

**THE INFLUENCE OF E-COMMERCE QUALITY ELEMENTS ON THE
SATISFACTION OF ONLINE SHOPPING AMONG UTeM STUDENTS.**

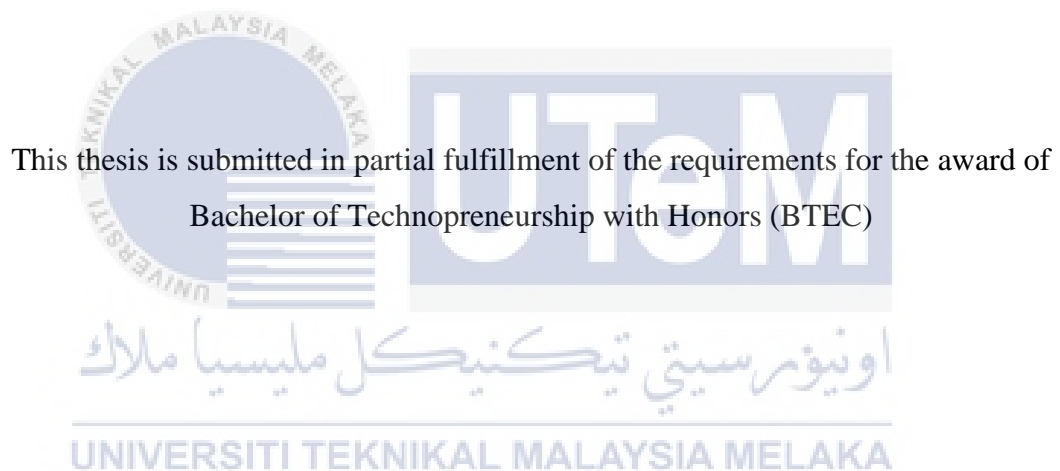


UNIVERSITY TEKNIKAL MALAYSIA MELAKA

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THE INFLUENCE OF E-COMMERCE QUALITY ELEMENTS ON THE
SATISFACTION OF ONLINE SHOPPING AMONG UTeM STUDENTS.

TAN YEN LING



This thesis is submitted in partial fulfillment of the requirements for the award of
Bachelor of Technopreneurship with Honors (BTEC)


Faculty Of Technology Management and Technopreneurship

University Teknikal Malaysia Melaka

2023

DECLARATION

I declare that this thesis entitled “The Influence Of E-Commerce Quality Elements On The Satisfaction Of Online Shopping Among UTeM Students” 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.

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SUPERVISORS DECLARATION

I certify that this thesis entitled “**THE INFLUENCE OF E-COMMERCE QUALITY ELEMENTS ON THE SATISFACTION OF ONLINE SHOPPING AMONG UTeM STUDENTS.**” was prepared by **TAN YEN LING (B061910214)** and has meet the required standard for submission in partial fulfillment of the requirement for the award of Bachelor of Technopreneurship with Honours at Universiti Teknikal Malaysia Melaka (UTeM).

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22/2023

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Date :

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DR. AMIR BIN ARIS

2/2/23

DEDICATION

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



ACKNOWLEDGEMENT

First and foremost, I want to thank my supervisor, Dr. Mohd. Amin Bin Mohamad, for her unwavering support for my research, as well as his patience, passion, and extensive expertise. His suggestions were useful during the research and writing stages of this project. I could not have asked for a greater supervisor and adviser.

Dr. Amin is a helpful supervisor and lecturer. Dr. Amin helps me throughout the writing process regardless of his hectic schedule. Without his help, it would not be possible to do well in it. I wish all the best to Dr Amin and thank you for your effort all the time.

Finally, I am grateful to all my friends for being a continual source of inspiration and motivation in helping me complete this project.



ABSTRACT

This study examines the impact of the influence of e-commerce quality elements on the satisfaction of online shopping among UTeM students. The quantitative method has been developed in this study and a five-point Likert scale will be used for data collection. A sample size of 370 respondents in UTeM students have gathered data from them. The data were examined using Statistical Packages for Social Sciences (S.P.S.S.) version 27.0. The Cronbach's Alpha test was used to guarantee the instrument's dependability. Pearson To assess the type and extent of the link between variables and test hypotheses, correlation and multiple regression tests were used. The result shows a significant relationship between three of the variables used in measuring the influence of e-commerce quality elements on the satisfaction of online shopping. Lastly, this study can help e-commerce pay attention to quality elements all the time because this will affect customer satisfaction.

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ABSTRAK

Kajian ini mengkaji kesan pengaruh elemen kualiti e-dagang terhadap kepuasan membeli-belah dalam talian di kalangan pelajar UTeM. Kaedah kuantitatif telah menyimpang dalam kajian ini dan skala Likert lima mata akan digunakan untuk pengumpulan data. Saiz sampel seramai 370 orang responden dalam kalangan pelajar UTeM telah mengumpulkan data daripada mereka. Data telah diperiksa menggunakan Pakej Statistik untuk Sains Sosial (S.P.S.S.) versi 27.0. Ujian Alpha Cronbach digunakan untuk menjamin kebolehpercayaan instrumen. Pearson Untuk menilai jenis dan sejauh mana hubungan antara pembolehubah dan hipotesis ujian, korelasi dan pelbagai ujian regresi digunakan. Hasilnya menunjukkan hubungan yang signifikan antara tiga pemboleh ubah yang digunakan dalam mengukur pengaruh elemen kualiti e-dagang terhadap kepuasan membeli-belah dalam talian. Akhir sekali, kajian ini dapat membantu e-dagang memberi perhatian kepada elemen kualiti sepanjang masa kerana ini akan mempengaruhi kepuasan pelanggan.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

In this chapter will be discussed on the background of study related to the e-commerce quality elements on the satisfaction of online shopping. Followed by the development the problem statement, research question and research objective, scope, significant of study and the summary of the study.

1.2 Background of the Study

Since the Internet is essential to e-commerce, it stands to reason that the growth of the Internet will also be essential to the expansion of e-commerce. Dr. Leonard Kleinrock of the Massachusetts Institute of Technology released a study on packet switching technology in 1961, which served as the inspiration for the creation of the global Internet. From 1961 until 1995, the Internet was developed. It took the commercialization of the Internet another 35 years to provide the groundwork for its use around the globe. Furthermore, traditional Internet websites were initially founded on "content and service as the core form" during the Internet's evolution. Static websites and the content aggregation of search engines made this possible for the display of data. Users are dispersed across the Internet, content creators have no way to interact with them, websites exist in isolation from one another, and neither users nor creators of content are easy to locate; as a result, there is a breakdown in communication and a consequent need for some services to shift their focus to more personal mediums like email and social networks.

With the rapid advancement of electronic signal technology, e-commerce (Anam et al., 2017; Irene, 2018) has evolved as an unavoidable result of the passage of time and is also a type of transaction that responds to market demand. Malaysia's digital platform has advanced quickly in recent decades. Due to their hectic lifestyles consumers are increasingly opting for online purchasing and selling-commerce signified a shift away from the basic sale of goods and services for money and toward the interchange of information between firms and their consumers. Malaysia's eCommerce revenue surpassed the RM1 trillion barrier for the first time in 2021, increasing by about 22% over the previous year. Aside from that, according to the Statistics Department, eCommerce income increased to RM1.09 trillion in 2021 from RM896.39bil in 2020 because to the Covid-19-induced adverse economic conditions. Manufacturing and services were the primary drivers of growth.

Many consumers have made the transition from brick-and-mortar stores to online marketplaces during the past few years. Shopping online has been increasingly popular around the world since it is more convenient and often provides better deals than traditional retailers. In addition, the 2020 pandemic has swept the world, and e-commerce platforms have grown dramatically, and online shopping has become the first choice for modern consumers. According to Langvinien and Guobyt (2014) research, the fast rise of information and communication technology is transforming online shopping into a variety of businesses.

Internet services in Malaysia were launched in 1987 and MIMOS (Malaysian Institute of Microelectronic Systems) was the sole provider. In 1985, MIMOS was founded to lay the groundwork for the flourishing of the local electronics sector. In order to facilitate communication amongst Malaysia's academic community, the country's first internet service, "Rangkaian Komputer Malaysia (RangKoM)," links all universities in Malaysia to MIMOS. Since the primary users are academics and researchers, the material communicated is often intellectual.

Information technology (IT) is the study and practise of developing, deploying, securing, monitoring, and improving the software and hardware used to store and process data. Information technology is the use of computing hardware and

software to the tasks of updating, protecting, creating, and disseminating data. The phrase "information technology" (IT) has become more commonplace than ever before due to its broadened scope. The subject of information technology may be broad, including numerous subjects. IT specialists are responsible for a wide range of tasks, from installing apps to developing sophisticated computer networks.

According to the Bureau of Statistics in 2021, Internet users of e-commerce in Malaysia increased by 11.9% to 85.2%, computer users increased by 7.3% to 86.2%, and Online Presence increased by 16.1% to 53.9%. In addition, the information and communication, finance, takaful and insurance industries also make full use of the Internet and computers in their business.

Data released by the Malaysian Department of Statistics shows that in the first quarter of 2021, Malaysia's e-commerce revenue increased by 30% year-on-year to 254.6 billion ringgits, while Malaysia's total e-commerce revenue in 2020 increased by 32.7% year-on-year to 896.4 billion ringgits. In the first quarter of 2020, Malaysia's e-commerce revenue reached 195.9 billion ringgit, 216.9 billion ringgit in the second quarter, 238.2 billion ringgit in the third quarter, and 245.4 billion ringgits in the fourth quarter, increasing each quarter. The bureau's chief statistician, Dr Mohd Uzir, said the use of information and communication technology (ICT) and e-commerce by businesses has grown significantly during the Movement Control Order (MCO). According to the data, only 38.1% of the companies were open during the Movement Control Order, while 92.4% were open during the Recovery Movement Control Order (RMCO) period; 80.6% of them disclosed that from MCO to RMCO, their E-commerce revenue has maintained a steady growth trend.

Joint Advanced Research Integrated Network (JARING) was Malaysia's first and most well-known Internet access provider. (Harn Harn, Khatibi, and Ismail, 2006) After building its first international satellite leased circuit at 64kps which is linking Kuala Lumpur to Stockton that was commercialized in 1992.

For research, I choose UTeM students because students prefer to buy online plus the university has a lot of assignments to complete so online shopping can save

them time. Most online stores do more advertising because they can easily attract customers. In addition to this, advertising needs to use a good image so that it can convey the real meaning. To advertise in an online store, sellers need to write in polite and easy-to understand language. Buyers to sellers can be satisfied with good online service and a good advertisement. Besides, college students are a wide range of Internet users, they could control digital media as well as standard knowledge of e-commerce.(Cheng and Yee, 2014).



1.3 Problem Statement

In this study, the researchers wanted to highlight the issue of influencing factors that influence e-commerce and customer satisfaction with online shopping. When they use e-commerce, there are certain concerns such as security, product quality and others when customers doing online shopping especially the older generation. The elements quality of online shopping is the main consideration for customers which will affect customers make a choose to the best e-commerce. Customer pleasure is the targeted goal of this investigation. There are times when corporations accept orders for out-of- stock products when purchasing online. Customers will be disappointed if their orders cannot be completed (Carroll & Broadhead, 2001).

Malaysians are not ready to quit their historic shopping malls, but the Covid-19 outbreak pushed the country's steadily emerging e-commerce business headfirst into the major leagues, and huge players Lazada and Shopee are now increasingly crucial in Malaysia's retail environment. Other than that, the

Furthermore, according to Forsythe and Shi (2003), the issue that arises in the case of online buying is that the amount of perceived risk may be amplified owing to limited physical access to items and salespersons. The main barrier in this research is the e-commerce quality elements such as privacy and security and so on when doing online shopping. Furthermore, the security and privacy of an e-commerce is very important for a customer because the leakage of data will bring them great troubles such as their data being abused by criminals. According to Akram (2018), many consumers are hesitant to make online purchases owing to concerns about their privacy and the security of their online transactions, particularly in developing countries where internet shopping is becoming more popular but lacks a comprehensive set of rules. While fraud may occur on occasion at a physical shop, it is far more likely in an eCommerce setting, particularly if the payment procedure is not secure. Purchases purchased using a forged phone number, address, or stolen payment information can result in enormous income loss.

Moreover, the quality of e-commerce allows customers to choose the platform they want because without good management, such as product quality, the platform will lose its due customers. Other than that, in recent years, there has been a growth in cybercriminals primarily targeting new growing online retail industries, which has a significant influence on online shoppers' considerations for purchasing online and their pleasure (Marotti, 2018). On the other side, there have been reports that an online shopping consumer's identity has been sold on the dark web. Credit card numbers, social security numbers, billing addresses, and even the identities of family members would be sold online for \$1,170 on the dark web (Brandon, 2018).

Lastly, these issues are often severe enough to make potential customers reconsider their decision to buy something online. However, when these problems occur, they can cause a lot of stress and frustration for online shoppers. Therefore, online sellers should play an important role to ensure that the information provided is correct and clear so that customers can be persuaded to be satisfied. In addition, researchers also need to know what factors influence customers to buy online. Apart from this, the most important task for online sellers is that they must be aware of effective advertising on the Internet. This is important to convince customers of their trust because if they fail to have confidence in these shopping platforms, it will affect customer purchase intentions.

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1.4 Research Question

The researcher generated the study questions from the problem statements based on the problem statements discovered from secondary sources. The research question is built as follows:

1. Is there a link between security and customer satisfaction that is positive or negative?
2. Is there a link between product quality and customer satisfaction that is positive or negative?
3. Is there a link between reliability and customer satisfaction that is positive or negative?
4. Is there a link between responsiveness and customer satisfaction that is positive or negative?

1.5 Research Objectives

This research is to investigate the factor that influencing the customers to purchase through online to increase the customers satisfaction toward online shopping. The research questions of this research that are:

1. To analyze the relationship of security and customer satisfaction on e-commerce.
2. To determine the relationship of product quality and customer satisfaction on e-commerce.
3. To investigate the relationship of reliability and customer satisfaction on e-commerce.
4. To identify the relationship of responsiveness and customer satisfaction on e-commerce.

1.6 Scope of Research

The research focusses mainly on the influence of e-commerce quality elements on the satisfaction of online shopping among UTeM students. Questionnaire is distributed through Google Form to who are affected by online shopping because of that quality element for data collections.

1.7 Significant of Study

This research studies about the influence of quality element on the satisfaction of online shopping. The findings of this research study will benefit e-commerce users which is UTeM students and sellers in the online shopping. Ultimately, the findings of this study have significant implications for the extent to which consumers enjoy their online purchasing experiences. This study report will also give a detailed explanation of the aspects that influence customer satisfaction.

Furthermore, e-commerce can change people's traditional consumption habits. The consumption behavior of college students is often relatively independent and the individual requirements for goods and services are getting higher and higher, As a result, people are dissatisfied with the design, packaging, specifications, and overall quality of the goods and are no longer content with accepting them passively from businesses. And so will continue to put forward their own new requirements. With the development of e-commerce, there are new changes in customer behaviours and preferences. Under the conditions of e-commerce, UTeM students get information much faster and more content than before, so their desire for innovation and change is stronger. Customers' needs for consumer goods are evolving daily as a result of the ongoing development of new technologies and the quickening pace at which products are being upgraded. Future customers' expectations for shopping convenience and fun will rise along with the accelerated pace of life.

Moreover, with the trend of specialization e-commerce. This is because the first is the specialization trend towards individual consumers. With the increase of my country's online shopping population, they have strong purchasing power and strong requirements for personalization of consumption. Therefore, providing a good e-commerce can make e-commerce more professional and have greater development potential.

1.8 Summary

The researcher fully defines the subject and background of the study in Chapter 1. This chapter also identifies all research questions. In addition, the researchers describe the goals of the investigation. Following this, in this study, research questions and research objectives were formulated. Because these all help to create a clear path towards the completion of the whole study and the meaning of the study.



CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the literature review that was conducted based on the major findings of earlier research. This chapter will be starts with introducing e-commerce quality and customers satisfaction of online shopping as it is an important term in this research. To achieve the second goal of this study, the researcher will consider consumer happiness. Finally, the researcher will develop the theoretical foundation for the research investigation in the last subdivision.

2.2 E-Commerce

As Internet technologies (IT) have become more widely available and continue to grow, they have opened up vast opportunities for individuals everywhere. To conduct business over computer networks, like in the case of the World Wide Web, is known as electronic commerce (E-Commerce). E-commerce is unquestionably one of the business possibilities available today. It has a wide range of options for both regular customers and small, medium, and large organisations. E-commerce is gaining popularity as network and computer technology develops at a rapid pace. From 1969 until 2020, the evolution of e-commerce took place. This research tries to describe how the e-commerce journey began and how it evolved year by year. Individuals, organisations, and governments are all undergoing significant changes because of information and communication technology (ICT). The Internet has become a significant route for transmitting information, products, and services in today's information society.