Exploring Antecedents of Online Purchasing Behavioral Intention of Generation Z: An Integrated Model of Four Theories

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Abstract
Although many online purchasing behavioral intention studies have been carried out, very few are focused on Generation Z, the generation that is expected to dominate the e-commerce market by 2020. This paper attempts to explore the antecedents of online purchase behavioral intention of Generation Z who was born in the era of the internet and are digital-centric. The objective of this study is to understand the factors that influence the online purchasing behavior of Gen Z through perceived ease of use, perceived usefulness, and trust. Theory of Perceived Risk, Technology Acceptance Model, Theory of Planned Behaviors, and Customer Socialization Theory were used to provide direction for this study. An online survey was conducted to reach targeted respondents who are known for their internet skill. Findings from the study demonstrated mixed results and some of the prominent variables of purchasing behavior are no longer relevant. Perceived risk did not affect the perceived usefulness and perceived ease of use but positively influenced trust. Only trust and perceived ease of use influenced online purchasing behavioral intention while web store design did not contribute to the perceived usefulness of Gen Z. Findings from this study can help retailers and marketers to strategize their marketing to tackle this new group of customers who are expected to dominate the market soon. Future research and recommendations are included.

Keywords: business, online purchasing behavioral intention, customer socialization theory, technology acceptance model, trust, theory of perceived risk, theory of planned behavior, gen Z
1.0 Introduction

Studies on online purchasing behavior that seek to understand the various types of consumers have been carried out for many years. A high rate of technology adoption by consumers saw the explosion of e-commerce. Many studies have been carried out on millennials and Generation Y, but very few studies were carried on Generation Z (Gen Z) who are expected to make up 40% of all customers by 2020 (Stanley, 2018). Gen Z refers to young adults who were born in 1995 onwards (Fister-Gale, 2015). Gen Z is a digital-savvy group as they were born with access to the internet; therefore, their purchasing behavior is different from other generations. As they were born into a digital world, their lives were connected to and were able to engage with their favorite brands through the internet (Bernstein, 2015). They are digital-centric and may be excessive users of technology. This generation is smart and has a strong influence on families spending and household purchases due to their proficiency in searching for information. Thus, it makes them a smarter generation because of their knowledge acquiring abilities. Social media influenced almost 80% of purchases done by Gen Z; therefore, trust is crucial (Salpini, 2017) and should act as a salient salesman in today's world of e-commerce (Thomas, 2018). Furthermore, although only a few have started working and their economic influence is insubstantial, they have a strong influence on household purchasing decisions (Fromm, 2018). This raises a question on their shopping pattern especially when they are considered a digital native.

Malaysia has approximately 25.08 million active internet users who represent 87.4% percent of the population in 2018. The population has high rates of mobile phone penetration. Of the 31.2 million Malaysians, 24 million are social media users, 21.6 million are unique mobile users, and 22 million use social media on their mobile devices (MCMC, 2017). Malaysia boasts 15.3 million online shoppers (50 percent of the population) and 62 percent of mobile users utilize their devices to shop online (expot.gov, 2018).

In exploring online purchasing behavioral intention, many researchers have been adopting the Technology Acceptance Model (TAM) that is considered as one of the most influential and widely applied model (Davis, 1989; Venkatesh & Davis, 2000). As the digital era is moving in, technology is getting more advanced and e-commerce has been flourishing with the proliferation of electronic marketplaces. TAM is deemed to be relevant in investigating the impacts of perceived
usefulness and perceived ease of use on attitudes toward using the internet and intentions with the inclusion of the effects of trust and perceived risk (Venkatesh & Bala, 2008).

This paper attempts to investigate the online purchasing behavior intention of Gen Z using an integrated Theory of Perceived Risk (TPR), Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Customer Socialization Theory (CST). This research is conducted to study the antecedents of online purchasing intention (webstore design, peer communication, perceived control behavior, perceived usefulness, perceived ease of use, and trust) and the impact of the attitude of online purchasing intention in mediating the relationships of the antecedents to the online purchasing behavioral intention among Gen Z.

2.0 Literature Review and Theoretical Foundation

The study adopts a different approach to analyze the antecedents of online purchasing intentions by proposing an integrated model which combines well-grounded theories, namely the TPR, TAM, and TPB. Besides, this study also includes CST as it is relevant to the focus. These theories have been used extensively in explaining users' acceptance in several domains, notably information systems, and specifically online shopping (Limayem et al., 2000; Pavlou & Fygenson, 2006; Yu & Wu, 2007). The proposed model intends to explore the possibilities by using the well-known theories that impart the antecedents of behavior and include other constructs in order to enhance its explanatory and predictive ability. Indeed, besides the constructs derived from these theories, web store design and peer communication were added to the model using CST. Through this integrative approach, it would enhance our understanding of online purchasing behavior of Gen Z as well as exploring how related variables affect intentions to purchase online.

Online purchasing creates much risk as customers are unable to verify and see the products themselves. Customers perceive risk when they feel insecure and face an uncomfortable situation because of their inept decision (Taylor, 1974). Studies have shown that online purchasing recorded a higher level of perceived risks compared to traditional shopping (Li & Huang, 2009). Therefore, trust plays an important role online to reduce issues of risk (Kim et al., 2008), especially for those who frequently purchase online who have more understanding of the potential risks (Tan & Castelfranchi, 2001).
Technology Acceptance Model (TAM) is a well-known theory to explain and predict an individual’s acceptance of information technology (Olumide, 2016). TAM, which is derived from the Theory of Reasoned Action (TRA), suggests that social behavior is motivated by attitude and intention to perform. TAM studies the effect of perceived usefulness and perceived ease of use on the attitude that is linked to behavior and intention to use technology, particularly the internet (Gefen et al., 2003). Perceived usefulness means that the users think that it is beneficial to use the technology in completing their work. Indeed, studies have shown that perceived usefulness significantly affects online purchasing intention and is significantly related to online users' behaviors and attitudes (McCloskey, 2006). Perceived ease of use or purchasing can be described as a consumer's expectation that online purchase will require less effort than a walk-in store purchase (Koufaris, 2002). However, Hernandez et al. (2011) find that perceived ease of use in e-commerce did not have a significant effect on attitude or intention among online customers. Therefore, to enhance the understanding of the customer behavior, perceived control behavior of TPB (Ajzen, 1991) is added.

Socialization can be defined as "the processes by which young people develop consumer-related skills, knowledge, and attitudes" (Moschis & Churchill, 1978, p. 599). According to Ward (1974), CST predicts that communication among consumers affects their cognitive, affective, and behavioral attitudes, and it was further affirmed by Quintal et al. (2016) that young customers acquire skills, knowledge, and attitudes relevant to their purchasing behavior in the marketplace (Basu & Sondhi, 2014). Also, the peer socialization model posits that adolescents tend to adopt the beliefs, attitudes, and behaviors of their peers due to modeling and pressure to conform (Becker & Curry, 2014). The internet has changed consumer behavior in terms of socialization, where it allows users to connect with peers who share the same knowledge and experience (Wang et al. 2012).

2.1 Research Model and Hypotheses Development

The proposed research model depicted in Figure 1 aims to understand the antecedents of factors that influence online purchasing behavior intention of Gen Z. A few hypotheses have been developed to test the relationships of antecedents and online purchasing behavioral intention.
Figure 1: Proposed Research Model

2.2 Antecedents of Online Purchasing Behavioral Intention

The image of an online store is essential in establishing trust in customers. Trust plays a very important role in influencing customers’ perception on web store, ultimately influencing their behaviors (Aghekyan-Simonian et al. 2012; Chen & Barnes, 2007). The web store is a place where all information relating to the product, pricing, promotion, and distribution of an item is available to customers. An informative and friendly web store will help create a strong impression on customers. Many studies have shown that an informative web store has a strong influence on customers’ satisfaction which eventually leads to online purchasing (Vasić et al. 2019). The availability of information in web stores help customers feel secure and lead them to make quick online purchase decisions (Bucko et al. 2018).

Furthermore, as customers are well-connected online, social media plays a vital role in shaping customers' behavior. Generally, people perceived that they have a high level of perceived control behavior when they believe that the resources and opportunities present little challenges (Ajzen, 2002). Niu (2013) defines peers as a group of members who share mutual knowledge and experience and serve as a reference for each other. Peer communication on social media has a strong influence on young consumers' attitudes towards a product or service (Thaichon & Quach, 2016; Niu, 2013). Young consumers like Gen Z actively participate in social media discourse; thus virtual friends can be a reliable source of influence and affect their
attitudes and behaviors (Pereira et al., 2016, Thaichon, 2017). Therefore, it is proposed that:

H1a: Web store design positively affects perceived usefulness.
H1b: Peer communication positively affects perceived usefulness.
H1c: Perceived control of behavior positively affects perceived ease of use.

A few studies on perceived risk have found that perceived risk negatively affects both perceived usefulness and perceived ease of use of online shopping (Li & Huang, 2009; Vijayasarathy & Jones, 2000). Past studies have shown that trust is often linked to customers' hesitancy in e-commerce engagement (Lee & Turban, 2001). Even though a few empirical studies have confirmed that perceived risk and trust are the main factors in e-commerce (Cho, 2010; Teo & Li, 2007), the relationship between perceived risk and trust is quite complicated. Mukherjee and Nath (2003) argue that there is a positive relationship between perceived risk and trust in online retailing; in contrast, other authors found that trust and perceived risk are negatively related in online transactions. Gefen and Pavlou (2006) argue that perceived risk is a trust antecedent. On the other hand, Morgan and Hunt (1994) find that perceived risk is not related to trust. To date, the direction of the relationship between risk and trust is still inconclusive. The unique features of online shopping are customers can access information about products and communicate with customer service staff via online tools without leaving home (Brown et al., 2003; Elms et al., 2016), both of which show their low perception of shopping risks.

H2a. Perceived Risk negatively affects perceived usefulness.
H2b. Perceived Risk negatively affects perceived ease of use.
H2c. Perceived Risk negatively affects trust.

According to previous studies in TAM, perceived ease of use was emphasized as a determinant of perceived usefulness (El-Kasim, 2016). When the consumer perceives that shopping online would save time and effort, the frequency of internet utilization will increase (Ha & Stoel, 2008).

H2d. Perceived Ease of Use positively affects perceived usefulness.

TAM suggests that perceived usefulness is a determinant of intention to adopt a particular technology. When customers believe that
shopping online would make their lives easier, they were more likely to make the online purchases eventually (Pavlou, 2003). Perceived ease of use is subjective perception of customers relating to the amount of effort necessary to learn and use a website (Ling et al., 2011).

H3a. Perceived Usefulness positively affects online purchasing intention.
H3b. Perceived Ease of Use positively affects online purchasing intention.

Attitude towards certain behaviors is fundamental towards behavior intention under the TPB and TAM (Ajzen, 1991; Davis et al., 1989). Tariq et al. (2017) find that attitude, subjective norms, and perceived control norms play significant roles in influencing young people towards internet usage. Attitude toward shopping on the internet is defined as a person's positive or negative feeling about online purchasing; online purchase intention refers to whether a consumer intends to engage in online consumption in the near future (Chiu et al., 2005). Consumers will decide to buy if they are confident of the results (Lim et al., 2015; Lwin & Williams, 2003).

H3c. Attitude of online purchasing positively affects online purchasing behavioral intention.

2.3 Mediating Effect

In this study, it is proposed that attitude mediates the relationship between the four proposed determinants and online purchasing behavioral intention (H4a-c). Previous studies have confirmed the mediation effect of attitude on behavioral intention (Goldsmith & Bridges, 2000; Yoh et al., 2003). Attitude, which is related to usefulness, ease, security, and innovation, is typically seen as a mediator between perceived usefulness, perceived ease of use, and online purchase intention (Suwunniponth, 2014; Purnawiran et al., 2012). Research also has shown that people are more prone to purchasing online if they had a higher trust in online shopping (Corbitt et al., 2003; Djafarova & Rushworth, 2017). Indeed, trust plays a central role in online purchases because consumers will hesitate to purchase if they feel uncertainty and risk (McKnight et al., 2002). In a more extreme view, Wang and Emurian (2005) posit that the future of online shopping depends on trust.
H4a. Attitude towards online purchasing mediates the relationship between perceived usefulness and online purchasing behavior.
H4b. Online purchasing attitude mediates the relationship between perceived ease of use and online purchasing behavior.
H4c. Online purchasing attitude mediates the relationship between trust and online purchasing behavior.

3.0 Method

3.1 Research Design

A quantitative research design was used in this study to determine the relationship between independent variables (PU, PEU, and Trust) and a dependent variable (online purchasing behavioral intention) within a population (Gen Z).

3.2 Measurement Items

In this study, we adopted the construct items from published articles, with some minor changes to accommodate the respondents of this research. The items used to measure the constructs were adopted from prior research works such as Pavlou (2003) for trust, Schlosser et al. (2006) for perceived risk and behavioral intention, Park et al (2004) for perceived usefulness, Koufaris (2002) for the perceived ease of use, Lim and Dubinsky (2005) for attitude and Song and Zahedi (2005) for perceived control behavior. All items were measured using a five-point Likert-type scale with anchors from “strongly disagree” to “strongly agree”. The questionnaire included items worded with proper negation and a shuffle of the items to reduce the monotony of questions measuring the same construct.

3.3 Data Collection

The data collection focused on Gen Z in Malaysia, who are frequent users of social media websites. A survey methodology approach was taken to test the relationships in the research model. Online surveys have become an essential research tool for data collection. Not only is this method cheaper, it is also easy to reach to the potential respondents due to their background. Studies have shown that that online survey now plays an important role in market research, accounting for 20% of expenditure on data collection methods around the world (Hooley et al., 2012). Since online survey methods have
made many constructive advantages, this study utilized the online survey as its primary collection tool.

4.0 Results

A total of 133 respondents participated in this study. The sample consisted of 38.2% male and 61.8% female participants with the majority aged 16-18 years old (50.7%) and 42.8% aged within the range of 19-23 years old. About 80% of respondents used mobile handphones for online purchasing. 46% used bank transfer as their method of online payment while 24.3% used a debit card for online purchasing. Majority of the respondents (49.3%) spent more than 5 hours daily on the internet. Most of the activities done online include browsing, followed by information search, emailing, chatting, working, social networking, blogging, finding entertainment. The main reason to shop online was for convenience and to save time (48.5%) followed by price (34.6%). Majority of the respondents rated their internet proficiency either at an intermediate or advanced level with more than two years of exposure.

4.1 Data Analysis

Partial least-squares structural equation modeling (PLS-SEM) using the Smart PLS 3.0 software (Hair et al., 2017) was used to validate the measures developed and test the hypotheses. The analysis of the data is reported in two stages: measurement and structural model.

4.2 Measurement Model

The measurement model or outer model presents the outer model results to examine the loadings, reliability, and validity of the measures used to represent each construct (Chin, 2010) and the approach of PLS threshold values as suggested by Hair et al. (2011). Table 1 shows the measurement model. As suggested by Hair et al. (2017), the factor loadings, composite reliability, and average variance extracted were used to assess convergence validity.

A few items have been deleted due to low loadings. The loadings for all the remaining items exceeded the recommended value of 0.5 (Hair et al., 2017) and are therefore significant. The Cronbach's Alpha and composite reliability values, which depict the degree to which the construct indicators indicate the latent, are as in Table 1 and
exceeded the recommended value of 0.7 (Hair et al., 2010). The extracted average variance, which reflects the overall amount of variance in the indicators that are accounted for by the latent construct, also exceeded the recommended value of 0.5 (Hair et al., 2010). Therefore, the measures of all the variables/constructs have good levels of convergent validity.

Table 1: Measurement Model Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Construct</th>
<th>Loadings</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
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<td>0.871</td>
<td>0.921</td>
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<tr>
<td></td>
<td>AT2</td>
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<td></td>
<td>AT3</td>
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<td></td>
<td>INT3</td>
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<td>Perceived Control</td>
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<td>Behavior</td>
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<tr>
<td></td>
<td>PB3</td>
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<td>Peer Communication</td>
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<td>PC4</td>
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<td>PC5</td>
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<td>PEU5</td>
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<td>PEU7</td>
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<td>Perceived Usefulness</td>
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<td>PU9</td>
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 MALAYSIAN JOURNAL OF CONSUMER AND FAMILY ECONOMICS Vol 27, 2021

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<th>Variable</th>
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<th>α</th>
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<td></td>
<td>WB3</td>
<td>0.843</td>
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</table>

Items deleted due to low loadings: PEU4, PU2, PU3.

To test discriminant validity, Henseler et al. (2015) recommended the heterotrait-monotrait ratio of correlations (HTMT) because it has superior performance in detecting discriminant validity (Ab Hamid et al., 2017). Table 2 shows that all variables value is below 0.9; therefore, discriminant validity is established.

Table 2: Discriminant Validity of Constructs

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<td>ATTITUDE</td>
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<td>INTENTION</td>
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<td>PBC</td>
<td>0.887</td>
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<td>PEERCOMM</td>
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<td>PEU</td>
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<td>RISK</td>
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<td>0.107</td>
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<td>PU</td>
<td>0.753</td>
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<td>TRUST</td>
<td>0.766</td>
<td>0.749</td>
<td>0.840</td>
<td>0.676</td>
<td>0.657</td>
<td>0.280</td>
<td>0.729</td>
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<td>WebStore</td>
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<td>0.241</td>
<td>0.319</td>
<td>0.263</td>
<td>0.438</td>
<td>0.087</td>
<td>0.362</td>
<td>0.393</td>
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</table>

Hence, the results indicate that discriminant and convergent validity of the measures were reasonable.

4.3 Structural Model

The structural model or inner model examines the hypothesized relationships among the constructs in the research model (Hair et al., 2017). About 63.4% of variance in Attitude was explained by PU, PEU, and Trust. The R² of online purchasing intention (OPI) showed a reliable predictive explanatory power of 61.6% variance. This situation is explained by its antecedents, namely PU, PEU, Trust, and Attitude, as shown in Figure 2.
4.4 Hypotheses Testing

The web store design did not affect perceived usefulness ($\beta=0.025$, $t=0.523$, $p=0.601$), therefore H1a is not supported. However, peer communication significantly influenced perceived usefulness ($\beta=0.206$, $t=3.406$, $p=0.001$) so H1b is supported. Like previous studies, perceived control behavior has an active role in perceived ease of use ($\beta=0.674$, $t=11.274$, $p=0.000$), thus H1c is supported. However, perceived risk did not influence the perceived usefulness ($\beta=-0.071$, $t=1.167$, $p=0.244$) and perceived ease use ($\beta=-0.042$, $t=0.680$, $p=0.497$). Therefore, both H2a and H2b are not supported. Perceived risk negatively affected trust ($\beta=-0.234$, $t=2.573$, $p=0.010$), a result typical to most studies. Although this result contrasts with a study by Chen and Barnes (2007) that finds that perceived risk is positively related to initial trust in electronic commerce, H2c is supported. Consistent to previous studies, perceived ease of use has a significant influence on perceived usefulness ($\beta=0.635$, $t=10.1$, $p=0.000$) so H2d is supported. Interestingly, Gen Z’s perceived usefulness did not result in online purchasing intention ($\beta=0.009$, $t=0.103$, $p=0.918$). Therefore, H3a is not supported. However, Gen Z’s perceived ease of use positively affected online purchasing intention ($\beta=0.260$, $t=2.696$, $p=0.007$), hence, H3b is supported. This could be related to their strong
information-seeking capabilities. As most of them spend between 2 -5 hours a day on the internet, their attitude and online purchasing intention were influenced ($\beta = 0.567$, $t= 6.603$, $p=0.000$). Thus, H3c is supported. Table 3 presents the results of the hypotheses testing.
Table 3: Hypotheses Testing Results

<table>
<thead>
<tr>
<th>Relationship</th>
<th>β</th>
<th>t-value</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a. Web store design positively affects perceived usefulness.</td>
<td>0.025</td>
<td>0.523</td>
<td>0.601</td>
<td>Not supported</td>
</tr>
<tr>
<td>H1b. Peer communication positively affects perceived usefulness.</td>
<td>0.206</td>
<td>3.406</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H1c. Perceived control behavior positively affects perceived ease of use.</td>
<td>0.674</td>
<td>11.274</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2a. Perceived Risk negatively affects perceived usefulness.</td>
<td>-0.071</td>
<td>1.167</td>
<td>0.244</td>
<td>Not supported</td>
</tr>
<tr>
<td>H2b. Perceived Risk negatively affects perceived ease of use.</td>
<td>-0.042</td>
<td>0.680</td>
<td>0.497</td>
<td>Not supported</td>
</tr>
<tr>
<td>H2c. Perceived Risk negatively affects trust.</td>
<td>-0.234</td>
<td>2.573</td>
<td>0.010</td>
<td>Supported</td>
</tr>
<tr>
<td>H2d. Perceived Ease of Use positively affects perceived usefulness.</td>
<td>0.635</td>
<td>10.1</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3a. Perceived Usefulness positively affects online purchasing intention.</td>
<td>0.009</td>
<td>0.103</td>
<td>0.918</td>
<td>Not supported</td>
</tr>
<tr>
<td>H3b. Perceived Ease of Use positively affects online purchasing intention.</td>
<td>0.260</td>
<td>2.696</td>
<td>0.007</td>
<td>Supported</td>
</tr>
<tr>
<td>H3c. Attitude towards online purchasing positively affects online purchasing intention.</td>
<td>0.567</td>
<td>6.603</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Table 4: Mediation Analysis

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>β</th>
<th>t-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H4a. Attitude towards online purchasing mediates relationship between perceived usefulness and online purchasing behavior.</td>
<td>0.056</td>
<td>0.795</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H4b. Online purchasing attitude mediates relationship between perceived ease of use and online purchasing behavior.</td>
<td>0.309</td>
<td>3.774</td>
<td>Supported</td>
</tr>
<tr>
<td>H4c. Online purchasing attitude mediates relationship between trust and online purchasing behavior.</td>
<td>0.186</td>
<td>2.532</td>
<td>Supported</td>
</tr>
</tbody>
</table>
4.5 Mediation Analysis

Hair et al. (2014) define mediation as the translator that carries forward the influence of the independent variable on the dependent variable. Bootstrapping was used to test the mediation effect, as suggested by Hair et al. (2014). Also, variance account for (VAF) was employed to confirm the mediation effect of attitude between the antecedents and online purchasing intention. The coefficient of determination \( R^2 \) has a high value of 0.616 for Intention, substantiating the model's predictive validity (Hair et al., 2013). This finding is also supported by the \( Q^2 \) value (Geisser, 1974; Stone, 1974) of predictive relevance. After running the blindfolding procedure (Henseler et al., 2009) with an omission distance \( D=9 \), the \( Q^2 \) value of Online Purchasing Intention (0.503), which is well above zero, indicates the predictive relevance of the PLS path model. The total effect of bootstrapping and the VAF calculation (99%) proves that the mediation effect exists through Attitude between PU, PEU, and Trust as shown in Table 4.

Gen Z do not perceive the internet as facilitating online purchasing more effectively even though they admitted that their main reason to opt for online shopping are convenience and to save time. Thus, their perceived usefulness did not affect their attitude towards online purchasing intention. As such, H4a is not supported. Even though risk does not affect their trust in online shopping, it did influence their attitude towards online purchasing. Their proficiency in using the internet reduces the effort required to seek information, thus making it easier for them to commit to online purchasing behavioral intention. Both H4b and H4c are supported.

5.0 Discussion

This research models the antecedents and outcomes of online behaviors from the perspective of TPR, TAM, TPB, and CST model. The findings provide unique insights into the online purchasing behavioral intention of Gen Z. The findings confirm that Gen Z chooses online shopping due to convenience and efficiency (Priporas et al, 2017). Peer communication influences the perceived usefulness as Gen Z is actively involved in social interaction with their peers but indirectly did not affect attitude and intention. This contrasts with a previous study by Wang et al. (2012). Since they use social media to interact socially, Gen Z do not consider web store design as perceived
usefulness in shopping online even though several studies have investigated the positive impact of product presentation on trust, especially in terms of store context. In fact, many previous studies emphasized that web design is critical in engaging users (Garett et al., 2016). The result is in line with some seminal studies (Yoo & Kim, 2012). Both peer communication and web store design did not have an impact on attitude and intention of Gen Z’s online purchasing behavior intention. Gen Z considers risk and trust but not perceived usefulness and perceived ease of use. As Gen Z is known for being impatient and impulsive in making decisions, risk has little influence in their behavior. It is interesting to note that only trust and perceived ease of use influence the online purchasing behavior of Gen Z. Being internet-savvy, Gen Z do not regard the importance of perceived usefulness to their purchasing behavior (Thaicon, 2017).

5.1 Theoretical Implications

The structural model, based on TPR, TAM, TPR, and SCT, offers a sound theoretical foundation for a research model. To our knowledge, this is the first study on online purchasing intention on Gen Z with this integrated model. It is interesting to find out that many related variables in online purchasing behavior used in the TAM model are no longer relevant with the advancement of technology and since the level of competencies and knowledge have been improved tremendously. In short there is a demand for the integration of theories to relate to new more relevant variables.

5.2 Practical Implications

The findings from this study will have significant implications to retailers, marketers, and advertisers of products and services that target Gen Z as shoppers from this generation make up almost 30% of the population in Malaysian (Aninditya, 2015). It is very interesting to note that in our findings, Gen Z shoppers will not easily be enticed by web store design when choosing products or services. Instead, they are more interested in the function of the products and in the simplicity of operating the products. They communicate a lot with their peers in gathering information about a products' usefulness that they do not weigh the risk of executing online purchasing when they already have peer recommendations. Trust is built through peer recommendations and reviews.
The abovementioned findings are consistent with a recent survey conducted by Accenture (2017) which discovered that Gen Z shoppers are very interested in purchasing via social media directly and are heavily influenced by visuals, i.e., videos and pictures. They look for curated subscription-type products, especially fashion, write feedback a lot, and listen to it as much as they provide. However, Gen Z shoppers have not yet formed strong brand loyalty (Accenture, 2017). Therefore, retailers, marketers, and online advertisers have to adapt and suit the features of their online presence if they want to capture the market share of Gen Z. This generation is starting to enter the job market and will expand their spending power as they secure their source of income and the freedom to decide on products and services that they want. Gen Z is well-informed and active in searching for information and knowledge. For them, the risk is part and parcel of life, and they are risk-takers. However, trust is still important to them. Marketers and retailers must understand the characteristics of Gen Z.

5.3 Limitations and Future Research

Despite the inspiring findings, this study has several limitations. Firstly, this study provides quite a lengthy questionnaire; thus, respondents lost their focus while completing the survey. The study shows that web store design has a negative impact on perceived usefulness; perhaps more items should be included to give respondents a better understanding. For future research, it is recommended to extend the model with the inclusion of other constructs such as entertainment, empathy, website credibility, and celebrity involvement.

6.0 Conclusion

The results suggest that some variables of TAM are no longer relevant since young consumers like Gen Z are very familiar with the internet and its usage. Gen Z’s perceived ease of use and trust influence their intention to purchase online. When they perceive the usefulness of the internet, it reduces their perceived risk. The findings show that Gen Z is proficient in using the internet and spends long hours browsing and networking; online purchasing has become their purchase routine. As online purchasing has become a lifestyle of Gen Z, more innovative online marketing and platforms would entice this new group of potential customers.
References


