

**THE INFLUENCE OF CUSTOMER PERCEPTIONS ON THE
EFFECTIVENESS OF MUDAH.MY**

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ABSTRACT

The purpose for this study is to determine the relationships between three types of customer perceptions on the effectiveness of Mudah.my (ease of use, interactivity, trustworthiness). In this study, ease of use, interactivity and trustworthiness will be studied to determine their influence on Mudah.my weblog. This study includes a sample of 100 respondents who were chosen randomly at Mudah.my weblog (www.mudah.my) and its official Facebook website (www.facebook.com/mudah.my). A set of questionnaire is distributed among Mudah.my consumers around Melaka City. The focus of this study is on the demographics of the use of online shopping in Malaysia through the Mudah.my weblog. This study explores the development, current status and future trends of Mudah.my as well as factors that influence the decision on whether or not to use this form of commerce among the online shoppers. This study indicates that among the three factors selected for this research which are the ease of use, interactivity and trustworthiness are the most influencing factors for online shoppers and users of Mudah.my weblog. The research questions are firstly asked to what extent is Mudah.my weblog easy to use (in term of its publishing software). Secondly, to what extent is Mudah.my weblog is interactive (in term of its comment system), and the last but not least to what extent is Mudah.my weblog is trustworthy (in term of its hyperlinks provided on the side bar). The study concluded that the customer perceptions have influenced the effectiveness of Mudah.my. For further studies, it should be explore other factors that influence attitude towards online purchasing behaviour through Mudah.my with a broader range of population and higher representativeness sampling method.

ABSTRAK

Tujuan kajian ini adalah untuk menentukan hubungan antara tiga jenis persepsi pelanggan terhadap keberkesanan Mudah.my (kemudahan penggunaan, interaktiviti, amanah). Dalam kajian ini, kemudahan penggunaan, interaktiviti dan amanah akan dikaji untuk menentukan pengaruh mereka di Mudah.my weblog. Kajian ini termasuk sampel 100 responden yang dipilih secara rawak di Mudah.my weblog (www.mudah.my) dan laman web Facebook rasmi (www.facebook.com/mudah.my). Satu set soal selidik diedarkan dalam kalangan pengguna Mudah.my sekitar Bandar Melaka. Fokus kajian ini adalah pada demografi penggunaan membeli-belah dalam talian di Malaysia melalui weblog Mudah.my itu. Kajian ini meneroka pembangunan, status semasa dan trend masa depan Mudah.my serta faktor-faktor yang mempengaruhi keputusan mengenai sama ada atau tidak menggunakan borang ini perdagangan antara pembeli dalam talian. Kajian ini menunjukkan bahawa di antara tiga faktor yang dipilih untuk kajian ini yang merupakan kemudahan penggunaan, interaktiviti dan kepercayaan adalah faktor yang paling berpengaruh untuk pembeli dalam talian dan pengguna Mudah.my weblog. Persoalan kajian yang pertama bertanya sejauh mana Mudah.my weblog mudah untuk digunakan (dari segi perisian penerbitannya). Kedua, sejauh manakah Mudah.my weblog adalah interaktif (dari segi sistem komen), dan yang terakhir sekali sejauh manakah Mudah.my weblog boleh dipercayai (dari segi hiperpautan yang disediakan di bar tepi). Kajian ini menyimpulkan bahawa persepsi pelanggan telah mempengaruhi keberkesanan Mudah.my. Untuk melanjutkan pelajaran, ia perlu meneroka faktor-faktor lain yang mempengaruhi sikap terhadap tingkah laku pembelian online melalui Mudah.my dengan lebih meluas daripada penduduk dan kaedah persampelan kerepresentatifan lebih tinggi.

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APPROVAL

This research entitled “**The Influence of Customer Perceptions on the Effectiveness of Mudah.my**” was prepared by **Nurhafizah binti Zaid** and submitted to the Faculty of Technology Management and Technopreneurship of Universiti Teknikal Malaysia Melaka (UTeM) as a partial fulfillment of the requirements for the degree of Bachelor of Technopreneurship (Hons.).

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DISSERTATION

It is hereby certified that **Nurhafizah binti Zaid** (Matric Number: B061110101) has completed this dissertation entitled “**The Influence of Customer Perceptions on the Effectiveness of Mudah.my**” under the supervision of Dr.Fararishah binti Abdul Khalid from the Faculty of Technology Management and Technopreneurship.

I understand that the University reserves the right to publish my research which may be made accessible to UTeM community and public.

Yours truly,

(Nurhafizah binti Zaid)

DECLARATION

I hereby, declared this report entitled “The Influence of Customer Perceptions on the Effectiveness of Mudah.my” is the results of my own research except as cited in references.

Signature :

Author's Name :

Date :

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CHAPTER 1

INTRODUCTION

The internet is becoming popular in Malaysia. It is a favourite place where people share their ideas, interact with communities, shape the future democracy and promote their business. The internet is the world's biggest shopping mall that allows entrepreneurs do their business with low cost involved but still cover the global market (E-revolution, 2000)

According to Murad and Mohd Salleh (2014), the traditional shopping environments have always been associated with the people, in terms of their social and psychological needs. The environments in the context are the local communities where most of the sellers and buyers live which they regard as vital to them. In addition, it is not just an ordinary place to go and do shopping, people spent their time shopping talking or meeting with each other. While buying goods can be considered as a daily routine, hence it becomes an important part of their life. The public has established a relationship with these traditional shopping environments and has provided people like them belong to the community and feel connected to their presence. A sense of belonging is presence in traditional style shopping environments. Murad and Mohd Salleh (2014) agree that the people says about seeing is believing, because the consumers would mostly want to feel, see, and touch the products on they wish to consume, thought it depends on the product itself. So naturally when people wants to buy something to fulfill their needs, for example buying groceries or book, they would

want to touch and examine the products, so shopping malls would be the perfect place to do so. Every time they go to the same malls, in a way they will feel that the places are very intriguing to do their shopping, and perhaps feel connected or special bond towards it.

While traditional shopping environments will stay on for years to come. Some suggested that people nowadays tend to just stay at home and do their shopping online. Guest (2004) has mention one of the reasons are they could minimize their time in malls, and also an assumption that the malls lack of product range, discounts, and other specialty offers and promotion is through performing a less hassle online retailing. On the other hand, shopping online is really a time saver and surprisingly a variety of offer and discounts too. Users would be surprise by the price that they could get compared to the prices in mall. A wide range of products and merchandises too can be found on the internet, almost everything that is available and legal on this planet, just a click away. In Newbery's view, online retailing can be defined by type of product. A hard product is on the websites and can be uniquely specified, for example electrical appliances and also other explainable retail product, such as books, music, clothes and many more (Malcolm, 2006). Generally there is no crystal clear definition of e-retailing or online retailing that can be conclude, but in short e-retailing is an online shopping experience or process which consumers purchase goods or services in real-time, through the Internet, and also includes accepting payment and delivering the goods. According to Yang et. al (2003), many believe that online retailing has seen rapid growth in market. In any industry, internet-only companies have emerged, while the ones who are still on the conventional method, they transitioning towards Internet and online services, thus leading to an increasing amount of competition among online retailers. Most companies that sell goods and services traditionally have a website that users could go through and just browsing through instead of going to the actual shop. Any company that provides online retailing together with online payment system as part of their business would be deemed as an advantage, and therefore competitors would not want their adversary to gain advantage and so they created one for themselves. All of these websites of online

retailing would only benefits more to consumers, as they will have more choice and options.

While in Malaysia, online consumers are relatively low yet expanding vigorously compared to a more modern country. In a study, those who did shop online, airline tickets were the most purchased, followed by books and music. However most of the amount per transaction was less than RM500.00. Most companies now are adopting the internet as a medium to sell their products and services, for examples Lelong.com and Mudah.my (Murad and Mohd Saleh, 2014)

The numbers are increasing day by day due to the emergence of websites that offer products and services via the Internet. The amount spent on goods per transaction might be low because consumers are still not fully convinced by it, especially in terms of security and guarantees. The situation of online retailing in Malaysia is still not fully convinced by it. It's more like a trial and error situation and identifies the advantages to them. The rise of online retailing websites such as E-bay, CIMB Clicks, Cinemas, Zalora and many more of if that offers purchasing and transactions through the internet are becoming increasingly popular among internet users. It offers them time consumption and even discounts. But according to Aw (2010), certain business in Malaysia has not been looking forward in getting engage in the new medium or market, especially the companies in retail industry. The hesitation of retailers to venture into internet retailing is mainly because they do not recognize the level of acceptance of their intended target consumers towards purchasing online. Not many companies are willing to do so.

One of the future consuming powers is teenage youth. According to United Nation, teenage youth is defining as a person age between 15 to 24 years old. They also added that young people are diverse in character or content and vary from country to country. Hence, it can be said that for those who are under the age of 14 can be determined as children, For example in Malaysia, The National Youth Development Policy of Malaysia specifies youth as people aged between 15 to 40 years old (Murad and Mohd Saleh, 2014). So it can be concluded that even though different country might

have different age category for youth, it can still be understood that youth are relatively somewhere in between teenager and adult. Teenage youth is also a part of consumers, as everyone can be regard as consumers as long as they purchase or use products and services. Huge amount of money has been spent by marketers in doing research in trying to predict, or anticipate youth behaviors. It is worth notice that whatever youth adopt today will be an indication to older groups what will they adopt in the near future. According to Murad and Mohd Saleh (2014), the companies should not make any assumptions or predictions on consumer's attitude, because it is as tough as predicting consumer's mind. Sanders specifies that teenage youth or our teenagers nowadays are hipper, more informed, and probably wealthier, which explains why they the ones that flooding the outlets nationwide. Murad and Mohd Saleh (2014) advocate that the retailers and merchants are competing with each other to attract and grab these influential consumers by fulfilling their demands to fit their lifestyle. Teenage youth are ranked as the most purchasing power today. Their habits and behaviour are heavily influenced by the media, both printed and electronic.

In the present market, promising statistic of purchasing power of teenage youth leads to more opportunities to businesses and retailers in creating products to satisfy the demands. Teenage youth spending has risen since the 1980's and present. According to Murad and Mohd Saleh (2014) too, there are more than half of youth in Klang Valley can be considered as the most industrialized region in Malaysia. They spent an average of more than 20 hours per week on the internet, which can be considered as heavy users. Furthermore, they also discovered that the internet shoppers in Malaysia are young, affluent and highly educated.

According to a research by the Thailand Development Research Institute, Table 1 shows that e-commerce in Singapore captures the highest market value of online shopping in ASEAN with 106,780 million Baht in the year 2003, followed by Malaysia 78,510 million Baht, Indonesia 51,680 million Baht and Thailand 50,920 million Baht. The last but not least, Philippines captures 38,420 million Baht. As can be seen from the table above, the value of online shopping in ASEAN is increasing from year to year.

Singapore is located in the top position, followed by Malaysia, Indonesia, Thailand and the Philippines. This proves that many in the community are now more comfortable and trust online shopping.

COUNTRY	1998	1999	2003
Singapore	1,337	38,880	106,780
Malaysia	684	2,237	78,510
Indonesia	249	1,323	51,680
Thailand	370	1,229	50,920
Philippines	259	881	38,420

Table 1 Value of Online Shopping in ASEAN (Million Baht)

1.1 Problem definition

According to Liao and Cheung (2009), “an increasing number and variety of firms and organizations are exploiting and creating business opportunities on the Internet”. With this emerging field of shopping the interest of marketers is also increasing in studying what actually motivates consumers to shop online. Fierce competitions among online sellers have forced them to gain the competitive edge in the field of virtual shopping.

In order to gain competitive edge in the market, marketers need to know the consumer behavior in the field of online shopping. So it is important to analyze and identify the factors which influence consumers to shop online in order to capture the demands of consumers.

Other than the factors which influence consumers to shop online, online shopper’s demography in terms of age, gender, income and education is equally important to define their strategies accordingly.

As online shopping is a new medium so the consumer behavior in the field of online shopping is also pretty diverse in nature compare to traditional consumer behavior, so it is equally important for one to identify what factors influence consumers to shop online. In order to reach towards purchase decision, it consists of several factors which influence consumers to shop online. These factors are important for retailers to compete in the market and to make their product more compatible.

Social networks are becoming increasingly popular, and many companies, groups, organisations, and customers are beginning to look into investing in social networking. They understand that in this modern technological era, people want to be able to reach the companies that they purchase their products or services from in order to connect with the people behind those companies. Social media applications are capable of fulfilling these needs. Hence, according to Breakenridge (2008), people nowadays are increasingly turning to social media to discuss and collect further information about products or services that they are interested in and in many cases, make their purchase decision by relying on these online opinions (Mack et al., 2007).

Knowing that and wishing to enhance corporate relationship with their publics, a rising number of corporations have started to utilise weblogs as its corporate communication tool (Dye, 2007). However, many corporation weblogs petered out like a car out of gas, a clear indication that they had failed to use their weblogs effectively (Odden, 2008). Based on the above statement by Odden (2008), it is clear that not every corporation is capable of utilising weblogs effectively. Therefore, this study seeks to investigate if customers perceived the Mudah.my's weblog as effective.

Many research studies about the acceptance of social media by corporations and publics have been done, but these researches were conducted in foreign countries. Some of the researchers who have conducted such studies include Ilhator (2001) and Mack et al. (2007), who both did their research in the United States of America. However, as was mentioned earlier; different users in different nations will view computers and the Internet differently (Li and Kirkup, 2007). As such, it is necessary to conduct a research to determine customers' perceptions of effectiveness of Mudah.my's weblog in a Malaysian context.

1.2 Purpose and Research Questions

The prime purpose of the research is to identify and analyze the influence of three customer perceptions: ease of use, interactivity and trustworthiness on the effectiveness of Mudah.my. The findings of this research will not only help Malaysian marketers to formulate their marketing strategies for online shoppers but will also enhance the knowledge and research finding in the field of online shopping. Based on the gaps identified from the background of this study, the following are the research questions of this study:

- i) What are the factors that impact on the effectiveness of Mudah.my?
- ii) To what extent are these factors impact on the effectiveness of Mudah.my?

1.3 Research Objectives

This research aims to study customers' perceptions of the effectiveness of Mudah.my weblog. The research objectives of this study are as follows:

RO1: To examine the relationship between customers' perceptions on the ease of use and the effectiveness Mudah.my weblog.

RO2: To examine the relationship between customers' perceptions on the interactivity and the effectiveness Mudah.my weblog.

RO3: To examine the relationship between customers' perceptions on the trustworthiness and the effectiveness Mudah.my weblog.

1.4 Research Variables

The independent variables in this study are the customers' perceptions on the (i) perceived ease of use, (ii) perceived interactivity, and (iii) perceived trustworthiness. The dependent variable is the effectiveness of Mudah.my's weblog.

In order to determine if Mudah.my's customers perceived its weblog as effective, a conceptual model has been developed. This conceptual model focuses on the customers' perceptions of perceived ease of use on the effectiveness of Mudah.my's weblog, perceived interactivity on the effectiveness of Mudah.my, and perceived trustworthiness on the effectiveness of Mudah.my. If Mudah.my's customers' perceived ease of use, interactive and trustworthiness of Mudah.my weblog, then the study could consider the weblog as effective.

1.5 Research Hypotheses

Based on the research questions and research objectives, the study associated hypotheses are as proposed:

H1: Customers' perceptions on the ease of use has a positive relationship with the effectiveness of Mudah.my weblog.

H2: Customers' perceptions of interactivity has a positive relationship with the effectiveness of Mudah.my weblog.

H3: Customers' perceptions of trustworthiness has a positive relationship with the effectiveness of Mudah.my weblog.

1.6 Research Outline

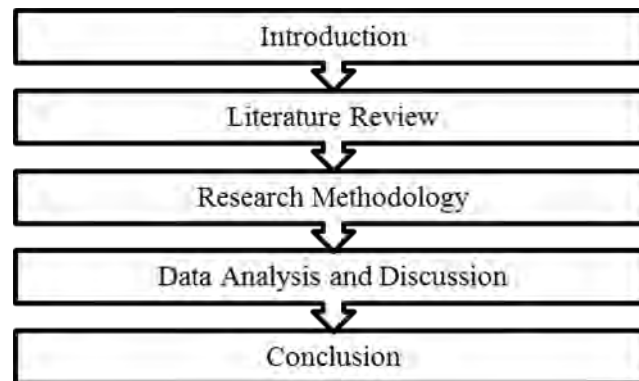


Figure 1 Research Outline

Figure 1 shows research outline of this study. The current chapter offers an overview of the study and provides a general framework for the design and implementation of the research. It also points out the gaps in the existing literature and the highlights the theoretical and managerial implications and contributions of the research.

Chapter 2 provides the literature review. The literature review presents the advertising hierarchy of effects as the framework on which this study is based on. It also looks at the various constructs used in the study in which the constructs are defined and examined. This chapter looks at the theoretical perspectives that govern the relationship between the various constructs that influence attitude towards blogs and the relationship between attitude towards blogs and the avoidance of sponsored ads on blog.

Chapter 3 explains about the research methodology. This chapter deals with the research methodology adopted in this study. It starts off by explaining the philosophical grounding for the choice of methodology - positivism in this case. This research design formulation and the planning for data analysis are then discussed and the rationale of

using an online survey is explained. The chapter also presents the various constructs and provides the original component statements along with the corresponding newly adapted statements used in this study.

Chapter 4 presents the results of the empirical analysis. This includes the demographic results as well as the results of the principle component analysis. The discussion chapter links the results with the theoretical underpinnings. Implications of the findings in the previous chapter are discussed in detail here.

Chapter 5 provides the conclusion of this study. This final chapter summarises the findings of this research –basically the contributions to theory and practice. It also looks at the strengths and weaknesses of the research. The chapter also explains the limitations of the study and makes recommendations for future research.