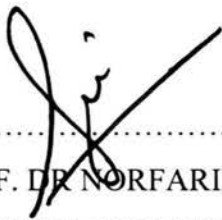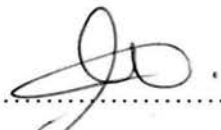'I/We hereby declared that I/We had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfill the requirements for the award of Bachelor of Technology Management (High Technology Marketing)

SIGNATURE : ....

NAME OF SUPERVISOR : ASSOC. PROF. DR NORFARIDATUL AKMALIAH BINTI OTHMAN

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DATE : 15/6/2017

FACTORS INFLUENCING THE PREFERENCES TOWARDS ONLINE FASHION PURCHASE ON WEB 2.0 AMONG GENERATION - Y

HASHVINI DHEWI NAGENDIREN

The thesis is submitted in partial fulfilment of the requirements for the award of Bachelor of Technology Management (High Technology Marketing)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2017

DECLARATION OF ORIGINAL WORK

"I hereby declare that this report is the result of my own, except certain explanations and passage where every of it is cited with source clearly."

Signature   :

Name   : HASHVINI DHEWI NAGENDIREN

Date   :   15 JUNE 2017.

DEDICATION

I would like to dedicate the appreciation to my family members who supported me in terms of spiritual and financial, beloved supervisor and panel who guided me throughout the research and course mates that assisted me through the journey of research.

ACKNOWLEDGEMENT

First of all, I would like to express my sincere gratitude and appreciation to my respected final year project supervisor, Assoc. Prof. Dr Norfaridatul Akmaliah Binti Othmanfor the continuous support, motivation and guiding me throughout the research. Moreover by her guidance, I managed to finish my final year project successfully.

There are also other important people involved in my project, for instance, my lecturers, friends and course mates. I am deeply grateful for the guidance towards this project as play an important role for this project. Besides that, I would like to thank to my parents especially, to my beloved mother, Tamil Selvi A/P Subramanian, who always pray for my success and my father, Nagendiren A/L Raman, who always support me in any decision that I made. In addition, I also would like to thank to my helpful siblings and family members who always support me. Despite all, I would like to wish a very big thanks to my dearest friend Logantiran M.Rajan for always encourage and gives full support and guide all along the process of this thesis.

Additionally, I would like to express my sincere appreciation and thanks to Universiti Teknikal Malaysia Melaka (UTeM) for offering this Final Year Project (FYP) as a subject. The knowledge and experience gained is extraordinary and will be very useful for future undertakings. Besides that, not to forget my final year project panel, Madam Mariam Miri Binti Abdullah who provided a lot of comments and suggestions during PSM I and PSM II. Those were very helpful in completion of final year project. Finally, I wish to thank God for giving me a chance to complete the project and report successfully even after struggling and through hard times.

ABSTRACT

The aim of this study is to study the factors influencing Generation -Y towards online shopping and to identify the most influencing factor of Gen-Y towards online shopping and to investigate the satisfaction level of Gen-Y towards online shopping on Web 2.0. This study was conducted by using descriptive study approach and the methodological choice was quantitative where the survey questionnaire used to collect the data. This study was conducted in State of Johor to 249 respondents. Finally the collected data was analysed to test the significance between the independent variables price, promotion, distribution channel, payment method and the dependent variable the factors influencing the preferences towards online shopping.

Keywords: Generation – Y, online shopping, Web 2.0.

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji faktor yang mempengaruhi Generasi -Y ke arah membeli-belah atas talian dan untuk mengenal pasti faktor yang paling mempengaruhi Gen-Y ke arah membeli-belah atas talian dan untuk menyiasat tahap kepuasan Gen-Y ke arah membeli-belah atas talian di Web 2.0. Kajian ini telah dijalankan dengan menggunakan pendekatan kajian deskriptif dan pilihan metodologi yang telah digunakan adalah kuantitatif di mana soal selidik kajian telah digunakan untuk mengumpul data. Kajian ini telah dijalankan di Negeri Johor kepada 249 responden. Akhirnya data yang dikumpul telah dianalisis untuk menguji signifikan antara pemboleh ubah bebas iaitu harga, promosi, saluran pengedaran, kaedah pembayaran dan pemboleh ubah bersandar faktor yang mempengaruhi keutamaan ke arah membeli-belah dalam talian.

Kata kunci: Generasi – Y, membeli – belah atas talian, Web 2.0.

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ABBREVIATIONS	MEANING
SPSS	Statistical Packages for Social Science
Gen-Y	Generation Y
SMM	Social Media Marketing
PR	Price
PT	Promotion
DC	Distribution Channel
PM	Payment Method
IV	Independent variable
DV	Dependent variable

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CHAPTER 1

INTRODUCTION

1.0 Introduction

In this chapter, the researcher had covered the background study of the research topic which is online fashion purchases among Generation-Y. In addition, the researcher included about the Web 2.0. Furthermore, problem statement, scope and limitation of study, important of research and research questions were presented in this chapter.

1.1 Background of Study

Consumer media channel preference has continued to be debated by marketers, as many marketers have switched from traditional shopping allocation to online shopping or have increased their internet advertising spending in response to the rising costs of traditional advertising in comparison (Chao et al., 2012). Although consumer preference does not remain static, research on consumer media channel preference has been limited (Chao et al., 2012). With 78.6% of the Malaysia population using the Internet (Internet World Stats, 2014), phenomenal growth has occurred in digital media.

Advertising revenue from the Internet peaked in the third quarter of 2012 with revenues of RM 9.26 billion, marking an 18% increase over previous years (Internet Advertising Revenues, 2012). This growth includes social networking sites like Facebook.com, Twitter.com, personal blogs, and has fuelled the continued digital advertising growth ("Consumers Driving, 2010"; "U.S. 2010 Digital", 2011). Facebook, the most popular social networking site, is also the most visited site on the web, passing both Google.com and MySpace.com in 2010 (Lipsman, 2010). Facebook advertising revenue increased 35.9% from 2011 to 2012 and surpassed growth expectations in 2013 (eMarketer, 2012). Facebook.com earned staggering revenue of $6.99 billion for advertising in 2013, increasing total revenue by 55% over the previous year (Edwards, 2014).

A significant portion of Facebook.com's popularity and new account growth is derived from mother consumers who accounted for 36 million Facebook.com users as of February 2010 (as cited in Bohan, 2010). A more conservative number was estimated in 2012 research by eMarketer with 28 million moms using social media, and approximately 82% of those mother social media users have children in the home under 18 years old (Marketers, 2012). Mothers check Facebook more frequently than other users within a 24 hour time period and are more likely to use wireless devices to check Facebook content (Moms and Media, 2012). Marketing research focusing on mothers makes sense for several reasons. The total population is comprised of over 50% females who make 80% of the purchases (Banyte, et al., 2007). Women control 85% of online purchases ranging from vehicles to health care, with women controlling over 90% in categories such as new home purchases, vacations, and food (Marketing to Women, n.d.; Williams, 2010).

The amount of online household spending controlled by mothers is estimated at 85% (Bailey, n.d.) and includes additional product categories compared to purchases made by females without children. This segment offers additional potential for marketing researchers due to substantial purchase power and control coupled with the responsibility of a wide range of purchases (Banyte et al., 2007; "Marketing to Women",

n.d.; Williams, 2010). A new marketing strategy is necessary to target women consumers. Advertising campaigns where the product is merely advertised in websites a pink color is not an effective promotional campaign successful in reaching women (Costa, 2010). An online study in the United Kingdom showed 80% of polled mothers would not make a purchase before consulting other mothers using the site (Costa, 2010). Understanding mother media preference and external influences is important to understanding what will be effective with this target market group (Belch & Belch, 2011).

It is important for marketers to know the influence of social media has on mothers to understand the return-on-investment (ROI) for digital advertising campaigns. A 2010 RAMA study showed that e-mail advertising and online communities are similar in influence for both genders; however, males who used social media were more likely to be influenced by Internet advertising, (Journal of Management and Marketing Research Traditional and digital media, Page 3), instant messaging, and blogs ("Social Media", 2010). A more complete picture can be provided by a preference study including online shopping and traditional shopping rather than preference studies within each media channel. Understanding this complete picture will ensure marketers understand consumer preference and how to capture consumers attention with online shopping geared specifically towards their preferred method of advertising communication.

1.2   Problem statement

With the introduction of internet in our daily life, it has become a need for everyone. People use internet for everyday tasks. Internet is no longer just a medium of getting information for people. It has now become the most powerful medium of communication, entertainment and shopping for people. Every day, several new websites are being introduced covering different sections like news, e-commerce,

information, communication or entertainment. Social Media has become another important place for advertisement fashion items such as cloths, watches, bangles and many more. Online Advertising expenditures increased to $144 billion in 2011, up to 8% from 2010 (Kantar Media, 2012).

As several studies have recognized that the rapidity of online duplicate website advertising has caused consumers to avoid advertisement in traditional media (DeCesare, 2011), the cluster-bomb approach of online duplicate website advertising has also been cited as a reason for the trend toward declining consumer responsiveness to online shopping (Wakolbinger, Denk, & Oberecker, 2009). Fraud of duplicate online websites will lead the customer to bank in the cash to the deceiver. Customers also tend to get false information such as the image shown and the product received is disappointing. Because of these negative trends associated with online shopping, it is important that we understand how consumers cope to purchase on Web 2.0 and what are the reasons behind online shopping avoidance among internet users (Chao et al., 2012, p. 21). That is why the study going to focus on the factors influencing the preferences towards online shopping on Web 2.0 among Gen-Y.

1.3   Research Question

RQ 1: What are the factors influencing Generation – Y towards online fashion purchase on Web 2.0?

RQ 2: Which is the most influencing factor of Generation – Y towards online fashion purchase on Web 2.0?

RQ 3: What is the satisfaction level of Generation – Y towards online fashion purchase on Web 2.0?

1.4   Research Objectives

RO 1: To study the factors influencing Generation – Y towards online fashion purchase on Web 2.0

RO 2: To identify the most influencing factor of Generation – Y towards online fashion purchase on Web 2.0

RO 3: To investigate the satisfaction level of Generation – Y towards online fashion purchase on Web 2.0

1.5   Scope of study

This study was conducted is to identify on the factors influencing the preferences towards online shopping on Web 2.0 among Generation -Y .This study accessed each and every single factor that has been discussed. Moreover the researcher studied on the satisfaction level of Generation – Y towards online fashion purchase on Web 2.0. This was because the researcher believed that the satisfaction level have strong impacts on customers towards online fashion purchase Furthermore, this study will help to uncover the most influencing factors the preferences towards online shopping on Web 2.0 among Generation -Y in Johor Bharu. The respondents that was chosen for this research were Generation - Y in Johor Bharu. Specifically chosen respondents were the entire online shopper.

1.6   Limitations of Study

There were several limitations that have been identified to conduct this research which is time, cost and respondent outliers. Lengthy time needed to conduct this research. The researcher had time constraints during conduct this research because as a

student, very limited time was taken for conduct this research because of other classes need to be focused in between this research. This made hard to conduct this research. In addition, it was also time constraints for researcher to do the survey through questionnaires because most respondents are working and do not have time to answer the questionnaire.

Cost was the most extreme limitation has been faced by the researcher because as a student money need to be used for other daily personal usage. As a student the researcher got no any extra income to support this research. Dividing the money for conducting this research is very much hard. The researcher assumed the respondents provide honest answer for the research that conducted by the researcher. Sometimes the respondents is not too honest with their answers due to lack of time and busy business schedule. The researcher focused and aimed to get the best answer that will helpful for make the research success. This was the first limitation on this research. The researcher assumed the respondent had adequate knowledge to be a part of respondent's primary data collection. Some data was private and confidential and the researcher have some difficulties to obtain accurate data needed by the researcher.

The researcher focused on the maximum data collection for the respondent to done the research successfully. The methodology to evaluate this study was through appropriate statistical analysis of data obtained from questionnaires conducted by online surveys, postal or by hand. The researcher assumed that respondent had more experience in handling these research topics. Some respondents were not really educated and couldn't support maximally for the research.

1.7   The importance of the research

The study on the factors influencing the preferences towards online fashion among Gen - Y benefited the online marketer to study about view of customers towards

online shopping experiences. The online marketer also benefited through this study since the study covered the satisfaction level of Gen –Y on online purchase. Hence, the online marketer will be able to improve type of online shopping accessibility and benefits that preferred by customers.

1.8   Summary

This chapter had discussed about the background of the study and identified the problems arise in the study. The problems identification made by researcher helped in forming research questions and research objectives. Scope of study, limitations of study and the important of research have been included in this chapter. The literature review was discussed in chapter 2.