FACULTY OF TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP

THE CUSTOMERS' PERCEPTION TOWARDS ONLINE FOOD ORDERING SERVICE USAGE IN MALACCA

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I hereby declare that I have read this thesis and in my opinion this project is sufficient in terms of scope and quality for the award of Bachelor Degree of Technopreneurship

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Report submitted in fulfillment of the requirements for the Bachelor Degree of
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DECLARATION

"I hereby declare that the report has been prepared by my own self except the summaries and citations that I have been clarify the sources"

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DEDICATION

I would like to dedicate this project to my lovely parents, En. Mhd Anuar b. Ali and Puan Hamidah bt Che Hassan, who always been my inspiration and never tired shows their support in term of moral and financial to me. This work also is dedicated to my dearly friends, without their encouragement, support and caring, this project would not have been possible.

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ABSTRACT

The increasing number of people in using Internet in many ways has make this medium became one of the most significant target to businesses or organizations to promote and sell their products, fit with today environment that filled with well-developed things. Due to this advance, even though there are already many fast food restaurant had started using the online method in promoting and selling their products, other food retailers or businesses also does not want left behind in using online medium as their marketing channel since this method can give more profit and increase their income. With the various reasons of customers that willing to purchase food via online, the perception of the customers will be measured based on the factors of perceived ease of use, perceived usefulness, satisfaction, trust and prior experience. The researcher fills the gap study of online food ordering usage by obtain perception of customers towards this service. The theoretical framework development was construct based on two main theories that is TAM and TPB. The methodology of this research is based on the step to conduct quantitative research method and using 200 samples of respondent's to distribute the questionnaire in Malacca city. The study also generates data analysis by using SPSS version 22.0 for testing the pilot test and actual survey. In order to conclude the study, the researcher stated the discussion and conclusion of the objectives, limitation, implication and recommendation of this research at the last chapter. Thus, this paper aims to investigate the factors of customers' perception towards online food ordering service usage. Through this investigation, it can give more knowledge to food retailers in understanding customers' perception as well they can take this opportunity to improve their service.

ABSTRAK

Peningkatan jumlah orang yang menggunakan Internet dalam pelbagai cara telah menjadikan medium ini salah satu sasaran yang paling penting untuk bisnes ataupun organisasi mempromosikan dan menjual produk mereka, bersesuaian dengan persekitaran hari ini yang dipenuhi dengan banyak benda yang telah membangun. Disebabkan kemajuan ini, walaupun telah banyak restoran makanan segera telah terdahulu menggunakan teknik atas talian dalam mempromosi dan menjual produk mereka, penjual makanan atau bisnes lain juga tidak mahu ketinggalan dalam penggunaan peranti atas talian ini sebagai saluran pemasaran sedangkan cara ini boleh mendatangkan lebih banyak keuntungan dan meningkatkan pendapatan. Dengan adanya pelbagai sebab pelanggan sanggup untuk membeli makanan secara atas talian, persepsi mereka akan diukur berdasarkan mudah untuk digunakan, berguna, puas hati, kepercayaan dan pengalaman lepas. Penyelidik mengisi jurang kajian tentang memesan makanan dalam talian dengan mendapatkan persepsi penggunaan pelanggan terhadap perkhidmatan ini. Pembinaan pembangunan teori rangka kerja adalah berdasarkan dua teori utama iaitu TAM dan TPB. Metodologi kajian ini adalah berdasarkan kepada langkah untuk menjalankan kaedah penyelidikan kuantitatif dan menggunakan 200 sampel responden untuk mengedar soal selidik di bandar Melaka. Kajian ini juga menjana analisis data dengan menggunakan SPSS versi 22.0 untuk menguji ujian rintis dan kajian sebenar. Dalam usaha untuk membuat kesimpulan kajian ini, penyelidik menyatakan perbincangan dan kesimpulan objektif, had, implikasi dan cadangan kajian ini pada bab terakhir. Oleh itu, kertas kerja ini bertujuan untuk mengkaji faktor-faktor persepsi pelanggan terhadap penggunaan perkhidmatan pesanan makanan atas talian. Melalui penyelidikan ini, ia boleh memberi lebih pengetahuan kepada peruncit makanan dalam memahami persepsi pelanggan dan mereka boleh mengambil kesempatan ini untuk meningkatkan perkhidmatan mereka.

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CHAPTER 1

INTRODUCTION

This chapter is to evaluate the basic concept of the study and the significance of the topic. This thesis is starting by discussing the background of the research follow by the problem statements. The objectives of the research also will be discussed in this chapter to know the purpose of finding the problem statements about the topic and followed by scope and limitation of the study. This is continued by the significance of this paper and the last two parts of this chapter will include structure of thesis and summary of this chapter.

1.1   Background of Study

This thesis explores on the perception of customers about the food ordering service usage through online networking. The information and communication technology advancement prompted critical changes in the business environment and consumer behavior while the rise and improvement of the online environment have prompted new methodologies in the management of the industry today (Dobre C., & Milovan-Ciuta A., 2015). The online environment is unique compared to the disconnect

environment which make the consumers became the main role in this significant contrast. They get to be active explorer when visiting the online medium (Dobre C., & Milovan-Ciuta A., 2015). In this era of globalization, there are many entrepreneurs from food industry using online marketing as a medium to promote their food product especially in Malacca that had well-developed in marketing activities over the Internet.

According to Evans, D. (2008), online networking is blooming now and businesses ought to partake in it since numerous people in worldwide are associating with each other and discussing about their services and products through this platform. Opportunity has been given practically to everyone because online networking empowers organizations to lead their business in the Internet or connect people around the world without geographical limitation unlike purchasing and selling through traditional shop (Sin, S. S., et al., 2012). Now, the key to survival for the foods businesses in the future depends on how well they can integrate the medium of online networking in their business model today in marking their success in the industry along with the customers' acceptance toward the use of technology in purchasing food products. Therefore, the researcher would like to study about the food ordering service via online by measuring customers' perception in using information technology just to order the foods.

1.2   Problem Statement

Online food ordering service is widely accepted for the entrepreneur in Malacca because it can increase and give more profit for them other than just selling the food products at the shops only. Esther Dyson once expressed her quote that, "it may not always be profitable at first for business using online, but it is certainly going to be unprofitable if not using online". Likewise, the online food industry also can achieve high profit not just with the entrepreneur efforts but also with the customers support.

Based on the previous research, many of them studied and discussed about the customers' perception and acceptance towards e-shopping (Alam, M. Z., & Elaasi, S. A., 2016; Puranik R. & Bansa A., 2014; Shanthi R. & Kannaiah D., 2015). Since online shopping has become ordinary issues in today environment, the researcher would like to identify about the customers' perception towards online food ordering service as well that lead to the customers' adaption with online environment to order the food instead going to the shop or restaurant directly.

The development of the internet or web has created opportunities for entrepreneurs to stay competitive by providing customers with an easy to use, quicker and less expensive approach in making purchasing (Chai, H. L., et al., 2011). The customers' perception towards online food ordering service can be easily understand through analyze their problem statement which is give importance to researcher to know their behavior against online networking with food ordering service provide by food retailers. Past research has indicated that by purchasing the food through online, it can give customers many benefits such as easy plus convenience, the ability to find products widely and quickly and make customers able to compare the prices and arranges delivery instantly (Hansen, 2008). Thus, the purpose of this research is to bridge the research gap by investigating on how those benefits able to influence customers' perception even though this online service had proved that it give many advantages to them because not all customers have same opinion and most of them have different perception.

1.3   Research Objectives

This research aims to assess the customers' perception towards online food ordering service usage in Malacca. The following below indicates the main objectives of the research:-

i. To identify the level of customers' perception towards online food ordering service usage.

ii. To determine the factors that influence customers' perception towards online food ordering service usage.

iii. To investigate the relationship between the factors that influence customers' perception towards their usage in online food ordering service usage.

iv. To evaluate the most significance factor that influence customers' perception towards online food ordering service usage.

1.4 Research Questions

The online food ordering services have emerged as powerful platforms in Malacca and the customers' perception that influenced it need to be evaluated according to research questions below:-

i. What is the level of customers' perception towards online food ordering service usage?

ii. What are the factors that influence customers' perception towards online food ordering service usage?

iii. What is the relationship between the factors that influence customers' perception towards their usage in online food ordering service usage?

iv. What is the most significance factor that influence customers' perception towards online food ordering service usage?

1.5   Significance of Study

This research provides a theoretical framework for food retailers or food industry on how to market their products through online medium according to globalization environment today. This study verifies that perceived ease of use, perceived usefulness, satisfaction, trust and prior experience attract customers' attitude to order the food through online rather than order manually. Furthermore, this research also can increase food retailers' knowledge and guide them on how to reach and serve the customers anytime and anywhere by online networking.

1.6   Scope of Study

The scope of this study is to identify the roles of perceived ease of use, perceived usefulness, satisfaction, trust and prior experience in enhancing online food ordering intentions among the Malacca consumers. Besides that, the relationship between perceived ease of use, perceived usefulness, satisfaction, trust and prior experience is important to highlight in this research in order to know about their perception towards online food ordering service usage in Malacca.

1.7   Limitations of Study

The limitations of this research is it just concentrates on Malacca city consumers only and unable to find out about the customers' perception towards online food ordering service usage among customers in other countries. In addition, this research does not explain about the negative factors of the online food ordering service and just focus about customers' perception instead of their acceptance towards this service.

1.8   Structure of Thesis

Chapter	Brief Description
Chapter 1	This chapter is mainly discussed about the basic concept of the study, background of the study, problem statement, the research objectives and research questions, significance, scope and limitations of study.
Chapter 2	This chapter described about the literature review of the study along with the definition of the topic. It is also reviewed the related theories along with the past studies about the topic.
Chapter 3	In this chapter, the researcher presents the theoretical framework and explains about the research methods which had been used in carry out the research.
Chapter 4	This chapter tests all the hypotheses that have been developed by using Statistical Package for the Social Sciences (SPSS). It is mainly to test the reliability and validity of the data collected and the relationship between dependent variable and independent variables.
Chapter 5	This is the last chapter that summarizes the overall analysis, results and conclusion for this study. The researcher also will explain the results and findings to validate the research objectives and questions, limitation of study, recommendation for future research and finally the conclusion.

Table 1.1: Structure of Thesis

1.9   Summary

In summary, this chapter overview about the research background on the trend of today ordering food method and highlight the problem statements which become an issues for this research. This chapter also includes research objectives and research questions which will act as a guideline for this research. Apart from that, this research explains about the significance, scope and limitations of this study. Lastly, this chapter overviewed about the structure of this thesis. Next chapter will discussed about the literature review of the study along with the definition and theories related with the research.

CHAPTER 2

LITERATURE REVIEW

2.1   Introduction

As was mentioned in the previous chapter, this chapter will continued discuss about the overview of the topic and highlights some of the definition of topic, theory related and other definitions of the main parameter which will be discussed in this research.   The relationship between perceived ease of use, perceived usefulness, satisfaction, trust and prior experience towards online food ordering service usage also will be discussed in this chapter which each of them stated as a variable. This study used various reference sources such as journal, previous thesis, websites, books and other published medium as a guideline. Lastly, the information that was obtained from various reference sources can be used to strengthen the understanding and conceptualized theoretical framework.

2.2   Definition of Terms

In this section, it is necessary here to clarify exactly what is meant by the overall research topic including the definition of online food service and ordering system. Based on the researchers Sin S. S., et al., (2012), people are currently living in a community network where they can achieve the beyond physical space like networking, education,

data, information, and business easily. Furthermore, social and finance welfare of community today mostly are tied with the network.According to Jimenez & Mendoza (2013) in their research, Freedman L. (2011) stated that the survey in the U.S on 2010 by Internet users indicated that 92% of consumers know the information about products through online and 89% said review the products via online affected their purchasing decisions. Therefore, it is advantageous to sellers to use online networking as an opportunity for them to provide services or sell products through online and gain attention by consumers thus obtain positive or negative respond from customers.

2.2.1   Online Food Service

As noted by Sin, S. S., et al. (2012), a lot of online networking tools that are accessible for the business and individual to use as a medium for them to take part that is Facebook, Twitter, YouTube and Bloggers which is the most popular social networking tools used by people around the world. However, since technology today is more advance, there is always improvement in the social networking tools whereas Instagram, Whatsapp, Wechat and Telegram also have been created and became the most well-known medium in business transaction among retailers and customers. Online networking had dramatically changed the way consumers seek and use information because earlier it was used as resources of reaching information but in this transformational era today, it is one of the best instruments among entrepreneurs and the customers in achieving their motives (Shweta, G. & Ekta, B., 2016) includes for food entrepreneurs or restaurant industry. That's why the restaurants or food retailers always need to make sure that their business website or social media page always have high ratings in term of number of "like" or total review, numerous sharing, positive feedbacks and positive comments in order to gain customers attention.