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**Potong yang tidak berkenaan*

FACTORS THAT AFFECT THE CONSUMER ADOPTION
OF E-SHOP TESCO IN KUALA LUMPUR, MALAYSIA

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Laporan ini dikemukakan sebagai
memenuhi sebahagian daripada syarat penganugerahan
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“Saya akui laporan ini adalah hasil kerja saya sendiri kecuali ringkasan dan petikan yang tiap-tiap satunya saya telah jelaskan sumbernya”

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DEDICATION

I would like to dedicate the appreciation for my beloved family, lecturer, supervisor and friends with innermost and everlasting affection and love.

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ABSTRAK

Dalam era globalisasi, pemasaran elektronik adalah revolusi yang besar. Sepanjang dekad kebelakangan ini, organisasi perniagaan maksimum menjalankan dengan perubahan teknologi. Membeli-belah runcit atas talian adalah salah satu daripada aplikasi perniagaan internet yang mendapat perhatian pada tahun-tahun kebelakangan ini. Oleh itu kami telah memutuskan untuk mengkaji faktor-faktor yang memberi kesan kepada penerimaan E-shop-Tesco oleh pengguna. Tujuan kajian ini adalah untuk mengkaji faktor-faktor yang ditakrifkan mempunyai pengaruh kepada pengguna dalam penerimaan E-shop Tesco dimana pembelian runcit secara talian. Model Penerimaan Teknologi (TAM) telah digunakan untuk menyediakan satu rangka kerja teori untuk kajian ini. Kajian deskriptif adalah pilihan yang sesuai untuk menggambarkan dan mengukur faktor yang mempengaruhi penerimaan E-shop Tesco oleh pengguna. Kaedah penyelidikan kuantitatif telah dipilih untuk menyediakan asas bagi reka bentuk soal selidik. Data dikumpul daripada kajian soal selidik ini. Soal selidik telah dijalankan sebanyak 150 responden di Kuala Lumpur, Malaysia. Tambahan pula, data yang dikumpul melalui soal selidik akan ditafsir dalam analisis kajian dengan menggunakan perisian SPSS versi 18.0 sistem. Berdasarkan analisis data, hasil keputusan menunjukkan faktor-faktor mempunyai hubungan positif menjelaskan penerimaan pengguna E-shop Tesco. Kesimpulannya, perbincangan menjelaskan kepada objektif kajian telah dicapai dalam kajian dan cadangan dibincangkan dalam penyelidikan ini supaya dapat belajar lebih lanjut pada masa hadapan. E-shop Tesco dijangka mencapai strategi membeli-belah runcit atas talian untuk menarik lebih banyak pembeli melihat kepada prestasi mereka.

Kata Kunci: Penerimaan Pengguna, Internet, Pemasaran Elektronik, TAM, E-shop Tesco di Kuala Lumpur, Malaysia.

ABSTRACT

In the era of globalization electronic marketing is a great revolution. Over the last decade maximum business organizations were running with technological change. Online grocery shopping was one of the Internet business applications that received much attention in the past few years. Therefore we had decided to study factors that affected the consumer adoption of E-shop Tesco. The aim of this study was to investigate which factors were defined that had influence consumer to adopt E-shop Tesco to buy their grocery through online. Technology Acceptance Model (TAM) was employed to provide a theoretical framework on this study. Descriptive research was an appropriate choice to describe and measure the factors affect the consumer adoption of E-shop Tesco. Quantitative research method was selected to provide a basic for the design of questionnaire. A data collected from questionnaire survey. The questionnaire was carried out 150 respondents who located in Kuala Lumpur. Furthermore, data collected through questionnaire survey was interpreted into analyses by using the SPSS version 18.0 system. From the data analysis result, the findings of the result showed the factors were found positive relationship to the affect consumer adoption of E-shop Tesco. In the conclusion, discussion explained the research objectives had achieved in study and recommendation had been discussing in this research as well as for the further research. It was suggested E-shop Tesco expected to achieve online grocery shopping strategy in order to attract more online shoppers look forward their online performance.

Keywords: Consumer Adoption, Internet, Electronic Marketing, TAM, E-shop Tesco in Kuala Lumpur, Malaysia.

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LIST OF ABBREVIATION

E-shop Tesco	=	Online Tesco
E-commerce	=	Electronic commerce
OGS	=	Online Grocery Shopping
WWW	=	World Wide Website
TAM	=	Technology Acceptance Model
PEU	=	Perceived Ease of Use
PU	=	Perceived Usefulness
PCM	=	Perceived Communicability
PCP	=	Perceived Compatibility
MRA	=	Multiple Linear Regression

LIST OF SYMBOL

H_0	=	Hypothesis null
H_1	=	Hypothesis Alternative
β	=	Beta

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

In recent years, internet has been increasingly used and develop people enter in an “e” globalization era. The internet not necessary only used for entertainment, but nowadays an internet can be used to facilitate online business transaction among businesses and consumers. Grunert and Ramus (2005) explain purchasing through internet is one of the most rapidly growing forms of shopping. Nowadays, consumers are more prefer to purchase their grocery through mobile and online in wherever. Thus, they key benefit with electronic grocery shopping is that someone else picks the order and delivers to the home. Therefore, online grocery shopping has provides many potential benefits to consumers which are in terms of time savings and convenience.

According to Mattila (2013), Online Grocery Shopping still plays only a marginal role in total grocery shopping. The source from *The Grocer at October 2012*, e-grocery is set for “phenomenal” growth, based on IGD, which predicts that channel will grow by 98% over the next five years. Nowadays consumer seeks out convenience and value more than ever. Regarding to the latest result from ShopperVista research, which found that consists 58% of consumer thought technology was saving their money, another 54% of consumer said ordering groceries online saved their time, 44% of them

will definitely use the internet to order their supermarket shop over the next decade and 46% of consumer will order more groceries if offer a delivery service or promotion.

Tesco is one of a hypermarket that becoming growing and achieve successful in the world and serve millions of customers. Nowadays, Tesco also starting their online business to growing their customer service in best value. Currently in Malaysia, Tesco online has been started also called E-shop Tesco for consumers enjoy their grocery shopping in home. E-shop Tesco become one of online purchase mode that giving trust to consumer to adopt it application and provide the best value in online ordering, delivery fulfillment, and service level.

1.2 Problem Statements

Nowadays the human lifestyle has a big changing in the global since an electronic application has grown and rising rapidly in recent years. There have few reasons for why the consumer would like to adopt online grocery buying environment. Firstly, inflexible of time management in social lifestyle due to the busy in career world and do not have appropriate time to shopping. For example, as we know that Kuala Lumpur is a quite bustling city in Malaysia, so it may lead some of consumer lack of time to offline shopping. Secondly, some of consumers were not satisfied with traditional shopping purchase due to attitude of counter service or internal shopping services. Thirdly, consumer perceived pressure and waste time of traditional mode shopping in long queue and lack of payment counter if offer promotion because much of shopper going for buying their needs.

1.3 Research Questions

The chosen research problem must lead to relevant research question. Based on the problem statements, online grocery shopping allowed consumer to browse through a variety of items and categories without leaving their home, compare prices with greater ease and order as many items as they can afford. We understand that the impact of changes in lifestyle may lead consumers enter another shopping way to satisfy their demand. Therefore, we focused on E-shop Tesco in Kuala Lumpur, Malaysia as survey to investigate factors which had defined the consumer adoption of E-shop Tesco. Demographic characteristics also found out to have some effect on the adoption. These research questions served as an outline to find relevant literature regarding consumer adoption of E-shop Tesco in Malaysia. All of these research questions contributed to address as well as answer the problem statements.

The aim of study for this research was to investigate factors affecting the consumer adoption of E-shop Tesco in Kuala Lumpur, Malaysia. The research questions in this study were:

- 1) Who are the consumers adopt E-shop Tesco in terms of demography in Kuala Lumpur, Malaysia?
- 2) What are the factors that affect consumer adoption of E-shop Tesco in Kuala Lumpur, Malaysia?

1.4 Research Objective

There were research objectives to set up for achieving the goal and to better define the focus of this research. The specific objectives of this research were:

- 1) To identify demography of consumers adopt E-shop Tesco in Kuala Lumpur, Malaysia.
- 2) To investigate the factors that affect consumer adoption of E-shop Tesco in Kuala Lumpur, Malaysia.

1.5 Scope and Limitation of Study

For the scope of study, this project was mainly focus to investigate the factors that affect consumer adoption of E-shop Tesco in Malaysia. In this project, the scope of survey focused in Kuala Lumpur area. Consumers who were stay in Kuala Lumpur selected as study subjects in order to provide a broader scope for the research project. The respondents at all age selected as the target groups between age of below 20 and 50 years over.

Due to the nature of this research, the limitations of study discussed in this part. Firstly, this research was only limited to Kuala Lumpur area therefore only Kuala Lumpur consumers selected to conduct questionnaire. Secondly, it was hardly to collect accurate and valid answer because it difficult to identify whether respondents answer the questionnaire with honest based on their knowledge and understanding. Thirdly, this research was limited itself on the scenario to investigate the consumer adoption of E-shop Tesco in Malaysia. Therefore, the scope of research in this project was limited because only can focus on issues that related to the title of research.

1.6 Importance of Research

Through this result, we believe that online grocery shopping in Malaysia would fast grow and development. The E-shop Tesco had develop their services from offline shopping to online shopping because they believed that others hypermarket in Malaysia such Aeon and Giant would take this approach to expand their service.

Online grocery in Malaysia was still at the infancy stage and the volume of internet grocery buying leaves much to be desired for e-grocers in Malaysia to sustain profitable growth in the long run of period. On the other hand, online grocery in Malaysia was considered still new and emerges, this study can serve as a basic academic research which needed in the future for the further investigation. This E-shop Tesco research can increase our knowledge about the diffusion and importance of online grocery and increase consumer's internet experience.

1.7 Summary

This chapter established foundation for this research. It has introduced the background of study, problem statement, the research problem and objectives, importance of the scope, research, limitation of study. Based on these research foundations, the researcher proceed to the next chapter which was Chapter Two and discussed about the literature review.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Literature research was conducted by enhance the understanding of study that carried out by researcher through the reading material such as journal, book, article and so on. In chapter two had provided a comprehensive overview of literature pertaining to this study. For more insight to understand with the topic of research, this chapter was organized in subtopics. At first in part of 2.2 described about the internet background with statistic provided. In section 2.3 would brief about overview of e-commerce. Section of 2.4 explained more information about the overview of online grocery shopping that include E-shop Tesco profile, followed by factors affecting consumer adoption of E-shop Tesco and influenced of demography consumer. Theoretical Framework for this study was developed in section 2.5 and section 2.6 was related about hypotheses developed based on supporting literature to be further tested in the main study. Finally, summary for the overall of chapter two was presented in section 2.7. This chapter was concluded with a restatement of the problem and the rationale for the need for this research project.

2.2 Background to Internet

The origin of internet was found by American Defense Department Network through the Advanced Research Project Agency (ARPANET) at 1969's, the objective was to develop educated information for the army forces of United States. The explosion of the internet came with the introduction of the World Wide Web (WWW) graphical browser that transformed the plain text Internet to user-friendly graphical environment, offering multimedia of pictures, text and sound. In the early of 1990s, internet usage started to expand rapidly in global. The growth was driven further by the lower price of computers, cheaper telecommunication tool, ease of use and continuous improvement of the available content (Fraase, 1994). The internet had reached a critical mass of 50 million users in a period of less than five years.

Table 2.1: The internet users in Malaysia (per 100 people)

(Source: World Bank, 2014)

	2008	2009	2010	2011	2012
Malaysia	55.8	55.9	56.3	61.0	65.8

As showed in table 2.1, the penetration rate of the internet users in Malaysia to be increased from 2008 years to 2012 years. It was predicted that the number of internet users in Malaysia would grow drastically in the next few years.