

**FACTORS AFFECTING ENTREPRENEURIAL INTENTION ON ONLINE
SHOPPING PLATFORMS OF GENERATION Z IN MALAYSIA**



UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2022

**FACTORS AFFECTING ENTREPRENEURIAL INTENTION ON ONLINE
SHOPPING PLATFORMS OF GENERATION Z IN MALAYSIA**

TAN MEI TING

**THE THESIS IS SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF BACHELOR OF
TECHNOPRENEURSHIP**

اونيورسيتي تيكنيكل مليسيا ملاك

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA
FACULTY OF TECHNOLOGY MANAGEMENT AND
TECHNOPRENEURSHIP**


UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2022

SUPERVISOR & PANEL DECLARATION/APPROVAL

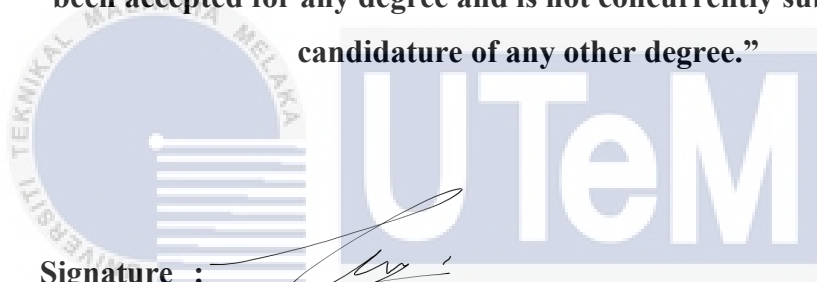
'I/We hereby declared that I/We had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technopreneurship.



SIGNATURE : 
NAME OF PANEL : Dr. Nurul Zarirah Binti Nizam
DATE : 1/2/23

DECLARATION OF ORIGINAL WORK

“I declare that this thesis entitled “FACTORS AFFECTING ENTREPRENEURIAL INTENTION ON ONLINE SHOPPING PLATFORMS OF GENERATION Z IN MALAYSIA” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in the candidature of any other degree.”



Signature :

Name : TAN MEI TING

Date : DECEMBER 2022

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

DEDICATION

To dearest parents, siblings, family, lecturers, and friends



ACKNOWLEDGEMENT

First and foremost, I would like to express my sincere gratitude to my final year project (PSM) supervisor, Mrs. Hartini Binti Azman for her continuous encouragement for my study, as well as her patience, enthusiasm, and vast knowledge. I could not have imagined having a better advisor and mentor.

Mrs. Hartini Binti Azman had been a very helpful lecturer and supervisor. Her advice was helpful during the research and writing of this project. She always gave me much advice on my research phase, despite her busy schedule. I sincerely appreciate all her effort throughout the years, I wish her all the best in her career of lecturing. I also want to express my sincere thanks to all of my fellow course mates, seniors, juniors, and friends from another course who have been a constant source of encouragement and motivation for me to finish this project.

Last but most importantly, I own this achievement to my family for supporting me and encouraging me during my university life. Their love was always my strength to empower me when I needed it most.

ABSTRACT

Generation Z is a unique generation that was born with technology and the best conditions for development, making them a vital component of Malaysia's economic future. The goal of this study is to find out the factors affecting entrepreneurial intention on online shopping platforms of Generation Z in Malaysia. The results of this study will likely demonstrate the factors affecting entrepreneurial intention on online shopping platforms of Generation Z in Malaysia. Rather than going into the nitty-gritty of entrepreneurship, this research focuses on explaining the direct relationship between personal factors, entrepreneurial education, market trends, and perceived support and family entrepreneurs on Gen Z's entrepreneurial intentions. The proposed study framework is the outcome of assessing the material from the literature review, which was conducted using secondary data. The primary data was acquired online via a Google survey link using a quantitative method of 384 samples. The Statistical Package for Social Sciences (SPSS), descriptive analysis, inference analysis, regression analysis, and Pearson's correlation coefficient were used to explore the relationships between factors affecting entrepreneurial intention on online shopping platforms of Generation Z in Malaysia. The findings of this study can help inform entrepreneurial development for government policymakers and educators, as well as for the entrepreneurial-ready Gen Z.

Keywords - Entrepreneurial Intention, Factors Affecting Entrepreneurship, Generation Z

CONTENTS

CHAPTER	CONTENTS	PAGES
	RECOGNITION	i
	DECLARATION OF ORIGINAL WORK	iii
	DEDICATION	iv
	ACKNOWLEDGEMENT	v
	ABSTRACT	vi
	CONTENTS	vii
	LIST OF TABLES	xi
	LIST OF FIGURES	xiii
CHAPTER 1	INTRODUCTION	
	1.1 Introduction	1
	1.2 Background of Study	1
	1.3 Problem Statement	3
	1.4 Research Questions	5
	1.5 Research Objectives	6
	1.6 Scope of Research	6
	1.7 Significance of Study	7
CHAPTER 2	LITERATURE REVIEW	
	2.1 Introduction	8
	2.2 Entrepreneurship	8
	2.3 Entrepreneurial Intention	9
	2.4 Generation Z	10

2.5	Online Shopping Platform	11
2.6	Theoretical Framework	12
2.6.1	Theory of Planned Behaviour (TPB)	12
2.6.2	Conceptual/Research Framework	14
2.7	Factors Affecting Gen Z in Malaysia's Entrepreneurial Intention	15
2.7.1	Personal Factors	
2.7.2	Entrepreneurship Education	15
2.7.3	Market Trend	17
2.7.4	Perceived Support and Family Entrepreneur	18 19
2.8	Research Hypotheses	20
CHAPTER 3 RESEARCH METHODOLOGY		
3.1	Introduction	21
3.2	Research Design	21
3.3	Methodological Choices	22
3.4	Data Collection	22
3.4.1	Primary Data	23
3.4.2	Secondary Data	23
3.5	Research Strategy	24
3.6	Questionnaires Design	25
3.7	Sampling Design	26
3.8	Pilot Test	27
3.9	Data Analysis Tools	28
3.9.1	Descriptive Analysis	29
3.9.2	Inferential Analysis	29
3.9.3	Regression Analysis	29
3.9.4	Pearson's Correlation Coefficient	30
3.10	Validity and Reliability	31

CHAPTER 4	DATA ANALYSIS	
4.1	Introduction	32
4.2	Pilot Test	33
4.3	Reliability Test	35
4.4	Respondents Rate	36
4.5	Descriptive Data Analysis	37
4.5.1	Socio-Demographic	36
4.5.1.1	Gender	38
4.5.1.2	Age Group	39
4.5.1.3	Ethnic	40
4.5.1.4	Location	41
4.5.1.5	Highest Education Level	42
4.5.2	Factors Affecting Entrepreneurial Intention on online shopping platforms (IV)	43
4.5.3	Entrepreneur Intention to use Online Shopping Platforms (DV)	50
4.6	Inferential Statistics	
4.6.1	Pearson Correlation Coefficient Analysis	52
4.6.2	Multiple Regression Analysis	52
4.6.3	Hypothesis Testing	54
4.6.4	Summary	58
		61
CHAPTER 5	DISCUSSION, IMPLICATION AND CONCLUSION	
5.1	Introduction	63
5.2	Discussion	63
5.2.1	To identify the factors that affect Malaysian Generation Z's entrepreneurial intention to use online shopping platforms	64
5.2.2	To determine the relationship between factors affecting entrepreneurial intention	68

and entrepreneurial intention of Malaysian Gen Z to use online shopping platforms

5.2.3	To investigate the factor that have the greatest impact on the intention of Malaysian Gen Z to use online shopping platforms entrepreneurial	72
5.3	Implication of research	73
5.4	Limitation of Study	74
5.5	Recommendation for Future Research	75
5.6	Conclusion	76

REFERENCES	78
-------------------	----

APPENDIX A	93
-------------------	----

APPENDIX B	96
-------------------	----



LIST OF TABLES

TABLES	CONTENTS	PAGES
3.1	Cronbach's Alpha Coefficient Range	28
3.2	Equation of Multiple Regression Analysis	30
4.1	Reliability Statistic of Variables	33
4.2	Reliability Statistic of Overall Pilot Test	34
4.3	Reliability Statistic of All Variables	35
4.4	Reliability Statistic of Overall Variables	35
4.5	Respondents Rate	36
4.6	Summary of Socio-demographic of respondent	37
4.7	Gender	38
4.8	Age Group	39
4.9	Ethnic	40
4.10	Location	41
4.11	Highest Education Level	42
4.12	Descriptive Statistics of Factors Affecting Entrepreneurial Intention on online shopping platforms	43
4.13	Descriptive Statistics of Personal Factors	44
4.14	Descriptive Statistics of Entrepreneurship Education	46
4.15	Descriptive Statistics of Market Trend	47
4.16	Descriptive Statistics of Perceived Support and Family Entrepreneur	48
4.17	Descriptive Statistics of Entrepreneur Intention	50
4.18	Pearson Correlation Coefficient Analysis	52
4.19	Strength of Pearson's Correlation Coefficient	54
4.20	Model Summary	54
4.21	Coefficients	55
4.22	Equation of Multiple Regression Analysis	57

4.23	ANOVA	58
4.24	Hypothesis Testing	60



LIST OF FIGURES

FIGURES	CONTENTS	PAGES
2.1	Theoretical Model – Theory of Planned Behaviour	12
2.2	Proposal Conceptual/Research Framework	14
3.1	Five-point Likert Scale	25
3.2	Sample size for different sizes of population	27
3.3	Pearson’s Correlations Coefficient	31
4.1	Gender	38
4.2	Age Group	39
4.3	Ethnic	40
4.4	Location	41
4.5	Highest Education Level	43

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter contains a summary of all chapters of the study on Factors Affecting Entrepreneurial Intention on online shopping platforms of Z Generation in Malaysia along with the research background. This chapter consist of the problem statement, research background, research question, research objectives, research significance, and research scope.



1.2 Background of Study

Self-employment has become a trend in countries around the world since the end of the 20th century. It is undeniable that entrepreneurship has been actively promoting national economic development and helping to improve the national economy (Stoica, Roman, & Rusu, 2020). Entrepreneurship is becoming an important alternative to passive employment for many Generation Z (Gen Z) due to the increasing competition in society and the increasingly severe employment situation. Entrepreneurial intention belongs to a state of mind that guides individuals to focus on achieving their goals (Bird, 1988). The entrepreneurial intention of Gen Z is becoming more and more obvious, which illustrates the development of the market economy and the shift in the employment concept of Gen Z. Entrepreneurial

intention not only affects the ability of enterprises to compete with each other to break monopoly but also plays an important role in solving the problem of national unemployment (NGUYEN, LE, HUYNH, VO, & HA, 2021). Start-ups have always been seen as a source of economic drivers for countries in both developed and developing countries. Entrepreneurship is a key step in promoting economic growth in human societies (Constantinidis, Lebègue, El Abboubi, & Salman, 2018).

"Psychological principles" are those that guide human beings to help develop personal careers based on the need for autonomy, creativity, ambiguity, points of control, risk-taking, and tolerance for various aspects of one's own achievement (Daspit, & Findley, 2021). The intention is the inner stability of the individual tendency can also be defined as a willingness to participate in an event when an individual is attracted to it (Dirhamsyah, & Kesuma, 2019). Motivation is a key factor in becoming an entrepreneur looking for business opportunities (Sutter, Bruton, & Chen, 2019). Cognitive elements can be categorized as personal background and experience (Muthuveeran, Tahir, Ibrahim, & Abd-Karim, 2020). Many scholars believe that the creation of new businesses should not rely solely on psychological factors. Computer skills and communication skills are also things an entrepreneur should have (Muthuveeran, 2020). Entrepreneurs' computer and communication skills are very important skills for entrepreneurs in e-commerce startups in Malaysia.

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

Digital technology has become pervasive in the 21st century and is still growing rapidly. The essential concept of e-commerce as the latest world economic phenomenon has become the focus of the world's attention (NGUYEN et al., 2021). E-commerce is also known as selling goods through internet channels. The purchase and sale of services or goods through the use of electronic means of transport, both digital and physical, from two different places is e-commerce (Simakov, 2020). Entrepreneurs are able to quickly try new approaches in the e-commerce environment and quickly accumulate failures and successes (PHAN TAN, 2021). E-commerce entrepreneurship effectively makes it easier for managers to synthesize and collect their business information. Entrepreneurs who dare to try new products and services are in the most intense and effective competition (Lapoint, 2018). In recent years, Internet-based e-commerce entrepreneurship has grown rapidly around the world including in Malaysia.

The e-commerce industry has accelerated in 2021 due to the Covid-19 pandemic, helping many businesses stay afloat. According to a report by the Department of Statistics Malaysia (DOSM), Malaysia's e-commerce revenue will grow by 23.1% to RM801.2 billion in 2021 (Rajaendram, 2021). Mahathir also said that the Malaysian government is very supportive of the country's digital creative industry and has formulated some policies such as "DIKN" and Malaysia's Digital Economy Blueprint "MyDigital" (Rajaendram, 2021). From this, it can be seen that the importance of new business brought by e-commerce to Malaysian business is no trivial matter. Therefore, the development of new e-commerce businesses occupies an important part of Malaysia's future economic market.

1.3 Problem Statement

In the 21st century, e-commerce has become a trend around the world at an alarming rate. With the development of generations, entrepreneurial activities provide an important source of power in developing economies and increase employment opportunities in countries around the world. Entrepreneurs bring new businesses, and new businesses bring jobs, and due to increased competition, entrepreneurs even increase the competitiveness of their own businesses by increasing their productivity through technological change (Doran, McCarthy, & O'Connor, 2018). The first generation of entrepreneurs in the country are not Gen Z, but some bold people living in poverty and eager to change their lives at the bottom of society. The entrepreneurial spirit of that generation is still worth learning in modern times.

Today, due to the emergence of e-commerce, Entrepreneurship is no longer difficult for Gen Z. The more consumer attention e-commerce gets, the more sales transactions it generates (Hu, Min, Han, & Liu, 2020). Therefore, online entrepreneurship that relies on consumer attention is more likely than offline Entrepreneurship is much easier, and the cost is not higher than offline entrepreneurship. In an environment where job competition is extremely fierce, it is

the new generation that should do business with entrepreneurship to drive employment.

Economics, psychology, sociology, and strategic management literature have all had to express effect entrepreneurship research, providing methodological tools and theoretical frameworks for entrepreneurship research (De Winnaar, & Scholtz, 2019). The stronger the attitude towards subjective norms and self-employment, the stronger the willingness to start self-employment (Melugbo, Ogbuakanne, & Jemisenia, 2020). The entrepreneurial intention of Gen Z brings different influences. Gen Z lacks a thorough awareness of market experience and market needs, as well as a thorough understanding of the dynamic development and business information of diverse industries. As a result, they cannot find a suitable self-employment direction, which may lead to the blind following of some popular industries by Gen Z entrepreneurs. Second, wealth plays a key role in financing choices (Herdjiono, Maulany, & Aldy, 2018). The funding predicament of Gen Z is also a big bottleneck. Although e-commerce has greatly reduced the cost of starting a business, there are still some Gen Z who may have good business plans, but suffer from a lack of start-up capital; The lack of funds in the market leads to the weakening of risk ability and the lack of competitiveness, which leads to the failure of entrepreneurship. Therefore, it is very important to analyze the entrepreneurial willingness and factors of the Gen Z itself, which can help the Gen Z to strengthen the theoretical study of all aspects of entrepreneurship, entrepreneurial knowledge, management knowledge, and market knowledge. It is the top priority of Gen Z to exercise their abilities in all aspects when they really like and accumulate enough experience for the future.

In 2020, the whole world was affected by a pandemic called Covid-19. Of course, Malaysia is no exception. Due to the outbreak of the epidemic, the Malaysian government issued the Malaysian Movement Control Order (MCO) order to control the epidemic. The MCO has had a huge impact on Small and Medium Enterprises (SMEs) and the economy nationwide during this period. As a result, many companies were forced to close, causing severe economic losses to various industries. Brands and retailers face commercial difficulties, including those related to supply chain, health and safety, cash flow, labor, sales, marketing, and consumer demand (Donthu, & Gustafsson, 2020). Therefore many merchants are looking for new

business opportunities, which makes e-commerce entrepreneurship grow rapidly in Malaysia.

During Covid-19, Gen Z was untouched by market movements (NGUYEN et al., 2021). Gen Z is also stuck at home during MCO, not being able to go to school or work brings them a lot of free time. Thus, Gen Z who are influenced by risk-taking and confidence factors are more likely to trigger entrepreneurial intentions. Starting a business during the current Covid-19, the trade-off Risk, careful analysis, financial preparation, and precise information are all required (NGUYEN et al., 2021). Although online entrepreneurship is easier than traditional entrepreneurship, even if an online shopping platform entrepreneurship starts a business without preparations, the risk is still high, and it is more likely to cause losses. As a result, researching the elements that influence entrepreneurial willingness is important. The relevance of entrepreneurship for Malaysia's Gen Z when it comes to using online shopping platforms is critical. This move is mainly to study the sources of entrepreneurial intentions of Gen Z and whether they are fully prepared to start a business.

1.4 Research Questions

The research questions proposed in this study are as below:

1. What are the factors that affect Malaysian Generation Z's entrepreneurial intention to use online shopping platforms?
2. What is the relationship between the factors affecting entrepreneurial intention and the entrepreneurial intention of Malaysia's generation Z to use online shopping platforms?
3. Which factor have the greatest impact on the intention of Malaysian Gen Z to use online shopping platforms entrepreneurial?

1.5 Research Objectives

The research objectives developed in this study are as follow:

1. To identify the factors that affect Malaysian Generation Z's entrepreneurial intention to use online shopping platforms.
2. To determine the relationship between factors affecting entrepreneurial intention and entrepreneurial intention of Malaysian Gen Z to use online shopping platforms.
3. To investigate the factor that have the greatest impact on the intention of Malaysian Gen Z to use online shopping platforms entrepreneurial.

1.6 Scope of Research

This study will focus on the factors that determine the entrepreneurial intentions of Gen Z on online shopping platforms in Malaysia, the relationship between the factors and Gen Z entrepreneurial intentions, and the degree of their influence. When Generation Z is born, it is already immersed in the Internet information age, and it is influenced by digital information technology, instant communication devices, and smartphone products. As Generation Z has risen to the top of the market, the era of Internet business has become more widespread. Therefore, Generation Z has become the research object of this study. This research is mainly aimed at Gen Z in Malaysia, so the scope of respondents will be limited to Gen Z in Malaysia. Using the survey methodology was distributed to the Gen Z people in Malaysia through Google Forms to collect data. Although the objectives of this study have been identified, there are some unavoidable limitations. The number of Gen Z willing to take the survey is very small in the country, so it may not be representative of the majority of Gen Z in Malaysia, which will affect the accuracy of the data.

1.7 Significant of Study

This study can provide some insights for research on entrepreneurial intention. Generation Z is the generation with the most growth potential and the highest entrepreneurial ability in the country. Therefore, it will become an important part of the future development of the country's economy. The results of this research will help to cultivate the entrepreneurial tendency of the generation Z, and entrepreneurship to drive employment has become an important development direction. In addition, the results can also help the generation Z to understand their own entrepreneurial ability defects in all aspects so that the generation Z can continue to cultivate And accumulated experience, and improve entrepreneurial ability so as to reduce its entrepreneurial risk. The national government can also benefit from this research by learning about Generation Z's entrepreneurial goals and developing a series of programs to assist Generation Z in supporting national economic development. The rise of Generation Z's entrepreneurial influence will have a significant impact on the development of countries, communities, and industries.

اونيورسيتي تيكنيكل مليسيا ملاك

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In Chapter 2, the study will discuss past research data on the factor of Malaysian Gen Z's entrepreneurial intentions on online shopping platforms. The discussion will begin with the introduction of entrepreneurship and entrepreneurial intention, as this is an important term throughout the study. The researchers will then present secondary data on factors that affect Gen Z in Malaysia's entrepreneurial intention. Finally, the researcher will discuss the research framework.

2.2 Entrepreneurship

What exactly is entrepreneurship? The answer requires a deeper look at the nature and quality of definitions. However, all studies examining the nature of entrepreneurship have failed, so only one can be sure that entrepreneurship is a human behavioral activity or process (Zaheer, Breyer, & Dumay, 2019). Evaluation and exploitation, and identification of opportunities, are defined as highly impactful Entrepreneurship (Stam, & Van de Ven, 2021). Entrepreneurship is the creation, discovery, and utilization of suitable entrepreneurial opportunities, the combination of production factors with the help of effective business models or solutions, and the creation and creation of new businesses to obtain new business A successful activity

or process. The literature on strategic management, psychology, economics, and sociology is key to influencing entrepreneurship research, providing methodological tools and theoretical frameworks at various levels (De Winnaar et al., 2019).

Although much of the literature is controversial over past definitions, the field of entrepreneurship is being recognized, and most agree that there are three most basic approaches in the entrepreneurial literature (Braunerhjelm, Andersson, & Eklund, 2022): (1) Market function entrepreneurship, which focuses on it depends on the economic ability of the entrepreneurial enterprise rather than the personal personality type of the entrepreneur (Landström, 2020). Entrepreneurs mainly collect information and allocate resources from market demand, and look for entrepreneurial opportunities from within. (2) Entrepreneurship refers to a process that has been defined by a number of academics. This process can be classified into two types, both involving the identification of entrepreneurial opportunities and assessing the opportunity process and the sequence of events associated with the entrepreneur's creation of a new business. (3) Entrepreneur's personal personality, this method can be divided into 3 types. (I) A fundamental ability to be an entrepreneur is the capacity to recognize, exploit, and capture entrepreneurial ideas that others have not yet discovered. This behavior has also aroused the interest of many researchers in the creation of understanding firms (Parker, 2018). (II) Cognitive Processes, the cognitive processes of entrepreneurs are the result of many studies to understand how entrepreneurs think (McMullen, Brownell, & Adams, 2021). (III) Trait orientation, many studies have been pursuing a trait approach to entrepreneurship in order to be able to distinguish entrepreneurs from non-entrepreneurs (Iwu, Opute, Nchu, Eresia-Eke, Tengeh, Jaiyeoba, & Aliyu, 2021).

2.3 Entrepreneurial Intention

Entrepreneurial intent is a mental state that can lead an individual to focus on something or achieve a goal (Bird 1988). Entrepreneurial willingness is a competent attitude and ability of entrepreneurs or entrepreneurs to engage in entrepreneurial activities. In modern times, entrepreneurship has become a popular career choice for

people. Individuals with entrepreneurial intention have a high probability of undertaking entrepreneurship (Ajzen, 2020), so the study of entrepreneurial intention is considered to be an effective method to study actual entrepreneurial behavior. The importance of entrepreneurial intention can be seen in recent academic research in the field of entrepreneurship (Hsu, Burmeister-Lamp, Simmons, Foo, Hong, & Pipes, 2019; Hueso, Jaén, & Liñán, 2020; Douglas, Shepherd, & Venugopal, 2021; Barba-Sánchez, Mitre-Aranda, & del Brío-González, 2022). Research on entrepreneurial intent has been shown to be effective in improving our understanding of entrepreneurial behavior.

There are several ways to study entrepreneurial intentions. Among them, the theory of planned behavior is the most widely used theory to study entrepreneurial intention (Ajzen, 2020). This theory claims that controlled behaviors, attitudes, and social norms can predict behavioral intent. In terms of controlled behavior, for example, academics have looked at self-efficacy as a measure of perceived entrepreneurial skills and their impact on entrepreneurial intent (Newman, Obschonka, Schwarz, Cohen, & Nielsen, 2019). In terms of attitudes, researchers looked into how personal views affect IT workers' entrepreneurial intentions (Şahin, Karadağ, & Tuncer, 2019). The researchers' research builds on the impact of cultural values and gender variations on entrepreneurial inclinations from the perspective of social norms (Meoli, Fini, Sobrero, & Wiklund, 2020). The model a researcher constructs in a specific setting is determined by the determinants of his choice, according to behavioral theory research (Meoli et al., 2020).

2.4 Generation Z

The emergence of millennials is at the forefront of marketing and advertising. So millennials have high purchasing power and are also tech-savvy. Generations change, however, and Gen Z has arrived as a new generation. Generation Z, also known as the post-millennial generation, is somewhat different from millennials. Generation Z is the generation born after 1995. It can be said that Gen Z was born and raised in the era of social networks, so Gen Z is usually digital-centric, and technology represents