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(AIJBES)**www.aijbbs.com**FACTORS INFLUENCING GENERATION Z'S PURCHASE
INTENTION IN OMNICHANNEL RETAIL SETTINGS**Norhayati Wahib^{1*}, Norliana Jailani², Mohammad Ismail³¹ Universiti Poly-Tech Malaysia, Malaysia

Email: hayati_w@uptm.edu.my

² University of Manchester, United Kingdom

Email: jailani@manchester.ac.uk

³ Universiti Malaysia Kelantan, Malaysia

Email: mohammad.i@umk.edu.my

* Corresponding Author

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DOI: 10.35631/AIJBS.518016.**This work is licensed under** [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)**Abstract:**

The retail industry has undergone a significant transformation due to information technology (IT) progress, shifting the retail paradigm from traditional brick-and-mortar stores to the contemporary omnichannel platform. This evolution is characterised by a customer-centric approach known as omnichannel, which aims to provide a seamless shopping experience across various channels, including physical stores, telephone, social media, and websites. Despite the growing importance of omnichannel strategies, academic research in this domain still needs to be explored. This research proposes theoretical contributions to the Unified Theory of Acceptance and Use of Technology (UTAUT2), thus expanding its applicability in omnichannel retailing. Additionally, this study holds practical significance for the retail sector by examining how omnichannel strategies can enhance customer experiences, contributing to retailers' ability to gain a competitive edge in the market. The sample data will be coded, and the hypothesis will be statistically analysed using the Statistical Programme for Social Sciences (SPSS). As the retail landscape continues to evolve, understanding the preferences and behaviours of the digitally savvy Generation Z demographic becomes increasingly crucial. This research contributes to bridging the gap in academic literature and provides valuable insights for retailers aiming to optimise their omnichannel strategies, ultimately fostering more robust customer engagement and loyalty.

Keywords:

Retailing, Omnichannel, Unified Theory of Acceptance and Use of Technology (UTAUT2), Generation Z

Introduction

The retail industry constantly evolves, encompassing many companies offering products and services through physical stores and online platforms. Digital business models have significantly transformed society, the economy, and the retail sector (Reinartz et al., 2019; Verhoef & Bijmolt, 2019). Information technology has revolutionised how retailers operate and interact with customers, bringing about substantial changes in the industry.

The advent of omnichannel retailing in the early 2000s caused a significant shift in the retail industry, with traditional brick-and-mortar stores losing ground to online retailers (Verhoef et al., 2015). As a result, integrating mobile apps, social media, and supply chains became essential, revolutionising how retailers operate and engage with their customers.

According to a 2017 Harvard Business Review study, 73% of surveyed customers of a multichannel retailer were identified as omnichannel customers, utilising multiple channels throughout their shopping experience (Sopadjieva et al., 2017). The notion of omnichannel pertains to the convergence and integration of various channels to optimise customer engagement and enhance retailer management across these channels (Li et al., 2018). Omnichannel marketing integrates distribution channels for a seamless customer experience (Shankar & Kushwaha, 2021).

Conceptual Background

Generation Z is a demographic cohort born from 1995 to 2010 with significant purchasing power (Ahmed et al., 2020; Nielsen, 2019). The Generation Z population in Malaysia exhibits similar traits to their global counterparts and is exposed to the internet and digital technology from a young age (Mohammed, 2018). Generation Z is the tech-savvy population that engages with digital content and rapidly gains importance in omnichannel retailing. Generation Z is known to devote significant time to utilising technological devices, including browsing social media and conducting online transactions to purchase goods and services (Business Insider, 2019; Nielsen, 2019). Understanding the factors that influence the purchase intention of Generation Z in omnichannel is critical for retailers to meet the needs and preferences of Generation Z consumers.

Despite the importance of Generation Z in the retail industry, research on the consumers' viewpoint of omnichannel retailing needs to be more comprehensive and complete (Shi et al., 2020). There is still much to be understood about how Generation Z interacts with multiple channels during purchasing. Further research is required to fill this gap and better understand this Generation Z consumer. Limited studies on the topic within the current omnichannel paradigm led to the development of this research.

This study aims to identify the factors influencing Generation Z's purchase intention in an omnichannel environment. Numerous theoretical models are available that aim to address the technology adoption process. The theories have evolved over the years, offering valuable insights into the factors influencing how individuals perceive and adopt new technologies. Theories include the Theory of Reasoned Action (TRA) by Fishbein and Ajzen (1975), the Technology Acceptance Model (TAM) by Davis et al. (1989), TAM2 by Venkatesh and Davis (2000), TAM3 by Venkatesh et al. (2008), Unified Theory of Acceptance and Use of Technology (UTAUT) by Venkatesh et al. (2003) and UTAUT 2 by Venkatesh et al. (2012).

This study proposes a conceptual model that includes seven main factors: performance expectancy, effort expectancy, habit, hedonic motivation, personal innovativeness, perceived risk, and trust.

Table 1: Definition of key factors

| Key factors | Definition |
|-------------------------|--|
| Performance expectancy | The term “performance expectancy” is defined as “the degree to which an individual believes that using the system will help him or her to attain gains in job performance” (Venkatesh et al., 2003) |
| Effort expectancy | The term “effort expectancy” is defined as the degree of ease associated with the use of the system” (Venkatesh et al., 2003) |
| Habit | The term "habit" is defined as “the degree to which people execute behaviours automatically as a result of prior learning experiences” (Limayem et al., 2007). |
| Hedonic motivation | The term “hedonic motivation” is defined as “the satisfaction or pleasure associated with the usage of a technology” (Brown and Venkatesh, 2005). |
| Personal innovativeness | The term “individual innovativeness” is described as "an individual's desire to experiment with new information technologies" (Agarwal and Prasad, 1998). |
| Perceived risk | The term “perceived risk” is defined as “the sense that any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty, and some of which at least are likely to be unpleasant” (Bauer, 1960) |
| Trust | The term "trust" is described as “an individual's willingness to be depending based on the beliefs in ability, benevolence, and integrity” (Gefen et al., 2003). |

To fill the gap, there is a need to understand the factors that purchase intention influences the buying behaviour of Generation Z consumers in Malaysia by studying the process and uniqueness of how consumers behave in this setting.

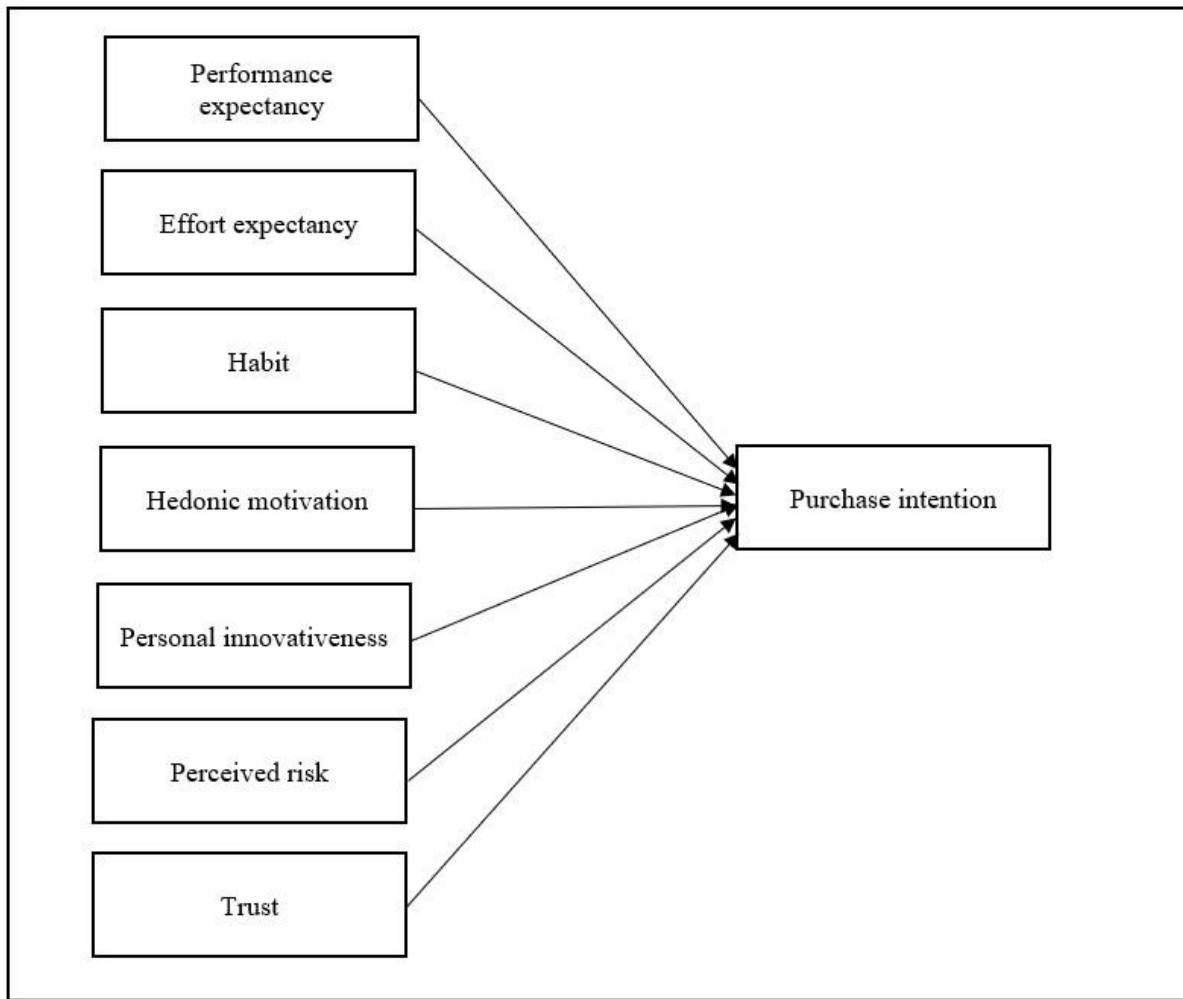


Figure 1: Research Conceptual Framework

Research Methodology

According to Creswell and Creswell (2022), the quantitative approach is the most appropriate way to evaluate individual behaviour. The researchers will employ a quantitative survey, and the measurement of variables used in this research was adapted and adopted from previously established and validated scales. The researchers will use Google Forms and a structured questionnaire of 7-point Likert-type scale items to gather data effectively. In order to ensure a high response rate, non-probability purposive sampling will be employed. One hundred and forty Generation Z consumers who shop at H&M in the fast fashion industry will contribute to reliable data in the omnichannel. IBM SPSS Statistics is an indispensable tool for researchers to test hypotheses through regression analysis. The manuscript has no empirical data, as the study is still in the data-gathering phase.

Conclusions

This study provides insights into how retailers in Malaysia can remain competitive in an evolving industry by meeting Generation Z's purchase needs through data analytics and technology. By offering personalised and seamless shopping experiences that align with their values and interests, retailers can ensure they meet this important demographic's demands. The study examines critical implications for retail management while exploring the literature's

development, making it an essential resource for those looking to stay ahead in this dynamic market.

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