



Faculty of Cognitive Sciences and Human Development

**Psychological Factor that Affect Online Shopping Behaviour
during Covid-19 Pandemic**

Elviana Anak Kalana

Bachelor of Psychology (Honours)

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UNIVERSITI MALAYSIA SAWARAK

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Final Year Project Report

Masters

PhD

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Psychological Factor that Affect Online Shopping Behaviour during Covid-19 Pandemic

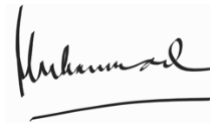
Elviana Anak Kalana

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in partial fulfilment of the requirements for a
Bachelor of Psychology with Honours

Faculty of Cognitive Sciences and Human Development
UNIVERSITI MALAYSIA SARAWAK
(2022)

The project entitled “**Psychological Factor that Affect Online Shopping Behaviour during Covid-19 Pandemic**” was prepared by **Elviana Anak Kalana, 69576** and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Psychology with Honours

Received for examination by:



(DR Muhamad Sophian Nazaruddin Sutan Saidi)

Date: July 2022

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ABSTRACT

Online shopping is no doubt is the upcoming trend. In Malaysia, online sales of goods in categories like clothing and accessories, electronic and books are rising. Numerous studies asserted that although internet shopping is still in its infancy in Malaysia, it would undoubtedly continue to grow. The purpose of this study is to investigate Psychological Factor that Affect Online Shopping Behavior during Covid-19 Pandemic. It also Investigate the relationship between self-justification and intention to purchase online. Furthermore, researcher also want to examines whether occupation has impacted the frequency on online shopping. Researcher also tries to capture the inter-relationship of fear and anxiety of covid-19 with the intention of online shopping. The results of this study indicated that psychological factor such as fear and anxiety toward Covid-19 really impacted the participants and make them to choose online shopping instead of physical shopping. In total 52 valid responses were gathered through self-administered questionnaire survey. The survey consists of a total of 12 questions. The first section is about the respondent demographic profile, second section about the respondent's intention and attitude and lastly third section is about fear and anxiety. Pearson correlation and spearman correlation were used to test hypotheses and determine the significance and degree of relationship between dependent and independent variables.

ABSTRAK

Membeli-belah dalam talian tidak syak lagi adalah trend yang akan datang. Di Malaysia, jualan dalam talian barangan dalam kategori seperti pakaian dan aksesori, elektronik dan buku semakin meningkat. Banyak kajian menegaskan bahawa walaupun membeli-belah internet masih di peringkat awal di Malaysia, sudah pasti ia akan terus berkembang. Tujuan kajian ini adalah untuk menyiasat Faktor Psikologi yang Mempengaruhi Gelagat Membeli-belah Dalam Talian semasa Pandemik Covid-19. Ia juga Menyiasat hubungan antara justifikasi diri dan niat untuk membeli dalam talian. Selain itu, pengkaji juga ingin mengkaji sama ada pekerjaan memberi kesan kepada kekerapan membeli-belah dalam talian. Penyelidik juga cuba menangkap hubungan antara ketakutan dan kebimbangan covid-19 dengan niat membeli-belah dalam talian. Hasil kajian ini menunjukkan bahawa faktor psikologi seperti ketakutan dan kebimbangan terhadap Covid-19 benar-benar memberi kesan kepada peserta dan membuatkan mereka memilih membeli-belah dalam talian berbanding membeli-belah fizikal. Sebanyak 52 jawapan yang sah telah dikumpulkan melalui tinjauan soal selidik yang ditadbir sendiri. Tinjauan ini mengandungi sejumlah 12 soalan. Bahagian pertama adalah mengenai profil demografi responden, bahagian kedua mengenai niat dan sikap responden dan terakhir bahagian ketiga adalah tentang ketakutan dan kebimbangan. Korelasi Pearson dan korelasi spearman digunakan untuk menguji hipotesis dan menentukan kepentingan dan darjah hubungan antara pembolehubah bersandar dan bebas.

CHAPTER 1

INTRODUCTION

1.0 Introduction

In this chapter, the researcher discusses the background of the study, the problem statement, research objective, research questions, the hypothesis, the conceptual framework, the significance of the study, limitations of the study and the definition of terms. The researcher aimed to provide the reader an overall framework for the study.

1.1 Background of Study

Online shopping, also known as E-tail or E-shopping, is a type of e-commerce in which consumers buy goods or services directly from sellers via the internet. (Zhong, S.Qiu, & Sun, 2020). The internet's rapid development has created opportunities for business growth. Online shopping has grown in popularity as a new shopping channel in recent years. Malaysia is one of Southeast Asia's fastest growing e-commerce markets. According to Obal and Kunz (2016), Malaysia's e-commerce industry is confronted with a high-quality massive market opportunity. The rapid growth of its economy will be aided by the growth of e-commerce. Investigating Malaysian consumers' online purchasing habits is especially important.

Psychological factors act as motivators for individuals. Motivation, perception, learning, and attitudes or beliefs are the four key elements of the psychological factor. According to Smith and Rupp (2003), when consumers buy parcels, they are primarily influenced by perception, attitudes, motivation, personality, and emotion, all of which play a role in their online purchasing behaviour. A person's personality can be divided into two

types: virtual personalities and real-life personalities. Some people prefer to interact virtually and conduct transactions online. This personality type is more likely to be interested in online purchases (Schiffman & Kanuk, 2009). Perception is subjective and varies from person to person. People's criteria for selection are influenced by their own perception. It is concerned with how people think and perceive the world, drawing a meaningful picture based on information gathered by their sensory organs. Lake (2009) stated that, people choose and select specific products based on their perception and are influenced by it.

According to the World Health Organization (WHO), Coronavirus disease (COVID-19) is a viral infection that is caused by the SARS-CoV-2 virus. People infected with the virus are most likely to experience mild to moderate respiratory disease and recover without the need for additional medical care, according to recent studies. A few, on the other hand, will deteriorate to the point of needing medical intervention. Seniors and people with underlying medical illnesses including heart disease, diabetes, chronic respiratory disease, or cancer have a higher risk of developing serious illness than the general population. People of any age can become seriously ill or die as a result of exposure to COVID-19. A global pandemic has resulted in many deaths, requiring everyone to adapt to new norms like masks, SOPs and lockdowns. This is not surprising. Since the beginning of 2020, Malaysia has implemented a variety of MCOs to battle the pandemic. A fall in household income and poverty has been connected to every MCO since then, as has a decrease in mental health. In other words, the Malaysian economy was the most severely harmed by the introduction of MCO, with GDP actually declining in the country. (Afrina,2021).

The main aim of the study is to explore the psychological factors affecting online shopping behavior during the COVID-19 pandemic in Malaysia

1.2 Problem Statement

The COVID-19 pandemic has had far more of an impact on society and the economy than just a health crisis. Since the outbreak of the COVID-19 pandemic, our social style, communication, and shopping habits have been unpredictably altered (Despin, 2020). This dramatic situation has had a significant impact on consumer attitudes and behavior, according to economic data on sales. A global shift in consumer spending has been observed as a result of the COVID-19 pandemic (Nielsen, 2020). Consumer behavior during the COVID-19 pandemic may have changed as a result of factors such as attitudes, feelings, and behaviors that have received less attention in the research. In contrast, it is crucial to comprehend the psychological factors that influence customer behavior and product selection. We can learn a lot about changing consumer behavior in the context of COVID-19 if we conduct research like this. Rajagopal, 2020 says the findings could also help with the development of new marketing strategies that take psychological factors into account to meet the needs and feelings of actual customers. The market's ability to respond to future pandemics and emergencies may be improved by better understanding these needs and emotions. Thus, anxiety and perceived scarcity of essential goods may be reduced in the future, while consumers' sense of well-being and positive self-image may be enhanced by these changes (Gelderman, Mampeay, Semeijin, & Verhappen, 2019).

1.3 Research Objectives

1. To identify the factors that influence consumers' attitude and intention to shop online
2. To identify the relationship between occupations and frequency of online shopping
3. To study anxiety and fear of COVID-19 pandemic effect online buying

1.4 Research Questions

1. What is the factors that influence consumer's attitude and intention to shop online?

2. What is the relationship between consumer's occupation and the frequency of online shopping?
3. How anxiety and fear of COVID-19 pandemic affect online buying?

1.5 Research Hypotheses

1. Higher implementation of self-justification strategies would increase the intention for the consumer to online shopping.

H1: There is a positive significant relationship between self-justification and online shopping intention during COVID-19 pandemic

2. Better occupation with high salary would lead the consumers to shop more.

H2: There is a positive relationship between occupation and frequency of online shopping

3. Higher level of anxiety and fear of COVID-19, would lead the consumer to online shopping instead of going outside

H3: There is a positive relationship between fear and anxiety and the consumer's intention to online shopping

1.6 Conceptual Framework

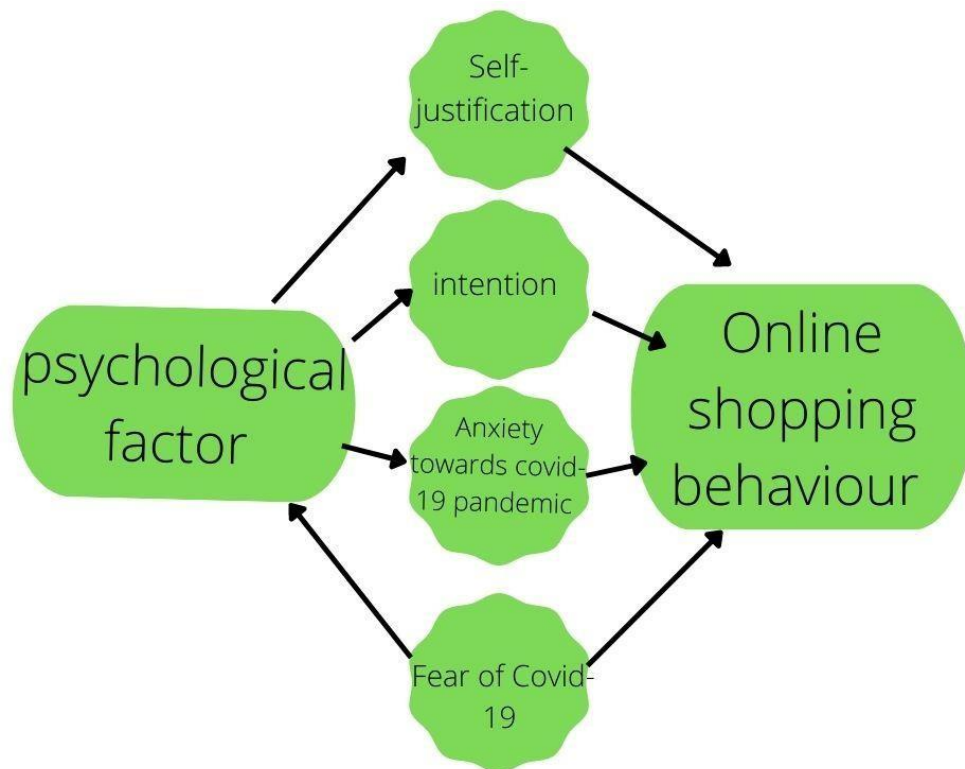


Figure 1.6. Conceptual framework of the study

1.7 Significance of Study

This study identifies consumer's attitudes towards online shopping during COVID-19 pandemic. It offers insight that helps to develop new marketing strategies that meet the actual needs and feelings of the consumer. The result of this study should be useful for the online seller in Malaysia so that they can have a better understanding of the dynamic of consumer's behaviors.

Due to the outburst of pandemic COVID-19, all the social activities and places in Malaysia are forced to close to avoid the spread of coronavirus. Online platforms have become the alternative to continue the daily basis. Therefore, this study addressed the psychological factors that affect online shopping behavior.

1.8 Definition of Terms

1. Psychological factor is a functional factor that, opposed to biological factors, also contributes to personality development, health and well-being maintenance and the aetiology of mental and behavioural disorders.
2. Behaviour is defined as any action or function that can be observed or measured objectively in response to controlled stimuli.
3. The act of making a purchase over the internet is known as online shopping. It includes everything from searching for a product to placing an order to coordinating delivery. A credit card payment can be made online or in person when the item or service is delivered.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher revealed the literature related to the study to give an overview of the current knowledge about the topic of the study. There are four parts covered in this chapter that are introduction, the discussion of concepts and theories, the discussion of online buying intention, the discussion of anxiety and fear of Covid-19 pandemic effect online buying and the discussion of stress effect on online buying

2.1 Concepts and Theories

According to Fishbein and Ajzen (1975), a consumer's intention to engage in actual behaviour predicts actual behaviour more accurately than their sentiment toward a product. A person's deliberate decision to exert effort in order to carry out behaviour (Eagly & Chaiken, 1993). However, later on, Fishbein and Ajzen demonstrated that attitudes do influence a consumer's intention, which in turn drives their behaviour. By combining intention and attitudes, Fishbein and Ajzen established the Theory of Reasoned Action (TRA) to anticipate behavioural intents. Their behavioural intention model is commonly used in studies to determine how an individual's opinions toward online purchasing influence that individual's behavioural intention (Shim et al, 2001). Fishbein and Ajzen's model included attitudes as a predictor of both intention and actual behaviour. Attitudes, according to the Theory of Reasoned Action (TRA), entirely moderate beliefs such as the perceived advantages of online buying (Delafrooz, 2009). Using the TRA model, Verhoef and Langerak (2001) concluded that attitudes had a significant influence on the intention to shop online.

2.2 Online buying intention

The intention is a factor that is used to assess the likelihood of future behaviour (Ajzen,1985). The ability of consumers to make purchases over the internet is the goal of online shopping (Delafrooz, Paim & Katibi,2010). Moreover, consumer purchasing behaviour refers to consumer actions related to the procurement and consumption of goods and services such as identification of need, the search of information, the evaluation of the alternatives, the purchase decision and the post-purchase behaviour when buying online (Kotler,2003). According to Presset, Winklhofer and Tzokas (2009), consumer purchasing behaviour refers to the actions that consumers take in the search, purchase, use and evaluation of products and services that they believe will meet their specific needs. Based on the consumer confidence study by Chinomona and Sandada, 2013, brand trust influences awareness of an online supplier, thereby increasing people's purchasing intentions and consumption from online suppliers.

2.3 Anxiety and fear of COVID-19 pandemic effect online buying

Anxiety is derived from the German words "angst" which means sadness, sorrow, worry thought and concern (TDK,2020). Anxiety and fear are frequently being confused. Anxiety's source of danger is hidden, ambiguous and subjective. However, the danger is present with fear and it is objective. According to France and Robson,1997, anxiety affects people in a cognitive, psychological, physiological and behavioural way. Anxiety has been linked to physical symptoms including tachycardia, shortness of breath, exhaustion, and perspiration, as well as mental symptoms like melancholy, grief, dread, and exhilaration. (Demir,2018).

Covid-19 pandemic has caused stress, fear and anxiety which can lead people to change their daily lifestyle such as the ways they buy daily needs. This is because due to the

Covid-19 pandemic almost all of the places have been lockdown and this has affected people daily life activities. They seem to shop online rather than going outside because they were paranoid about covid-19. Furthermore, corona phobia has developed as a result of the Covid-19 pandemic and people have begun to recognize sneezes and coughs as danger signals. In addition, according to Fardin, 2020, the covid-19 pandemic not only negatively impacts human health but also raises depression and anxiety levels due to the limitations it imposes.

Globalization and the severe consequences of the pandemic resulted in changes in purchasing behaviour and brand preference by altering the attitudes of the consumers (Knowles et al., 2020). According to He and Harris, 2020, during the covid-19 pandemic, consumers then shop online instead of going outside to meet their basic needs. During this pandemic time, consumers began to demand more medical equipment such as hand sanitisers and masks (Meyer,2020).

2.4 Stress effect on online buying

Stress is defined as a situation in which the person perceives demands that exceed his or her coping resources (Folkman, 2013), because the environmental, social or internal pressures such as situations necessitates a change in an individual's behaviour patterns (Lee et al., 2007). Life problems are often out of an individual's control and can be distressing. According to the stress and coping framework, stress is a transaction between the individual and their environment. It entails an evaluative process that evaluates the significance of a circumstance as well as coping choices. Folkman, 2013 mention that the evaluation procedure elicits a wide range of emotions, including rage, grief, worry and terror. For example, when people believe they have failed to achieve their desired goals and expectations, they experience agitation-related feelings and become anxious (Higgins, 1987). Furthermore, stress caused by self-discrepancies causes emotional discomfort such as tension,

unpleasantness, pressure, conflict and disappointment (Staruman & Higgins, 1987). According to Folkman, 2013, when people are depressed due to a perceived lack of efficacy of self-fulfilment, they cope by utilising methods such as distancing, seeking emotional support and avoiding escape.

There are several studies on online consumption that support the idea that impulse purchase relieves stress and negative feelings like excitement and pleasure (Verplanken & Sato, 2011), as well as eliciting hedonistic high-arousal emotions (Ramanathan & Menon, 2006). In the situation of a tragedy such as loss, harm or disaster victims uses impulse buying to restore or supplement damaged self-concept (Sneath et al., 2009). By repurchasing “comfort objects”, these people filled the satisfaction in their self-identity by leaving the traumatic event. According to Ruvio, Somer and Rindfleisch (2004), Israeli citizens exposed to high levels of stress reported higher levels of coping and maladaptive consumption behaviour such as impulsive buying and obsessive spending than those who were exposed to low levels of stress.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

In this chapter, the researcher explains the details of the research process. The researcher outlines the introduction, the research design, the population, sample and sampling procedure, the instrument, the validity and reliability, the ethics of the study, the data collection procedure and the summary.

3.1 Research Design

The study's goal is to look into the psychological factors that influence online shopping behavior during the Covid-19 pandemic. This study employs a descriptive method with a quantitative survey method. It is also a type of correlational research in which an attempt is made to determine the extent of a relationship between two or more variables by interpreting data and looking for trends and patterns in data.

3.2 Population and sample

Respondents for this study are internet users who may or may not know how to make an online purchase, have already made one, or plan to make one in the future. The prospective replies are people who have been afflicted by the Covid-19 epidemic.

The convenience sampling method is utilized in this study, which means that any people who are accessible to participate in the study are used. To put it another way, it requires polling friends, family, and strangers. Although the sampling procedure utilized has generalizability restrictions, it is anticipated that the sample can represent the population of Malaysian Internet users. This is because the sampling strategy utilized in this study was likewise a purposeful sampling, as respondents for this study were internet users.