FACULTY OF TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP

THE ADOPTION OF WEBSITE FOR PRIVATE BUSINESS SECTOR

NUR SYAKIRAH BINTI HASMAN

Bachelor of Technology Management

(High Technology Marketing)

2014

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

Signature   :

Supervisor   : DR. HASLINDA MUSA

Date   :

Signature   :

Panel   : DATIN SURAYA AHMAD

Date   :

THE ADOPTION OF WEBSITE FOR PRIVATE BUSINESS SECTOR

NUR SYAKIRAH BINTI HASMAN

Report submitted in fulfilment of the requirement for the degree of Bachelor of
Technology Management (Hons) in High Technology Marketing

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2014

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 it is not concurrently submitted in the candidature of any other degree.

Signature   :

Name   : NUR SYAKIRAH BINTI HASMAN

Date   :

DEDICATION

This research is dedicated to my respective parents who have been my constant source of inspiration and drive me to be discipline when doing this task. The respected with all friends, without their caring, support and understanding this project would not have been possible.

ACKNOWLEDGEMENT

Alhamdulillah. Thanks to Allah S.W.T, whom with His willing giving me the opportunity to complete this research paper which entitled "The Adoption of Website for Private Business Sector". This research take the consideration in the scope of Adoption of Website. This research report was prepared for Faculty of Technology Management and Technopreneurship (FPTT), basically for student in final year to complete degree's program.

Firstly, I would like to say thank you to my supervisor for this project, Dr. Haslinda Musa, my supervisor and Datin Suraya Ahmad, my panel for the valuable guidance and advice. They inspired me greatly to work in this project. Their willingness to motivate and contributed tremendously to this project. Not to forget the one who helped me a lot with the marketing research for this project, Dr. Ismi Rajiani, a senior lecturer at FPTT.

Lastly, deepest thanks and appreciation to my family members give encouragement and support during completion from the beginning till the end. Thanks to all friends that have been contributed by supporting my work till it is fully completed.

Thank you very much.

ABSTRACT

This paper aims to propose a structure for the adoption of a website for private business sector. This structure is based on the characteristics, sub-characteristics and attributes of three main dimensions (complexity, compatibility and relative advantage) that verified the adoption of website according to particular sector of activity and perspective. Based on the literature and the researcher's observation and respondents' perception through survey framework it was proposed for a quality evaluation of an adoption of website in Klang Valley area. The data collected are considering the results of some studies, as well as the systematisation of the knowledge available in several bibliographies, web-based and other method can be grouped into three main dimensions: complexity, compatibility and relative advantage. There has not yet been an evaluation methodology that focuses on these three main website quality dimensions in a broad and transversal sense. Data used are collected by distributing questionnaire and analyse using two main software which are Microsoft Excel and Statistical Package for Social Science (SPSS). The paper presents the research of the adoption of website for business organization in specific, private sectors.

ABSTRAK

Kertas kajian ini bertujuan menawarkan struktur pengadaptasian laman web oleh perniagaan swasta (the adoption of website for private business sectors). Struktur ini berdasarkan ciri-ciri dan sub ciri-ciri yang merangkumi tiga (3) dimensi termasuklah tahap kompleks, keserasian dan juga kebaikan sampingan yang boleh menggalakkan laman web untuk diadaptasi oleh perniagaan swasta dari segi aktiviti dan perspektif mereka sendiri. Berdasarkan literatur yang lepas dan pemerhatian serta persepsi responden melalui survey yang dirancangkan untuk menilai kualiti dan adaptasi laman web. Apabila dipertimbangkan keputusan daripada beberapa kajian dan beberapa sistem yang terdapat di beberapa bibliografi, laman web dan kaedah lain, ia dapat diagihkan kepada tiga (3) dimensi iaitu kompleks, keserasian dan kebaikan sampingan. Masih belum terdapat lagi penilaian metodologi yang focus kepada tiga (3) aspek utama yang dinyatakan dimana-mana dimensi kualiti laman web secara meluas atau diperingkat antarabangsa. Keputusan kajian ini mempersembahkan kajian tentang ciri-ciri laman web untuk perniagaan secara spesifik ialah perniagaan swasta.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION TO THE RESEARCH

CHAPTER 2: LITERATURE REVIEW

CHAPTER 3: RESEARCH METHODS

CHAPTER 4: DATA FINDINGS AND ANALYSIS

CHAPTER 5: RECOMMENDATION AND CONCLUSION

CHAPTER 1

INTRODUCTION TO THE RESEARCH

1.1   Introduction

According to survey made by McKinsey (2009) nearly 1,700 executives from around the world, across a range of industries and functional areas responses and suggest why Web 2.0 remains of high interest: 69% (percentage) of respondents report that their companies have gained measurable business benefits, including more innovative products and services, more effective marketing, better access to knowledge, lower cost of doing business, and higher revenues.

As times change, internet beginning and universal, many private business sector starts to take the internet to seek the opportunity as the medium, also changes the original entity circuit of the management pattern, gradually into the internet to encourage doing business online. However, the identity of the user for the website characteristics, complexity of using website, compatibility in the website and relative advantage of website for consumers is also different; influence the decision making from the business organization.

This research discovered the issues regarding the characteristics of websites in developing countries, through a study of business firm in Malaysia specifically in private sectors. An observation, survey and a web-based analysis based on respondents' perception will be conducted as the methods to stimulate data. Factors that will be hypothesized are complexity of website, compatibility of website and

relative advantage of website. Affecting design elements are identified through previous journals researcher's recommendation and few journals.

The globalised development of collaboration between private sectors requires support from communication centred intra-organizational interactive systems to smooth organizational change. Without the help of computers, the internet, email, telecommunications, share-database and other web-based internet technologies and applications, there will be no multinational project. Hence, the characteristics of website should be specifying to make it easier to enhance the communication and collaboration between firms.

1.2   Research Question

i.   What is the level of complexity of a website to adopt in business organization?
ii.   Will the website compatible to the business organization?
iii. Does the relative advantage of website help the business organization to adopt website?

1.3   Research Objective

i.   To identify the level of complexity in adopting the usage of website in business organization.
ii.   To determine the compatibility of website in business organization.
iii. To determine the relative advantage of adopting website/social media in a business organization.

1.4   Scope, Limitation and Key Assumptions of the Study

In overall, the research explained about how a business organization specifically private sectors whom are willing to adopt website in their organization. In conjunction with that, the research also embraced the study on the level of complexity of website, the compatibility of website and the relative advantage of adopting website.

The limitation will stand within the private sectors only and it will not involve any research outside the private sector, which is public sector. In addition, the research area were limited to Klang Valley area only.

The key assumption will stand between the complexity, compatibility and relative advantage of a website. The adoption of website in the private business sector will be the key indicator for each variable.

1.5   Importance of the Study (Significance/Contribution)

In recent years, new technologies have created new and innovative means of interacting with customers. In particular, business-to-business organizations see the Internet as a complement to their existing networks, which diffuses at exponential rates.

The literature suggests that the Internet has provided more than just a new medium through which organizations can communicate with the public. The worldwide web (WWW) allows bi directional marketing and offers wider and deeper material and richer advertisement content (Ellsworth and Ellsworth, 1995).

1.6 Conclusion

The next section lays the groundwork by briefly reviewing the relevant literature. The researcher discovered about the need of the report including research question, research objective and the indicator needed for the research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher explained about the theoretical framework and the previous researchers' said about the adoption of website with the consideration of the three variables which are included complexity of website, compatibility of website and relative advantages of website.

2.2 Background of the Study

2.2.1 Complexity Level of Website

Websites, social media or social networks eventually plays a big role with our technology today. Within a minute, news spread all over the world. With a click of button, we got a lot of information about all around the world. Information available on the internet through online, people can search for recipes, current score of football match, online shopping. Unlike before in 1990, the internet sources back then were so poor and cannot be used perfectly. Market research has been proved that the used of website and social networks by users are currently on the top of the list.

According to Poynter (2010) over the past few years social networks such as Facebook, Cyworld and Mixi have become one of the largest phenomena on the internet. In November 2009 Alexa.com listed Facebook as the second most visited site on the internet, behind Google.com, with Chinese network QQ.com coming in at 11th and MySpace at 12th. By November 2009, Facebook was quoting 300 million members, about one in six of all the world's internet users. As customers and citizens moved into social networks, market researchers followed them to gain new insights. Given that this field is still very new (Facebook was only launched in 2004), it is likely that the use of social media by market researchers is in its infancy and that there will be rapid developments over the next few years.

In the literature stated above, the private business sector can take or use website as a tool of communication in the context of the complexity of websites. For the user to seek for information through online, private business sector would not be lame and exaggeratedly create their own official website for their benefits.

The researcher make a simple comparison between official website of H&M and Nike. The level of complexity of H&M layout seems more systematic than Nike. H&M classified and make a square for a promotion, unlike Nike, it is a bit complicated and users have to scroll more and more. The level of complexity of websites is different and for each of the website users will find them easy or difficult.

If the website is too complex, it will affect the company reputation whenever people talk bad things about your company's website.

2.2.2 Compatibility of Website

Website research is a branch of market research focused on the design and implementation of websites and including usability testing, visitor profiling, customer satisfaction, concept development and more (Poynter, 2010). Commercial websites is a site that occur buy and sell activities and provide services for a fee. This is a way for business sector to gain profit. As we know, using websites does not have

6

too many maintenance rather than worker. The effectiveness of commercial websites were:

- Information quality

    The research proposed an innovative structure for a quality evaluation of a website. That structure can become a platform for the development of specific website quality evaluation, comparison and improvement methodologies, according to different sectors of activity.

- Usability

    For a business sector who wants to create an interactive and commercial website, a concise website would increase the users interested. Some users were IT illiterate and easily get confused with the system of a websites.

- Security

    Nowadays business sectors encourage of paying bills online and enhance the using of online banking. The sites were secured and the private information of users is protected.

- Reliability

    According to Naik and Tripathy (2008) with the increasing number of websites and considerable investment in them, website quality evaluation has become an important activity. The theory shows that people were depend on website to do their activities. Organisations invest time and money to develop and maintain their website's quality. Websites should establish an effective information and communication channel between organisations and their clients. In some cases they are part of the offered product, since they make useful services available to clients (Grigoroudis et al., 2008). As for nowadays people trust technology and used it every day to seek for information, business sector should use it as opportunity and start to maximise it to gain more profit without any cost because online marketing is free.

2.2.3 Relative Advantages of Website

Relative advantages of having a technology are as follows:

- Create positive response of website

    There's also a thought described there were website that are not secured and contains web blocking. Supporting by the research, the thought will change to a positive one.

- Increase online buyer's satisfaction

    Whenever customers do online shopping with a business sector for example online boutique, they will get more satisfaction while do the activity. In the case, customers will get to see a various kind of new garments design and make a choice according to what they like.

- Encourage people to visit website

    Word-of-mouth marketing is a good tool to make a business gain more profit or more loss. This is because, if your appearance or website design is good, customer will share with people around them. Vice versa, if your website system is always stuck or system down, people will condemn and spread the bad news about your firm.

- Quality of organization-public relationships

    Organization-public relationship can be built through customer service and after sales service. The feedbacks from customer should be look into seriously.

2.3 Literature Review

Research on commercial websites has very often focused on quality and effectiveness issues and has either developed instruments used to capture website success or examined the key properties that increase online buyers' satisfaction or traffic or online purchases (Shchiglik and Barnes, 2004).

Social media sites such as Twitter provide organizations with the ability to interact directly with publics. Previous research has suggested that web-based relationship building is dependent on the level of organizational interactivity with web technology, or how the organization uses the technology to engage with its publics. This study tested if levels of organizational Twitter interactivity affected the quality of organization–public relationships (Saffera, Sommerfeldtb, and Taylora, 2013).

In recent years, consumers help shape the evaluation of information by sharing their own experiences using contents, opinions, videos, audio and images with others (Reactive, 2007; O'Connor, 2008). As such, consumers can help assist with the creation of emotional and rational information on the internet (Lwin and Phau, 2012). These providers have limited communication budgets (Ku¨ster and Vila, 2011) and as such, online communication can be a cost-efficient method of gaining national and global awareness.

Proliferation of the internet shopping and online customer interfaces requires that consumers learn new behavioural patterns or at least, adapt their existing ones to the new medium (Park, 2005).

Assuming that all else is equal; consumers are more likely to buy from an online retailer with better online reputation (Kotha et al., 2001).

While firms in the traditional marketplace have built good reputation through media exposure, customer word of mouth, and branding, the internet is transforming the way firms earn a reputation. Consumers now rely on social networking sites (e.g. Facebook, Twitter), comparison shopping services (e.g. BizRate.com,

Shopping.com), or customer reviews on blogs in order to obtain information that enables them to evaluate the retailers' reputation.

Through some resources, consumers not only aggregate product and price information but collect and publish reviews and ratings of online retailers. Such reviews and ratings may be viewed as measures of online retailer reputation as they reflect the collective opinions of consumers toward the retailer (Gregg, 2009; Joo, 2007; Kim and Ahn, 2006). In order to evaluate and differentiate unfamiliar online retailers when making purchasing decisions, consumers are found to rely on the diverse resources available online (Luo and Cook, 2007).

Web site marketing has numerous benefits for charitable organisations. Administrative costs are low (Harrison-Walker and Williamson, 2000).

Over the last decade, web pages have become significantly more complex. Originally used to host text and images, web pages now include several content types, ranging from videos to scripts executed on the client's device to "rich" media such as Flash and Silverlight (Butkiewicz, Madhyastha and Sekar, 2011).

The internet evolved from a software convention for computer networking developed by the US Army's Advanced Research Projects Agency. This open standard, termed the transmission control/internet protocol (TCP/IP), was adopted by wide-range of research, education and public sector organisations as a means of integrating previously incompatible computer applications (Humphreys, McIvor and Cadden, 2006).

Browsers of charity web sites tend to belong to higher income groups and social classes, are relatively young (typically aged between 35 and 44 – Saxton, 2001), and people who already give to charity visit charity web sites more frequent than others (Reed, 1997; Saxton, 2001). Additionally, however, the internet is becoming a crucial device for attracting donations from the under-35s (who interact with the internet as a matter of course) and (critically) from first time givers.

Managers must also justify the cost of developing and maintaining commercial websites, cost which increases considerably as advanced functionalities are added (Rao et al., 2003; Vinocur 2002).

As a result of such cost savings, Goldman Sachs estimates, business-to-business (B2B) commerce could increase the level of output in the developed economies by an average of 5 per cent (5%) over time. More than half of that increase would come through within ten years, an increase of 0.25 per cent (0.25%) a year in the rate of growth over the next decade. Therefore, the importance of B2B commerce is increasing dramatically, either as private networks connecting co-operating organisations, or as networks linked through the Internet (Segev et al., 1997).

2.4 Theoretical Framework

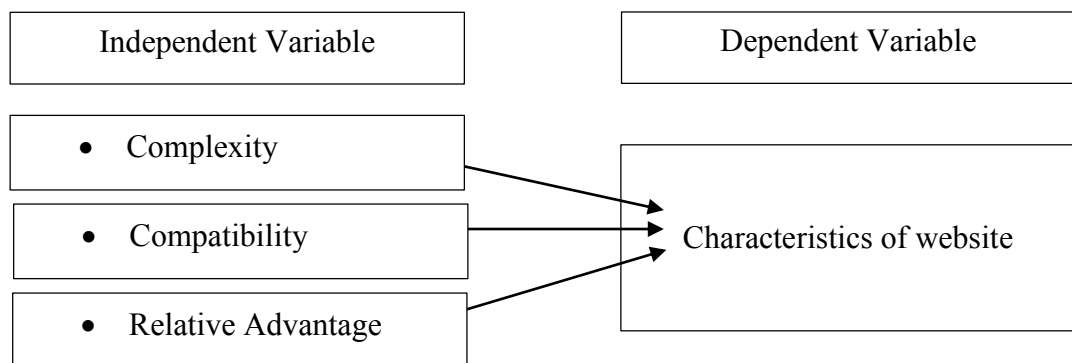| Independent Variable	Dependent Variable
• Complexity	
• Compatibility	Characteristics of website
• Relative Advantage	

Figure 1: Theoretical Framework

A theoretical framework is a collection of interconnected concepts, like a theory (Stephen, 1999). The independent variable and dependent variable are the key roles in theoretical framework. In this study, the characteristics of website are the independent variable whereas complexity, compatibility and relative advantage act as the dependent variable. The hypothesis tested in this research are:

H_0: The website system is too complex.

H_1: The website system is not complex.

H_0: The website is not compatible with other equipment in the business sector.

H_2: The website is compatible with other equipment in the business sector.

H_0: The characteristics of website will not give a relative advantage for the business sector.

H_3: The characteristics of website will give a relative advantage for the business sector.

2.5 Conclusion

Based on literature review discussed above social media and website research article give an advantage and shows the parallel concept with this research paper. The characteristics of website (complexity, compatibility and relative advantage) are a good measurement to study the adoption of website in a private business sector.

CHAPTER 3

RESEARCH METHODS

3.1 Introduction

This chapter covered about steps, procedures and samples as methods for data collection. This research aims to gain an understanding of the research method that being used in gathering the information on characteristics of website for private business sector. The characteristics are including the level of complexity of a website, the compatibility of website and the relative advantage of adopting website for private business sectors.

This research method completely designs how the research of this study were conducted. The research question is "Does the relative advantage of website help the business organization to adopt website?" Moreover, the research objectives on this study are to identify the level of complexity in adopting the usage of website in business organization, to determine the compatibility of website in business organization and to best determine the relative advantage of adopting website for private business sectors.

3.2 Research Design

Descriptive research design approach of this study was chosen as the information from the private organization was provided due to the previous cases that were filed. Reeves and Harper (1981) consider at length most of the issues concerned with managements' use of attitude surveys to ascertain the views and opinions of employees. Descriptive research is very common in business and other aspects of life. In fact, most of the marketing research is about participating in can be categorized as descriptive research. With a descriptive research design it is usually trying to describe some group of people or other entities.

The findings were then used to help guide the second stage of the research—the questionnaire development, discrete choice modelling design, and volumetric forecasting exercise.

3.3 Methodological Choices

A methodological choice that the researcher have chosen is quantitative method by using Statistical Package for the Social Sciences (SPSS). With SPSS predictive analytics software, we can predict with confidence what will happen next so that you can make smarter decisions, solve problems and improve outcomes. SPSS software enables to teach effectively, helps to gain critical analytical skills and supports more accurate and insightful institutional research and decision-making.

- Reliable

    As compared to qualitative, quantitative method is more reliable and trustworthy than the words (qualitative method). This is because; we have the numbers with the application of SPSS. After do a survey, the information will be installing in the system and it will come out with a results. There is no way of changing the data or tell lies with the results.