

I hereby confirm that I have examined this project paper entitled:

THE EFFECTIVENESS OF DELIVERY SYSTEM AND PRODUCT INFORMATION
IN WEB TO INCREASE ELECTRONIC SALES IN TESCO MELAKA

By

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I hereby acknowledge that this project paper has been accepted as part fulfillment for the degree of Bachelor of Technology Management (Hons) in High Technology Marketing

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THE EFFECTIVENESS OF DELIVERY SYSTEM AND PRODUCT INFORMATION
IN WEB TO INCREASE ELECTRONIC SALES IN TESCO MELAKA

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I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

Name :

Date :

DEDICATION

This research paper is lovingly dedicated to my respective family who have been my constant sources of inspiration. They have given me the drive and discipline to tackle any task with more patients. Without their love and support, this project would not have been made possible.

ACKNOWLEDGEMENT

Praise is too God for providing me with great health and strength in completing this project paper for the title which is the effectiveness of delivery system and product information in web to increase electronic sales in Tesco Melaka. It was great appreciate that I acknowledge the contribution and support in completing this project paper.

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Thank you very much.

ABSTRACT

. In this research, the significance of the research is to clearly examine the relationship between two variables which is delivery system and product information in web able to influenced the electronic sales for particular organization. The delivery system and product information in web is two of the variable in this research has to be discussed further. The objectives for this research are to identify and examine the relationship between delivery system and product information in web able to influence the electronic sales in Tesco Melaka. The quantitative research method was taken as statistic tools in this research to examine the relationship between delivery system and product information in web to influence the electronic sales in Tesco Melaka. Questionnaire has been distributed to public to collect the data to complete this finding. For this research, the population has been determined by research through the activities observation a week at Tesco Melaka with total about 30,000 people was visited to Tesco Melaka. The sample for this research was determined at 379 respondents for completes this research. In this research, the researcher assumed that is significant relationship between delivery system and product information in order to influence the electronic sales for Tesco Melaka in case applied online purchasing through online.

Keywords: Delivery System, Product Information in Web, Electronic Sales, Tesco Melaka.

ABSTRAK

Dalam kajian ini, penyelidik akan menyelidik tentang perhubungan di antara system penghantaran produk dan juga maklumat produk in laman web samada akan mempengaruhi dan meningkatkan prestasi jualan sesebuah organisasi melalui aktiviti jualan internet. Kajian ini akan dijalankan di Tesco Melaka. Kajian ini akan dijalankan dalam padangan masyarakat di Malaysia. Sistem penghantaran dan maklumat produk di laman web akan diselidik dengan lebih lanjut dan teliti dalam kajian ini. Matlamat utama bagi kajian ini adalah untuk mengkaji hubungan di antara sistem penghantaran produk dan rodok informasi di laman web boleh mempengaruhi prestasi jualan elektronik di Tesco Melaka. Keadah yang diambil dalam kajian ini adalah soal selidik. Keadah soal selidik dalam bentuk kertas soal selidik terhadap masyarakat setempat diambil sebagai keadah utama dalam kajian ini untuk mengetahui dan menyelidik akan kewujudan perhubungan di antara kedua-dua aspek yang dikaji. Soal selidik akan dibahagi kepada orang ramai untuk mendapat maklumat bagi menyiapkan kajian ini. Bagi kajian ini, populasi kajian ini adalah berdasarkan pemantauan pengkaji selama seminggu ke atas Tesco Melaka dan jumlah populasi adalah seramai 30,000 ribu orang. Dengan maklumat ini, contoh populasi yang diambil untuk kajian ini adalah seramai 379 responden yang akan diutamakan, Pengkaji percaya akan terhadap kedua-dua aspek iaitu sistem penghantaran produk dan maklumat produk di laman web berkeupayaan untuk mempengaruhi dan meningkatkan prestasi jualan di Tesco Melaka melalui jualan internet dalam kajian ini.

Kata Kunci: Sistem Penghantaran Produk, Produk Informasi di Laman Web, Jualan Elektronik, Tesco Melaka.

TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
	APPROVAL	i
	DECLARATION	iii
	DEDICATION	iv
	ACKNOWLEDGEMENT	v
	ABSTRACT	vi
	<i>ABSTRAK</i>	vii
	TABLE OF CONTENTS	viii
	LIST OF TABLE	x
	LIST OF FIGURE	xi
	LIST OF APPENDIX	xii
CHAPTER 1	INTRODUCTION	
	1.1 Background of the Study	1
	1.2 Research Questions	2
	1.3 Research Objectives	3
	1.4 Scope	3
	1.5 Limitation	4
	1.6 Importance of Study	4
CHAPTER 2	LITERATURE REVIEW	
	2.1 Electronic Commerce	7
	2.2 Trends of Electronic Commerce	8
	2.3 Overview of E-Commerce	11
	2.4 Tesco Online Purchasing Market Share	11

	2.5 Delivery System	14
	2.6 Product Information in Web	14
	2.7 Theoretical Framework	15
	2.8 Hypothesis of the Study	15
CHAPTER 3	RESEARCH METHODOLOGY	
	3.1 Research Design	17
	3.2 Approach	18
	3.3 Collecting Data	18
	3.4 Location of Research	19
	3.5 Validity and Reliability	20
CHAPTER 4	RESULT AND DISCUSSION	
	4.1 Respondent Profile	23
	4.2 Validity	36
	4.3 Reliability	37
	4.4 Result and Analysis	38
	4.5 Measures	39
	4.6 Multiple Regression Analysis (MRA)	39
	4.7 Inferential Statistic	40
	4.8 Testing Hypothesis with Simple Linear Regression	41
	4.9 Discussion	43
CHAPTER 5	CONCLUSION AND RECOMMENDATION	
	5.1 Conclusion	47
	5.2 Recommendation	48
	REFERENCES	49
	APPENDIX	51

LIST OF TABLES

Tables	Title	Page
2.1	Five principles of Tesco Groceries in effective delivery system	13
3.1	Tabulation of amount of flow traffic consumer to Tesco Melaka	19
4.1	Statistic analysis of respondent by gender	23
4.2	Statistic analysis of respondent by age	24
4.3	Statistic analysis of respondent by income level	25
4.4	Statistic analysis of respondent by education level	26
4.5	Statistic analysis of respondent by occupations	27
4.6	Statistic analysis of respondent by monthly frequency of visit to Tesco	27
4.7	Statistic analysis of respondent by online purchasing experience for product or service	28
4.8	The perception of delivery system	29
4.9	The perception of product information in web	31
4.10	The perception of electronic sales (E-sales)	33
4.11	Validity of pilot test (30 respondents)	36
4.12	Reliability for this Research	37
4.13	Model Summary of MRA	39
4.14	Pearson correlation between variables	40
4.15	Table of simple linear regression	41

LIST OF FIGURES

Figures	Title	Page
2.1	The Malaysia E-commerce Market Size	8
2.2	The total internet users in Malaysia since 2002	9
2.3	The tabulation of online consumer by age group	10
2.4	Grocery Market Share of total 67.9% for the 4 biggest chains in UK.	12
2.5	A framework of research study	15
3.1	Location of Research	20

LIST OF APPENDIX

No	Title	Page
A.	Five principles of Tesco Groceries in effective delivery system	51
B.	Statistic analysis of respondent by gender	52
C.	Statistic analysis of respondent by age	52
D.	Statistic analysis of respondent by income level	52
E.	Statistic analysis of respondent by education level	53
F.	Statistic analysis of respondent by occupations	53
G.	Statistic analysis of respondent by monthly frequency of visit to Tesco	53
H.	Statistic analysis of respondent by online purchasing experience for product or service	54
I.	The perception of delivery system	54
J.	The perception of product information in web	55
K.	The perception of electronic sales (E-sales)	56
L.	Sample of Questionnaire	57

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Nowadays, activity retailing through internet was developed rapidly since recent decades. E-commerce becomes essential marketing tools or method used widely in several of industry. Many retailers are starting to invest and expanding their current business profile into internet shopping. This is because several of physical goods quite difficult to display all goods in store since larger physical required quite not economical ways while economic now is in an unstable situation. E-commerce has been developed well in western countries by major retailers store such as Tesco, Wal-Mart, Carrefour, and so on. They realized that internet shopping will contribute a particular portion in their business profile. Following that, several of efforts have been launched and established by major retailers to gain their market share in this market niche. The e-commerce system is the main key point in this study. The e-commerce has enabled to allow user to use online shopping then receiving their ordering through home delivery. Home delivery system has been well developed Tesco in United Kingdom. Thus, the researcher will conduct this research to identify the relationship between delivery system and product information in web able to increase the sales performance organization through activities e-commerce. According to descriptions of Thomas (2000), e-commerce is normally one of the frameworks involving selling and buying activities through internet for goods. Retailing in context one of the activities of value added to

goods or services to the consumer either personal or family users (Levy and Neitz, 2006). According to internet retailer (2011) report that whereby internet shopping in retailing activities really provided several of option to consumer for them to purchase goods than previously only through travel to in- store to get what they need. Thus, activities retailing in the retail industry via e-commerce is still new in Malaysia. According to AT Kearney (2012) statistic shown that Malaysia is one of the highest e-commerce index ratings around the world with 56% of population Malaysia are directly applied internet usage in their daily activities. Not only that, the quality of logistics and transportation in Malaysia can compared with United States enable Malaysia have high potential in developing a future in e-commerce activities in different contexts or industry. The quantitative research method was taken for examined the relationship happened between two variables which is delivery system and product information in web weather to influence or increase the performance of electronic sales in Tesco Melaka. Researcher expected to gained widely answer from society through the survey questionnaire to public.

1.2 Research Question

Retail activities are the high transaction of goods and services in business context. Traditional retailing methods such as in- store sales always become the priority choice of consumers to get what they need and want. However, the milestone of developing or using shopping as alternative method allows consumers easy to access or purchase goods through the online purchasing system. According to internet retailer (2011) clearly stated that e-commerce in retail industry in current stage still unable to fully overtake traditional in-store retail.

Malaysia is one of the unique countries across the international platform with a combination of different culture, language, races, religion and lifestyle. The high internet users in population of Malaysia with statistic about 56% of society apply internet in their

daily activities is the main factors cause internet functioning as alternative method for purchasing goods and items. Thus, Tesco Melaka was selected as study areas for this research related to the accessibility and feasibility of implementing effective delivery system in e-commerce context. The research question is stated as below:

- I. What is the relationship between delivery system with the electronic sales within an organization?
- II. What is the relationship between e-commerce with the electronic sales within an organization?

1.3 Research Objectives

The objective of this research is to examine and identify the relationship between effective delivery system and product information in web able to increase the sales performance Tesco Melaka through online business. The objective of this research paper is stated as below:

- I. To examine the relationship effective delivery system with electronic sales organization
- II. To examine the relationship product information in web with electronic sales organization

1.4 Scope

The scope of this research paper is to identify the relationship between effective delivery system able to increase the performance of electronic sales. Besides that, the relationship between product information in web played important role to influence the

performance of electronic sales also are one of the scope for this research. The retail industry have been selected is Tesco Melaka which is nearby Terminal Bus Station of Melaka (Melaka Central).

Tesco Melaka has been selected as a research location because the research considers the environmental factors which are the location of the store is nearby with central of Melaka city and ease to conduct survey to the public. Besides that, the observation method has been taken for population of research in order to clearly stated and draw out the sample of respondent for this research.

1.5 Limitation

In this research paper, there are several limitation has been identified. Firstly, this research only focused on Melaka areas with specific location choose for examine the relationship for both variables which is delivery system and product information in web to increase the electronic sales. Further the discussion will be applied in Tesco Melaka. Next, based on researcher assumed that variety of category respondent will be taken to ensure this research becomes more precise and reliable. Thus, research going to apply quantitative research method in this research.

1.6 Importance of the Study

The most essential in this research is to examine the relationship between effective delivery system and product information in web in order to influence and increase performance of electronic sales for Tesco Melaka through online activities. In other words, this research not represent whole society Malaysia since this research progress only for Melaka areas with specific location selected to conduct this research.

However, it can also provide useful data or analysis about certain portion of respondent in Melaka areas about e-commerce system apply in Tesco Melaka. It has become a huge development in Malaysia concept and it able to closely one more step in achievement blueprint technology based countries. Besides that, improvement and functional current delivery system in the retail industry can be maximized. Meanwhile, the success of this research will provided society of Malaysia new purchasing methods through online for better convenience environment shopping experience in the future.

CHAPTER 2

LITERATURE REVIEW

This chapter is to discuss about review about e-commerce trends and perception of society toward the online purchasing system in Tesco Melaka. The several main criteria will be studied further on this topic such as e-commerce and retailing trends, significance of e-commerce and retailing activities and social values both criteria to society also will discuss details. Firstly, overview of e-commerce will be discussed in section 2.1 meanwhile trends of e-commerce will be discussed in following section which is 2.2. There are several statistics has been attached for further understanding about the trends of e-commerce in retail industry for worldwide and Malaysia context. In section 2.3, the overview of e-commerce for Tesco in worldwide review has been explained details. For section 2.4, the market share of Tesco in worldwide has been explained by researcher for further understanding. Next, one of the variables for this research which is delivery system will discuss in section 2.5. Meanwhile, product information in web as alternative variable has discussed in section 2.6. The theoretical framework will introduce in section 2.7 and hypothesis statement will state clearly in section 2.8.

2.1 Electronic Commerce

E-commerce or other word called electronic commerce is means particular products or services through business activities. Basically, e-commerce refer to the transaction between at least two persons or party for buying and selling purpose either in tangible or intangible transaction (Laudon et.al. 2009). For a further explanation suit to the current century, e-commerce is referred to process to exchange information, relationships between each entity, individuals and organizations for creating specific vales (Gupta, 2010).

Implementation of e-commerce method in retailing activities in Malaysia is one of the leaps moving in the technological aspects. This is not only increasing the efficiency and effectiveness of retailing activities in future time but also increasing our Malaysia reputation in technology improvement around the international platform. For most appropriate instance, MSC or called Multi Super Corridor is one of the huge mission effort our government to support our countries to moving as western countries such as United States, United Kingdom in term of technological.

E-commerce in retail industry in Malaysia such as foreign companies such as Tesco origin from United Kingdom, Jaya Jusco origin from Japan was already developed their business in e-commerce. However, both this investors only develop their website for customer review, services purpose and others limited access due to their current promotion, status and so on.

2.2 Trends of Electronic Commerce



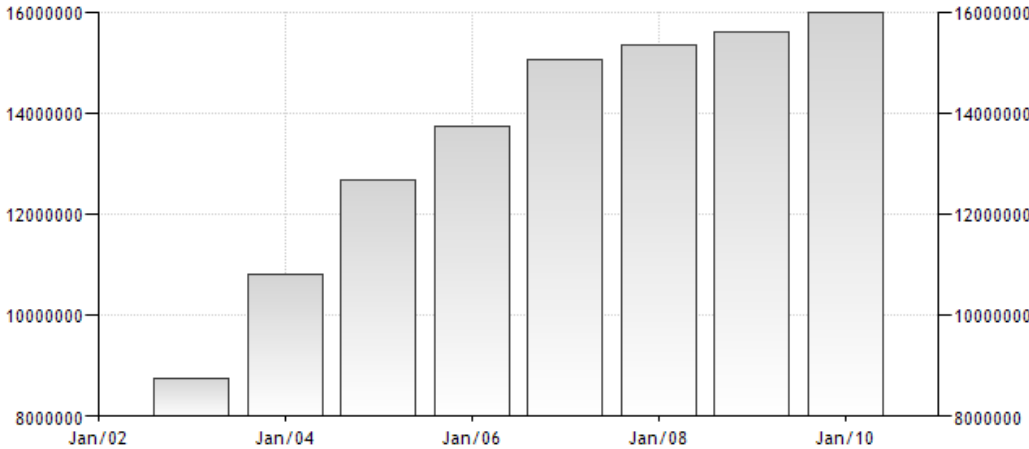
(Source: Internet source getRanked, 2012)

Figure 2.1: The Malaysia E-commerce Market Size

According to getRanked statistic stated the trends development of e-commerce in Malaysia context. Based on the statistic shown that the previously and prediction of development of e-commerce in Malaysia culture. In year 2010 shown that there are RM1.8 billion for e-commerce activities has been indentified and the huge development or amount increase to RM5 billion as the prediction in year 2014. The prediction is followed by the trends of business world and activities of website through retail activities.

According to e-MarketInc statistic, level of sales for online purchasing is increasing about 25% of an estimated \$25 billion Us Dollar. In 2007, following by evolution of e-commerce development, online consumer will increase rapidly for following years. Therefore, fundamental of e-commerce is positive and better improvement stages than continue with current traditional retailing method such as in

store shopping is quite left behind in future time. Besides that, technology growth movement in this century is unbelievable and unpredictable. According to e-MarketInc research in 2007, shown that about 68% of internet users prefer to purchase goods or services through online transactions compared to only about 13% of users purpose to investigate particular goods or services without consuming anything from online. Finally, about 19% online users not really interested in purchasing through online services. Based on this kind of statistic, the researcher assumes that trends of e-commerce will development faster than before since time management to each individual or organizations become very crucial and essential to completed their daily work duties or business activities. Look around the world, each industry trying harder to innovate in their goods or services become more convenience and easier to consume. E-commerce in retailing become one new step for the retail industry to customization their business profile and increasing own reputation and customer loyalty to organizations.

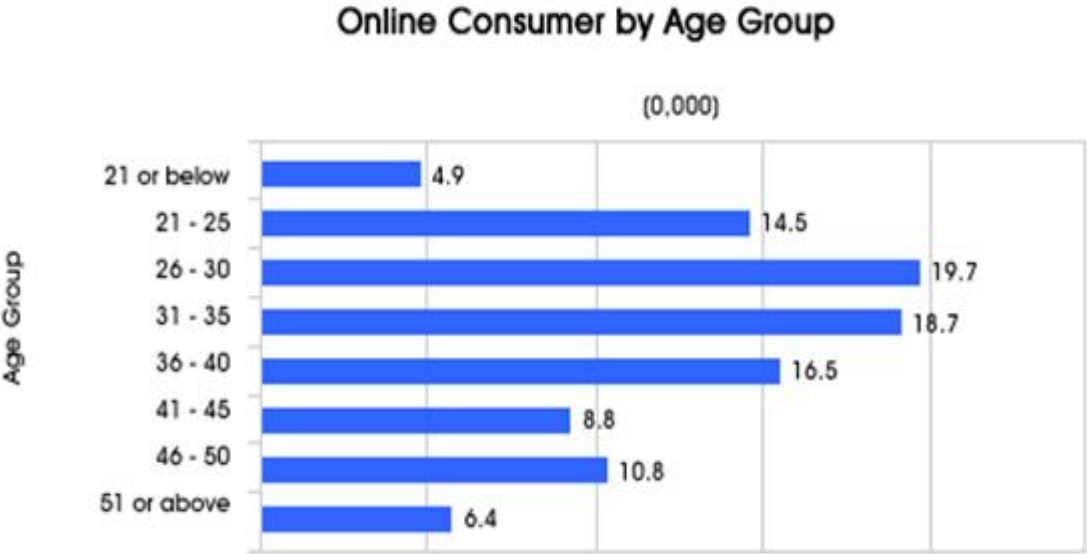


(Source: World Bank Report in 2012)

Figure 2.2: The total internet users in Malaysia since 2002

Based on figure 2.2, the trends of internet users in Malaysia had very good potential to grow up. The statistic of World Bank shown that the positive increment of internet users in Malaysia since 2002 until the latest prediction of internet users 2010. As we can indentified shown that the huge increase amount of internet users between years

2002 until 2006 which is about 50% of exact amount of 2002. This is shown the population of Malaysia very prefer to move in advance to internet activities in their daily life because it able to manage and save their time wisely. Based on this reliable statistic from World Bank, the researcher believes that the trends of activities e-commerce have the huge and unpredictable potential in Malaysia context.



(Source: Internet Source getRanked, 2012)

Figure 2.3: The tabulation of online consumer by age group

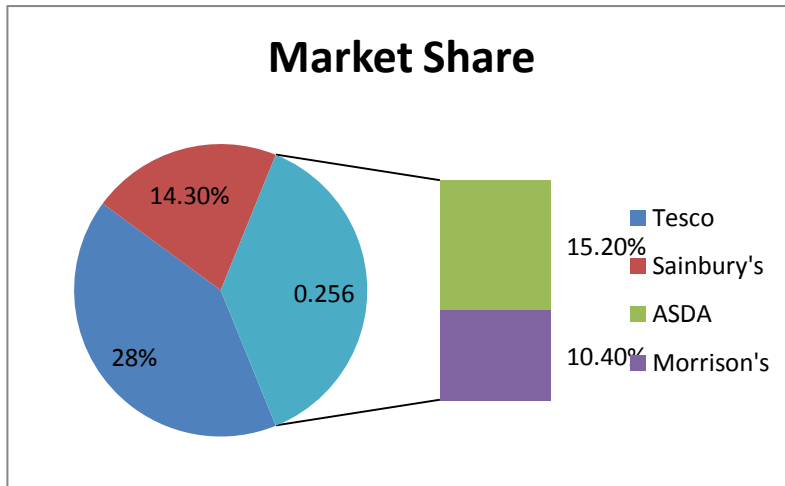
According to getRanked, the statistics has shown that online consumer in Malaysia by age group. Because of this source, the researcher had designed the survey questionnaire was more prefer to age group for 21-25, 31-35, and 36-40 age group. This is because this three age categories are the major portion of online consumer contribution in Malaysia online users involved directly in activities e-commerce.

2.3 Overview of E-commerce

E-commerce is one of the activities involved transaction goods or services from particular individuals or organization through using internet connection. Meanwhile, retailing is directly related or relationship with e-commerce since the process of e-commerce actually is because the functions of retailing provided a platform for consumer to conduct purchasing via online services either goods, grocery items, even services also can through e-commerce transaction. Tesco had been established in 1919 in London whereby Tesco is the market leader in the UK retail industry more than 25years and Tesco is the founder of in activities online selling. The multi division and innovative changes Tesco follow by consumer preference and global trends ensure Tesco can stable maintain the 2nd largest retail format around the world after the leader Wal-Mart origin from US. The success of online selling by Tesco Uk is the key milestone and the process of technology adoption online selling skills to Tesco Malaysia is easier than other retail industry to redesign their profile suit with online selling.

2.4 Tesco online purchasing market share

Tesco has been investing a lot of effort in online selling for United Kingdom population in taking intensive competition of other competitors such as ASDA, Sainsbury's, Morrison's and so on. The continuous improvement of Tesco UK guaranteed of the profile and status Tesco remains the leader in the retail market United Kingdom (Li, 2008).



(Source: Li, 2008)

Figure 2.4 Grocery Market Share of total 67.9% for the 4 biggest chains in UK.

According to (Li, 2008) stated the research about the market share of retail in UK divided to the 4 biggest chains which is Tesco, ASDA, Sainsbury's and Morrison's total up the market share about 67.9% whole retail market share in 2008. Through the statistic, the research strongly believes that the study of the effective delivery system into e-commerce able to increase the electronic sales Tesco Melaka. It also will bring something totally fresh and new phenomena to society in Malaysia in retail format in the industry.

According to Park and Regan stated that home delivery is bringing meanings of distribution of goods to consumers in different form such as home, workplace. Besides that, home delivery also means that consumer not require to travel to store or specific location for receiving goods ordering (Park and Regan). Home delivery is one of the method distributions systematic retail industries to their customer especially for those retail industries involved directly in e-commerce activities in their business profile. According to (Orler and Friedman, 1998) also described home delivery is referred to consumer ordering of goods / grocery item then those particular items will delivered in personally direct to home. Home delivery become one of the methods for consumer