith in visual representation", *European Journal of Marketing*, 36(5&6): 570-594.
- Brian, T.R., P. Xing and S. Venkatesh, 2003. "On the Efficiency of Internet Markets for Consumer Goods", *Journal of Public Policy and Marketing*, 22(1): 4-16.
- Burns, A.C. and R. Bush, 1998. *Marketing Research*, 2nd edition, New Jersey: Prentice Hall.
- Cho, Sung-Eui and Park, Kwangtae, 2003. "Characteristics of Product/Service Process and Customer Needs of Geographical Accessibility in Electronic Commerce", *International Journal of Service Industry Management*, 14(5): 520-538.
- Choong, Peggy, 2001. "Preventing or Fixing a Problem: A Marketing Manager's Dilemma Revisited", *Journal Of Services Marketing*, 15(2): 99-112.
- Chandon, P., B. Wansink and G. Laurent, 2000. "A Benefit Congruency Framework of Sales Promotion Effectiveness", *Journal of Marketing*, 64 (October): 65-81.
- Coltman, T., M.D. Timothy and A. Latukefu, 2000. "E-business: Revolution or Hype?", Working Paper No. 6, Australian Graduate School of Management, Sydney, pp: 1-37.

- De Figueiredo, J.M., 2000. "Finding Sustainable Profitability in Electronic Commerce", *Sloan Management Review*, 41(4): 41-52.
- Degeratu, A.M., R. Arvind and W. Jianan, 1999. "Consumer Choice Behaviour in Online and Traditional Supermarkets: The Effects of Brand Name, Price and Other Search Attributes", *International Journal of Research in Marketing*, 17(1): 55-78.
- Dhar, S.K. and S.J. Hoch, 1996. "Price Discrimination Using In-store Merchandising", *Journal of Marketing*, 60(January): 17-30.
- Dillon, W.R., T.J. Madden and N.H. Firtle, 1993. *Essentials of Marketing Research*, Boston: Irwin.
- Donnavieve, N.S. and K. Sivakumar, 2002. "Flow and Internet Shopping Behaviour: A Conceptual Model and Research Propositions", *Journal of Business Research*, 57(10): 1199-1208.
- Efendioglu, A.M. and V.F. Yip, 2004. "Chinese Culture and E-commerce: An Exploratory Study", *Interacting with Computers*, 16(1): 45-62.
- Ehrenberg, A.S.C., K. Hammond, G.J. Goodhardt, 1994. "The after-effects of price-related consumer promotions", *Journal of Advertising Research*, 34(July-August): 11-21.
- European Parliament Briefing Note, 2007. "Consumer Confidence in the Digital Environment", Policy Department Economic and Scientific Policy, European Parliament, IP/A/IMCO//NT/2006-21, Available at: http://www.europarl.europa.eu/comparl/imco/studies/0701_consconfidence_briefingnote_en.pdf, Accessed on: 20 October 2007.
- Franzak, Frank, Pitta, Dennis and S. Fritsche, 2001. "Online Relationships And The Consumer's Right To Privacy", *Journal of Consumer Marketing*, 18(7): 631-641.
- Haubl, G. and V. Trifts, 2000. "Consumer Decision Making in Online Shopping Environments: The Effects of Interactive Decision Aids", *Marketing Science*, 19(1): 4-21.
- Hair, J.F., R.E. Anderson, R.L. Tatham and W.C. Black, 1992. *Multivariate Data Analysis*, 3rd Edition, Macmillan, New York.
- Haque, Ahasanul, Sadegzadeh, Javed, Khatibi, Ali, and Mahmud, Shameem Al, 2006. "Investigating Potentially Affective Factors of Online Sales: A Study on Malaysian Business Online", *International Journal of Information Systems and Change Management*, 1(4): 374-395.
- Harter, B., 1999. "On-line Data Collection", *Wireless Review*, September, 16(18): 54-62.
- Hoch, S.J., X. Dreze and M. Purk, 1994. "EDLP, Hi-Lo, and Margin Arithmetic", *Journal of Marketing*, 58(October): 16-27.
- Hofstede, G., 1993. "Cultural Constraints in Management Theories", *Academy of Management Executive*, 7(1): 81-94.
- Ige, O., 2004. 'Electronic Shopping: Young People as Consumers', *International Journal of Consumer Studies*, 28(4): 412-427.
- Imber, J. and T. Besty-Ann, 2000. *Dictionary of Marketing Terms*, 3rd Edition, Barrons Business Dictionaries, Hauppauge, NY.
- Jamal, A. and K. Naser, 2002. "Customer Satisfaction and Retail Banking: An Assesment of Some of the Key Antecedents of Customer Satisfaction in Retail Banking", *International Journal of Bank Marketing*, 20(4): 146-160.
- Jahng, J., H. Jain and K. Ramamurthy, 2000. "Effective Design of Electronic Commerce Environments: A Proposed Theory of Congruence and an Illustration", *IEEE Transactions on Systems, Man and Cybernetics*, 30(4): 456-471.
- Jen-Her, W. and H. Tzyh-Lih, 2004. "Analysis of E-commerce Innovation and Impact: A Hypercube Model", *Electronic Commerce Research and Applications*, 3(4): 389-404.
- Karakaya, Fahri, 2001. "Electronic Commerce: Current And Future Practices", *Managerial Finance*, 27(7): 42-53.
- Kaur, K., 2005. 'Consumer protection in e-commerce in Malaysia: an overview', UNEAC Asia Papers No. 10, Available at: <http://www.une.edu.au/asiacenter/KKaur.pdf>, Accessed on 3 June 2006.
- Khanh V.La., and J. Kandampully, 2002. Electronic Retailing And Distribution Services: Cyber Intermediaries That Serve Customers And Service Providers, *Managing Service Quality*, 12(2): 100-116.
- Kierzkowski, A., S. McQuade, R. Waltman and M. Zeisser, 1996. "Marketing to the Digital Customer", *The McKinsey Quarterly*, 79(3): 180-183.
- Kolsaker, A. and C. Payne, 2002. "Engendering trust in e-commerce: a study of gender-based concerns", *Marketing Intelligence & Planning*, 20(4): 206-214.
- Kumar, Manoj, Rangachari, Anand, Jhingran, Anant, and Mohan Rakesh, 1998. "Sales Promotion on the Internet", *Proceedings of the 3rd USENIX Workshop on Electronic Commerce*, Boston, Massachusetts, August 31 - September 3, Available at: http://www.usenix.org/event/ec98/full_papers/kumar_promotions/kumar_promotions.pdf, Accessed on: 26 December 2000.

- Kwok, Simon and Uncles, Mark, 2005. "Sales Promotion Effectiveness: The Impact of Consumer Differences at an Ethnic Group Level", *Journal of Product & Brand Management*, 14(3): 170-186.
- Laroche, M., C. Kim, L. Zhou, 1996. "Brand Familiarity and Confidence as Determinants of Purchase Intention: An Empirical Test in a Multiple Brand Context", *Journal of Business Research*, 37(2): 115-20.
- Legard, D., 1998. E-Commerce Boom Ahead for Malaysia. *Computer World Hong Kong*, April 3, pp: 3.
- Luhmann, N., 1984. *Soziale Systeme: Grundriss Einer Allgemeinen Theorie*, Frankfurt: Suhrkamp.
- Martin, Claycomb, Cindy and L. Charles, 2001. "Building Customer Relationships: An Inventory Of Service Providers' Objectives And Practices", *Marketing Intelligence And Planning*, 19(6): 385-399.
- Michael, K.S., 1998. *E-Shock the Electronic Shopping Revolution: Strategies for Retailers and Manufactures*, London, Mac Millan Business.
- Moon, Byeong-Joon, 2004. "Consumer Adoption of the Internet as an Information Search and Product Purchase Channel: Some Research Hypotheses", *International Journal of Internet Marketing and Advertising*, 1(1): 104-118.
- McCole Patrick, 2002. The Role Of Trust For Electronic Commerce In Services, *International Journal of Contemporary Hospitality Management*, 14(2): 81-87.
- MORI, 2001. *Informing Customers About E-shopping: Qualitative Survey Report*.
- Ngai, E.W.T., 2003. "Commentary Internet Marketing Research (1987-2000): A Literature Review and Classification", *European Journal of Marketing*, 37(½): 24-49.
- Pan-Western E-Business Team, 2005. "Internet Marketing", Available at: http://www.e-bc.ca/media/ebizguides/internet_marketing.pdf, Accessed on 15 August 2007.
- Park, Jihye and Stoel, Leslie, 2005. "Effect of Brand Familiarity, Experience and Information on Online Apparel Purchase", *International Journal of Retail & Distribution Management*, 33(2): 148-160.
- Peattie, Ken and Peattie, Sue, 1995. "Sales Promotion – A Missed Opportunity for Services Marketers?", *International Journal of Service Industry Management*, 6(1): 22-39.
- Peattie, S. and K.J. Peattie, 1994. "Sales promotion", in Baker, M.J. (Ed.), *The Marketing Book*, 3rd Edition, Butterworth Heinemann, London.
- Peterson, R.A., S. Balasubramaniam, B.J. Bronnenberg, 1997. "Exploring the implications of the Internet for consumer marketing", *Journal of Academy of Marketing Science*, 25: 329-46.
- Pithadia, Vijay and Sharma, Ashish, 2005. "Role of Sales and Advertising Promotions in the Purchase Decision of Consumer Durable Products", Available at: http://www.indianmba.com/Faculty_Column/FC174/fc174.html, Accessed on: 04 March 2007.
- Pratibha, A.D., 2003. "Understanding Consumer Motivation and Behaviour Related to Self-scanning in Retailing Implications for Strategy and Research on Technology-based Self-service", *International Journal of Service Industry Management*, 14(1): 59-95.
- Poon, S., M. Joseph, 2000. "Product Characteristics and Internet Commerce Benefit Among Small Businesses", *Journal of Product & Brand Management*, 9(1): 21-34.
- Reichheld, F.F. and P. Schefter, 2000. "E-loyalty Your Secret Weapon on the Web", *Harvard Business Review*, 78 (July/August): 105-113.
- Ronald, E. Goldsmith, 2002. "Buying Apparel Over The Internet", *Journal of Product & Brand*, 11(2): 52-58.
- Rowley, J., 2000a. "Product Search in E-shopping: A Review and Research Propositions", *Journal of Consumer Marketing*, 17(1): 20-35.
- Rowley, J., 2000b. "Product Searching with Shopping Bots", *Internet Research: Electronic Networking Applications and Policy*, 10(3): 203-214.
- Sally, J. McMillan, 2002. "Longevity of Websites and Interactive Advertising Communication", *Journal of Interactive Advertising*, 2(2): 9-14.
- Sekaran, U., 2003. *Research Methods for Business (A Skill Building Approach)*, 3rd edition, John Wiley and Sons, Inc.
- Sen, S., E.J. Johnson, 1997. "Mere-possession effects without possession in consumer choice", *Journal of Consumer Research*, 24(2): 105-117.
- Shaun McQuitty, Adam Finn and James B. Wiley, 2000. Systematically Varying Consumer Satisfaction and its Implications for Product Choice 20(10): 1-18.
- Simpson, P. and J. Mathew, 2001. "A Preliminary Study of Product Nature and Electronic Commerce", *Marketing Intelligence and Planning*, 19(7): 493-500.
- Teo, S.H., 2002. "Senior Executives' Perceptions Of Business-To-Consumer (B2C) Online Marketing Strategies: The Case Of Singapore", *Internet Research: Electronic Networking Applications And Policy*, 12(3): 258-275.

Totten, J.C. and M.P. Block, 1987. *Analyzing Sales Promotion: Text and Cases*, Commerce Communications, Wellington and Chicago, IL.

Vijayasathy, Leo R., 2002. "Product Characteristics and Internet Shopping Intentions", *Internet Research: Electronic Networking Applications and Policy*, 12(5): 411-426.

Vitell, Anusorn Singhapakdi and Kiran Karande; C.P. Rao; J. Scott, 2001. "How important are ethics and social responsibility? - A multinational study of marketing professionals", *European Journal of Marketing*, 35(1&2): 133-153.

Wei-yu, K.C., Z. Dongsong and Z. Lina, 2004. "Predicting and Explaining Patronage Behaviour Toward Web and Traditional Stores Using Neural Networks: A Comparative Analysis with Logistic Regression", *Decision Support Systems*, 41(2): 514-531.

Wen-yeh, H., S. Holly and J.D. Alan, 2004. "Effect of Brand Name on Consumers Risk Perceptions in Online Shopping", *Journal of Consumer Behaviour*, 4(1): 40-50.

Wilson, Alan and Laskey, Nial, 2003. "Internet Based Marketing Research: A Serious Alternative to Traditional Research Methods?", *Marketing Intelligence & Planning*, 21(2): 79-84.

Zeithami, A. Valarie, 2002. "Service Excellence In Electronic Channels", *Managing Service Quality*, 12(3): 135-138.

Zinkhan, M. George Coca-Col, 2002. "Promoting services via the Internet: new opportunities and challenges", *Journal Of Services Marketing*, 16(5): 412-423.