Online Shopping: Sarawak Costal Areas Consumer Preference Sites

AHMAD FAISAL MAHDI, 1, SITI FARAH LAJIM[2], NOOR EMMA SHAMSUDDIN[3]

[1]Universiti Teknologi MARA Cawangan Sarawak Kampus Mukah, Malaysia
[2]Universiti Teknologi MARA Cawangan Sarawak Kampus Mukah, Malaysia
[3]Uniiversiti Teknologi MARA Cawangan Sarawak Kampus Mukah, Malaysia
[1]faisalmahdi@uitm.edu.my , [2]farahlajim@uitm.edu.my , [3]noore465@uitm.edu.my

Abstract.

Shoppe, Lazada, 11street, and many other online shopping sites have stormed the Malaysian Shopping Experience from a physical store to a virtual store. With great deals and discounts influence many Malaysian to shift their spending to their favourite online shopping sites. Sarawak is in the era of developing its economy by using the technology advancement and digital platform as the main driver to achieve its success. The current 52 percent of 2.6 million population in Sarawak lives in the cities which another 48 percent living at the coastal area of Sarawak that represents a huge potential for an online shopping site to be utilized by small businesses in Malaysia, especially for the local small-medium business. Identifying the reason behind why the consumer prefers to choose which online shopping sites do their purchases. Authors hope this paper able to improve the awareness of the local businesses as well the individuals on the right sites to utilize for their economic benefits.

Keywords: Online Shopping, Online Shopping Platforms, Consumer Preferences

1. Introduction.

Malaysia with 32.25 Million population which have a 25 million social media users and 24 million mobile social users (wearesocial.com, 2019) is very interesting market for online business to established. With that statement, according to ASEAN UP (2019) on January 2019, Malaysian Top 10 most visited online shopping sites are;

1. Shopee Malaysia (20,900,000 Estimated Monthly Traffic)
2. Lazada Malaysia (20,000,000 Estimated Monthly Traffic)
3. Lelong.My (3,650,000 Estimated Monthly Traffic)
4. Carousell Malaysia (2,200,000 Estimated Monthly Traffic)
5. Zalora Malaysia (1,450,000 Estimated Monthly Traffic)
6. 11street Malaysia (1,350,000 Estimated Monthly Traffic)
7. Go Shop (780,000 Estimated Monthly Traffic)
8. eBay Malaysia (730,000 Estimated Monthly Traffic)
9. Hermo (470,000 Estimated Monthly Traffic)
10. Qoo10 Malaysia (440,00 Estimated Monthly Traffic)

From the list above, with 24 million mobile users in Malaysia no wonder Shopee Malaysia which is a mobile-first shopping site fully outlast the other site.

According to Sarawak Chief Minister Datuk Patinggi Abang Johari Tun Openg during his post as the Minister of Housing and Urbanization way back on 2016 (Sarawak Voice, 2016) 52 percent of the population of Sarawak which then was 2.6 million lives in the City areas such as Kuching, Sibu, Bintulu and Miri. In which if the the figure still constant or increase due to migration cause of employability, estimated around 1.352 million people living in the cities. Meanwhiles, 48 percent are still living in the outskirt of cities and coastal areas. This represent 1.048 million estimated potential that is not explore by the conventional market that online shopping platforms can reached due to its versatility.

The aims of this paper are to identify which sites are the most selected by the Sarawak population for online shopping as well their background.

2. Literature References

Online Shopping

The rapid increase of people shopping online store daily due to convenience and ease comfortably at their own ambience. The changes in their lifestyle determined the changes of demand in the market (Rajesh, 2018). In which similar by Matt Rocco (2017) stating that the consumer has more confident and comfortable in their own home or office to do their daily purchases from necessities to the air freight ticket through online. Conclusively, incremental of customer service quality and personal touches as well demanded as the risen of online shopping consumer. According to Bhag Singh Bodla and Pinki Saini (2017) Online Shopping is an electronic commerce able the consumers to do purchases of goods and services over the internet web browsing.

Consumer Preference

Consumer Preference in shopping define as the taste of the consumers perceptions measures through the usefulness and benefits of the product offered (Guleria et al., 2015). According to Mauldin and Arunachalam (2019), Consumer preferences shifted to online shopping as well due to the existence of online shopping access app that make the shopping experiences easier hence reason for the preferences to choose online shopping.

Consumer preference to buy a product or service is affected by the personality factor of the buyer and this identify even though many consumer preferences move to online stores to do shopping, physical presence still an important trait influence the consumer preference in traditional shopping (Shanthi & Kannaiah, 2015). Consumer Preference influenced strongly by demographic factors that includes age, gender, income and others. Additionally, the accessible of online store apps on consumers smartphones influence online shopping preference (Richa, 2012)

3. Methodology

With 2.606 million population covering a size of 124,450 square km^2, Sarawak represent 37.67 percent of Malaysia (Department of Statistic Malaysia, 2015).

Data Collection

Using Convenience Sampling method, 385 respondents were engaged for the purpose to gain 95 percent confidence level representing the Sarawak population (raosoft.com). 311 respondents successfully give their feedback in which sample obtained around 90 - 95 percent confidence level. Respondents are selected conveniently through the personal social media platform and nearby location middle zone of Sarawak in between Zone 4 – 6 as well coastal area of the state. With a margin of error would be in between 5.66 – 6.93 percent error (raosoft.com)

Questionnaire Structure

Due to the nature of the study, an online survey and physical survey was established with total 10 structured questions. The questionnaire purposely to identify the respondents' background and responds toward Online Shopping Preferences. The items for identifying consumer preferences towards online shopping are using open-ended and close-ended questions. With 8 items using close-ended (Ages, Gender, Marital Status, Sarawak Zone, Employment, Number of Household Member, Household Income, debit/credit card owned and Ever Shopping Online) and 2 open-ended questions (Race and Platform used to do Online Shopping)

Data Analysis

Data collected then will be analysed using SPSS (Statistical Package for Social Sciences) to obtain results. Cross tabulation, frequencies and descriptive analysis will be used to identify the main purpose as well objective of the study.

4. Findings and Discussion

Table 1: Demographic Background

Variables	No. of Respondents	Percent
Age (years)		
18-25	209	67.2
26-33	51	16.4
34-41	20	6.4
42 Above	31	10.0
	311	**100**
District Zone of Sarawak		
1. Limbang, Sundar, Trusan and Lawas	12	3.9
2. Niah, Bekenu, Miri, Sibuti and Marudi	28	9.0
3. Tatau, Suai, Belaga, Pandan, Sebauh and Bintulu	24	7.7
4. Igan, Oya, Balingian, Mukah, Dalat, Sibu, Kanowit, Kapit and Song	120	38.6
5. Tanjung Manis, Belawai, Matu, Daro, Sarikei, Julau, Bintangor and Rajang	24	7.7
6. Kabong, Lingga, Sri Aman, Engkilili, Lubok Antu, Betong, Spaoh, Pusa, Saratok, Roban and Debak	48	15.4
7. Samarahan, Simunjan, Serian, Sebuyau and Meludam	35	11.3
8. Kuching, Bau, Lundu and Sematan	20	6.4
	311	**100**
Employment		
Students	131	42.1
Own Business	51	16.4
Private Sector	46	14.8
Civil Servant	41	13.2
Unemployed	26	8.4
Agriculture and Fishery	16	5.1
	311	**100**
Status		
Single	229	73.6
Married	82	26.4
	311	**100**

Number of households		
1 – 2 people	25	8.0
3 – 4 people	79	25.4
5 – 6 people	130	41.8
7 – 8 people	60	19.3
More than 9 people	17	5.5
	311	**100**
Households Income (RM/monthly)		
RM1000 below	86	27.7
RM1001 – 2000	96	30.9
RM2001 – 3000	52	16.7
RM3001 – 4000	36	11.6
RM4001 – 5000	16	5.1
RM5001 above	25	8.0
	311	**100**
Owner of Debit/Credit Card		
YES	234	75.2
NO	77	24.8
	311	**311**
Shopping Online		
YES	208	66.9
NEVER	103	33.1
	311	**100**

Table 1. Identify and describe the respondents' background which most of the respondents are from the age of 18 -25 years old with 67.2 percent represent 209 from 311 respondents. As mentioned earlier, most respondents are collected from the area of Sarawak Zone between 4 till 6 represented with 61.7 percent which is the coastal area of the state. In conjunction with the age respondents earlier, most of the respondents are single with the most, 73.6 percent. With a slight majority, most respondent's family members in a household are between 5 to 6 people with 41.8 percent. 30.9 percent of respondent's income for a household is around RM1000 to RM2000. 75.2 percent of respondents owned either a debit or credit card which makes the respondents very high potential for the online shopper. Proven that most of the respondents have good feedback for every experience in shopping online a 66.9 percent have experience in shopping online and they are still around 33.1 percent of respondents still prefer to do physical store experiences.

Table 2: Cross Tab (Demographic Background: Shopping Online)

Demographic Background	Shopping Online				
	YES	%	NEVER	%	Total
Age (years)					
18-25	139	66.5	70	33.5	209
26-33	38	74.5	13	25.5	51
34-41	11	55	9	45	20
42 Above	20	64.5	11	35.5	31
	208		**103**		**311**
District Zone of Sarawak					
1	12	100	0	0	12
2	19	67.9	9	32.1	28
3	5	20.8	19	79.2	24
4	88	73.3	32	26.7	120
5	16	66.7	8	33.3	24
6	28	58.3	20	41.7	48
7	25	71.4	10	28.6	35
8	15	75	5	25	20
	208		**103**		**311**
Employment					
Students	89	67.9	42	32.1	131
Own Business	35	68.6	16	31.4	51
Private Sector	25	54.3	21	45.7	46
Civil Servant	35	85.4	6	14.6	41
Unemployed	15	57.7	11	42.3	26
Agriculture and Fishery	9	56.3	7	43.7	16
	208		**103**		**311**
Status					
Single	154	67.2	75	33.8	229
Married	54	65.9	28	34.1	82
	208		**103**		**311**

Number of households					
1 – 2 people	12	48	13	52	25
3 – 4 people	63	79.7	16	21.3	79
5 – 6 people	86	66.2	44	33.8	130
7 – 8 people	39	65	21	35	60
More than 9 people	8	47	9	53	17
	208		**103**		**311**
Households Income (RM/monthly)					
RM1000 below	49	56.9	37	43.1	86
RM1001 – 2000	58	60.4	38	39.6	96
RM2001 – 3000	40	76.9	12	23.1	52
RM3001 – 4000	24	66.7	12	33.3	36
RM4001 – 5000	14	87.5	2	12.5	16
RM5001 above	23	92	2	8	25
	208		**103**		**311**
Owner of Debit/Credit Card					
YES	179	76.5	55	23.5	234
NO	29	37.7	48	62.3	77
	208		**103**		**311**

Table 2. Cross Tabulation test has been conducted to identify the respondent's response to the experience for online shopping and the results are very promising. With all the age level shows the respondents are very much keen to do online shopping, age between 34 – 41 years old meanwhile have a slight percentage majority of 55 percent which shows a tap of the potential market that has not been explored yet. Surprisingly, Zone 3 of Sarawak (Tatau, Suai, Belaga, Pandan, Sebauh, and Bintulu) does not show a very promising favour on online shopping which only caters to 20.8 percent favour doing online shopping. Employment does not affect any of the experience participation in online shopping with the most respondents of 208 say YES to online shopping show a range of 54.3 – 85.4 percent participation in online shopping. Marital status as well as not affecting the experiencing in shopping online cause both show a majority of more 60 percent saying YES to online shopping. Meanwhile, the number of households have a slight disagreement in anonymous result with 1-2 persons in a household and more than 9 people in a household results between 48 and 47 percent having the intention to do online shopping. Besides, a higher income will participate more online shopping as stated above shows the highest income has the highest participation online shopping with 92 percent. In conclusion, respondents with credit or debit card still involved in online shopping with 76.5 percent from the owner of credit or debit card use it for online shopping and 37.7 percent of the those who have not to own debit or credit card still participate in online shopping mostly by using Cash Deposit Machine.

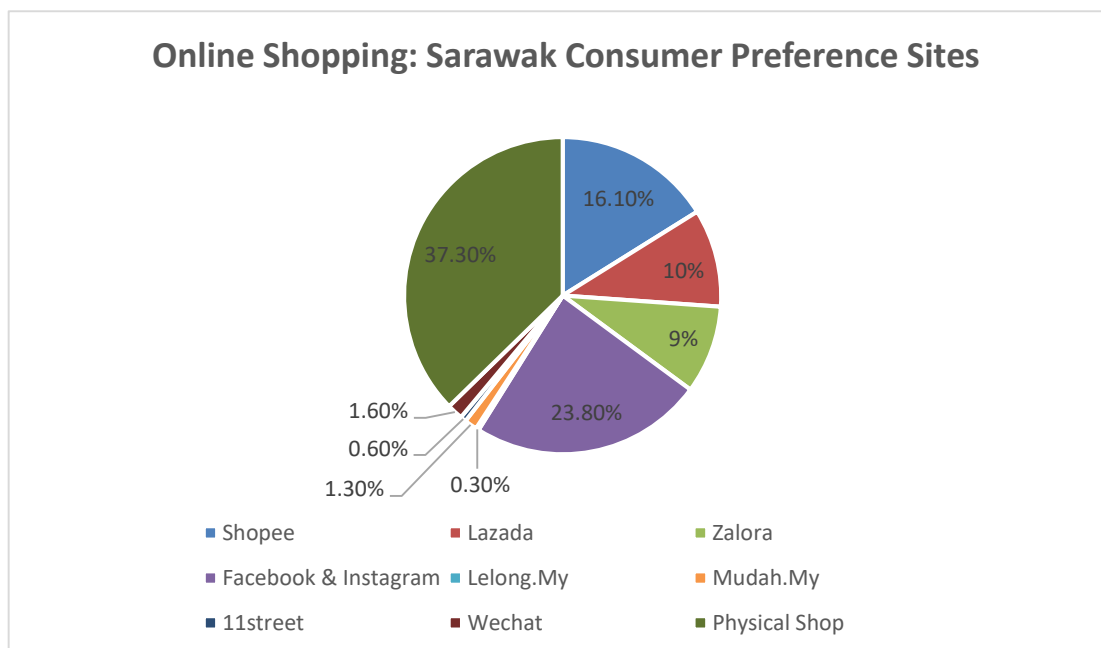Figure 1: Descriptive on consumer preference online shopping sites

Figure 1: 62.7 percent of respondents experience online shopping in Sarawak with 37.3 percent of respondents still prefer physical shopping experience. From the 62.7 percent respondents, below is the top 7 list Sarawak Consumer Preference Sites for Online Shopping based on open-ended questionnaire distribute to the 311 return completed respondents.

- Facebook & Instagram – 23.8%
- Shopee – 16.1%
- Lazada – 10 %
- Zalora – 9 %
- Wechat – 1.6%
- Mudah.my – 1.3%
- 11street – 0.6%
- Lelong.my – 0.3%

Based on the list, Shoppe and Lazada still rank the highest if Facebook and Instagram do not consider as a standard platform for online shopping.

5. Summary

More equal sample size should be distributed to all the Zone in Sarawak to dissect and explore more accurate data on consumer preference toward online shopping platforms rather than just focus on the coastal area of Sarawak. More in-depth analysing factors that influence consumer demand to shop online in which their demographic background such as early explained above table 1 and 2 show a clear path for future strategies for relevant parties.

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