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Ijazah Sarjana Muda Pengurusan Teknologi (Pemasaran Teknologi Tinggi)’

Tandatangan : .....

Nama Penyelia : Pn. Mariam Miri binti Abdullah

Tarikh : .....

*\*Potong yang tidak berkenaan*

**Critical Success Factors of E-Marketing Adoption among Young Generation:  
The Moderating Effects of Knowledge Acquisition Mechanisms**

**LAI CHAI KUAN**

**Laporan ini dikemukakan sebagai  
memenuhi sebahagian daripada syarat penganugerahan  
Ijazah Sarjana Muda Pengurusan Teknologi (Pemasaran Teknologi Tinggi)**

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**JUNE 2014**

“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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Nama : Lai Chai Kuan

Tarikh : .....

*DEDIKASI*

Untuk keluarga, pensyarah dan rakan-rakan tersayang

## ***PENGHARGAAN***

Penulis ingin merakamkan penghargaan ikhlas kepada penyelia, Pn Mariam Miri binti Abdullah atas bimbingan dan dorongan yang diberi sepanjang menjalani Projek Sarjana Muda ini.

Penghargaan juga ditujukan kepada semua yang terlibat sama ada secara langsung atau tidak langsung membantu menjayakan projek penyelidikan ini. Semoga laporan ini akan menjadi sumber rujukan kepada pelajar lain kelak.

## **ABSTRAK**

Pada dunia globalisasi ini, industri informasi dan komunikasi teknologi telah berkembang dengan pesat seperti internet/rangkaian, produk pendigitalan dan lain-lain teknologi yang canggih. Selama bertahun-tahun, kebanyakan negara membangun telah memulakan strategi untuk mencapai tahap yang sesuai dalam pembangunan e-perniagaan (Chong, Ooi, Lin, & Tang, 2009; Uzoka, Shemi, & Seleka, 2007) seperti yang dipetik oleh Marimuthu et al. (2012). Seperti dunia masuk ke dalam abad 21, pendekatan perniagaan syarikat dan pengilang pun telah berubah disebabkan oleh kemunculan internet dengan sifat-sifat yang pesat (Ainin & Noor Ismawati, 2003). Penggunaan Internet juga peranti komputer, telefon pintar seperti e-mel dan laman web rangkaian sosial seperti Facebook, LinkedIn atau Twitter pun telah menjadi satu keperluan harian yang penting orang ramai (Raad, Yeassen, Alam, Zaidan, & Zaidan, 2010). Oleh itu, untuk mendapatkan manfaat daripada penggunaan internet, banyak aktiviti telah dijalankan oleh firma-firma dan perniagaan untuk meningkatkan laman web rasmi mereka. Tujuan kajian ini adalah untuk meneroka penggunaan pembelajaran mekanisme oleh generasi muda hari ini (Gen-Y) di Malaysia yang berhasrat untuk menggunakan e-pemasaran sebagai alat perniagaan mereka dalam memasarkan produk atau perkhidmatan mereka melalui rangkaian / internet. Kajian ini telah memberi tumpuan untuk meninjau faktor penggunaan e-pemasaran dan juga mengkaji kesan yang diberi oleh pemerolehan pengetahuan terhadap hubungan antara faktor-faktor dan kejayaan penggunaan e-pemasaran. Kajian akan dijalankan melalui soal selidik yang direka dengan 200 responden. Manakala, data yang dikumpul akan dianalisis secara kuantitatif bagi pendekatan pembelajaran yang berkesan diguna.

**Kata Kunci:** E-pemasaran, Generasi Muda, Perolehan Pengetahuan, pembelajaran mekanisme, Penggunaan

## ABSTRACT

In this globalized world, information and communication technologies are growing rapidly, such as internet/network, digitalization products and others advance technologies. Over the years, more developing countries have initiated strategies to achieve an appropriate level of e-business development (Chong, Ooi, Lin, & Tang, 2009; Uzoka, Shemi, & Seleka, 2007) as cited by Marimuthu et al. (2012). As the world gets into the twenty-first century, the business approach of companies and manufacturer has changed due to the advent of the Internet with its rapid attributes (Ainin & Noor Ismawati, 2003). Usage of the Internet also computer devices, smart phones like emails and even social network websites like Face book, LinkedIn or Twitter has become an essential daily need for many people (Raad, Yeassen, Alam, Zaidan, & Zaidan, 2010). Thus, to reap the benefits of the internet usage, numerous of activities have been undertaken by firms and businesses for enhancing their official websites. The purpose of this research is to explore the learning mechanism use by today's young generation (Gen-Y) in Malaysia who wishes to adopt or adopted e-marketing as their business tool in order to market their product or service through network/internet. This research is focusing on investigating the factors of e-marketing adoption and also examines the moderating effect of knowledge acquisition towards the relationship between factors and success of e-marketing adoption. The survey will be conducted through a designed questionnaire with 200 respondents, while, the data collected will be analyzed quantitatively for the effectiveness of the learning approach applying.

**Keywords:** E-marketing, Young Generation, Knowledge Acquisition, Learning Mechanisms, Adoption

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of study

Technologies are developing at a fast pace and increasingly influences our lives. Nowadays, business world has been deeply influenced by Information and Communication Technologies (ICT) and the application of ICT among business is widespread. ICT is rapidly changing the global production, work and business methods and trade and consumption patterns in and between enterprises and consumers. Alberto and Fernando (2007) argued that the use of ICT can improve business competitiveness with internet providing numerous opportunities. The telephone took four decades to reach 50 million people. However, the Internet has managed this within four years as digital technologies provide such efficient channels for business and consumer interactions transactions (Richard et al., 2007).

With changes in time, requirements, technology and expectations of the customers, the field of marketing itself has experienced significant changes. In the digital world, marketing communications is concerned with creating presence, creating relationships, and creating mutual value. Internet as a marketing channel is interactive, accessible, ubiquitous, and integrates marketing communication with commercial transactions and service delivery. E-marketing, as an innovative technology-based activity, has been considered as one of the main aspects of marketing practice, involves using the internet and other interactive technologies to create and mediate dialogue between the firm and its customers (Coviello et al.,2001).



E-marketing relies on technology to enable interactivity, and thus differs from other marketing practices, by providing customers access to information while the use of interactive technologies allows these customers to provide information to the business (Brodie et al., 2007). Hence, this has necessitated businesses for effective marketing strategy adoption in order to gain competitive advantages and fulfil nowadays market's demand. In this backdrop, there are testifying that online marketing or E-marketing adoption for businesses nowadays were grown rapidly and effective apply as an effectively approach for businesses.

Organizations are operating in a constantly changing environment and they need to adapt to these changes which in an environment that is not only changing rapidly but is subject to many discontinuities. They are increasingly dealing with human and natural resources that are in short supply compared to global demand in an economy where the preponderance of economic activity is shifting away from the Western world (O'Toole and Lawler, 2006). Therefore, an organization that dynamically deals with a changing environment should not only process efficiently, but also create information and knowledge (Lopez et al., 2005). Organizational learning is considered to be one of the fundamental sources of competitive advantage within the context of strategic management. Organizations are seen as learning systems through a number of processes that create new knowledge or modify existing knowledge of which mainly they have attracted attention (Connelly and Kelloway, 2003). Organizations need to become good at learning and managing their insights in order to perform and compete better in today's market.

Learning is individually driven and once individuals have learned some skills the next question is how the organization will incorporate its procedures and assets. In other words, individual learning needs to be transformed into organizational learning (Kumaraswamy and Chitale, 2012). Different people have different ways to learn, especially among the young generation. According to Martin, C.A. and Tulgan, B. (2001), generation Y, born from approximately 1980 to 1999, is the most educated, well travelled and technologically sophisticated generation that we have ever had. They live in a world of computers, the Internet, DVDs and cell phones.

This group seems to be less process or outcome focused. Generation Y emerges as ‘confident’; ‘honest’; ‘demanding’; and ‘vociferous’ and they have high expectations, particularly when it comes to learning (Carina and Sue, 2010). There are many intellectual and emotional factors at work when a Generation Y is seeking information. Hence, how they are going to learn for e-marketing adoption?

Adoption theories are aimed at understanding, explaining, or predicting how, why, and to what extent individuals or organizations will adopt or purchase new offerings. According to the adoption theory, there are multiple factors involved in influencing product or service adoption by an individual or organization and theories of adoption recognize all these factors, such as the knowledge and experience of the prospective adopter, the degree of innovation that is communicated by a new product or service offering and the extent that a potential adopter values innovativeness (Bhasin, 2010). This research is going to discuss about the learning mechanism that today’s Gen-Y apply for e-marketing adoption, what factors make them to learn and able succeed to adopt or not through the learning mechanism applying by them.

## 1.2 Problem Statements/Research Questions

CEO of Microsoft, Bill Gates stated that, “The internet is a tidal wave. It will wash over nearly all industries drowning and those who don’t learn to swim in its waves.” Transforming a social network from a simple means of communication to a powerful marketing tool has become a widely discussed topic in today’s business world, called e-marketing. Notwithstanding the developments of the internet and internet marketing services, there are a lot of factors which affects people to adopt for e-marketing as a business tool.

With the rapid rate of internet growth by means of connection speed, reach, and adoption (Tan et al., 2009), people of all ages are adapting themselves and subsequently using the services facilitated by internet such as electronic government (e-government), online purchase, e-marketing and online banking transactions. However, the learning approach which applying may not accurate, then leads to failed or waste. There are plenty of research which discusses about e-marketing adoption, but it is rare for research extent has been conducted within the process which been gone through by e-marketing adoption or the learning mechanism for e-marketing adoption also. Here the research question constructed as below:

### Research Questions:

1. What are the factors affecting e-marketing adoption among young generation?
2. Does knowledge acquisition mechanism moderate the relationship between factors and success of e-marketing adoption?

### **1.3 Research Objectives**

- 1.3.1 To examine the critical factors which affecting the e-marketing adoption among Gen-Y in Malaysia.
- 1.3.2 To examine the moderating effect of knowledge acquisition towards the relationship between factors and success of e-marketing adoption.

### **1.4 Scope and Limitations of Study**

The scope of this research is to explore the learning mechanism (knowledge acquisition) of Malaysia Gen-Y for e-marketing adoption in the targeted area which is Kuala Lumpur and Malacca. Survey with 200 respondents will be conducted through a designed self-completed questionnaire. The result will be finalized that does the learning approach, knowledge acquisition which applying can success for e-marketing adoption or not and analyze quantitatively.

There are limitations identified in this research study. First, the research is exploring the learning approach which applying by Gen-Y for e-marketing adoption in Kuala Lumpur and Malacca only due to the difficulty for the research reach to other locations. Therefore, other of locations in Malaysia will not going to discuss in this paper. Second, the research has a limitation in budget and time which had stop researcher widely widens the extent of the research Third, we are assuming the respondents answers with logical and honest.

## **1.5 Significance of the Study**

The proposed framework is intended to be used as guide for today's Gen-Y in Malaysia who wishes to adopt or adopted a proactive approach in the use of information and communication technology for own business efficiency, competitive advantage, and those who wish to explore the internet technologies for marketing activities too. It is important as assistant for youth in order to source for the effective and right process/methods for e-marketing adoption learning and prevent to waste. Learning faster than the competitors might the best way to gain the competitive advantage in this challenging market-based. While, the current trend business tools adoption among the Gen-Y in Malaysia is e-marketing, the use of the Internet and related digital information and communications technologies to achieve marketing objectives (Richard et al., 2007). Therefore, the researcher propose this research paper is to identify the successfulness of knowledge acquisition learning approach applying for e-marketing adoption in order to prevent waste among the youth's perception in Malaysia.

## **1.6 Summary of Chapter 1**

The powerful marketing tool which called e-marketing has become a widely discussed topic today's business world in Malaysia. Everyone is intended to learn for the e-marketing adoption due to the factors influencing especially among the young generation. However, the young generation has not realized yet which learning mechanism can assist them learns in smart. Thus, this research is going to study the moderating effect of knowledge acquisition mechanism towards factors and success of e-marketing adoption. A survey will be conducted for data collecting and this research is aimed to help the young generation learns for the adoption with a smart mechanism.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter was discussed the overview of the e-marketing adoption and learning behaviors of generation young (Gen-Y). The criteria which will be discuss are including adoption factors in section 2.3.1, level acceptance of Internet usage for the social and Gen-Y in section 2.3.2; Knowledge acquisition in section 2.4; Level of knowledge acquisition in section 2.4.1 and in section 2.4.2, the learning Mechanisms of knowledge acquisition are discussed. Furthermore, in order to make a clear scenario, relationship between e-marketing adoption and knowledge acquisition had been discussed in section 2.5. In section 2.6, the theoretical framework has been draft and in section 2.6.1, there is formulation of hypothesis for this research. Lastly chapter will be end by section 2.7, summary of the chapter.

## 2.2 Overview of E-marketing adoption and learning behaviors of Gen-Y

Learning is the process, whereby knowledge is created through the transformation of experience (Kolb, 1984). Different learning behavior will be conducting individually in adoption process. Current trend in Malaysia which today's Gen-Y are starting conduct their own business through online such as own online business, business page in Facebook or Twitter and others. Plenty of them are adopted e-marketing as their business tool due to the factors of adoption influencing them which are the performance expectancy, effort expectancy, social influence and facilitating condition. Defining of e-marketing adoption and the learning behavior of Gen-Y in Malaysia had been carried out, thus we can investigate the relationship between e-marketing adoption and the learning behavior of Gen-Y in Malaysia which are attain the objectives of this study.

According to the Ministry of Human Resources Malaysia, Gen-Y is defined as those between 14 to 40 years old. Generation Y is known by many names: the millennials; the iPod generation; "the me" firsts; the internet generation; the echo boomers; the Nintendo generation; the digital generation; generation why; generation next; the I generation and the next generation. According to Carina and Sue 2010, technology can enable social constructivism and can also combine social learning with personalization. Gen-Y is value both social and personal learning opportunities within the community context. They see knowledge as an active creation process and are used to contributing and customizing their work, knowledge and ideas to the community.

Gen-Y's collective and individual learning preferences have already made an impact on learning. This assertive group seeks personalized, supported learning and development and wants to exploit the same methods of communication at both work and home. They have their own learning behavior in order to gain knowledge that they want easily and efficient.

## **2.3 E-marketing Theory**

E-marketing can be defined as the use of the Internet and related digital technologies to achieve marketing objectives and to support the transactions of marketing activities processes such as supply chain management, building customer relationships and enhancing service quality delivery (Chaffey et al., 2000; Gay et al., 2007; Krishnamurthy, 2006). Mohammed et al (2001) also define that Internet marketing (e-marketing) as the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products and services that satisfy the goals of both parties. Furthermore, Smith and Chaffey (2002) emphasize the importance of the database in e-marketing and the utilization of a wide variety of 'e-tools' to generate a dynamic dialogue, which goes beyond a purely transactional process. The Internet enables more customer input to influence marketing decisions. Examples of e-marketing tools: Facebook, Blog, Webpage, Twitter, eBay, e-mail and others.

### **2.3.1 Factors of E-marketing adoption**

The influence of marketing style on the utilization of the Internet (Mangles, 2003) is high in Malaysia. As business usage of the Internet increases, Internet technology serves as a primary marketing channel. Venkatesh et al. (2003) identify four dimensions or factors as direct determinants of users' behavioral intention and subsequently technology usage. They are: performance expectancy, effort expectancy, social influence and facilitating condition.

Davis et al. (1989) define performance expectancy as the degree to which an individual believes that using a system will help him or her attain gains in job performance. They believe that by using internet marketing will help users gain benefits such as increased productivity, efficiency, and time saving as a result of the availability and customization of information (Burke, 1997; Srinivansan et al., 2002).