Intention to Shop Online Amongst MBA Students: Applicability of the Theory of Reasoned Action (TRA)

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ABSTRACT

Internet has changed the way business is conducted and one of the emerging uses of the Internet is for shopping. With an increasing affluent community the potential of Internet shopping cannot be ignored. The purpose of this paper is to test the applicability of the TRA (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1980) in predicting the intention to shop online among a group of Masters of Business Administration students of a public institution of higher learning. A structured questionnaire was used to elicit information from MBA students using a convenience sampling techniques. A total of 102 responses were received. The findings indicate that the TRA is a valid model in the prediction on the intention to shop online. Attitude ($\beta = 0.575$, $p< 0.01$) and subjective norm ($\beta = 0.213$, $p< 0.01$) were found to be positively related to intention with attitude being the more influential predictor. Subjective norm also positively influences ($\beta = 0.374$, $p< 0.01$) the attitude to shop online.

***Keywords:** Theory of reasoned action (TRA), attitude, subjective norm, intention to shop online*

1.0 INTRODUCTION

Internet has changed the way business is conducted and one of the emerging uses of the Internet is for shopping. With an increasing affluent community the potential of Internet shopping cannot be ignored. Online shopping provides the advantages of no crowds, no cheeky sales assistants, ability to perform comparison shopping, getting anything you want that is tailored to your taste at a bargain price, huge range of goods and good discounts (Whitmore, 1999).

Malaysia's retail market such as malls shopping, monetary and security sector is changing quickly in its link with information technology. The Internet has become the retail businesses newest distribution channel Ramayah et al. (2003). Basyir (2000) noted that growth of e-retail in Malaysia is still early stage but growing at a very promising rate. There are challenges faced by e-retail's Malaysia such as small population owner credit card, small amount of Internet users and regulation issue that has not obtained enough attention from legislators. These become some consideration for concern in the development of e-retailing (Madieha, 2000).

2.0 OBJECTIVE OF THE STUDY

The objective of this study is to study the applicability of the TRA in the Malaysian settings.

The two research questions that have been forwarded are:

1. Can the Theory of reasoned action (TRA) be used to predict the intention to shop online amongst MBA students?
2. Are attitude and subjective important in the intention to shop online?

There have been a few studies looking at factors influencing online shopping amongst students. The notable ones are Yeow et al. (2004) and Yulihasri (2004). Even that they did not look at the MBA students segment per se. The reason for the choice of MBA students was mainly because of the time constraint that they are facing with juggling their working times, family and also classes makes them a strong candidate for online shopping. This group of people has some form of tertiary education that makes it easier to accept the perils of the online shopping. They are also the group who are affluent and those who would be holding at least one credit card which is the requirement for online shopping. As thus a look at the potential will in many ways help the retail industry to target this group of affluent, more educated people for their products.

3.0 THEORY OF REASONED ACTION (TRA)

The intention to accept or reject a particular technology is based on a series of tradeoffs between the perceived benefits of the system to the user and the complexity of learning or using the system. This phenomenon can be reasonably explained by using the Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1980). The TRA proposes that behavior results from the formation of specific intentions to behave (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1980). According to the TRA model, two major factors determine behavioral intentions namely: the person's attitude toward the behavior, and subjective norms.

Attitude toward the behavior refers to the person's judgment that performing the behavior is good or bad. The subjective norms reflect the person's perception of social pressures put on him/her to perform or not to perform the behavior in question. According to the theory, attitudes are a function of beliefs. In general, a person who believes that performing a given behavior will lead to positive outcomes will hold a favorable attitude toward performing the behavior. Similarly, a person who believes that performing a given behavior will lead to

negative outcomes will hold an unfavorable attitude toward performing the behavior. Thus, attitude toward the behavior is a function of both the beliefs that the behavior leads to certain outcomes, and by the person's evaluation of these outcomes.

Additionally, subjective norms are a function of normative beliefs. In other words, a person who believes that most referents with whom he/she is motivated to comply think he/she should perform the behavior will perceive social pressure to do so.

Conversely, a person who believes that most referents with whom he/she is motivated to comply think he/she should not perform the behavior will perceive social pressure to avoid performing the behavior. Thus, the general subjective norm is determined by the perceived expectation of specific referent individuals or groups, and by the person's motivation to comply with those expectations.

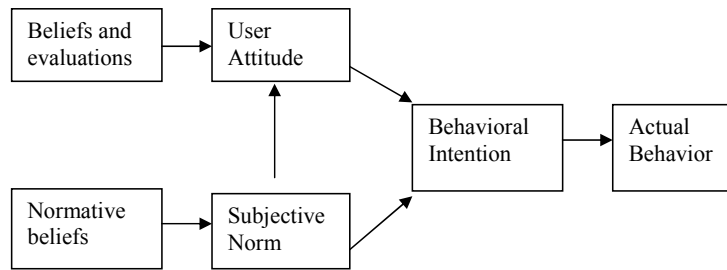The TRA model (Fishbein and Ajzen, 1975; Ajzen & Fishbein, 1980) is as shown in Figure 1.

Figure 1: Theory of Reasoned Action

4.0 METHODOLOGY

The population of this study consisted of all MBA students enrolled with a public institution of higher learning. A structured questionnaire consisting four parts (Demographic, attitude, subjective norm and intention) was used to collect the data for this study using a convenience sampling. A total of 102 responses were received from a total of 200 questionnaires distributed which gives a response rate of 51%.

5.0 RESEARCH MODEL AND HYPOTHESES

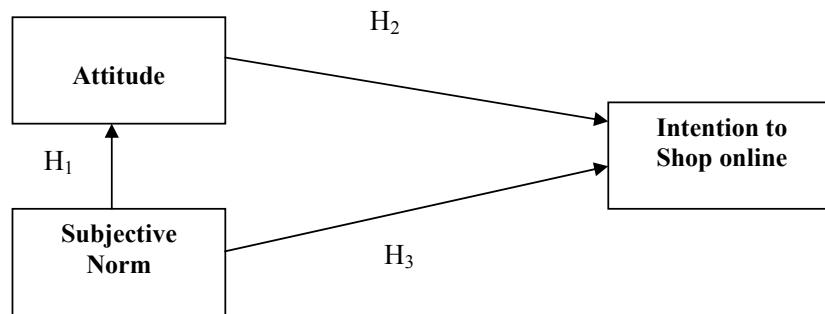Based on the TRA the following research model was derived. (see figure 2)

Figure 2: Research Model

The research hypotheses formulated for this research are as follows:

H₁: Subjective norm will influence the attitude of a person

H₂: Attitude will be positively related to intention to shop online

H₃: Subjective norm will be positively related to intention to shop online

Goodness of the measures
The goodness of the measures used in this study was assessed using the factor analysis and also reliability

analysis before proceeding with the hypotheses testing stage.

To assess the construct validity, a factor analysis with Varimax rotation was performed. The results of the factor analyses done on the independent and the dependent variables are shown in Table 1 and Table 2. For attitude and subjective norm construct the total variance explained was 87.93%, whereas for the intention construct the total variance explained was 67.20%. Both showed sufficient intercorrelations being present with Measures of Sampling Adequacy values of 0.695 ($\chi 2$ = 357.939, p<0.01) and 0.620 ($\chi 2$ = 87.205, p<0.01) respectively. The criteria used to identify the loadings was that each item should load

0.50 or greater on one factor and 0.35 or lower on   another factor (Igbaria et al., 1995).

Table 1: Factor analysis result for the independent variables

Items	Component	
	1	2
Using the Internet for shopping would be a good idea.	0.070	**0.959**
I would like to use the Internet for shopping.	0.311	**0.899**
My Friends	**0.928**	0.206
My Family	**0.900**	0.058
My Colleagues	**0.878**	0.284
Eigenvalue	2.54	1.85
Variance explained (87.93%)	50.85	37.08

Table 2: Factor analysis result for the independent variables

	Component
	1
I intend to use the Internet frequently to do my shopping.	**0.892**
I intend to use the Internet whenever appropriate to do shopping.	**0.854**
Probability of using the Internet to shop in the near future.	**0.701**
Eigenvalue	2.02
Variance explained (87.93%)	67.20

Table 3 and 4 presents the reliability coefficients and also the descriptive statistics. As shown, the reliabilities of the constructs are acceptable as mentioned by Nunnally (1978).

Table 3: Reliability coefficients

Variable	Number of items	Items dropped	Cronbach Alpha
Attitude	2	-	0.887
Subjective norm	3	-	0.910
Intention	3	-	0.815

Table 4: Descriptive for the major variables

Variable	Mean	Standard Deviation
Attitude	4.68	1.10
Subjective norm	3.87	1.33
Intention	4.23	1.25

Note: All items used a 7-point Likert scale with (1=Strongly disagree and 7=Strongly agree)

Table 5 shows the profile of the respondents with majority of them being male and within the age of 25-34 and 35-44 years old. About 51% of the respondents were married with a majority of them earning RM3,000 to RM5,000 per month.

Table 5: Profile of respondents

	Frequency	Percentage
Gender		
Male	66	64.7
Female	36	35.3
Age Group		
Below 25 yrs	3	3.0
25-34 yrs	56	54.9
35-44 yrs	41	40.1
45-54 yrs	2	2.0
Marital Status		
Single	50	49.0
Married	51	50.0
Divorced	1	1.0
Income Level (Per month)		
Full time students	3	3.0
RM2,000 and less	9	8.8
RM2,001 – RM 3,000	14	13.7
RM3,001 – RM 4,000	37	36.2

RM4,001 – RM 5,000	20	19.6
More than RM5,000	19	18.7

Table 6: Intercorrelations of the major variables

	Attitude	Subjective Norm	Intention
Attitude	1.000		
Subjective Norm	0.396**	1.000	
Intention	0.659**	.441**	1.000

** $p < 0.01$

The hypotheses generated were tested using the regression analysis and the results presented in Figure 3.
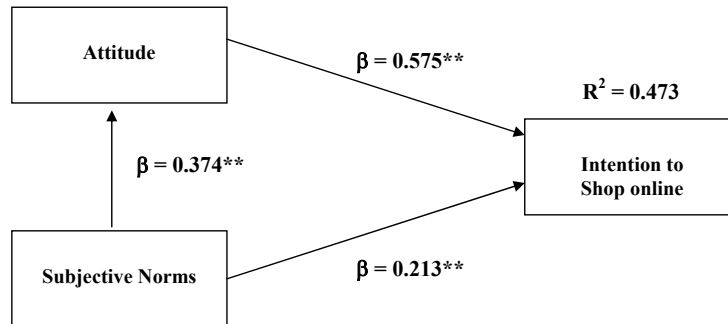

Figure 3: Results of the regression analysis

The results indicate that subjective norm positively influences ($\beta = 0.374$, $p < 0.01$) the attitude to shop online. It was also shown that attitude is positively related ($\beta = 0.575$, $p < 0.01$) to intention to shop online. Subjective norm ($\beta = 0.213$, $p < 0.01$) was also found to be positively related to intention to shop online. Thus H_1, H_2 and H_3 of this study are fully supported. A closer scrutiny shows that attitude is the most significant predictor of intention to shop online. The R_2 of 0.473 indicates that 47.3% of the variation in intention to shop online can be explained by attitude and subjective norm. The coefficient of determination is considered high in terms of behavioral research of this manner thus giving further support for the model.

6.0 DISCUSSION

The findings have clearly indicated that in terms of technology acceptance research in the Malaysian context, the Theory of reasoned action is a valid model of prediction. Researchers embarking on any kind of technology acceptance research can utilize this model in their endeavor to explain the acceptance/non acceptance of a particular technology as this model has been shown to have a good explanatory power as high as 47.3%.

Attitude has been shown to be the most influential driver of intention. Subjective norm on the other cannot be discounted either. In the Malaysian culture subjective norm plays an important role. Friends, family members and colleagues are strong referent points in the Malaysian culture and the inclination to comply with their pressures is well known in many a research done in the Malaysian settings.

7.0 CONCLUSION

The study has shown that the TRA is a valid model that can be used to predict intention to shop online in the Malaysian setting. It was also shown that attitude and subjective norm are good predictors of intention with attitude being the more influential. Thus the online marketers have to keep this in mind when developing their interactive websites while at the same time incorporating the element of subjective norm in their promotional campaigns. Online shopping is set to expand and Malaysians are just warming up to this new phenomenon. With the increasing bandwidth and also affluence it is most likely that online shopping will be the channel of shopping in the near future.

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