Examine Factors that Influence the Purchase Decision amongst Gen Z: A Case Study of Little Red Book

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Abstract

Social media has reshaped consumer behavior globally, with platforms like Little Red Book (Xiaohongshu) increasingly influencing purchase decisions. While Generation Z now wields growing economic power, relatively little is known about how Xiaohongshu shapes their buying habits within culturally diverse contexts like Malaysia. This study investigates Xiaohongshu's impact on Malaysian Gen Z consumers by examining how its unique blend of user-generated content, social networking features, and algorithm-driven recommendations interact with cultural nuances and authenticity values. Drawing on the Theory of Reasoned Action and Social Learning Theory, the research employs a quantitative survey method targeting Malaysian Gen Z users of Xiaohongshu. Statistical analyses will identify key determinants—such as reference groups, electronic word-of-mouth, product benefits, security, and information credibility—and measure their effects on purchase decisions. Findings are expected to inform marketers, policymakers, and businesses seeking to engage Gen Z responsibly, ensuring both culturally sensitive strategies and ethical marketing practices.

Keywords: *Generation Z, Xiaohongshu, Consumer Behavior, Social Media, Malaysia*

1.0 Introduction

The advent of social media has significantly impacted consumer behaviour and business strategies. As of October 2023, over 4.95 billion people worldwide, which constitutes approximately 61.4% of the world's population, are using social media (Statista, 2023). In Malaysia, around 78.5% of the Malaysian population, are active social media users (Howe, 2023). This rise, especially among Generation Z (1997 – 2012), has created opportunities for businesses to engage with a wide and diverse audience through platforms like Facebook, Instagram, and TikTok (Alves, 2023).

With Gen Z's rising influence and active economic participation, there has been a notable shift in spending power from Western countries to Southeast Asia. By 2025, Gen Z is expected to make up a quarter of the Asia-Pacific region's population, significantly driving economic growth. As this generation matures, they bring with them a considerable potential for market disruption and the creation of new consumer trends. It was found that from 2020, a crucial shift occurred in Southeast Asia, particularly China, who entered the global middle class in full force resulting in the growth of global consumer class to almost 4 billion, consequently increasing the share of Asia in the global consumer class by 50%. It was predicted that the trend will continue throughout this decade, being the world's largest consumer market (Fengler, Kharas, & Caballero, 2022).

In 2014, an emerging Chinese social community platform, Little Red Book, also known as Xiaohongshu, offered a unique blend of trusted user-generated content and word-of-mouth advertising to its users. Acting just like Facebook, users can engage with Little Red Book (Xiaohongshu) by liking the content, collecting the content by saving it under a bookmark for future reference and commenting on the content. It later entered the Malaysian market around 2018, a country where about one-third of the population is Chinese. According to official Little Red Book (Xiaohongshu), its Monthly Active Users (MAU) have reached 260 million, with a gender ratio of 3:7, male to female. Statistics show that Little Red Book (Xiaohongshu) has 1.5 million users in Malaysia, meaning approximately one in every four to five Chinese individuals uses the app. The user base is predominantly young, aged between 20 and 35, with over 80% being female (letschuhai.com, 2023).

1.2 Problem Statement

In Malaysia, social media platforms have become a central influence on consumers purchasing decisions especially amongst generation Z. Among various social media platforms, Little Red Book (Xiaohongshu) has emerged as a unique and influential player. However, there is a gap in understanding the specific impacts of Little Red Book (Xiaohongshu) on the purchasing decisions of Malaysian Gen Z consumers. This problem statement aims to explore the multifaceted influence of Xiaohongshu on this demographic's purchasing behaviour.

Firstly, the distinctive features of Xiaohongshu, such as its blend of social networking and e-commerce, its user-generated content, and its algorithm-driven recommendations, might uniquely influence Gen Z's purchasing decisions. Understanding these features' impacts is crucial for marketers and businesses aiming to target this demographic effectively in Malaysia. The problem lies in identifying and quantifying these influences in the context of Malaysian Gen Z consumers, who may have different cultural and social dynamics compared to their counterparts in other regions.

The interaction between Xiaohongshu's platform and the unique characteristics of Generation Z in Malaysia presents a multifaceted scenario. This digital-native generation is highly informed and values authenticity and social influence in their purchasing decisions. However, there is a notable lack of comprehensive research on how these traits interact with Xiaohongshu's platform features to shape consumer behavior, hindering businesses from effectively tailoring their marketing strategies.

Additionally, Malaysia's diverse ethnic, cultural, and religious landscape adds another layer of complexity. The varied social and cultural contexts may influence how Gen Z individuals perceive and engage with content on Xiaohongshu. Marketing strategies and content that

succeed in other regions might not resonate equally with Malaysian Gen Z consumers due to these cultural differences. Understanding these nuances is crucial for creating effective marketing campaigns on Xiaohongshu.

Moreover, there is a need to explore the ethical and societal implications of Xiaohongshu's influence on the purchasing decisions of young consumers in Malaysia. Issues such as consumer privacy, data security, and the potential for misinformation or unhealthy consumerism trends driven by social media influence are areas of concern. Addressing these issues is crucial to ensure responsible marketing practices and the well-being of Gen Z consumers.

2.0 Literature Review

2.1 Purchasing Decisions of Generation Z

Marketing experts have noted a shift in consumer behaviour, with a growing preference for internet channels and social media for communication and information gathering. In fact, recent data shows a significant rise in consumers turning to social media platforms for discovering and buying products. Additionally, McKinsey's research conducted by Charm et al., (2020) indicates that the move to online shopping is expected to continue, with substantial growth in online shoppers. Consequently, many service providers have established a presence on social networks to engage with customers, enhance their brand image, and foster online connections (Hutter, Hautz, Dennhardt, & Füller, 2013). As brand awareness grows, consumers often turn to the internet for more information, comparing the benefits of one brand against its competitors before making a purchase (Sharma, Dwivedi, Arya, & Siddiqui, 2021).

Social media site has thus become a crucial digital marketing tool for virtual customer interaction and communication at a reduced cost. These platforms enable firms to enhance consumer engagement (Gkikas, Tzafilkou, Theodoridis, Garmpis, & Gkikas, 2022), disseminate marketing messages efficiently, and effectively reach their target audience (Huang et al., 2019; Liu et al., 2018). This allows customers to influence others through their online reviews, comments, and word-of-mouth, sharing their experiences and opinions (Liu, Jayawardhena, Osburg, Yoganathan, & Cartwright, 2021).

2.2 Audience/Reference Group

A study by Ding, Lin, and Zhang (2020) examined the influences of reference groups on users' purchase intentions in network communities, emphasizing the role of reference group influence and trust in the product in shaping purchase intentions. The study highlighted the moderating effect of purchase involvement, indicating the complex interplay between reference groups and consumer decision-making. Furthermore, the impact of reference groups on consumer behaviour has been explored by Lee, Hosanagar, and Tan (2015), who investigated information cascades in online movie ratings, providing insights into the dynamics of reference group influence on consumer decision processes. Additionally, the study by Stewart, Stewart, Wiener, and Chaplin (2015) delved into the group-reference effect and the recall of consumer brands, shedding light on the cognitive processes underlying the influence of reference groups on consumer memory and brand preferences.

A study by Pun (2018) examined the contextual influence of reference groups on purchase decisions for consumer products, highlighting the informational, utilitarian, and value-expressive functions of reference groups. The findings emphasized the greater influence of

proximal reference groups on purchase decisions, irrespective of consumers' demographics, indicating the pervasive impact of reference groups on consumer behaviour. These studies collectively underscore the significant impact of reference groups on consumer decision-making, highlighting the need for marketers to understand and leverage the influence of reference groups to effectively target and engage their audience.

H1: There is a significant positive relationship between audience/reference group and purchase decision.

2.3 Electronic Word of Mouth (EWOM)
Kim and Park (2019) discovered that consumer purchase intentions on social media are greatly affected by the trust and perceived usefulness of EWOM. Likewise, Chen and Xie (2019) noted that the valence and volume of online reviews play a crucial role in consumer purchase decisions. Both studies highlight the significant impact of EWOM on consumer attitudes and purchase intentions, stressing its importance for business marketing strategies.

Filieri and McLeay (2014) discovered that the credibility of reviews, sources, and content greatly affects consumer behavior in the accommodation sector. Additionally, the study by Hennig-Thurau et al. (2018) explored the impact of EWOM on consumer behaviour in the context of healthcare, highlighting the role of review valence, volume, and source credibility in shaping consumer behaviour. These studies collectively underscore the significant impact of EWOM on consumer behaviour and purchase decisions, highlighting the need for businesses to understand and leverage the influence of EWOM to effectively target and engage their audience. Several studies, including Kim and Park (2019), Chen et al. (2014), and Erkan and Evans (2016), have demonstrated the significant impact of electronic word of mouth (EWOM) on consumer purchasing decisions. EWOM, facilitated by social media, empowers consumers to generate reviews, blogs, and recommendations, influencing their decision-making processes. Businesses must understand and leverage EWOM to effectively influence consumer behavior.

H2: There is a significant relationship between electronic word of mouth (EWOM) and purchase decision.

2.4 Benefits Offered
OlsenMetrix (2023) highlights the role of social media in promoting excellent purchases, warning against buying certain products, and offering exclusive discounts to encourage consumers to convert into customers. Moreover, the study emphasizes the importance of customer service on social media, as addressing customer complaints can increase brand advocacy by up to 25%, thereby retaining the customer base. Additionally, the article emphasizes the significance of sharing valuable content, such as new products, updates, and user-generated content, to enhance brand loyalty, repeat sales, and customer lifetime value. This underscores the potential of social media to not only influence initial purchase decisions but also to maintain and strengthen customer relationships post-purchase.

Furthermore, Drahošová & Balco (2017) discuss the positive aspects of social media, particularly for teenagers, highlighting its capacity to facilitate instant communication with mentors worldwide. The study emphasizes the benefits that people and society as a whole derive from social media, shedding light on the positive impact of the medium. Additionally, Emeritus (2023) outlines several benefits of social media marketing for consumers, including access to current trends, convenience, and quick service, which simplify purchase decisions and provide 24/7 access to information. These findings collectively highlights the multifaceted

advantages of social media in influencing consumer behaviour, promoting purchases, and maintaining customer engagement, thereby highlighting the significance of leveraging social media for offering discounts and special promos to enhance business outcomes.

Social media plays a crucial role in shaping consumer behavior and purchase decisions. According to OlsenMetrix (2023), 54% of users rely on social media for product and service research. Additionally, the ability of social media to instil trust in purchasers through fellow reviews and experiences contributes to the purchase decision-making process, as consumers tend to compare, contrast, and keep up with purchases, as noted by Luth Research (2023).

Social media platforms like TikTok, Instagram, Facebook, Twitter, and YouTube influence consumer behavior by building trust, facilitating comparisons, and leveraging marketing features to shape brand trust and purchase decisions. Forbes (2022) also emphasizes the role of social media in impacting consumer buying behaviour, particularly through the use of algorithms and paid promotions to expose brands' services or products to relevant audiences, thereby influencing purchase decisions. These findings collectively underscore the multifaceted relationship between benefits offered through social media and consumer purchase decisions, highlighting the significant influence of social media on shaping consumer behaviour and purchase choices.

H3: There is a significant relationship between benefits offered and purchase decision.

2.5 Security
A study by Hardoko (2022) investigated the effect of security on online purchasing decisions and stated that security guarantees play an important role in building trust by reducing consumer concerns about the misuse of personal data and data transactions that are easily damaged. Zhang & Zhao (2019) later examined the role of perceived security in e-commerce environments. They found that customers' perception of a website's security significantly influences their willingness to engage in transactions. This study emphasized the crucial role of security in consumer decision-making process.

It is important to note that the widespread adoption of social media has led to a growing concern for security and privacy of users' personal information. A systematic literature review by Herath et al. (2022) provides an extensive analysis of cybersecurity practices for social media users, focusing on the user's perspective. The study highlights the importance of user awareness and the need for effective security guidelines to protect personal information from potential threats. Similarly, a study by Tosun et al. (2020) conducted a SWOT analysis to raise awareness about cybersecurity and proper use of social media in Istanbul, emphasizing the need for education and public awareness campaigns.

Another study by Murire et al. (2021) examines the review of social media use by employees and the risk to institutional and personal information security compliance in South Africa. The research emphasizes the need for organizations to implement robust cybersecurity measures and educate employees about the potential risks associated with social media use. A comprehensive study by Benson et al. (2015) explores the information disclosure of social media users, emphasizing the importance of privacy settings and user awareness in protecting personal information.

A study by Xu (2022) investigates the influence of information security investment on purchase decisions for personalized products, highlighting the importance of security in shaping

consumer behaviour. Furthermore, Nguyen et al. (2022) delves into the relationship between security, individuality, reputation, and consumer attitudes on purchase intention in the context of online shopping in Vietnam, providing evidence of the significant role of security in shaping consumer trust and attitudes towards online purchases.

Beside, research by Smith et al. (2022) and Jibril et al. (2020) highlights the mediating role of privacy stress and brand trust on continuous online purchasing intention. These studies emphasize the importance of security-related factors in influencing consumers' willingness to engage in online transactions. Businesses must prioritize robust security measures to build consumer trust and confidence.

H4: There is a significant relationship between security and purchase decision.

2.6 Information Credibility
Research by J. Sun (2023) proposes a method for evaluating the credibility of social media information based on user perception, highlighting the importance of understanding how users perceive and assess the credibility of information shared on social media platforms. Moreover, the impact of trust, media credibility, and social ties on the intention to share and information verification in an age of fake news has been investigated by a study published in PMC (2022). The research highlights the significance of fake news awareness, intention to share, trust in people online, and social media credibility in influencing information verification, underscoring the complex dynamics of information credibility on social media platforms.

The relationship between information credibility and purchase decision is a critical aspect of consumer behaviour and decision-making processes. Research has consistently shown a positive relationship between information credibility and purchase intention. For instance, a study by J. Sun (2023) emphasizes the significance of information credibility as a determinant in consumers' decision-making, highlighting the positive relationship between information credibility and consumer purchase intention, especially when the information is found to be useful and adaptable. These findings collectively underscore the significant influence of information credibility on purchase decisions, highlighting the pivotal role of credibility in shaping consumer attitudes and intentions.

H5: There is a significant relationship between information credibility and purchase decision.

2.7.1 Theory of Reasoned Action (TRA)
The Theory of Reasoned Action (TRA), developed by Fishbein and Ajzen (1975), is a well-established psychological model that seeks to explain the interrelationships among attitudes, intentions, and behaviours. According to the theory, when individuals hold positive perceptions of a recommended behaviour (attitude) and believe that their significant others such as family and friends expect them to engage in this behaviour (subjective norm), it will lead to a stronger intention to perform the behaviour. This intention is a crucial determinant of actual behaviour (Leong, Loi, & Woon, 2021).

Applying this to the context of the research, TRA provides a valuable framework. For instance, if Generation Z users have a favourable view of purchasing products based on social media recommendations (positive attitude) and they also perceive that their social circle approves of or encourages these purchasing behaviours (subjective norm), these users are more likely to proceed with purchasing items they see on Little Red Book (Xiaohongshu). Moreover, TRA helps in understanding how social media influences these attitudes and norms. For example,

influencers and peers on platforms like Little Red Book (Xiaohongshu) can significantly shape the attitudes of Generation Z users by showcasing the benefits or attractiveness of certain products or lifestyles. Similarly, the perception of what is considered acceptable or desirable by their social group (subjective norm) can be heavily influenced by popular trends and narratives on these platforms.

2.7.2 Social Learning Theory

Social learning theory, developed by Albert Bandura in 1963, is a theory that emphasizes learning through observation, imitation, and modelling. It suggests that people can acquire new behaviours and attitudes by observing others, especially those they view as role models or influencers. This theory is relevant in the context of social media, where users are constantly exposed to behaviours and lifestyles of others. In the dynamic landscape of social media, users, especially from younger generations like Generation Z, often witness a variety of behaviours and lifestyles displayed by influencers and peers. These observations can significantly shape their attitudes and behaviours, as they often look to these role models on how to act, what to value, and even what to purchase.

2.8 Summary

This study investigates how social media influencers and peers on platforms like Little Red Book (Xiaohongshu) influence Generation Z's purchasing decisions. The study focuses on five key factors: security, audience/reference groups, electronic word of mouth (EWOM), benefits offered, and information credibility. These factors are grounded in the Theory of Reasoned Action and Social Learning Theory.

Figure 1: The Research Framework
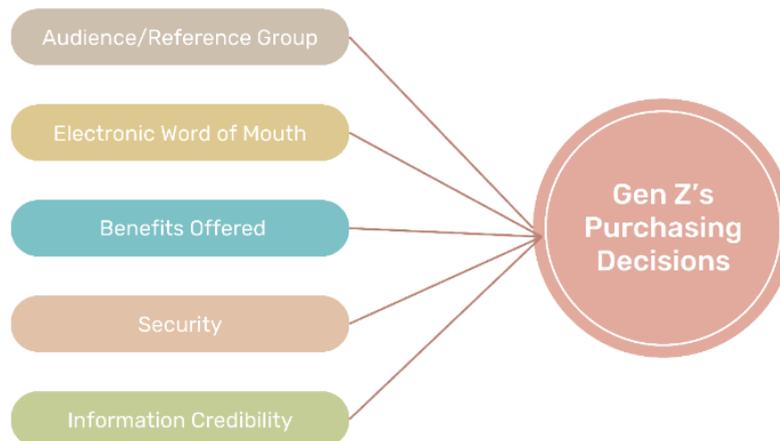
3.0 Methodology

Research design refers to the strategy adopted in a research study to answer the research questions by using empirical data (Shona McCombes & Pritha Bhandari, 2023). In this study, the research adopts a positivism philosophy and employs a deductive approach for the research methodology. The survey method is used as the research strategy to gather data and since the collected data will be analysed numerically, this choice of methods for this study will be using only quantitative method. Additionally, this is cross-sectional research that gathered data using a semi self-administered questionnaire. The questionnaires for this study were adopted from previous surveys and research, then distributed online, Finally, for data collection and analysis method, the study will involve the use of SPSS software for data evaluation.

In this research, non-probability sampling was used as it is more practical and convenient for sampling the population of Generation Z in Malaysia. the recommended sample size for this research would be at least 200 to increase the accuracy of the research. Also, a semi self-administered questionnaire was utilized, and the participants accessed the questionnaire through Google Forms, where they received links through social media platforms such as WhatsApp, Instagram, and Facebook, or physically scanning the QR code of the questionnaire link. Understanding the data provides preliminary insights into the quality of scales, coding, data entry, and more. Descriptive statistics were used in this study to understand the data by examining central tendency and dispersion. Indicators such as mean, range, standard deviation, and variance provide insight into respondents' responses to the questionnaire items and the quality of the measures. The reliability of measurements was determined by testing for consistency and stability using Cronbach's alpha, a reliability coefficient that indicates a positive correlation between a set of items. As for validity, it was tested through expert review and data factor analysis.

4.0 Data Analysis

4.1 Reliability

According to Daud et al. (2018), the closer the Cronbach's Alpha value is to 1, the more reliable the items of the variables are considered, with 0.600 being the minimum acceptable value for reliability. The values derived are 0.681, 0.661, 0.637, 0.806, 0.806, 0.689 for audience/reference group, electronic word of mouth, benefits offered, security, information credibility and Gen Z's purchasing decision respectively.

Table 1: Reliability

Reliability Statistics		
Variables	Cronbach's Alpha	N of Items
Audience/Reference group	0.681	5
Electric word of mouth	0.661	5
Benefits offered	0.637	3
Security	0.806	5
Information Credibility	0.806	5
Gen Z's purchasing decision	0.689	5

4.2 Normality Test

As suggested by Ghasemi & Zahediasl (2012), it is essential to perform a normality test on each variable within a study before proceeding with correlation and multiple regression analysis.

Table 2: Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
IV1	200	1.20	4.00	3.1490	.52476	-.918	.172	1.428	.342
IV2	200	1.20	4.00	3.0900	.53604	-.778	.172	1.140	.342
IV3	200	1.00	4.00	3.0283	.70396	-.734	.172	.077	.342
IV4	200	1.00	4.00	2.8880	.66639	-.553	.172	-.084	.342
IV5	200	1.00	4.00	3.3140	.54635	-1.218	.172	2.234	.342
DV	200	1.00	4.80	3.6390	.57299	-.754	.172	1.856	.342
Valid N (listwise)	200								

The skewness and kurtosis values for all variables, including the dependent variable "Generation Z's Purchasing Decision" and the independent variables "Audience or Reference Group," "Electronic Word of Mouth," "Benefits Offered," "Security," and "Information Credibility," fall within the acceptable range of -2 to +2 for skewness and -7 to +7 for kurtosis. This indicates that the data are normally distributed, as confirmed by the Q-Q plot test.

4.3 Pearson Correlation

According to Sekaran and Bougie (2016), the Pearson Correlation matrix is utilized to evaluate the significance of the bivariate relationships among the study's variables. This matrix is also instrumented in examining the strength and direction of the relationships between all variables incorporated in this research. The Pearson Correlation Coefficient ranges from -1 to +1, where -1 signifies a completely negative correlation, while +1 signifies a completely positive correlation.

The analysis reveals that several factors significantly influence Generation Z's purchasing decisions. The perceptions of audiences or reference groups show a moderate positive correlation (r = 0.336, p < .001), indicating that support from these groups is moderately associated with their purchasing choices. Electronic word of mouth also has a positive impact, though slightly weaker (r = 0.284, p < .001), suggesting that online reviews and recommendations play a notable role. The benefits offered by products or services exhibit a weak positive correlation (r = 0.230, p < .001), highlighting that perceived advantages can influence decisions, albeit to a lesser extent. Security perceptions, while also weakly correlated (r = 0.210, p < .003), still contribute to purchasing decisions, pointing to the importance of feeling secure in transactions. Lastly, the credibility of information shows a weak to moderate positive relationship (r = 0.298, p < .001), underscoring that trustworthy information is a key factor. Overall, these statistically significant correlations demonstrate that these variables collectively shape the purchasing behavior of Generation Z, with varying degrees of influence.

Table 3: Pearson Correlations

Correlations

		IV1	IV2	IV3	IV4	IV5	DV
IV1	Pearson Correlation	1	.656**	.530**	.397**	.518**	.336**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001	<.001
	N	200	200	200	200	200	200
IV2	Pearson Correlation	.656**	1	.456**	.431**	.445**	.284**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001	<.001
	N	200	200	200	200	200	200
IV3	Pearson Correlation	.530**	.456**	1	.351**	.367**	.230**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001	.001
	N	200	200	200	200	200	200
IV4	Pearson Correlation	.397**	.431**	.351**	1	.554**	.210**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001	.003
	N	200	200	200	200	200	200
IV5	Pearson Correlation	.518**	.445**	.367**	.554**	1	.298**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001		<.001
	N	200	200	200	200	200	200
DV	Pearson Correlation	.336**	.284**	.230**	.210**	.298**	1
	Sig. (2-tailed)	<.001	<.001	.001	.003	<.001	
	N	200	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).

4.4 Multiple Linear Regression Test

Multiple Regression Analysis is utilized to assess the predictive influence of each independent variable. The analysis will also ascertain the proportion of variance in the dependent variable that is attributable to independent variable. According to Table 4, the R square for the independent variables is 0.139, suggesting that the independent variables (Audience or Reference Groups, Electronic Word of Mouth, Benefits Offered, Security, Information Credibility) are responsible for a 13.9% variation in Generation Z's purchasing decisions in Malaysia. However, the remaining 86.1% of the variation is potentially due to other factors not included in this analysis.

Table 4: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.373[a]	.139	.117	.53856

a. Predictors: (Constant), IV5, IV3, IV2, IV4, IV1
b. Dependent Variable: DV

The ANOVA analysis assesses the significance of results, helping to confirm or reject hypotheses and identify variable differences. The regression model shows a sum of squares of 9.060, a mean square of 1.813, an F-statistic of 6.252, and a significance level below 0.001. This indicates a significant relationship between the independent variables (IVs) and the dependent variable (DV), "Generation Z's Purchasing Decisions," with a significance value

much lower than 0.05. However, relying solely on ANOVA is insufficient, so a multiple regression analysis is also conducted for comprehensive results.

Table 5: ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.067	5	1.813	6.252	<.001^b
	Residual	56.269	194	.290		
	Total	65.336	199			

a. Dependent Variable: DV
b. Predictors: (Constant), IV5, IV3, IV2, IV4, IV1

Table 6 shows that the **Audience or Reference Group (IV1)** has a positive but not statistically significant impact on Generation Z's purchasing decisions, with a beta value of 0.184 and a significance level of 0.062. **Electronic Word of Mouth (IV2)** also has a positive but insignificant effect, with a beta value of 0.074 and a significance level of 0.422. Similarly, **Benefits Offered (IV3)** has a weak and insignificant impact, with a beta value of 0.040 and a significance level of 0.617. **Security (IV4)** shows a negligible and insignificant effect, with a beta value of 0.007 and a significance level of 0.934. Lastly, **Information Credibility (IV5)** has a positive relationship with purchasing decisions, but it is not statistically significant, with a beta value of 0.151 and a significance level of 0.084.

Table 6: Coefficients

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.118	.278		7.624	<.001		
	IV1	.201	.107	.184	1.879	.062	.461	2.170
	IV2	.079	.098	.074	.805	.422	.524	1.907
	IV3	.033	.066	.040	.500	.617	.682	1.465
	IV4	.006	.071	.007	.083	.934	.642	1.557
	IV5	.159	.091	.151	1.736	.084	.584	1.711

a. Dependent Variable: DV

Table 7 presented below outlines the results of the hypothesis testing within the study, which are based on the Multiple Regression Analysis.

Table 7: Hypothesis Results

	Multiple Linear Regression		
Hypothesis	Coefficient Value	Significance Value (P-Value)	Decision
H1: There is a significant relationship between audience/reference group and purchase decision.	0.0184	0.062	Reject (P>0.05)
H2: There is a significant relationship between electronic word of mouth and purchase decision.	0.074	0.422	Reject (P>0.05)
H3: There is a significant relationship between benefits offered and purchase decision.	0.040	0.617	Reject (P>0.05)
H4: There is a significant relationship between security group and purchase decision.	0.007	0.934	Reject (P>0.05)
H5: There is a significant relationship between information group and purchase decision.	0.151	0.084	Reject (P>0.05)

5.0 Discussion of Findings

Hypothesis H1, suggesting a significant relationship between audience/reference groups and purchase decisions, is **not supported**. While a weak to moderate correlation (r = 0.336) was found, it was statistically insignificant (p = 0.062). This aligns with previous research by Ali and Anwar (2021) and Omar and Atteya (2020), who noted the indirect impact of online communities and reference groups on purchases. However, it contrasts with Lina et al. (2022) and Su et al. (2019). These discrepancies may be due to differences in platform, demographics, and cultural context. In Malaysia, particularly among Generation Z, the diverse cultural environment and varied social media exposure may dilute the influence of specific reference groups.

Hypothesis H2, proposing a significant link between electronic word of mouth (EWOM) and purchasing decisions, is **not supported**. While a positive correlation (r = 0.284) was found, it was statistically insignificant (p = 0.422) and had minimal predictive power. This aligns with Kamalasena and Sirisena (2021) and Pillay (2021), who suggest that EWOM, while increasing awareness and engagement, may not directly lead to purchases without brand trust. However, this contrasts with studies by Al-Ja'afreh & Al-Adaileh (2020), Siddiqui et al. (2021), and

Wangsa et al. (2022). The unique media consumption behaviors of Generation Z may dilute EWOM's impact. To effectively influence this demographic, marketers should combine EWOM with other strategies to build trust and emotional connections.

Hypothesis H3, suggesting a significant relationship between benefits offered and purchase decisions, is **not supported**. While a weak positive correlation ($r = 0.230$) was found, it was statistically insignificant ($p = 0.617$). This aligns with recent research suggesting that while promotions attract Generation Z, they may not be decisive factors in purchasing decisions. However, other studies have shown a stronger influence of promotions. The unique media consumption behaviors and diverse information exposure of Generation Z may dilute the impact of single promotional strategies. Marketers should adopt a multifaceted approach that combines promotions with strategies to enhance brand experience and leverage digital platforms to effectively reach this demographic.

Hypothesis H4, suggesting a significant relationship between security and purchase decisions, is **not supported**. While a weak positive correlation ($r = 0.210$) was found, it was statistically insignificant ($p = 0.934$). This aligns with recent research suggesting that security, while a concern, may not directly influence purchasing behaviors without enhancing trust. However, other studies have shown a significant impact of security on purchasing decisions. These discrepancies may arise from differences in technological adoption, cultural contexts, and evolving security threats. For Generation Z, security may not be a primary concern unless directly compromised. Therefore, while security is crucial, a holistic approach focusing on overall consumer experience, trust, and robust security measures is essential to effectively engage this demographic.

Hypothesis H5, suggesting a significant relationship between information credibility and purchase decisions, is not supported. While a moderate positive correlation ($r = 0.298$) was found, it was statistically insignificant ($p = 0.084$). This aligns with recent research suggesting that while credible information is noted, it may not directly influence purchasing behaviors. However, other studies have found significant impacts of information credibility in specific contexts. For Generation Z, the impact of single credible information sources may be diluted due to their exposure to diverse information. Therefore, while important, information credibility alone does not significantly influence purchase decisions. Marketers should adopt a comprehensive approach, combining credible information with engaging content and trust-building strategies to effectively influence this demographic.

5.1 Implication of the Study

This research is significant for scholars studying Generation Z's buying behaviors in Malaysia, focusing on five factors: audience/reference group, electronic word of mouth, benefits offered, security, and information credibility. It addresses research gaps and uses frameworks like the Theory of Reasoned Action and Social Learning Theory to provide deeper insights for businesses and guide business psychologists.

The findings are relevant for stakeholders aiming to influence Generation Z's purchasing decisions. They reveal that while the studied factors play roles, they are not as decisive as traditionally thought. Marketers should adopt holistic, multi-faceted strategies that resonate with Generation Z's diverse motivators, leveraging user-generated content, interactive

experiences, and authentic brand narratives. This approach helps businesses better predict and influence Generation Z's purchasing patterns.

5.2 Conclusion and Recommendation

This thesis was designed to evaluate the impact of audience or reference group, electronic word of mouth, benefits offered, security, and information credibility on the purchasing decisions of Generation Z in Malaysia. Gathering data from 200 Malaysian Generation Z participants, the research concluded that there is no significant relationship between the examined independent variables and purchasing decisions. While some existing studies align with these findings about the influence of these factors, this study presents a deviation by demonstrating only weak correlations, in contrast to previous research that found significant strong positive correlations. As a result, all five hypotheses proposed in this study were not supported. The disparities observed in the results, characterized by low correlations and coefficient values, could be attributed to demographic differences within the sample, geographic variations, and the small sample size. Given that this area of research is relatively unexplored with limited existing studies, pinpointing the exact causes for these outcomes might be complex.

Future research should consider expanding the sample size and diversifying the demographic profile to include a broader spectrum of Malaysia's ethnic groups. This approach would enhance the representativeness of the findings and provide deeper insights into the diverse purchasing behaviours of Generation Z across different cultural contexts within the country. Additionally, future studies could extend beyond Little Red Book to examine the influence of various social media platforms on Generation Z's purchasing decisions. Considering Generation Z's widespread use of platforms like Instagram, TikTok, and Snapchat, a multi-platform analysis would offer a more holistic view of the digital landscape and its impact on young consumers' buying patterns. Exploring these platforms could uncover nuanced insights into the complex interplay of social media dynamics and consumer behavior, providing marketers with valuable information to tailor their strategies effectively to this demographic.

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