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A STUDY ON INTERACTIVE POINT OF SALES (IPOS) ACCEPTANCE IN  
INSURANCE SECTOR

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Report submitted in fulfillment of the requirement for the degree of Bachelor  
of Technology Management (Hons) in Technology Innovation

Faculty of Technology Management and Technopreneurship  
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**DECLARATION OF ORIGINAL WORK**

NORHAZILA BINTI AKMAD

“I hereby declare that the work of this exercise is mine except for the quotations and summaries that have been duly acknowledged.”

Name : .....

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## **DEDICATION**

This research paper is lovingly and sincerely dedicated to my lovely mother, Sharifah Binti Musa and my Father Akmad Bin Asgari, who constantly support and always give constant source of inspiration in my studies. I am honored to have both of them as my beloved family and also to all of my family, that always support me in any condition, thank you for your understanding and support to me. Not forgettable also my siblings and my friends who always support me with care and love. Thank you very much for all.

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## ABSTRACT

In the past years, a business performance in Malaysia growth rapidly, same goes to insurance sector. However future must hard to predict, the insurers struggling to the new environment of business such as change of regulation, financial crisis, the rise of power on emerging market and changing the customer behavior. So AIA Bhd is a leading company that introduce Interactive Point of Sale to enhance the performance business in order to faces those barriers. In this study the researcher want to understand the acceptance of interactive point of sale in insurance sector. Moreover, researcher use theory Technology Acceptance model, The Unified Theory of Acceptance and Use of Technology, Theory of Reasoned Action and Diffusion of Innovations Theory. From four theories researcher used four predictor which is independent variables Performance Expectancy (PE), Effort Expectancy (EE), Social Influence (SI) and Facilitating Condition (FC) towards Dependent variable Behavioral Intention to Use as to study the most prominent acceptance factor of independent variable. This research will be use survey questionnaire as the method understand the acceptance factor of Interactive Point of Sale. Data analysis used in this research is SPSS. This research is will use the explanatory, researcher choose explanatory because the reviews may assume an instrumental part as far as recognizing explanations for an extensive variety of procedures method. Researcher also used Hypothesis testing to understand the connections that exist between variables.

## ABSTRAK

*Pada tahun-tahun kebelakangan ini, pertumbuhan prestasi perniagaan dalam Malaysia semakin pesat begitu juga dengan sektor insurans. Namun begitu, masa depan sukar untuk jangka, syarikat insurans bergelut dengan persekitaran baru seperti penguatkuasaan peraturan, krisis kewangan, kebangkitan kuasa baru di pasaran dan perubahan tingkah laku pelanggan. AIA BHD adalah syarikat terkemuka yang memperkenalkan Interactive Point of Sale untuk meningkatkan prestasi perniagaan untuk menghadapi cabaran-cabaran tersebut. Dalam kajian ini penyelidik ingin mengkaji penerimaan Interactive Point of Sale dalam sektor insurans. Dalam kajian ini juga, penyelidik menggunakan teori “Technology Acceptance model”, “The Unified Theory of Acceptance and Use of Technology”, “Theory of Reasoned Action” dan “Diffusion Theory Innovations”. Dari empat teori tersebut penyelidik menggunakan empat peramal yang merupakan “Performance Expectancy (PE)”, “Effort Expectancy (EE)”, “Social Influence (SI)” dan “Facilitating Condition (FC)” kepada “Behavioral Intention to Use” untuk mengkaji faktor penerimaan yang paling menonjol. Kajian ini akan menggunakan soal selidik sebagai kaedah memahami faktor penerimaan “Interactive Point of Sale”. analisis data yang digunakan dalam kajian ini adalah SPSS. Kajian ini akan menggunakan penerangan, penyelidik memilih penerangan kerana ulasan boleh memainkan peranan penting sejauh mengiktiraf penjelasan untuk pelbagai yang luas kaedah prosedur. Penyelidik juga menggunakan Pengujian hipotesis untuk memahami hubungan yang wujud antara pembolehubah.*

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## LIST OF ACRONYM

NO.	TITLE	MEANS
1	TAM	Technology Acceptance Model
2	DOI	Diffusion of Innovations Theory
3	TRA	Theory of Reasoned Action
4	UTAUT	The Unified Theory of Acceptance and Use of Technology
5	iPoS	Interactive Point of Sale
6	PAMB	Prudential Assurance Malaysia Berhad
7	ECP	Early Crisis Protector
8	PU	Perceived usefulness
9	PEOU	Perceived ease of use
10	PE	Performance Expectancy
11	EE	Effort Expectancy
12	SI	Social Influence
13	FC	Facilitating Condition

**LIST OF SYMBOL**

<b>NO.</b>	<b>TITTLE</b>	<b>MEANS</b>
1	N	Total
2	%	Percent
3	$\beta$	Beta
4	t	T value
5	p	P value

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

This study discuss focus on the factors in technology acceptance of the Interactive Point of Sales (iPoS) to insurance sector in AIA Bhd. The research also focus on of iPoS factors acceptance towards use behavior that influencing AIA Bhd accept technology and improve the business performance in the market. AIA Bhd is one of leading insurance company that provides protection to millions of people for over 90 years (AIA, 2016) . According to Saw (2015) Insurance provide important avenue to the public in many aspects such as protection to health, death and risk. Insurance also offer an investment and saving plan that contribute to individual economy growth. Interactive Point of Sales (iPoS) in other hand is the current technology system that AIA Bhd used to enhance the performance in many aspect such as administration and marketing strategy. Moreover, researcher will highlight a few theories such as Technology Acceptance Model (TAM), Diffusion of Innovations Theory (DOI), Theory of Reasoned Action (TRA) and The Unified Theory of Acceptance and Use of Technology (UTAUT). From this theories researcher hoped to find the actual relationship of the variables in this research. In the end of this study, researcher hoped will construct new theoretical framework using the theories and identified the most prominent acceptance factors to this research.



## 1.2 Problem Statement

Based on the research researcher has identify the problem through observation. During industrial training researcher contribute as a marketing administration and found the interactive Point of Sales (iPoS) system technology has helped AIA to enhance many performance aspects in the firm for example in marketing approach and staff productivity.

AIA is one of leading insurance company that provides protection to millions of people for over 90 years (AIA, 2016). Interactive Point of Sales (iPoS) system launched 2 year ago but leads AIA to better performance and achievement in short period of time.

However, unlike AIA the other insurance company still far behind to use the latest technology. From the observation of the researcher, the other company still lack of awareness for acceptance of technology in their firm.

Researcher also observe that it still lacking of awareness for acceptance factor on the user itself. Maybe, this latest technology help the user to work more efficient but to identified the most prominent acceptance factor also crucial This is because the fact on identified the most prominent factor will help the organization to improve their performance in the future.

Moreover, Researcher also observation through literature review that the education reference about Interactive Point of Sale is still less and not much people know about the existence of this current technology.

Therefore this study will analyze the factors of acceptance in Interactive Point of Sales (iPoS) system towards behavioral intention to use and evaluate the strongest predictor of listed factor. In the end of the research, researcher hope by using this study other insurance sectors will identify the key idea of accepting new technology in their firm.

### **1.3 Research Objective**

The main objective of this study is to determine the factors of iPoS technology adoption in insurance company and to analyze the impact what the factors that influence the iPoS acceptance are in insurance sector. To be more specific, three objective will highlight in this research.

- i. To identify the technology acceptance factor of iPoS in insurance sector
- ii. To analyses the impact of iPOS acceptance towards behavioral intention to use the technology
- iii. To evaluate the strongest predictor of iPoS acceptance factor

### **1.4 Research Questions**

Three research questions have been constructed that meet the objective of this research. In this research the research question will be explain future. Three questions identified to be answered:

- i. What are the factors that influencing technology acceptance of iPoS in insurance sector?
- ii. How iPoS acceptance factors relate to behavioral intention to use the technology in the insurance sector?
- iii. What is the strongest predictor on acceptance factor of iPoS?

### **1.5 Scope and Limitation of Study**

Scope of this study is around Melaka which is place in Jaya 99 business building of AIA. It will also place in a few agency around Melaka. The respondent of this research will be staff and community AIA Company. 200 respondent will included to answers the survey form. The survey will distributed specifically to all of agents

that used iPoS using email and survey form. The researcher than followed up by calls or email for reminder.

However, there will be some limitation in this study, firstly, respondents may have a liquid knowledge to be part of respondents to primary data. The researcher assume the respondents not honest in answering the questions. Moreover, the collecting of data was very time consuming and last for months. Lastly, researcher assume from 200 questioners to respondents distribute but less than 200 respondents will answer the questioners this will affect the data collection number and estimations.

## **1.6 Significance of Study**

This research are important to better understanding about the factors on the acceptance of interactive Point of Sales (iPoS) to insurance sector. Beside that the finding hoped contribute to the development of insurance sector by giving them a key idea to enhance their business performance by accepting new technology system like interactive Point of Sales (iPoS). It is also encourage a better understanding of knowledge and practice of technology acceptance among insurer. Moreover, researcher hoped by understanding the key factor of acceptance of the. Technology will help the insurer realize the importance of technology acceptance to enhance their business performance and boost sales and drive profit.

In addition, this research will help findings and keep enhance the activity of learning in insurance sector. It will lead to another research finding and references interactive Point of Sales (iPoS) of acceptance in insurance sector. In other hand, it will give benefits to the development of new knowledge.

## **1.7 Summary**

This chapter explained the research direction. The introduction briefly explain the background of study and a few briefing about insurance sector, iPoS and technology acceptance. This chapter also describe the problem statement, objective of research as well as the research question study. The scope and limitation of this research to provide solution and way to solve the problem. The significance of study explained in order to identify the key factor of successful way to enhance the adoption technology in insurance sector.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Introduction

Literature review is a step by step process that involves the identification of published and unpublished work from secondary data. In this chapter, shows the evaluation of this work that relate with the problem and the documentation of the work until the end. A survey of the literature also facilitates the creative integration of the information gathered from secondary data.

The outline of this chapter is presented as follows. In section 2.1 researcher describe about insurance sector. In 2.2, researcher describe about AIA Malaysia and 2.3 researcher introduce about Interactive Point of Sale. Next from 2.4 to 2.7 researcher highlight the theories that will selected in this research namely Technology Acceptance Model, Diffusion of Innovations Theory (DOI), Theory of Reasoned Action (TRA), The Unified Theory of Acceptance and Use of Technology (UTAUT). In 2.8 researcher describe about the theoretical framework in this research. Last but not lease, 2.9 highlight the hypothesis development.

## 2.1 Insurance Sector

Basically, Insurance is a product designed to provide protection to individuals and businesses against specified contingencies or risk, insurance created for humans needs if any accident and unfortunate happened in future. The main objective creating insurance is to quest for security and stability (Redzuan, 2009). According to Mike (2016) Insurance sector has been dominated by intermediaries who have played the role of understanding consumer and business needs, and then matching and tailoring insurance products and solutions to their needs. Insurance industry improved value for policyholders.

Today, the life insurance industry contributes 2.8% of Malaysia's Gross National Income (GNI), with premiums totaling RM26 billion in 2013 (Ibrahim, 2014). More than 18,000 are employed in the industry. The life agency force has increase to about 80,000, with more of them earning higher average incomes as they pursue professional careers as full time insurance agents (Ibrahim, 2014). Generally Malaysia have 4 type of insurance company namely takaful, reinsurance, life and general (Saw, Oxford Businees Group, 2015). The takaful insurance company is Islamic based company that used fully *shariah* practice according Islam law. While Reinsurance Company deals with the sharing of insurance policies among multiple insurer. However, even though the market is in steady pace insurance sector also will effected to economy conditions for example the unstable of oil price and currency issue of Ringgit Malaysia (Liam, 2015).

Moreover, according to Redzuan (2009) they said that takaful insurance in Malaysia sector have potential to growth but in the same time the takaful still remain untapped to its fullest potential. Understanding the factors consumption of this industries is important to predict the growth of this industries in the future.

### **2.1.1 Insurance Sector with Technology Growth in Malaysia**

According to Young (2014) Internet mobility and social networking have changed growth this few decade and have created a new generation of customers who demand simplicity, speed and convenience in their interactions. These trends will accelerate and leads a feaster and efficient for business performance in insurance sectors for both insurer and customers. The sale distribution channels will also growth along internet mobility trends. Despites of this growth the insurance sector have to grow with technology and enhance the performance of this sector.

According to Law (2012), Technology systems enhance the power of mobility in insurance sectors. Customers want to connect via face-to-face meetings, mobile and web channels, and call centers at their convenience regarding income-protection and risk management options. Insurance company should provide the support tools for customer that required information and helpful application to enhance communication from both parties.

In Malaysia market, AIA as a leading insurance company introduce paperless technology system that called Interactive Point of Sales (iPoS) system. Completely build as native application that can respond faster and no poor connectivity. The system work reliable fast and can work both online and offline.

Prudential Assurance Malaysia Berhad (PAMB) also has introduce the iPad application for its investment-linked option benefit called Early Crisis Protector (ECP). The objective of the firm develop this kind of technology is to enhance their customer experience (Prudential, 2013). However, the technology still under development and not used fully by Prudential until now. Moreover, other insurance company still stick on traditional way and use limited technology in their firms.

## **2.2 AIA Malaysia**

According to AIA (2016) AIA Malaysia is one of the well-known insurance company in Asia region. Basically AIA Bhd provides protections and provides variety of product protection. AIA was founded in Asia and present in across 18 countries including Malaysia, Indonesia, Philippines and Singapore. AIA is the largest listed insurance company on the Hong Kong stock exchange so the currency problem in our country now in Malaysia less effected AIA as independent company. Moreover, AIA is second largest life insurance in the world and provides US dollar 1 Trillion protection to people across the border. AIA has introduce the paperless iPad technology system in 2014 to enhance the performance of AIA in many aspects especially in marketing and administration. The paperless called Interactive Point of Sales (iPoS) system

## **2.3 Interactive Point of Sales (iPoS) System**

Interactive Point of Sales (iPoS) system is a tablet-based sales suite that includes financial needs analysis, and the ability to obtain quotations, complete applications with electronic signature and make payments (AIA, 2016). Interactive Point of Sales (iPoS) system was progressive and interactive technology has helped enhance customer experience and boost productivity of business (AIA, 2016). Interactive Point of Sales (iPoS) is the system that data and information can read in other devices with standard format using electronic devices. Digital integration used in many in field such as management and marketing approach. Moreover, in many ways iPoS make all things happened in fast and efficient. In addition, iPoS enable by the availability all the necessary information by fully digital format. According to AIA (2016) iPoS contains a comprehensive new suite of applications that assist advisors and sales leaders to plan their business, recruit and on-board the right talent, monitor and manage sales activity.