

THE RELATIONSHIP BETWEEN
MOTIVATIONS FACTORS AND ONLINE
SHOPPING PARTICIPATION AMONG
STUDENT IN UNIVERSITY MALAYSIA
PAHANG.

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BACHELOR OF INDUSTRIAL TECHNOLOGY
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AFIKAH BT ABD RAHMAN @ OTHMAN

A report submitted in fulfillment of the requirements for the award of the degree of
Bachelor of Industrial Technology Management with Distinction

Faculty of Industrial Management
UNIVERSITY MALAYSIA PAHANG

JANUARY 2016

SUPERVISOR'S DECLARATION

I hereby declare that I have read this thesis and in my opinion, this thesis is sufficient in terms of scope and quality for the award of the degree in Bachelor of Industrial Technology Management with Distinction.

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STUDENT'S DECLARATION

I declare that this thesis entitled “The relationship between motivation factors and online shopping participation among University Malaysia Pahang students” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and it is not concurrently submitted in candidature of any other degree.

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LIST OF ABBREVIATION

TRA	Theory of Reasoned Action
TAM	Technology Acceptance Model
B2B	Business to business
B2C	Business to Customer
C2C	Consumer to Consumer
C2B	Consumer to Business
PEOU	Perceived Ease of Use
PU	Perceived Usefulness

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ABSTRACT

In the era of globalization, electronic marketing is a great revolution. Over the last decade maximum business organizations are running with technological change. Online shopping is the use of technology for better marketing performance. And retailers are devising strategies to meet the demand of online shoppers. This research is carried out to study the relationship between motivation factors and online shopping participation among University Malaysia Pahang students . The objective of this research is to identify the dominant factor that influence online shopping participation and to determine the relationship between the motivation factors and online shopping participation. Three faculty from University Malaysia Pahang which is FIM, FTeK and FKKSA was selected as a scope for this study. Participation randomly selected final year student from these three faculty are the respondent to answer the questionnaire in this study. The participants are 217 randomly selected from different gender, faculty and so on. The result showed that perceived ease of use (independent variable) and online shopping participation (dependent variable) have a strong relationship between perceived usefulness and perceived risk. The correlation showed that perceived ease of use and online shopping participation have the highest correlation compared to perceived usefulness and perceived risk. It's mean that the perceived ease of use is the dominant factor to influence online shopping participation.

ABSTRAK

Dalam era globalisasi, pemasaran elektronik adalah revolusi yang besar. Lebih sedekad yang lalu organisasi perniagaan maksimum berjalan dengan perubahan teknologi. Membeli-belah dalam talian adalah penggunaan teknologi untuk prestasi pemasaran yang lebih baik. Dan peruncit merangka strategi untuk memenuhi permintaan pembeli dalam talian. Kajian ini dijalankan untuk mengkaji hubungan antara faktor-faktor motivasi dan penyertaan membeli-belah dalam talian di kalangan pelajar Universiti Malaysia Pahang. Objektif kajian ini adalah untuk mengenalpasti faktor dominan yang mempengaruhi penglibatan membeli-belah dalam talian dan untuk menentukan hubungan antara faktor-faktor motivasi dan penyertaan membeli-belah dalam talian. Tiga fakulti dari Universiti Malaysia Pahang yang FIM, FTeK dan FKKSA telah dipilih sebagai skop kajian. Penyertaan yang dipilih secara rawak pelajar tahun akhir daripada ketiga-tiga fakulti adalah responden untuk menjawab soal selidik dalam kajian ini. Seramai 217 responden dipilih secara rawak daripada jantina yang berbeza, fakulti dan sebagainya. Hasilnya menunjukkan bahawa mudah penggunaan (pembolehubah bebas) dan penyertaan membeli-belah dalam talian (pembolehubah bersandar) mempunyai hubungan yang kuat berbanding manfaat dan risiko. Korelasi menunjukkan bahawa mudah penggunaan dan penyertaan membeli-belah dalam talian mempunyai korelasi yang paling tinggi berbanding dengan manfaat dan risiko. Ia bermakna bahawa kemudahan penggunaan adalah faktor dominan mempengaruhi penyertaan membeli-belah dalam talian.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Recently, the use of the internet is growing all around the world. It is increased rapidly in the few past years. The existing of the Internet, along with the growth of related technologies, has given impact on the lives of people. One of the biggest impacts is the increasing of online stores that sell variety of products. Consumers can now purchase products and services at anywhere and anytime, without going to the stores. Popularity of online shopping has increased with the help of Internet. Online shopping can be said as the process of shopping where consumers purchase products or services through online.

An increasing number of Internet users who shop online are because consumers increasingly have knowledge, more access to information and the offer can meet their needs. In terms of value, users can spend more for high quality products. Consumers are also increasingly demanding quality along with rising purchasing power. In addition, the online business has become one of the usual trend in advanced era.

1.2 BACKGROUND OF STUDY

Internet use has increasing rapidly over the previous year in Malaysia. According to the Malaysian Communications and Multimedia Commission (SKMM), by the end of 2012, the Internet users have reach 65%. This percentage has increased rapidly since 2009. Household uses of the Internet are increased from just 31% in 2009 to 63% in 2011 for rural and urban areas. The great use of Internet has also lead to a rapid growth in online business in Malaysia. Online shopping activities in Malaysia are increase from time to time (www.skmm.gov.my,2013).

These days buying products through the Internet has become a normal lifestyle by the Internet users in Malaysia. This is also supported by the presence of a giant website such as Zalora.com.my, Lazada.com.my, SuperBuy.my and many more. To guarantee online business to be successful, it is very crucial for the retailers to fully recognize their customer's need.

Consumers have their own reason and thought when deciding to buy through online or not. This depends on the ability, knowledge, experience and trust in sellers who offer the products on the Internet. Online business in Malaysia is one of the growing technologies. In an effort to enhance online shopping in Malaysia, the factors that influence the perception of consumers to buy online is very important whether consumers prefer to buy through online or buy in traditional way.

The products sell through online are explained through text, with the existence of related photos. Usually many online stores will describe a little bit about their products. Some will provide advice or guidelines about the products offered. As Internet let you to access information easily, you can get the product reviews that were posted by other consumers. Some online stores used these reviews as testimonies. Consumers also may rate the products purchased. These kinds of benefits would be not available in a conventional store. This is some advantage of online shopping.

More than that, consumers normally need to wait a period of time for delivery of the products. Sometimes, it can take up to a month or longer if shipped from overseas. There may be a delay in delivery, or misunderstanding, and more complicated, the customer and retailer cannot meet face to face for clarification. Through this research, it can explore in more depth the factors that influence consumers to shop online despite these issues that make consumers doubt to buy online.

This study proposed a framework on online shopping by refer to various factors that contribute to online shopping in Malaysia. The Technology Acceptance Model (TAM) developed by Davis (1989) was selected as a theoretical framework to build a conceptual model for this study. Beside the two original factors in the TAM model which are perceived usefulness and perceived ease of use, previous research was found that perceived risk is highly linked with consumer trust on technology related transaction (Bahmanziari et al. 2003). This research would like to study how perceived usefulness, perceived ease of use, and perceived risk which been categorize as motivation variables influence in online shopping participation from consumer's perspective.

1.3 PROBLEM STATEMENT

There are many products that are sold online and many researches have been done to explore in depth the factor that motivate consumer to shop online. Nowadays, there are many online stores, some of them is a big online store such as Zalora.com and also have the smaller online shop. From literature reviewed, many customers prefer to buy through online compare to shopping in traditional way. However there is still lack of research exist to identify the factors why customers prefer to buy through online compare to shopping in store especially in Malaysia.

Through some interviews conducted with several UMP students, among the reasons why consumers do not want to shopping in traditional