

SOCIAL IMPACT OF CONSUMER ACCEPTANCE
TO TECHNOLOGY INNOVATION IN MELAKA

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DECLARATION

“I hereby declare that the work in this project is my own except for quotations and summaries which have been duly acknowledged”

Signature :

Name : NOOR EMMA BINTI ISMAIL

Date :

DEDICATION

Special dedication to my family members especially both of my parents who always give me encouragement in my life, my study and to finish my undergraduate project

*To my supervisor
Puan Nor Ratna Masrom*

*To my Academic Advisor
Puan Nor Azan Abd Gani*

To all FPTT's lecturers

To all my classmates

And all my friends out there

Thank you for your supporting and teaching.

*Thank you for everything that you gave during my
studies and the knowledge that we shared.*

THANK YOU SO MUCH

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Special thank should also be given to all those individuals who assist me in one way or another in realising this study to its present form. Thanks to all my course mates that had been very supportive and helpful throughout my learning in the university. Thank you for your memorable and valuable friendships.

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ABSTRACT

Change is occurring at an accelerating rate; today is not like yesterday, and tomorrow will be different from today. Continuing today's strategy is risk, so is turning to a new strategy. That ways it is important to market today to know their target as well as meet their need. Despite the fact of people make trade, those who are older, less educated, minority and lower income have lower usage rates than younger, highly educated, white and wealthier individuals, this research develop and test an extended version of the PEST analysis to explain these differences. This research was made on the purpose to examine the relationship between social construct on PEST Analysis with customer acceptance to technology innovation in Melaka. This research involves over 120 respondents who are visitors of Urban Transformation Centre (UTC) Bandar Melaka, Melaka. The total of 125 sets of questionnaires using Likert Scale has been distributed to the respondents. All the answer and feedback from the questionnaires used to be analyzed in details as the background of the respondents and the stimulus that being the objectives of this study. All the findings analyzed quantitatively. From the findings, it stated that all the variables in social construct of PEST Analysis; background, lifestyle, social mobility, educational level and attitude have significant relationship with customer acceptance to technology innovation. Social mobility and educational level shows the high level of manipulation to customer acceptance to technology innovation. Its shows the positive link with social's life and involvement in technological days. This research is hopefully will help technology innovation manufacturer to be aware about the importance of social construct in customer acceptance and at the same time contribute to country's development.

ABSTRAK

Perubahan berlaku pada kadar yang sangat cepat; hari ini tidak seperti semalam, dan esok akan berbeza daripada hari ini. Maka, adalah penting untuk pemasaran pada hari ini untuk mengetahui sasaran pelanggan mereka disamping dapat memenuhi keperluan. Fakta dalam berdagang, orang-orang yang lebih tua, kurang berpendidikan, minoriti dan berpendapatan rendah mempunyai kadar penggunaan yang lebih rendah daripada yang lebih muda, berpendidikan tinggi, berkulit putih dan kaya, kajian ini menguji versi analisis PEST yang lebih jitu untuk menerangkan perbezaan ini. Kajian ini telah dijalankan bertujuan untuk mengkaji hubungan diantara impak konstruk sosial didalam analisis PEST terhadap penerimaan pelanggan kepada inovasi teknologi di Melaka. Kajian ini melibatkan lebih 120 responden yang melawat Pusat Transformasi Bandar (UTC) Bandar Melaka, Melaka. Sebanyak 125 set soal selidik menggunakan Skala Likert telah diedarkan kepada responden terlibat. Semua jawapan dan maklum balas daripada soal selidik yang digunakan untuk dianalisis secara terperinci sebagai latar belakang responden dan pembolehubah yang menjadi objektif kajian ini. Semua dapatan dianalisis secara kuantitatif. Daripada penemuan ini, ia menyatakan bahawa semua pembolehubah sosial konstruk dalam analisis PEST mempunyai hubungan yang signifikan dengan penerimaan pelanggan kepada inovasi teknologi. Pergerakan sosial dan taraf pendidikan menunjukkan tahap yang tinggi memanipulasi penerimaan pelanggan kepada inovasi teknologi. Kajian ini diharapkan akan membantu pengeluar inovasi teknologi untuk menyedari tentang betapa pentingnya konstruk sosial dalam penerimaan pelanggan dan pada masa yang sama menyumbang kepada pembangunan negara.

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LIST OF SYMBOL

P	= Significant value
β	= Beta
\leq	= Less than and equal to
\geq	= Higher than and equal to
%	= Percentage
N	= Total numbers
R	= Coefficient of correlation
R^2	= Coefficient of determination
Sig.	= Significant

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NOMENCLATURE

UTeM	Universiti Teknikal Malaysia Melaka
UTC	Urban Transformation Centre
PEST	Political Economical Social Technological
PSM	Projek Sarjana Muda

CHAPTER 1

INTRODUCTION

1.1 Introduction

Consumer adoption of technology innovation has in most countries been even faster than ever (Perlado and Barwise 2005). Increasing the ratio of local production to local consumption from 48 percent to 57 percent as the face of increasing demand for innovation activities, the subscription of technology is most priority. PEST analysis in marketing environment helps in giving better understanding to user regarding determinants of technology usage and adoption. It has shown to significantly improve the prediction of intentions to adopt high-tech products where this model enhances adding social constructs in their perspective in order to account for the effects from others rather than from one's own thoughts and feelings.

Presents a series of studies showing that the sources of innovation vary greatly; possible sources include innovation users, suppliers of innovation-related components and product manufacturers (Hippel, 2012). In passion towards innovation for technology, marketer does realize about the importance of customer acceptance of these kinds of things, so that they are practicing social variable as an option to belief that there are differently relevant to consumers with different background profiles and serve to mediate

the relationships between background variables and attitude toward technology innovation. Nowadays, innovation is not just need to be innovative in the area of innovation itself anymore, but beyond innovation lay disruptive innovation, which actually change social practices-the way we live, work and learn (Chesbrough, 2003). (Saul, 2011) in the book on title Social Innovation, Inc : 5 Strategies For Driving Business Growth Through Social Change says that in declaration of new era, leading corporation especially technological one should have for transforming into social innovation as they think about the role of business in society. By then, it shows the successful paths to making social change work for the business and in turn staying relevant in the industry. (Weber, 2011) relationship between business and society is becoming ever more complex since world of technology is increasingly integrated and interdependent. So that, the market should re-examine such central issue as well as the social aspect in term of the role of business in society. (Wiebe E. Bijker, 2012) in their book explain about social construction of large technological system wider in its manner and larger display on why they matter.

1.2 Problem Statement

In this 21st century, all human life revolves around the technology and profitability without realizing the importance of social aspects to be considered. Social here refers to macroeconomic factors in the context of marketing where the other factors are demography/ background, economic, environment, and politic (Altman, 2009). These macro environment or external factors of marketing cannot be controlled. So social marketing can be said to be the systematic application of marketing along with other concepts and techniques, to achieve specific behavioral goals for a social good and hence seeks to influence social behaviors not to benefit the marketer, but to benefit the target audience and the general society.

What can be seen now, the general acceptance regarding innovation of technology in general but not specific especially in a social aspect. Specific here refers to explanation of factors of social that affecting the consumer acceptance of any technology innovation.

1.3 Aim

The aim of this research is to explore how social factors affect customer acceptance to technology innovation.

So, what this research going to explain about is how social conditions of customer will influence their acceptance to technology innovation which will be explained in details as social construct in PEST analysis.

1.4 Objectives

The objectives of the research are:

1. To examine social construct in PEST analysis.
2. To examine relationship between social construct in PEST analysis with customer acceptance to technology innovation.
3. To investigate the highest factor influencing customer acceptance to technology innovations in term of social.

1.5 Scope

This research was conducted in Urban Transformation Centre (UTC) Bandar Melaka, so it will be focuses on the people there. Correspondents between the age of 15 and 45 years old will be recruited to participate in this research. Based on the calculation, estimation of population of 1,600 visitors of UTC every day, taking about 95% confidence level as well as 10 confidence interval found that samples size needed for this research are as many as 91 samples. A sample of 125 will be randomly selected from a pool of potential visitor who involved directly or indirectly in the purchasing of technology innovation goods. The study is limited to 15-45 years old only, as the primary research question is about how the influence of the social aspect, and specifically seeks to understand adult's knowledge of these issues. The participant population will not be limited by race or ethnicity in this study.

1.6 Limitation

Although this research had reached its aims, there were some unavoidable limitations. First, because of the time and financial limit, this research was conducted only on small size of population who were working at UTC Melaka. Therefore, to generalize result for larger group, the study involved more participants at same position whereby it also will be conducted on visitor of UTC itself. The respond of the respondents are out of researcher's control. Secondly, this research did not intend to aim all level of age in order to reduce the risk of inaccurate information if conducted on individuals who are very immature or aged one. Research is focusing in UTC Melaka only because of limited of time to finish this research. The insufficient of financial by the researcher may influence the research been made. The researcher in fully under Pinjaman Tabung Pendidikan Tinggi Nasional (PTPTN) that is education's loan and that may influence on how the research been made.

1.7 Theoretical Framework

In this chapter, there is a theoretical framework that researcher think should be considered to explore the extent to technology innovation acceptance by consumers. In learning contexts can provide insights into the patterns of user that we see in term of social. The theoretical framework considers this within the current debate about the user adoption to and appropriate new technologies.

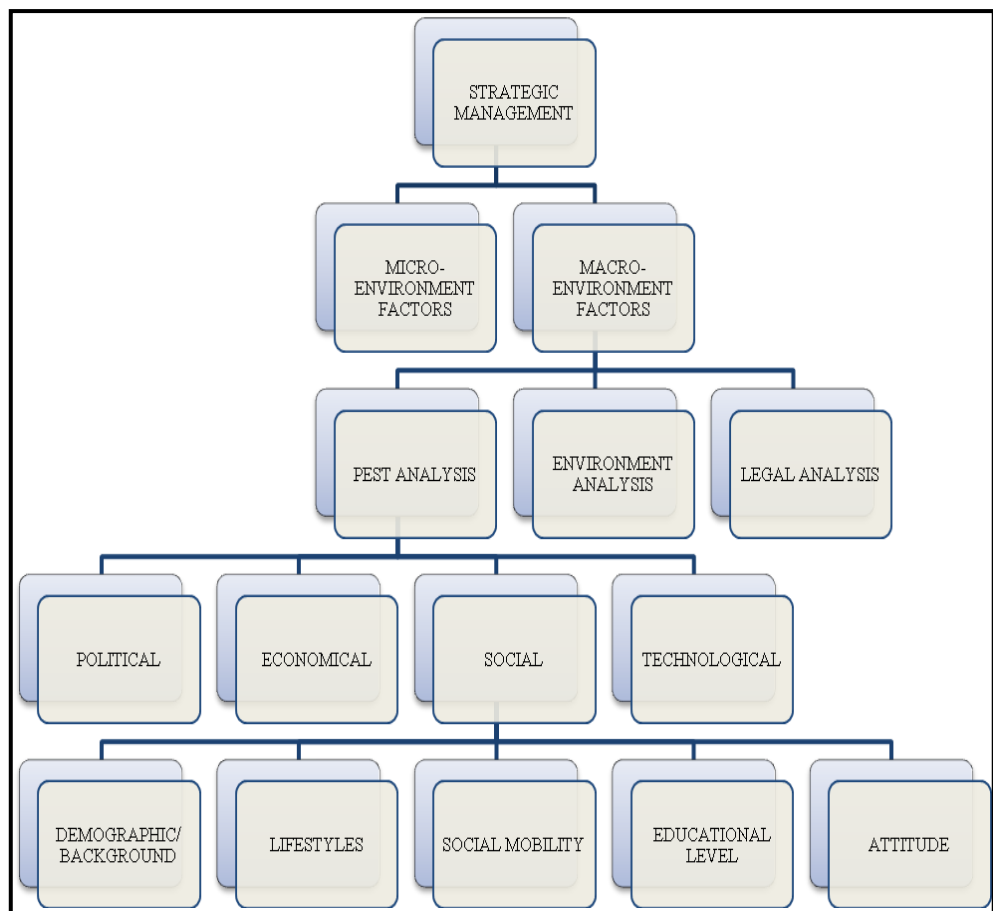


Figure 1: The K-Chart of Study

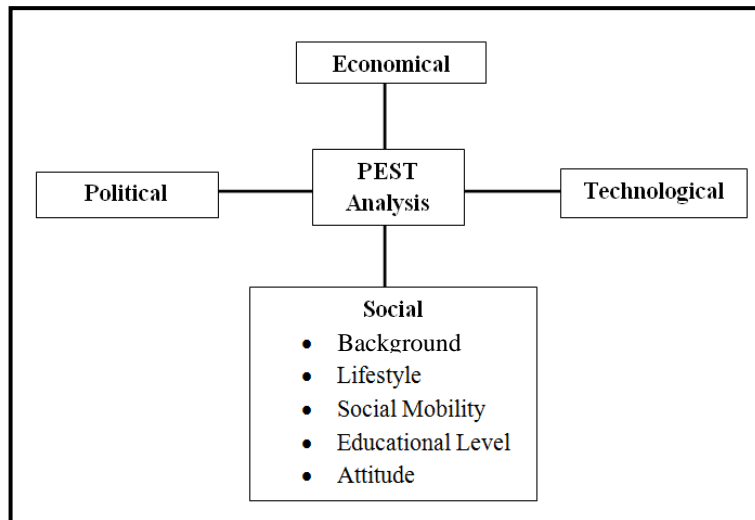


Figure 2: Social Construct in PEST Analysis

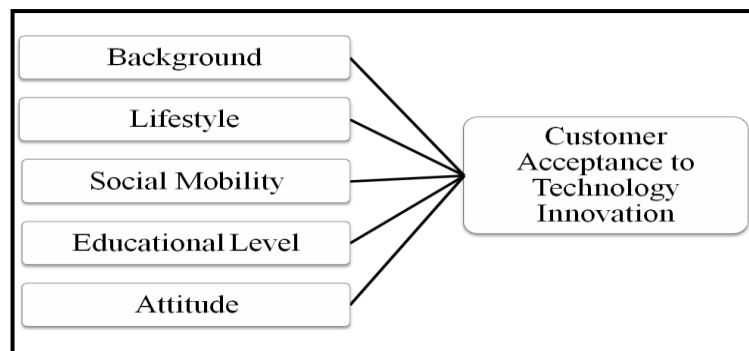


Figure 3: Dependent and Independent Variable

1.7.1 Hypothesis

H₀ : There is no relationship between background factor and customer acceptance to technology innovation.

H₁ : There is relationship between background factor and customer acceptance to technology innovation.

H₀ : There is no relationship between lifestyles factor and customer acceptance to technology innovation.

H₁ : There is relationship between lifestyles factor and customer acceptance to technology innovation.

H₀ : There is no relationship between social mobility factor and customer acceptance to technology innovation.

H₁ : There is relationship between social mobility factor and customer acceptance to technology innovation.

H₀ : There is no relationship between educational level factor and customer acceptance to technology innovation.

H₁ : There is relationship between educational level factor and customer acceptance to technology innovation.

H₀ : There is no relationship between attitudes factor and customer acceptance to technology innovation.

H₁ : There is relationship between attitudes factor and customer acceptance to technology innovation.

1.8 Summary

This chapter cover all questions regarding what this research is all about. From the beginning, this research focusing on current market conditions and their correlation with social construct on PEST analysis and explanation on how one's social conditions affect their acceptance to technology innovation. Problem statement has stated clearly regarding the issues examined by this research as so it did not interfere with the foundation for research in future. Furthermore, the aim and objectives of this study clearly attached to the research so that can be understood very well and non-distorted facts presented. To avoid any confusion regarding objective of this study, scope, limitation and key assumption was presented together with this chapter. For the full amount of understanding, theoretical framework had attached together at the end of this chapter in term of clearly clarification.