

Young Cons

Understanding Online Shopping Behaviours and Purchase Intentions amongst Millennials

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Introduction

Online shopping is increasingly becoming a channel preference, with sales growing year-onyear (Pahlevan Sharif and Yeoh, 2018). The global e-commerce goods market was valued USD 1.57 trillion in 2017 (Australia Post, 2018). E-commerce sales are rapidly increasing worldwide, with the highest growth seen in the Asia-Pacific region (vpnMentor, 2018). In Australia, people spent AUD 21.3 billion in online shopping in 2017, an increase of 18.7% from the previous year, with eight out of ten Australians shop online (Australia Post, 2018). Meanwhile, consumers in the United States recorded the highest online spend of USD 1,804 per shopper in 2015 (vpnMentor, 2018), with 16% growth (USD 453 billion) seen in 2017 (Australia Post, 2018). Despite the fact that online shopping is predicted to increase in these digitally advanced regions, it is increasingly important to better understand the behaviours and purchase intentions of online shoppers in Australia and the United States of America (further mentioned in this paper as "the United States" or "the U.S."). Demographically, a 2019 CouponFollow survey reveals U.S. millennials (22 to 37 years old) as the dominant online shoppers in the country (Melton, 2019), whereas 95 per cent of Australian millennials (25 to 34 years old) use eCommerce platform daily (eShopWorld, 2019). While millennials exhibit the highest internet usage penetration (98%), high uptake of digital devices, and a growing preference for online shopping (Statista, 2019), little empirical research has investigated young consumer online shopping behaviours (Mummalaneni and Meng, 2009; Pahlevan Sharif and Yeoh, 2018).

Consumer purchases are strongly influenced by demographics and personal, socio-cultural, and psychological characteristics. Marketing practitioners and policymakers have long relied

on the use of such characteristics to clearly delineate a homogenous subset of consumers, to exert their influence over a particular target market. Generational labels are commonly used to segment consumers in the academic (e.g. Parment (2013), Wu (2003)) and practitioner literature, since generational cohort labels provide more stable insights into consumers when compared with age range grouping (Parment, 2013). First proposed by Inglehart (1977), the Generational Cohort Theory states that a generation cohort's members share the same attitudes, ideas, values, and beliefs generated from their experience of common major events (e.g. social, political, economic) during their "coming of age" years (Rogler, 2002). Given the interest and application of Generational Cohort Theory to examine generational behaviours (Inglehart, 1977; Rogler, 2002), this paper employs the theory to further study the millennial generation cohort's online shopping behaviours and purchase intentions in Australia and the United States. Millennials are the most tech-savvy generation to date (Parment, 2013; Schewe et al., 2013). The cohort also displays increasing preferences for online shopping. According to the Generational Cohort Theory, Australian and American millennials may have experienced different events in their "coming of age" periods (Phau and Woo, 2008; Schewe et al., 2013) that could influence their online shopping behaviours. Hence, this research aims to examine the unique characteristics of millennials (attitudes, motives, familiarity, and search behaviour) in influencing online purchase behaviours amongst young consumers in Australia and the United States. Results of this study contribute insights for marketers and policy makers to better appeal to millennials, based on their unique values and characteristics. This paper consists of three main fragments. Firstly, literature pertaining to the millennial

This paper consists of three main fragments. Firstly, literature pertaining to the millennial cohort's online shopping behaviour is synthesised. Secondly, hypotheses about online purchase intentions are developed before the methodology and results are explained. Finally, the discussion, implications, limitations, and future research suggestions are provided.

Literature Review and Hypotheses Development

The Generational Cohort Theory

Consumer's motivations to make a purchase frequently lie beneath the surface of age and generational cohorts (Kaur and Anand, 2018; Tan and Leby Lau, 2016). Cohorts are groups of people who are born in the same time period and travel through their lives with each other. Generational cohort marketing is based on age, and therefore, such segmentation has become useful to understand each cohort's members who share similar values (Parment, 2013; Schewe et al., 2013). The cohort members are highly influenced by the external events that were happening within their "coming of age" period, such as wars, economic changes, and technological advancement. In particular, the "defining moment" events during late adolescence or early adulthood are most likely to create values that remain stable throughout the cohort's life (Parment, 2013; Rogler, 2002; Schewe et al., 2013). Hence, a nation's history and major events can shape differences in values and attitudes across its generational cohorts (Dou et al., 2006; Rogler, 2002). For example, U.S. citizens who came age during World War II became the most patriotic Americans today, since they saw America's accomplishments during the war from the media. At the same time, the same generation in England valued patriotism less as they saw World War II first-hand and suffered as a result (Parment, 2013; Schewe et al., 2013). Thus, Generational Cohort Theory posits that similar events and objects can be seen differently across generations and nations, due to their values formed during "coming of age" experiences.

The Millennial Cohort

While there is a mixed discussion on the delineation of cohorts (Lipowski and Bondos, 2018), this paper defines the millennial generation as those born after 1981 (Schewe *et al.*, 2013). In developed countries, such as in the United States, the millennial cohort is more ethnically and racially diverse compared to previous generations. They are ambitious and success-driven,

global in perspective, more tolerant of diversity, and community-minded, as they seek to make a difference in the world (Schewe *et al.*, 2013). However, a distinct difference can be seen between millennials worldwide (Debevec *et al.*, 2013). Older American millennials (aged 27-35) were particularly impacted by the financial crisis which began in 2008. As a result, they are more thrifty than the younger cohort (aged 18-26) who valued living for today (Debevec *et al.*, 2013). Millennials in Australia exhibit a mixture of these characteristics. Australian millennials also value living for today. However, despite this compulsiveness, they are careful in spending their money and are value-driven "bargain hunters" (Phau and Woo, 2008).

Research to date has identified varying online behaviours across generations (i.e. Prensky (2001); Obal and Kunz (2013)). Of particular interest are millennials that experienced their "defining moment" as they grew up with the internet. Dubbed "digital natives" due to their tech-savvy nature, this cohort is more likely to be online than previous generations. In Australia and the United States, the majority of millennials own at least one account on a social networking site, with social media permeating their social life (Schewe *et al.*, 2013). Furthermore, online shops and social media influence millennials in their purchase decision (Ladhari *et al.*, 2019), such as brand and product information search (Bento *et al.*, 2018), purchase intention (Confente and Vigolo, 2018), and information sharing when purchasing a product (Dabija *et al.*, 2018; Siddiqui *et al.*, 2019). The heavy usage of the internet and social media characteristics thus make this generation a desirable market for e-commerce (Wu, 2003).

Attitude towards online shopping and purchase intentions

Unlike traditional physical shopping environments, the online shopping environment integrates the entire sales process in a single platform (Mummalaneni and Meng, 2009). Free

of geographic and temporal boundaries, consumers benefit from increased convenience through online shopping. However, they cannot directly touch, taste, or feel the physical product they are purchasing online. It is difficult to discern consumer attitudes through traditional online marketing metrics. Nonetheless, attitudes greatly influence a consumer's purchase decision, being a person's relatively steady feelings, tendencies, and evaluations toward an object or idea (Wu, 2003). However, previous research on attitudes in an online purchase context has been confined to technology and consumer demographics (Ahn *et al.*, 2007; Lissitsa and Kol, 2016; Wu, 2003).

Consumer's perception and experience on the risks and benefits of online shopping shape their attitudes and intentions (Ahn *et al.*, 2007; Van der Heijden *et al.*, 2003; Wu, 2003). Growing up in the internet era, millennials have a better understanding of the risks and benefits of online shopping than previous generations (Obal and Kunz, 2013). Millennials tend to be savvy in avoiding the risks of online shopping, which leads to a positive attitude towards online shopping (Sorce *et al.*, 2005). Previous studies on online shopping behaviour indicate a positive relationship between attitude towards online shopping and intentions to purchase online (Khare and Rakesh, 2011; Sorce *et al.*, 2005; Van der Heijden *et al.*, 2003). Thus, we posit the following:

Hypothesis 1: Attitude towards online shopping significantly influences Australian (H1a) and American (H1b) young consumer's online purchase intentions.

Online shopping motives and purchase intentions

Shopping motives are the antecedents of consumer decision outcomes (Christodoulides and Michaelidou, 2010). Motivation theory postulates that both cognitive and affective motives assist in explaining why people shop (McGuire, 1976; Rohm and Swaminathan, 2004). Previous studies have identified a plethora of shopping motives, such as hedonic and utilitarian motives (Khare and Rakesh, 2011), however, less studies found on more specific

motives, such as social (Christodoulides and Michaelidou, 2010), escapism, and value motives (Hill *et al.*, 2013). Shopping decisions are more complex for the millennial generation, as they have more technology exposure and education compared to older generations. Millennials also tend to have an extensive social network, and they care about how they are perceived as consumers. The cohort members are also likely to be influenced by other's opinions of their product purchases (Parment, 2013), and they desire the acceptance of "who they are" among their friends (Hill *et al.*, 2013). With easy access to information, millennials want to be "their own boss" in the purchase decision-making process (Lissitsa and Kol, 2016). These unique values and characteristics (e.g. desire for acceptance, self-control) of the millennials could lead to certain motives and thus impacts their shopping behaviours.

Social motives refer to how much an individual is driven to shop online out of a desire for others to see that they participated in online shopping (Çelik, 2011; Hill *et al.*, 2013). There is a dearth of previous studies examining the influence of social motives on shopping behaviours. However, Kaur and Singh (2007) note that young consumers in India tend to follow the shopping style of the majority of cohort members. Conversely, in a western context, Parment (2013) argues that young consumers tend to be independent in their lifestyle, and not to rely on others. This conflicting discussion needs clarification. Therefore, the following hypothesis is posited:

Hypothesis 2: Social motives significantly influence Australian (H2a) and American (H2b) young consumer's online purchase intentions.

The internet can be a place to get away from mundane activities (Hill *et al.*, 2013). As a means of escaping the every day, young consumers may go online and shop. Previous research has shown youth escapism mostly leads to engagement in social media and online-

gaming (Hellström *et al.*, 2012; Koo, 2009; Koo *et al.*, 2008). This evidence thus leads to the following:

Hypothesis 3: An escapism motive significantly affects Australian (H3a) and American (H3b) young consumer's online purchase intentions.

A value motive is associated with price, cost and benefits exchange in a transaction (Jackson *et al.*, 2011). Millennials find living for today as important, thus they tend to do what they think is beneficial in the moment (Phau and Woo, 2008; Schewe *et al.*, 2013). This characteristic affects their shopping behaviour, as millennials seek the most benefit with least sacrifice. Classified as "bargain hunters" (Phau and Woo, 2008), these young consumers appear to recognise the power of online shopping for finding good value among many alternatives (Hill *et al.*, 2013). This leads us to the following:

Hypothesis 4: A value motive significantly influences Australian (H4a) and American (H4b) young consumer's online purchase intentions.

Born and raised with the internet, millennials are the generation most familiar with online technology (Schewe *et al.*, 2013) and most likely to engage in online shopping (Jackson *et al.* (2011). Additionally, half of the young consumers will perform research on a product before making a purchase decision (vpnMentor, 2018). In doing so, they seek information on the product, price and promotions (Chen, 2009). Young consumers' online information search behaviour potentially affects their online purchase behaviour, since the more they can access the information, it will assist their purchase decision (Khare and Rakesh, 2011). Hence, the following hypotheses are posited:

Hypothesis 5: Familiarity with online shopping significantly influences Australian (H5a) and American (H5b) young consumer's online shopping information searching behaviour.

Hypothesis 6: Young consumer's online shopping information searching behaviour significantly influences online purchase intentions in Australian (H6a) and American (H6b) samples.

Collectively, we develop an online shopping behaviour model from a synthesis of online and offline consumer behaviour literature (Figure 1). The proposed model presents our hypotheses on the following antecedents of online purchase intentions: consumer's attitude on online shopping (attitude), online shopping motives (social, escapism, value), and information search behaviour (information search) of the young consumers. As seen in Figure 1, we also hypothesised the influence of online shopping familiarity (familiarity) on the information search behaviour. The model draws together psychological, social, and practical elements of consumer research, by including attitudes, familiarity, motives (social, escapism, value), and information search behaviour that can be empirically tested.

[put Figure 1 near here]

Methodology

This study utilises a consumer survey to examine young consumer online purchase intentions.

The survey was delivered online to young online shoppers in Australia and the United States.

Measures

All constructs were measured using validated items from previous studies. Each item was measured on a 7-point Likert scale, from 'strongly disagree' to 'strongly agree' response options. The three items operationalising attitude on online shopping were adapted from Ahn *et al.* (2007) and Khare and Rakesh (2011). Online shopping familiarity was measured using three items from Flavián *et al.* (2006) and Khare and Rakesh (2011). To measure information search, five items from Khare and Rakesh (2011) and Close and Kukar-Kinney (2010) were

employed. This study measured three online motives, including social (three items from Çelik (2011) and Christodoulides and Michaelidou (2010)), escapism, and value motives (three and four items from Hill *et al.* (2013), respectively). Four items from Khare and Rakesh (2011) were used to measure online purchase intention. A pilot study involving a small sample (20 respondents) was conducted to test the instrument clarity (Hair *et al.*, 2010; Hertzog, 2008) and some minor changes in wording were made prior to launching the final survey.

Surveys and sample demographics

The survey was administered online to respondents aged 18-35 (following Schewe *et al.* (2013) definition) in Australia and the United States. Only participants who had purchased online in the past six months were permitted to fill out the questionnaire. Respondents were asked to confirm their online purchase experience, age, and location prior to continuing to the survey. One thousand potential respondents were invited to the survey through an online panel (the United States only), social media, e-mail, and online newsletter between March 2018 and September 2018. A total of 822 responses were collected with 77 were not usable due to missing information and incorrect location. Of 745 usable data, 309 were Australian respondents, and 436 were from the United States.

The 309 eligible Australian survey respondents consisted of 148 males, 159 females, and two respondents were classified as other gender. The average age of the respondents was 27 years old. The majority of Australian respondents (58%) use independent shops and obtained information about online shopping by themselves (81%). A laptop was the most favourable device that Australian respondents use to shop online (50%). Most Australian young consumers shop less than once a week (44%) and typically buy clothing-related items (41%). Australian online consumers were most likely to spend AUD 50 (23%) and AUD 100 (20%) on average per purchase. Most Australian respondents (59%) were employed.

Of the 436 American respondents, 271 were male, 162 female, and three respondents were classified as other gender. The average age of the respondents was 29 years old. A large portion of the respondents generally shopped at community and social media shops and marketplaces (53%). The majority of respondents acquired information about online shopping by themselves (93%). A laptop is the most desirable device for American respondents to shop online (47%), and respondents from the United States were most likely to report shopping online once a week (43%). Products that most respondents bought include clothing (22%) and electronics (22%). American online consumers spent mostly USD 50 (22%) and USD 100 (12%) on average per purchase. The majority of American respondents were employed (72%).

Instrument quality

The data for both dependent and independent variables in this study were collected from the same respondents. Hence, a common method of bias may occur. Common method bias can be statistically detected through Harman's one-factor and Confirmatory Factor Analysis (CFA) comparison tests (MacKenzie and Podsakoff, 2012; Podsakoff *et al.*, 2003). We kept the anonymity and confidentiality of the respondents during data collection, to minimise the potential of common method bias to occur. The factor analysis of the seven main constructs resulted in a ten-factors solution, with the total variance explained of 0.225. Factor one of this result is accounted for 22.49% variance. The Harman's test results indicate that common method bias is not a concern in the data since the factors did not emerge, and one factor did not explain the majority variance of overall data. The CFA comparison test will show a superior single latent model fit if common method bias is present (MacKenzie and Podsakoff, 2012; Podsakoff *et al.*, 2003). The CFA comparison test resulted the unacceptable single latent model with poorer fit, compared to the multifactor model (χ2= 1331.53; df= 254;

 χ 2/df= 5.24; CFI = 0.93, GFI = 0.86, NFI= 0.91, TLI= 0.91, RMSEA = 0.08, SRMR = 0.06, $\Delta\chi$ 2= 498.16; Δ df= 25; p≤.01). From the CFA comparison test results, it can be concluded that common method bias is not a threat to the data.

The scales in this study are shown reliable using composite reliability (scales are presented according to the factor loadings in Tables 1a and 1b). The Cronbach's alpha value of all scales is classified as excellent, from 0.82 to 0.92 (Tabachnick and Fidell, 2007). Convergent reliability is evident through high factor loadings. In Tables 2a and 2b, the square root of Average Variance Extracted (AVE) and constructs' correlation coefficients supports the discriminant validity for all constructs. When the square root of AVE is greater than the constructs correlation coefficient, discriminant validity is met (Fornell and Larcker, 1981).

[put Table 1a, 1b, 2a, and 2b near here]

Results

Prior to model testing, the normality assumption for the variables was tested by examining data skewness and kurtosis using SPSS software. Normality test results revealed that the study variables were negatively skewed. However, with a sample size of 200 or more, a variable with significant skewness often does not deviate from normality and make a substantive difference in the analysis (Fidell and Tabachnick, 2003). Using AMOS software, the normality of the data was assessed using Mahalanobis Distance. As many as 14 outliers were removed to gain better normality of the data. Multicollinearity was tested, with the results of VIF < 10 (ranged from 1.82 to 4.50, among all variables), suggesting usable data (Hair *et al.*, 2006).

Multi-group Structural Equation Modelling (SEM) using AMOS software was carried out to test the hypotheses for Australian and American samples. Invariance of the Australian and American data has been assessed using a chi-square difference test (Hair *et al.*, 2010),

Page 12 of 26

between the combined-data model ($\chi^2 = 382.0$, df = 58) and the multi-group model ($\chi^2 = 462.1$, df = 116). The result of the invariance test indicates significant differences between Australian and American samples. Therefore, in line with the aim of this research, the uniqueness of each sample is represented in two geographical-based models, to be examined further. The models in Figure 2 and 3 represent factors influencing young consumer's online purchase intentions in Australia and the United States. Table 3 shows the goodness-of-fit indicators of the model.

[put Table 3 near here]

[put Figure 2 and 3 near here]

As reported in Table 3, Figure 2 and 3, the *attitude* towards online shopping \Rightarrow online purchase *intentions* path is significant for both Australian and American samples. The result shows a stronger coefficient for the Australian sample, compared to the American sample $(\beta_A = 0.72; \beta_U = 0.26)$, hence **H1a and H1b are supported**.

Australian and American groups present different results on the effect of the *social motive* on online purchase *intentions*. The influence of *social motive* is significant for the Australian group ($\beta_A = -0.20$), while it is insignificant for the American group. Thus, **H2a is supported**, and **H2b is not supported**.

Supporting H3a and H3b, the *escapism motive* presents a significant coefficient in its relationship with online purchase *intentions* for both Australian and American samples $(\beta_A = 0.15; \beta_U = 0.03)$. The *escapism motive* \Rightarrow online purchase *intentions* path is stronger for the Australian sample, compared to the American sample.

Both groups suggested equally significant paths of *value motive* to online *purchase intentions* ($\beta_A = 0.21$; $\beta_U = 0.26$). The result thus provides **support for H4a and H4b**.

The online shopping familiarity \Rightarrow information search path appears to be strong for both Australia and the United States ($\beta_A = 0.67$; $\beta_U = 0.77$). The significant influence of online shopping familiarity on consumer information search in both groups **supports H5a and H5b**.

The *information search* \Rightarrow online purchase *intentions* path reveals a significant influence among Australian and American samples. The influence of *information search* on online purchase *intentions* is stronger for the American sample ($\beta_U = 0.57$), in comparison to the Australian sample ($\beta_A = 0.11$). Therefore, **H6a and H6b are supported**.

Table 4 summarises the hypotheses testing results across Australian (a) and American (b) samples.

[put Table 4 near here]

Discussions and Implications

The millennial generation has experienced its "coming of age" moment (Inglehart, 1977; Rogler, 2002) in the internet era. Online technology now permeates their life and has disrupted their shopping behaviour. As heavy and savvy internet users, millennials tend to be familiar with online shopping. Supporting Khare and Rakesh (2011) and Vazquez and Xu (2009), results of this study show that both young Australian and American samples indicate a positive relationship between their attitude towards online shopping and online purchase intentions (H1), with stronger influence in the Australian sample. In developed countries like Australia and the United States, people feel the benefit of the internet in their day-to-day life. Australia and the United States are among the initiators and the first countries to experience technology updates. As technology advances, the internet becomes more accessible, faster and easier to use. These technology developments also support online retailers to deliver better services to their customers. Ultimately, these shopping experiences create a positive

attitude towards the internet and online shopping. The positive attitude thus influences intentions to purchase online. From this finding, we learn that young consumers tend to have a positive attitude towards online shopping and this positive attitude triggers their intentions to purchase. Practically, this insight guides online marketers to target young consumers as they are likely to have a positive intention to purchase online.

This study finds mixed influences of online shopping motives on online purchase intentions. Interestingly, a social motive is found to negatively impact online purchase intentions in the Australian sample (H2a), while the influence is not significant in the American sample. This finding contrasts with previous studies on social motives and purchase behaviours in general cohort samples (e.g. Christodoulides and Michaelidou (2010), Parsons (2002)) and Indian youth samples (Khare and Rakesh, 2011) that indicate a positive relationship between the two variables. According to Generational Cohort Theory, major events in a country affect the values of the generation cohort who was experiencing their "defining moment" at the time (Rogler, 2002), which applies to the samples of this study. The 2008 financial crisis in the United States has impacted older millennials. In Australia, the young generation consists of diverse races and ethnicities that value their "now life". Culturally, both countries share lifestyle independence among youths, meaning younger generations are less likely to be influenced by others in making personal decisions (Parment, 2013). Millennials also want to be accepted as "who they are" in the community (Hill et al., 2013). Results of H2 reflect these unique characteristics of Australian and American young consumers. The young cohort decides their own lifestyle, while socially, they also want others to see them as "who they are". In practice, they may visit and browse popular online shops for others to see without any intention to purchase. Millennials in Australia, and older millennials in the United States, in particular make careful, deliberate choices when shopping (Phau and Woo, 2008; Schewe et al., 2013). Thus, in Australia, since young shoppers are careful in spending their money,

once the social motive is fulfilled, it lowers their intentions to buy products online instead. This finding brings to the foreground the importance of online "window shopping" and indeed browsing without purchase. Window shopping has been previously seen as a physical activity only, with a scarcity of research considering the social and escapism motives of online window shopping. To encourage this in practice, online marketers could integrate more social cues when designing online shopping marketplaces, allowing easy browsing, "favouriting" items, and integrated social media sharing and reviews. Further, this finding raises questions about the longevity of path-to-purchase and the use of cookies, Facebook pixel and retargeting tools to communicate with consumers over a longer timeframe. Indeed, while a young consumer may browse an online shop today, reminders to purchase may prompt them to purchase in the future.

Escapism and value motives both significantly influence online purchase intentions among young shoppers in Australia and the United States (H3 and H4). The Internet has been the virtual place to spend time, and people can perform many activities on the internet, including consumption such as online shopping. The result of H3 supports previous studies that suggest escapism as a motive for online shopping that influences purchase intentions (e.g. Hellström et al. (2012); Koo (2009), an online gaming context). People may seek a place to comfort themselves when experiencing negative feelings such as boredom and bad mood in adolescence (Hill et al., 2013). Online shopping is an activity in a virtual place where people can easily explore product information, pictures, and promotions without being geographically inconvenienced. The ease of online shopping makes it a quick escape, with the expectation to feel better. These positive feelings gained during the online shopping process thus trigger the intentions to purchase, with potential leverage into impulsive buying behaviour (Lim, 2017). Accordingly, online marketers need to pay attention to the website display and navigation, to appeal to young consumers with escapism motive. The "careful

spender" and "bargain hunter" characteristics of millennials (Phau and Woo, 2008; Schewe *et al.*, 2013) explain the positive influence of value motives on purchase intentions. The result of H4 suggests that young consumers with their own purchasing power seek value products that will fit into their budgets, and this influences their intention to purchase. While most of the sample reported being employed, millennials are more likely to be under-employed or studying than any other generational cohort. As such, they may have more restrictive budgets, thereby increasing their propensity to seek value in purchases. Our findings from H3 and H4 hence encourage marketers to develop pricing strategies that fit the millenials' purchasing power and provide emotional excitement altogether. This can be done by offering a discount over a period of time.

Results of H5 and H6 confirm Australian and American millennials as the tech-savvy generation and "digital natives" (Obal and Kunz, 2013). Australian and American young consumers are very familiar with the online shopping process and speak the "language" of the internet and the digital world. With a strong familiarity, they can easily find and access the desired pre-purchase information (vpnMentor, 2018), which can influence their intention to purchase. The young consumers also browse through online shops to research more information about the desired product. Their searching behaviour results in more exposure to online information that positively influences their intention to purchase the product. This result highlights the importance of having detailed product information available online and transparent reviews by previous shoppers. Further, it would be useful for online marketplaces to encourage reviews of products, such as the prompting system used by eBay, where consumers are automatically sent an email and mobile application reminders to review products they have purchased.

Limitations and Future Research Suggestions

This study recognises limitations which were manifested in sample choices and by extending the variables examined. First, we examined young adults in two developed countries, Australia and the United States. To achieve better generalisability and unearth deeper findings, future research may wish to examine young adults in both developed and developing countries. Second, although our model incorporates a set of psychological, motivational, and behavioural antecedents of online purchase intentions, there are still opportunities in the future to examine more variables within the online purchase behaviour context including trust and other online shopping motivations. Third, this study focused only on one generation: millennials. An opportunity for inter-generational replication of this study remains open for future research. This would allow for comparisons and in-depth studies to be made between generations (e.g. using the cohorts in Ting et al. (2018)), and thus giving further guidance to online marketers on how to target different generational cohorts. Finally, online shops in this study were self-selected by the respondents. An interesting development would be to deliberately select online shops based on certain features (e.g. product category).

Conclusion

The tech-savvy millennial generation represents a significant opportunity for online businesses, and the results of this study can provide further insight into academics and marketers alike. This study finds the unique characteristics of millennials influence their online shopping behaviours, with only small differences regarding social motives in shopping online found between Australian and American regions. Living with technology, millennials have a positive attitude towards online shopping that influences their intention to purchase. Millennials were motivated by value and bargain shopping, while this study showed escapism significantly affects purchase intentions, highlighting the existence and importance of online window shopping. Surprisingly, social motives negatively affect their intentions to purchase

online, showing millennials may browse online but are not motivated to purchase for social reasons. Finally, young consumers are highly familiar with online shopping procedures, which lead them to undertake detailed pre-purchase research. This information can then ultimately influence their intention to make a purchase.

Overall, this research extends the application of the Generational Cohort Theory to examine online purchase intentions amongst young consumers in Australia and the United States. Incorporating psychological, motivational, and behavioural variables namely attitudes on online shopping, online shopping familiarity, motives (social, value, escapism), and information search behaviour, the model in this study contributes richer insights into the process and antecedents of online purchase intentions. Practically, this study contributes insights for online marketers to understand the unique motivations and online purchase behaviours of millennials, to better appeal to this segment in marketing efforts.

Tables and Figures

Table 1a. Scales validity and reliability for Australian young consumer sample (n=309)

| Variable Items | Factor Loading | AVE | Cronbach's Alpha |
|--|-------------------|------|---------------------|
| The attitude on online shopping (Ahn et al., 2007; Khare and Rakesh, | | 0.74 | 0.82 |
| 2011) | 0.88 | | |
| My attitude toward online shopping is positive. | 0.86 | | |
| Online shopping is a good idea. | 0.83 | | |
| Online shopping is a wise idea. | | | |
| Social motive (Celik, 2011; Christodoulides and Michaelidou, 2010) | | 0.81 | 0.88 |
| I like to go to the online shop where people know me. | 0.93 | | |
| I like browsing in the online shops for social experience. | 0.91 | | |
| People important to me thought that I should go shopping online. | 0.86 | | |
| Escapism motive (Hill et al., 2013) | | 0.83 | 0.90 |
| Shopping on the internet makes me feel like I am in another world. | 0.94 | | |
| I get so involved when I shop online, I forget everything else. | 0.90 | | |
| Shopping on the internet "gets me away from it all". | 0.89 | | |
| Value motive (Hill et al., 2013) | | 0.74 | 0.88 |
| I like shopping online for discounted items. | 0.89 | 0.,. | 0.00 |
| I like shopping online to find lower prices. | 0.88 | | |
| I can find good deals in online shops. | 0.88 | | |
| I like hunting online for bargains. | 0.78 | | |
| Online shopping familiarity (Flavián <i>et al.</i> , 2006; Khare and Rakesh, | | 0.81 | 0.88 |
| 2011) | 0.92 | | |
| If I go shopping online, I know exactly what to do. | 0.90 | | |
| I am quite familiar with online shopping. | 0.88 | | |
| I feel comfortable with the online shopping system. | | | |
| Information search (Close and Kukar-Kinney, 2010; Khare and | | 0.63 | 0.85 |
| Rakesh, 2011) | 0.85 | | |
| I often browse for information on products and services via the | | | |
| internet. | 0.80 | | |
| I would like to search for information about products and services | | | |
| before purchasing online. | 0.79 | | |
| I use online shops as shopping research tools. | 0.78 | | |
| I use online shops to get more information on the product. | 0.74 | | |
| The internet provides a rich amount of information for many products. | | | |
| Online purchase intentions (Khare and Rakesh, 2011) | | 0.74 | 0.88 |
| I like to shop online. | 0.87 | 1 | |
| I have a strong intention to purchase online in the future. | 0.87 | | |
| I will buy online in the future. | 0.86 | 1 | |
| I often consider buying online. | 0.85 | 1 | |

Table 1b. Scales validity and reliability for American young consumer sample (n=436)

| Variable Items | Factor Loading | AVE | Cronbach's Alpha |
|---|-------------------|------|---------------------|
| Attitude on online shopping | | 0.81 | 0.88 |
| Online shopping is a good idea. | 0.91 | 0.01 | 0.00 |
| Online shopping is a wise idea. | 0.90 | | |
| My attitude toward online shopping is positive. | 0.89 | | |
| Social motive | | 0.79 | 0.86 |
| I like to go to the online shop where people know me. | 0.93 | | |
| I like browsing in the online shops for social experience. | 0.90 | | |
| People important to me thought that I should go shopping online. | 0.82 | | |
| Escapism motive | | 0.86 | 0.92 |
| Shopping on the internet makes me feel like I am in another world. | 0.94 | | |
| I get so involved when I shop online, I forget everything else. | 0.93 | | |
| Shopping on the internet "gets me away from it all". | 0.91 | | |
| Value motive | | 0.76 | 0.89 |
| I like shopping online to find lower prices. | 0.89 | | |
| I like shopping online for discounted items. | 0.89 | | |
| I can find good deals in online shops. | 0.85 | | |
| I like hunting online for bargains. | 0.85 | | |
| Online shopping familiarity | | 0.79 | 0.87 |
| I feel comfortable with the online shopping system. | 0.91 | | |
| I am quite familiar with online shopping. | 0.88 | | |
| If I go shopping online, I know exactly what to do. | 0.87 | | |
| Information search | | 0.68 | 0.88 |
| I use online shops to get more information on the product. | 0.86 | | |
| I often browse for information on products and services via the | 0.86 | | |
| internet. | | | |
| I would like to search for information about products and services | 0.84 | | |
| before purchasing online. | | | |
| The internet provides a rich amount of information for many products. | 0.81 | | |
| I use online shops as shopping research tools. | 0.75 | | |
| Online purchase intentions | | 0.76 | 0.89 |
| I have a strong intention to purchase online in the future. | 0.91 | | |
| I often consider buying online. | 0.89 | | |
| I like to shop online. | 0.85 | | |
| I will buy online in the future. | 0.83 | | |

Table 2a. Discriminant validity test for the Australian sample (n=309, diagonal indicates the square root of AVE).

| Construct correlations (r _{ij}) | Attitude | Social Motive | Escapism Motive | Value Motive | Online Shopping Familiarity | Information Search | Online Purchase Intentions |
|---|----------|---------------|--------------------|--------------|-----------------------------------|-----------------------|----------------------------------|
| Attitude | 0.86 | | | | | | |
| Social Motive | 0.23 | 0.90 | | | | | |
| Escapism Motive | 0.20 | 0.75 | 0.91 | | | | |
| Value Motive | 0.69 | 0.26 | 0.28 | 0.86 | | | |
| Online Shopping Familiarity | 0.76 | 0.01 | 0.07 | 0.57 | 0.90 | | |
| Information Search | 0.60 | 0.13 | 0.19 | 0.58 | 0.62 | 0.79 | |
| Online Purchase Intentions | 0.77 | 0.14 | 0.20 | 0.74 | 0.75 | 0.65 | 0.86 |

Note: Square root AVE > correlation coefficient (r_{ij}), discriminant validity met (Fornell and Larcker, 1981)

Table 2b. Discriminant validity test for American sample (n=436, diagonal indicates the square root of AVE).

| Construct correlations (r _{ij}) | Attitude | Social Motive | Escapism Motive | Value Motive | Online Shopping Familiarity | Information Search | Online Purchase Intentions |
|---|----------|---------------|--------------------|--------------|-----------------------------------|-----------------------|----------------------------------|
| Attitude | 0.90 | | | | | | |
| Social Motive | -0.09 | 0.89 | | | | | |
| Escapism Motive | -0.05 | 0.59 | 0.93 | | | | |
| Value Motive | 0.67 | -0.05 | 0.06 | 0.87 | | | |
| Online Shopping Familiarity | 0.78 | -0.15 | -0.08 | 0.70 | 0.89 | | |
| Information Search | 0.72 | -0.09 | -0.02 | 0.71 | 0.79 | 0.82 | |
| Online Purchase Intentions | 0.79 | -0.11 | -0.01 | 0.78 | 0.83 | 0.79 | 0.87 |

Note: Square root AVE > correlation coefficient (r_{ii}), discriminant validity met (Fornell and Larcker, 1981)

Table 3. Structural model assessment: Australia (A) and the United States (U)

| Linkages | Coefficients | t-values |
|--|--------------------------------|---------------------|
| H1 Attitude → Online purchase intention | $\beta_{\rm A} = 0.72***$ | $t_{\rm A} = 6.42$ |
| | $\beta_{\rm U} = 0.26***$ | $t_{\rm U} = 3.61$ |
| H2 Social motive → Online purchase intention | $\beta_{A} = -0.20***$ | $t_{\rm A} = -3.18$ |
| - | $\beta_{\rm U}$ = -0.03 (n.s.) | $t_{\rm U} = -1.09$ |
| H3 Escapism motive → Online purchase intention | $\beta_{A} = 0.15***$ | $t_{\rm A} = 2.78$ |
| | $\beta_{\rm U} = 0.03**$ | $t_{\rm U} = 1.97$ |
| H4 Value motive → Online purchase intention | $\beta_A = 0.21***$ | $t_{\rm A} = 2.63$ |
| • | $\beta_{\rm U} = 0.26***$ | $t_{\rm U} = 5.25$ |
| H5 Online shopping familiarity → Information search | $\beta_{\rm A} = 0.67***$ | $t_{\rm A} = 9.40$ |
| | $\beta_{\rm U} = 0.77***$ | $t_{\rm U} = 16.58$ |
| H6 Information search → Online purchase intention | $\beta_{\rm A} = 0.11*$ | $t_{\rm A} = 1.67$ |
| • | $\beta_{\rm U} = 0.57***$ | $t_{\rm U} = 5.18$ |
| Fit indices | Suggested value | Model fit indices |
| χ^2 | | 462.08 |
| df | | 182 |
| χ^2/df | ≤ 2 to ≥ 5 | 3.98 |
| RMSEA | ≤0.08 | 0.06 |
| CFI | ≥0.90 | 0.96 |
| GFI | ≥0.90 | 0.91 |
| SRMR | ≤0.08 | 0.07 |
| HOELTER (0.05) | >200 | 230 |
| N-4 *** <0.01 ** <0.05 * <0.10. C | 1 II : 1 (2000) II | 1D d (1000) 11 |

Note: ***p<0.01, **p<0.05, *p<0.10; Suggested values were based on Hair *et al.* (2006), Hu and Bentler (1998) and Hu and Bentler (1999).

Table 4. Online purchase intentions model hypotheses testing results.

| Hypotheses | Statement | Supported/Not Supported |
|------------|--|--|
| Н1 | Attitude towards online shopping significantly influences Australian (H1a) and American (H1b) young consumer's online purchase intentions. | Supported |
| H2 | Social motive significantly influences Australian (H2a) and American (H2b) young consumer's online purchase intentions. | H2a supported, H2b not supported |
| НЗ | Escapism motive significantly affects Australian (H3a) and American (H3b) young consumer's online purchase intentions. | Supported |
| H4 | Value motive significantly influences Australian (H4a) and American (H4b) young consumer's online purchase intentions. | Supported |
| Н5 | Familiarity on online shopping significantly influences Australian (H5a) and American (H5b) young consumer's online shopping information searching behaviour. | Supported |
| Н6 | Young consumer's online shopping information searching behaviour significantly influences online purchase intentions in Australian (H6a) and American (H6b) samples. | Supported |

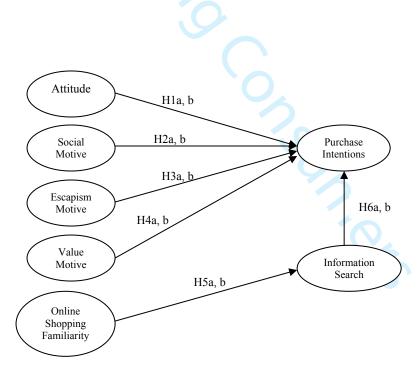


Figure 1. Proposed model

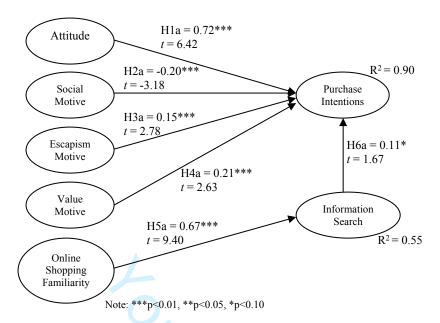


Figure 2. Australian model assessment results (n=309)

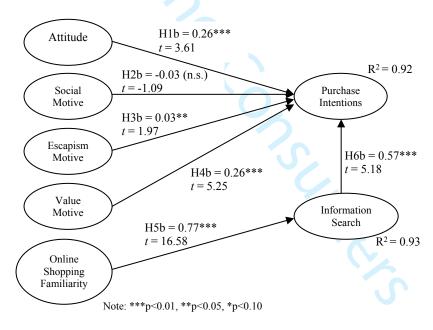


Figure 3. American model assessment results (n=436)

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