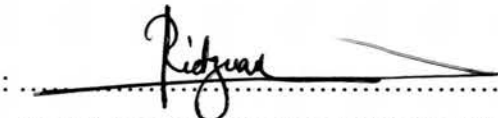



SUPERVISOR'S APPROVAL

'I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technopreneurship

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**ACCEPTANCE LEVEL OF CONSUMER TO PURCHASE MODULAR
CABINET THROUGH ONLINE SHOPPING**

TEE TIAN LENG


**The thesis is submitted in partial fulfilment of the requirements for the award of
Bachelor of Technopreneurship**

**Faculty of Technology Management and Technopreneurship
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JUNE 2017

DECLARATION OF ORIGINAL WORK

“I declared that this project is the result of my own research except as cited in the references. This research project has not been any degree and is not concurrently submitted in candidature of any other degree.”

Signature : 
Name : TEE TIAN LENG
Date : 20/6/2017

DEDICATION

This research paper is special dedicated to my beloved family members and friends who give me lots of encouragement and moral support during the duration of carry out this study. Not forgetting, thanks to my supervisor, Prof. Dr. Mohd Ridzuan Bin Nordin and also my panel, Encik Amir Bin Aris for giving me a new experience to complete this research. All of your kindness means a lot to me. Thank you very much.

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ABSTRACT

This study mainly focuses on the acceptance level of consumer to purchase modular cabinet through online shopping. In recent years, usage of online shopping is growing and is expected to increase in coming years. As mobile banking and mobile internet is assimilated to Malaysian daily life, online shopping has become one of the strong marketing tool for marketer, where every business individual and organisations are started to study its usefulness. Therefore there is a need to study the acceptance level of consumer to purchase modular cabinet through online shopping. Extended Technology acceptance model (TAM2) has been used to carry out this study which examined perceived usefulness and perceived ease of use affecting the intention to use online shopping and also has been extended by adducing three factors of perceived risk, perceived cost, and perceived trust. Questionnaires have administered to respondents by convenience sampling method. After analysis the results, it was initiated that perceived usefulness and perceived trust having significant positive relationship with intention purchase modular cabinet through online shopping. While perceived ease of use, perceived cost, and perceived risk has no relationship with intention to purchase modular cabinet through online shopping. Among all, perceived trust is proved that able to influence intention to purchase modular cabinet through online shopping the most. Meanwhile, data collected were analysed by Statistical Package of Social Science (SPSS) software. Even though this research has its limitations, but the implications of this study's results contributed practical recommendations to the directions for further work. Outcome of this result also provided furniture industry recommendation on how to improve their online shopping service with the purpose of attract more customers to use their online shopping to purchase modular cabinet.

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CHAPTER 1

INTRODUCTION

1.0 Overview

This chapter included the proposal of study. It set out with the 1.0 overview, 1.1 background, 1.2 problem statement, 1.3 research objectives, and so on. The acceptance level of consumer to purchase modular cabinet through online shopping is proposed to be studied. The research approach and finding are described in subsequent chapter.

1.1 Background

The online shopping as a form of electronic commerce has expanded rapidly since the middle of 1990 where the web technologies have played a major role in this growth (Zhou, Dai, & Zhang, 2007). The growth of online shopping is expected to be accelerated because it has lot benefit such as convenience, broader selection, competitive pricing, greater access to information, product quality, and time to receive product (Zhou et al., 2007). However, securing customer satisfaction in the online commerce is challenging than ever before because customers are more demanding and information empowered to make their own decisions (Bhattacharjee, 2001). They also want their needs met

immediately, perfectly, and for free. Therefore it still remains as a key challenge for the online shopping website to understand customer requirements.

Researchers tried to explore the factors affecting customer usage and satisfaction of in the online shopping websites. They tried to assess the quality of their shopping website offering as perceived by their customers. Yet the factors or quality measurements are widely varied and there is no agreement in the views. The information system (IS) oriented views explain and predict consumer acceptance behaviour by examining the technical specifications such as system quality, information quality, and service quality (Ahn, Ryu, & Han, 2004). The marketing-oriented approach regard the online shopping websites as the type of shopping channels and deal with customer satisfaction and purchase intention, examining traditional marketing factors such as product perceptions, delivery services, and price.

The main purpose of this study is to determine the acceptance level of consumer to purchase modular cabinet through online shopping. The second purpose is to investigate the relationship between the acceptance level of consumer to purchase modular cabinet through online shipping and purchase decision made by consumers.

Chapter 2 will present related literature review. The research methodology will be presented in chapter 3 which included research design, research framework, and research hypothesis and data analysis technique. Collected results and data will be presented and analysed in the chapter 4. The final chapter, chapter 5 will provide the summary of this study.

1.2 Problem Statement

This research is to discover and study the vital elements that influence the online user to utilize the online shopping to purchase furniture. Because consumers are demanding more method of purchasing goods and services, conventional physical carpentry industry seems hardly to survive in future. Consumer look for better price offer by seller and expect cabinet design and installation of cabinet be done in fastest way, therefore, online shopping and modular cabinet are the best approach to addressed these requirements. There are many factors that influence the acceptance level of online shopping which online store owner should be aware of it.

Online store owner have to know what their customer needs in order to provide the satisfactory and sufficient services and attract more customers. Some problems may arise while using online banking, such as, a number of users will think online banking is hard to adopt and complex to use. This is one of the reason that delay customers to adopt online shopping. Rogers (2003) concluded that the innovative services are considered as hard to understand and utilize.

Additionally, some of the customers are concern the security and risk of using online shopping. Customers worry that hacker will counterfeit their information and withdraw their money without their knowledge. Besides, customers felt helpless sometimes especially when they face errors during their financial banking by using online banking. According to Mitchell (1999), the higher the expectation they might lose, will lead to higher perception of risk.

Moreover, by using online banking, there is minimal communication during the financial transaction. For example, when performing financial transaction by using online banking system, it only provides the steps apply but do not provide assistance and explanation. Besides, Laforet and Li (2005) also concluded that another reason delaying customers usage was they are mostly short of awareness of the services offered by their online shopping web site. Therefore, throughout this research, researcher would learn

about the acceptance level of consumer to purchase modular cabinet through online shopping.

1.3 Research Objectives

The goal of this research is to determine the relationship between the acceptance level of consumer to purchase modular cabinet through online shopping and purchase decision made by consumer.

- i) To study online purchase behaviour of Melaka resident.
- ii) To determine the level of acceptance by Melaka resident to purchase furniture through online shopping.
- iii) To determine factors influencing the acceptance level of Melaka resident to purchase furniture through online shopping.

1.4 Research Question

As mentioned above, the acceptance level of consumer to purchase modular cabinet through online shopping will affect the purchase decision made by consumer. To address this central issue, the present study will look for answer to the following sub-problems.

- i) What are the factors that would affect the acceptance level of consumer to purchase modular cabinet through online shopping?
- ii) Is the purchase of modular cabinet through online shopping flexible?
- iii) What are the difficulties encountered in purchasing modular cabinet through online shopping?

1.5 Significance of Study

The research study could provide information on the issue of purchasing modular cabinet through online shopping. This study would be beneficial to the marketer as this study enhance the knowledge of the marketer about the expectation of consumer in purchasing modular cabinet through online shopping. Furthermore, this study would be beneficial to the consumer as this study would provide the necessary information on the different strategies uses by marketer to promote their product. To the future researchers, this study can provide basic information on the recent status of purchasing modular cabinet through online shopping.

1.6 Contribution of Study

The primary aim of this study is to look at the issues of acceptance level of consumer to purchase modular cabinet through online shopping. So far most of the studies have focused on the factors that influence the consumer to purchase necessities through online shopping. In this study, I will try to shift the focus to modular cabinet rather than the necessities.

1.7 Assumptions and Scope of Study

The study based on following assumptions:

- i) Consumers know how to purchase modular cabinet through online shopping.
- ii) The acceptance level of consumers to purchase modular cabinet through online shopping can be enhanced.
- iii) Current shopping is not the only method to purchase modular cabinet.

This study will be conducted in Melaka and I will distribute questionnaires to respondents with different demographic identity.

1.8 Organization of Report

This report includes 5 chapters which are Introduction, Literature Review, Research Methodology, Data Analysis, and Conclusion. Chapter 1 will serve as introduction on this study, Chapter 2 will serve as discussion of article related to this study. Chapter 3 will introduce the research framework and questionnaire design and grant chart. Chapter 4 will discuss the results obtained from the data analysis based on questionnaires. Chapter 5 which is the last chapter will present the summary.

1.9 Summary of Chapter

The study will be done according to following approach. Firstly, conduct a literature survey. Literature survey can be said as analysis of the report on prior research done by referring to books and other documents related to the study problem. Reference include the journals which publish abstracts of paper published in other journals, review articles related to the topic chosen, journals which publish research articles, and advanced level books on the chosen topic.

Secondly, internet has been used wisely for the purpose of research. Internet provides wide opportunity for collecting information, networking, conducting research, collecting data and obtaining research results. There will be some e-journal and online questionnaire. Besides that, online video conferencing are also used to develop new knowledge.

Finally, a questionnaire was developed and administered to respondents. After that, the data that collected from questionnaires will be disclosed and analysed. I hope those who read my paper will found my study useful.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The rapid change of technology is influence the life style of mankind, and every new technology invented seems to have his demand. One of the technologies that have caused biggest change of human behaviours in all aspects is the Internet. Internet was introduced on 1960s and its technology and usage is still developing until now. The adaptation of Internet technology has speedily occurred after its introduction and it has been integrated into mankind daily life nowadays.

Since the use of internet is getting popular, online shopping has become one of the essential things in the Internet era. It facilitates people who does not has sufficient time to browse the physical store and who seek for more product info. One of the crucial factor enabling online shopping to succeed is that it is borderless; the buyer can purchase and interact with the seller while they in front of their computer or make order through smart phone.

Physical stores are no longer the only method for consumer to make purchase. At the same time, online store is providing more competitive price, information, service, and variety. It is more convenient for consumer to make choice to purchase; the market demand is always influenced by the perceived ease of use by the user.

Retail e-commerce sales worldwide from 2014 to 2020 (in billion U.S. dollars)

This statistic gives information on retail e-commerce sales worldwide from 2014 to 2020. In 2015, retail e-commerce sales worldwide amounted to 1.55 trillion US dollars and e-retail revenues are projected to grow to 3.4 trillion US dollars in 2019.

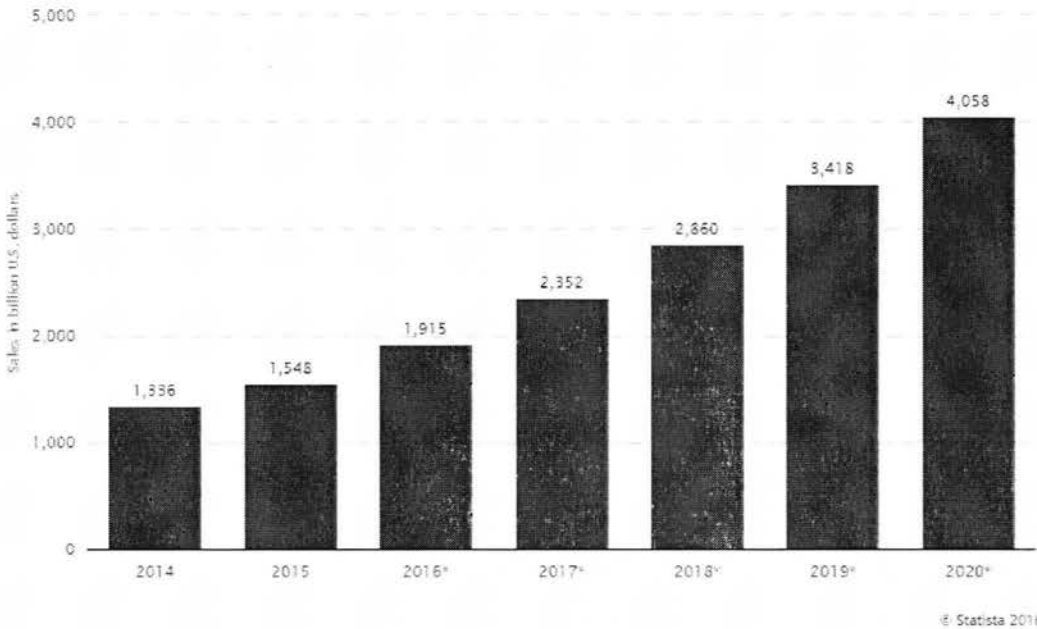


FIGURE 1:RETAIL E-COMMERCE SALES WORLDWIDE FROM 2014 TO 2020

Figure 1 show the projected sales from e-commerce for upcoming years until 2020. In 2014, the sale generated from e-commerce sales was only USD 1,336 billion and it is expanded to increase gradually year by year. The projected sale for 2020 is USD 4058 billion of sales that is 300 % higher than that for 2014.

The successful result of Taobao also prove that the potential of online shopping. In June 2010, there are 142 billion at China. Taobao has successfully captured 76.5% of the market share in 2009 which has made him the most popular online store throughout the country and it even still expanding to overseas as well. Its user penetration rate was 91% in 2009. (Jun & Jaafar, 2011)The volume of transaction of online shopping had risen to RMB 523.1 billion (RM261 billion) in 2010.

As more industry are getting themselves involved in the online shopping market, traditional carpentry design has introduced new custom made cabinet available for online shopping as well. Modular cabinet is suitable for online shopping since it can be assembled and configured in different fashions to be compatible with different types of circuit breakers without requiring as much design or testing effort (Dudhwala, T et al, 2003).

This chapter will analyse the reports by earlier researchers especially on related issue and then propose the framework for this research.

2.1 Purchase Intention

In order to determine factors that affect acceptance level of online shopping, the consumer's purchase intention should be discussed first. Purchasing decisions is a problem that can be resolved through problem identification, search for information, evaluation of alternatives, purchase decision and post-purchase evaluation. Consumer buying decision is a decision about what to buy, where to buy a product, when to buy a product and how the purchase will be made. Purchasing decisions are the decisions making process for obtaining goods or services made by individuals, groups, or organizations.

Consumer purchase decision making process consists of five stages [Kotler, 2014, p288], namely: (a) identification of the problem starting from the introduction of internal or external problems to meet their daily needs. Internal needs arise from within man, while external demand does not come from human beings or the environment; (b) consumer information search is to seek and collect information. Normally in buffer resources through private sources, commercial sources, public sources and sources of experience; (c) the evaluation of alternatives carried out to process information to determine the products that comply with the criteria specified by Consumers; (d) the purchase decision

is the level where consumers will choose a product or brand to be purchased. Not all products have to pass through all stages above. Daily necessities do not need planning and consideration; (e) post-purchase evaluation that influence the decision to purchase or not to purchase it already and feel the satisfaction or dissatisfaction.

A product is said to have been consumed by the consumer if the product was chosen by the consumer to buy. The value of the product will affect consumer decision making when they wish to buy. Besides that, if the perceived benefit is greater than the cost, consumer will tend to make purchase. On the other hand if the benefits are less than the cost for the most part the purchaser will decline to purchase and mostly they will assess other comparative items. Personal characteristics of consumers who used to the stimulation are a very complex process, and one of them is the motivation of consumers to buy.