Faculty of Technology and Technopreneurship

FACTOR INFLUENCING STUDENT PERCEPTION TOWARD ONLINE SHOPPING IN UTEM

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Report submitted in fulfilment of the requirement for the degree of Bachelor of Technoprenuership with Honours (BTEC)

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DECLARATION

I declare that this thesis research project of title "factors that influencing student perception toward online shopping" is the result of my own research except the citied in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

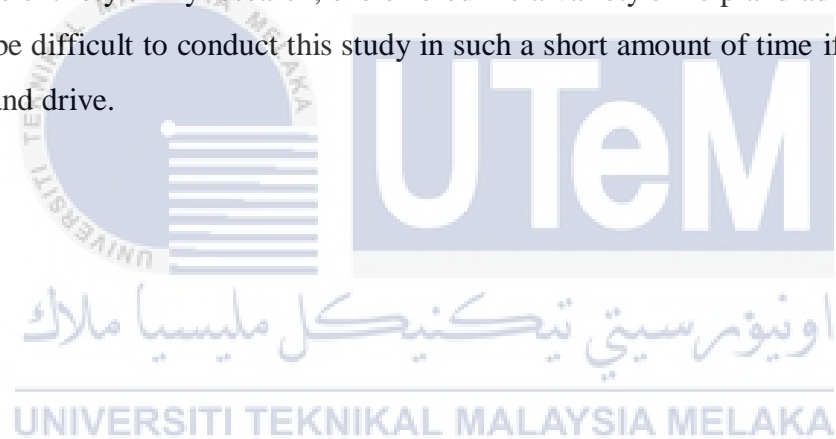Name : <u>AHMAD ADAM AZAHARI BIN RUSLY</u>

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APPROVAL

I hereby declare that I have checked this report entitled "factors that influencing student perception toward online shopping" and in my opinion, this thesis it complies the partial fulfilment for awarding the award of the degree of Bachelor of Technopreneurship.

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DATE   : 1/2/2023

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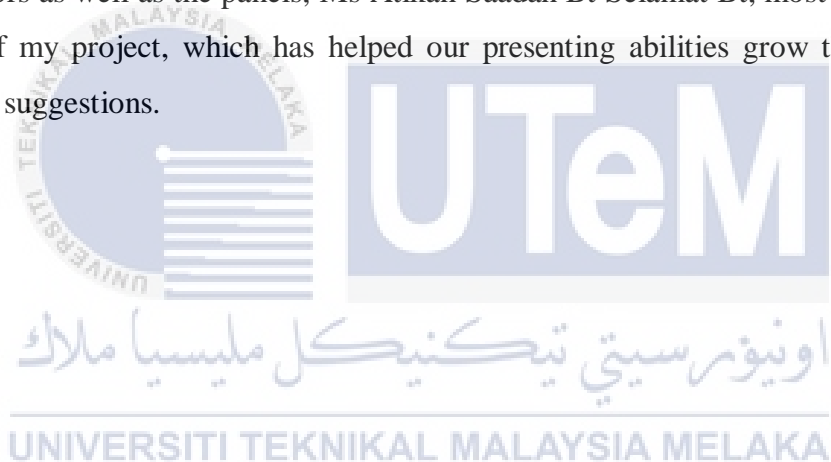Date   : 02/02/2023

DEDICATION

I would want to thank all of my close friends and family members for their support during this process. My parents, Rusly Wan Jaafar and Siti Balkis, deserve a very heartfelt thank-you for the words of encouragement and the push toward perseverance that they have spoken into my life. Members of my institution that have been there for me during this journey. I will never be able to thank them enough for all they have done for me, and especially for helping me improve my SPSS abilities and for assisting me with my survey.

In addition to that, I would want to show my profound appreciation to Dr. Atirah Binti Sufian, who was not only my lecturer but also my supervisor during the course of my final year project. Throughout the entirety of my research, she offered me a variety of help and advice in various forms. It will be difficult to conduct this study in such a short amount of time if I do not have their support and drive.

ACKNOWLEDGEMENT

ABSTRACT

This research aims to examine the factors that influence students' perceptions of online shopping, given that the internet is now the major source of information and its application has been extensively utilized for our convenience. From our reading, researcher determined the following variables: (1) Convenience (2). Ease of use, (3), usefulness, (4), and privacy and security are the primary influences on student online shopping. Researcher samples consist of the Technology Acceptance Model (TAM) and 449 questionnaire respondents from a Malaysian institution, which is UTEM. In addition researcher process the data using the Descriptive Analysis, the Reliability Analysis, and the Multiple Regression Analysis. Researcher believe that the collected data is extremely beneficial and valuable to students, supervisors, academics, researchers, learning institutions, business organizations, and the government because it allows us to measure and comprehend the factors that influence students' perceptions of online shopping. However, researcher theoretical framework restricts them to focusing on the above-mentioned four variables, and researcher will open up a number of avenues for future research, in which one can focus more on other influencing factors such as trust, risk, complexity, pervasive technology use, and tech-savvy generations. Implication that can been found from this research is that perceived usefulness affects student perception of online shopping. Online grocers should capitalize on this advantage and improve it so their products and services appear helpful to customers. A buyer may think buying food online is easier than in a store. Thus, online grocers must provide convenient service. Offering customers a user-friendly website or mobile app that helps them save time while grocery shopping and providing enough information about products can achieve this. the products they are buying and making it easy to find previous purchases. Our finding indicate that, perceive usefulness was the most significant factor. This probably due to, student do the online shopping because of its usefulness that benefit them.

Keywords: Online shopping; Student perception

ABSTRAK

Penyelidikan ini bertujuan untuk mengkaji faktor-faktor yang mempengaruhi persepsi pelajar terhadap membeli-belah dalam talian, memandangkan internet kini menjadi sumber utama maklumat dan aplikasinya telah digunakan secara meluas untuk kemudahan kita. Daripada pembacaan kami, pengkaji menentukan pembolehubah berikut: (1) Kemudahan (2). Kemudahan penggunaan, (3), kebergunaan, (4), dan privasi serta keselamatan adalah pengaruh utama pada beli-belah dalam talian pelajar. Sampel penyelidik terdiri daripada Model Penerimaan Teknologi (TAM) dan 449 responden soal selidik dari institusi Malaysia iaitu UTEM. Selain itu, pengkaji memproses data menggunakan Analisis Deskriptif, Analisis Kebolehpercayaan, dan Analisis Regresi Berganda. Penyelidik percaya bahawa data yang dikumpul amat bermanfaat dan bernilai kepada pelajar, penyelia, ahli akademik, penyelidik, institusi pembelajaran, organisasi perniagaan dan kerajaan kerana ia membolehkan kami mengukur dan memahami faktor yang mempengaruhi persepsi pelajar terhadap membeli-belah dalam talian. Walau bagaimanapun, rangka kerja teori penyelidik mengehadkan mereka untuk memfokuskan pada empat pembolehubah yang disebutkan di atas, dan penyelidik akan membuka beberapa jalan untuk penyelidikan masa depan, di mana seseorang boleh memberi lebih tumpuan kepada faktor-faktor lain yang mempengaruhi seperti kepercayaan, risiko, kerumitan, teknologi yang meresap. penggunaan, dan generasi yang celik teknologi. Implikasi yang boleh didapati daripada kajian ini ialah persepsi kebergunaan mempengaruhi persepsi pelajar terhadap membeli-belah dalam talian. Peniaga runcit dalam talian harus memanfaatkan kelebihan ini dan memperbaikinya supaya produk dan perkhidmatan mereka kelihatan membantu pelanggan. Pembeli mungkin berpendapat membeli makanan dalam talian adalah lebih mudah daripada di kedai. Oleh itu, peniaga runcit dalam talian mesti menyediakan perkhidmatan yang mudah. Menawarkan pelanggan tapak web atau apl mudah alih mesra pengguna yang membantu mereka menjimatkan masa semasa membeli-belah runcit dan menyediakan maklumat yang mencukupi tentang produk boleh mencapai matlamat ini. produk yang mereka beli dan memudahkan untuk mencari pembelian sebelumnya. Penemuan kami menunjukkan bahawa, kebergunaan yang dirasakan adalah faktor yang paling penting. Ini mungkin disebabkan oleh, pelajar melakukan membeli-belah dalam talian kerana kegunaannya yang memberi manfaat kepada mereka.

Keywords: Membeli-belah dalam talian; Persepsi pelajar

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CHAPTER 1

INTRODUCTION

1.1.1 Introduction

On this chapter, provides information about the background of the study, the research problem, the research question, the research objectives, the scope, the limitations and importance of the study. To complete a Bachelor Degree Dissertation in Faculty of Technology Management and Technopreneurship, a researcher has chosen to investigate the factor influencing student perception toward online shopping at UTEM. Nowadays, in the era of globalization, the online shopping has attracted the attention of students in this generation. The main objective of the study is to examine the factors that influence students &,apos; perception of Internet purchases. Online purchases gradually replaced physical purchases due to time constraints, traffic congestion, etc. Internet shopping is thus becoming increasingly popular, as it is easy to access in everyday life. From the point of view of consumers, Internet purchases have many advantages over physical purchases, as they can save money, time and effort (Liu et al., 2012, Kim et al., 2008). We believe that these benefits have an important and significant impact on consumer behaviour with respect to online purchases (Delafrooz et al., 2011).

1.2   Background of the study

Nowadays, the Internet plays an important role in our daily lives. Through the extensive use of the Internet, people can speak across the globe. In addition to this, the Internet will help people send e-mails without time limits, and they can send e-mails at any time to find information and details, and most importantly, they can use the Internet to purchase projects called online purchases. At the same time, Internet shopping has been widely accepted as a way of purchasing products and services and has become a more popular way in the Internet world (Katawetawaraks & Wang, 2011).

Now, with the passage of modern time, online shopping is becoming more and more popular for various reasons. There are certainly external factors such as rising gas prices, difficulties in getting to traditional shops and hassles often associated with shopping malls and other traditional shops to contribute to increased interest in online shopping. Consumers can obtain complete information about the product by sharing their assessments with existing users. If you want to buy a product, he/she is no longer limited to asking friends and families because there are many product reviews on the web that give opinions of existing users of the product. Online shopping websites contain a wide variety of goods both high quality and mild quality taking into account the levels of people. Childers et al.,(2001) found " 'enjoyment' to be a consistent and strong predictor of attitude towards online shopping. If consumers enjoy their online shopping experience, they have a more likely to adopt the Internet as a shopping medium".

Many studies have been conducted on online shopping behaviour, but none of them has been specifically investigating the behaviour of university students, which is a potential market. Previous studies have looked at important aspects of online shopping behaviour. For example, Aghdaie, Piraman, and Fathi (2011) studied how different factors affect the attitude of trust in consumers, while Lai and Wang (2012) looked at how online shopping behaviour is affected by trust levels. Therefore, this study will look at factor influencing university student perception toward online shopping.

1.3 Problem statement

Online shopping is becoming increasingly popular. Today's consumers especially student are more comfortable shopping online, which has led to several online shopping trends. Although online shopping is increasingly diversified, clients have to face a number of problems. Despite of the development in information technology and the increase in internet technology users, there only some number of then that use internet technology to do online purchasing. Other than that, Guardian (2014) said that nearly half of consumers who bought goods online over the past two years had problems with their purchase. Online shopping in Malaysia is a new technology breakthrough since it has just begun to assault the Malaysia retailing sector with online shopping services (Haque et al., 2006).

According to Jariah, Husniyah, Laily and Britt (2004), university students are one of the most important market segments for two reasons; first, they have money and secondly, they have shopping interests. Second, this is the segment of the population that has the potential to earn more money than other groups. Therefore, it is important to find out the factors that influence students' perception toward online shopping if we want to increase the number of online buyers and the volume of e-commerce. But, unfortunately, there are few studies examining student online shopping behavior in the UTEM (University Technical Malaysia Malacca). According to Tam model, these factors include perceived utility, perceived ease of use, perceived enjoyment, perceived trust, and perceived danger. The researcher will describe these factors by referring to previous research. Within the scope of this investigation, the Technology Acceptance Model (TAM) hypothesis is used (Davis, 1989).

1.4 Research questions

1.4.1   What factor influencing online shopping toward student?

1.4.2   What is the most significant factor affecting student attitude toward online shopping?

1.5 research objectives

1.5.1   To examine the factor influencing online shopping toward student.

1.5.2   To analyze the most significant factor influencing university student's attitude toward online shopping.

1.6 Scope of study

This study is aimed to identify the factor influencing university student perception toward online shopping in Malaysia. The respondents in this study are focusing on university students from the University Technical Malaysia Malacca (UTEM), as they are technology savvy. Most people who are technology savvy are able to shop online easily because of their knowledge of technology. There is a high tendency among students to use online shopping, and this will help the researcher to study their perception toward online shopping. This study will be conducted at the University Technical Malaysian Malacca.

1.7 Limitation of study

In conducting this research, researcher faced some limitations, such as time constraint, lack of skill and knowledge, and the cooperation of respondents. The researcher is having a difficult time finishing the research due to the short time frame given. The researcher has difficulty finding as much information and details related to her study in a given timeframe. A researcher must have the necessary knowledge and skills to conduct a study, and may lack some experience if they haven't done this before. Moreover, many respondents refuse to cooperate with researchers. In cooperation with respondents, it was agreed that they would complete questionnaires. Most of the respondents are not answering it completely, and another limitation is that it is related to honesty. The researcher cannot know for sure whether the respondents' answers are honest.

1.8 Significant of study

The research that was conducted will increase data about online shopping in Malaysia about online shopping and factor about student perception toward online shopping. Nowadays, most of the student do online shopping because they thought that online shoppingmay be associated with positive results that are not found in traditional way of shopping suchas consumers' ability to shopping 24/7 without time restricted, and the easiness' while shopping without using physical. e. From the consumers' perspective, online shopping has a lot of advantages compared to physical shopping as it can save money, time, and effort (Liu et al., 2012, Kim et al., 2008). Thus, this research will then help gain knowledge related to online shopping, allowing people to learn and use online shopping. Since there are a number of people who lack the knowledge to shop online, this study will raise awareness of the use ofsocial media in online shopping. People will be more concerned about online shopping

CHAPTER 2

LITERATURE REVIEW

2.1   Introduction

In this chapter, the researcher will determine how previous research may be utilised to offer knowledge and specifics, hence making it possible to develop the conceptual theoretical framework. The fundamental theory underlying internet and online shopping serves as the foundation for the theoretical framework of this study. The perception of online shoppers among student in UTEM is investigated, as well as the most applicable theory for effectively controlling student' purchasing decisions when they make use of social media technology. According to the current difficulties of increased online purchasing activity and increasing number of internet users among the Student in UTEM, this studywas also able to identify a proper barrier that prevents client online shopping related to advanced types of social networking sites. This barrier was found to be related to advanced types of social networking sites.

This chapter is where the researcher will describe the factors that influence online shopping perception among student in UTEM who use social networking sites and also e commerce. These factors include perceived utility, perceived ease of use, perceived enjoyment, perceived trust, and perceived danger. The researcher will describe these factors by referring to previous research. Within the scope of this investigation, the Technology Acceptance Model (TAM) hypothesis is used (Davis, 1989).

2.2   Online Shopping

For a variety of reasons, online buying is getting more and more popular. The growing popularity of online shopping can be attributed to a variety of external causes, such as rising petrol prices, the difficulties of visiting traditional retailers, and the related headaches. Existing users' reviews provide consumers with a wealth of knowledge about a product. Buying a product is no longer confined to asking friends and family because there are many product reviews on the internet that reflect the thoughts of current customers. People of all income levels can find a wide range of products on online shopping sites, from high-end to low-end.

Everyone can benefit from internet shopping because it allows them to buy more quickly, with more options, and at a cheaper cost (Cuneyt Koyuncu; Gautam Bhattacharya, 2017). According to 2017 Malaysia's Top E-Commerce Website (2017), Lazada had 30,300,000 monthly visits in June 2017 and was followed by 11street Malaysia with 10,200,000 and Lelong.my with 6,200,000, both in the online shopping category (Top e-commerce sites in Malaysia 2017, 2017). The necessity of purchasing some things is recognised by customers. They will typically look up to the internet in order to shop online, and then begin searching for information regarding the items that they will buy, as well as seek for all of the alternatives, and eventually make a purchase that is the finest price to meet their requirements (Rangampet, 2015). Consumers are limited in their ability to make the best decision possible by a number of factors, including advertising and language, before they make their final purchase decision.

2.3 Internet

The computer and communications industries have been completely upended as a result of the advent of the Internet. This extraordinary integration of capacities was made possible by the introduction of the telegraph, telephone, radio, and computer, all of which laid the stage for this integration. The Internet is simultaneously a facility for worldwide broadcasting, a method for the diffusion of information, and a medium for collaboration and interaction between individuals and their computers regardless of physical location. The Internet is one of the most effective examples of the benefits that can be gained from making consistent investments and maintaining a commitment to the research and development of information infrastructure. Since the beginning of the research into packet switching, the government, private sector, and academic institutions have all worked together to develop and use this innovative new technology. Terms such as "bleiner@computer.org" and "http://www.acm.org" are so commonplace in today's culture that even the most random person on the street2 can recite them. This history is meant to be concise, thus it will just cover the highlights and will be incomplete. There is a lot of content available right now regarding the Internet, and it covers its history as well as its technology and its usage. When you visit practically any bookshop, you will find shelves filled with books and other materials that are published about the Internet.

2.4 Technology Acceptance model (TAM) (Davis, 1989)

Because it is the theory that is most closely connected to the progress of technology, the Technology Acceptance Model (TAM) (Davis, 1989) is being used in the research that is being done to identify and construct a conceptual research framework for the study of the factors that influencing student perception toward online shopping in UTEM. TAM is one of the extant theories that is used to explain the adoption of information technology (IT), and it is the theory that has been used by the majority of researchers in the past as a framework to understand the process of users' acceptance. It is widely acknowledged. In addition to this, TAM has been shown to be the model that is the best applicable to explaining the differences in users' behavioural intentions in relation to the adoption and usage of IT in a broad range of different scenarios. According to Mathieson, the TAM is favoured above other models in a variety of user situations, specifically the Theory of Reasoned Action (TRA).

According to Jambulingam, Sorooshian, and Selvarajah (2016), TAM proposes that the two factors that are important for the actual usage of a technological innovation are perceived usefulness (PU) and perceived ease of use. This is because PU and PEOU are perceived to be important for the actual usage of a technological innovation (PEOU). The TAM theory states that the impacts of external variables such as system features, development process, and training on intention to use are mediated by perceived utility and perceived ease of use. This is stated in Venkatesh and Davis's (2000) research.

Diagram 2.4 shows the original Technology Acceptance Model by Davis 1989, Davis et al. 1989.
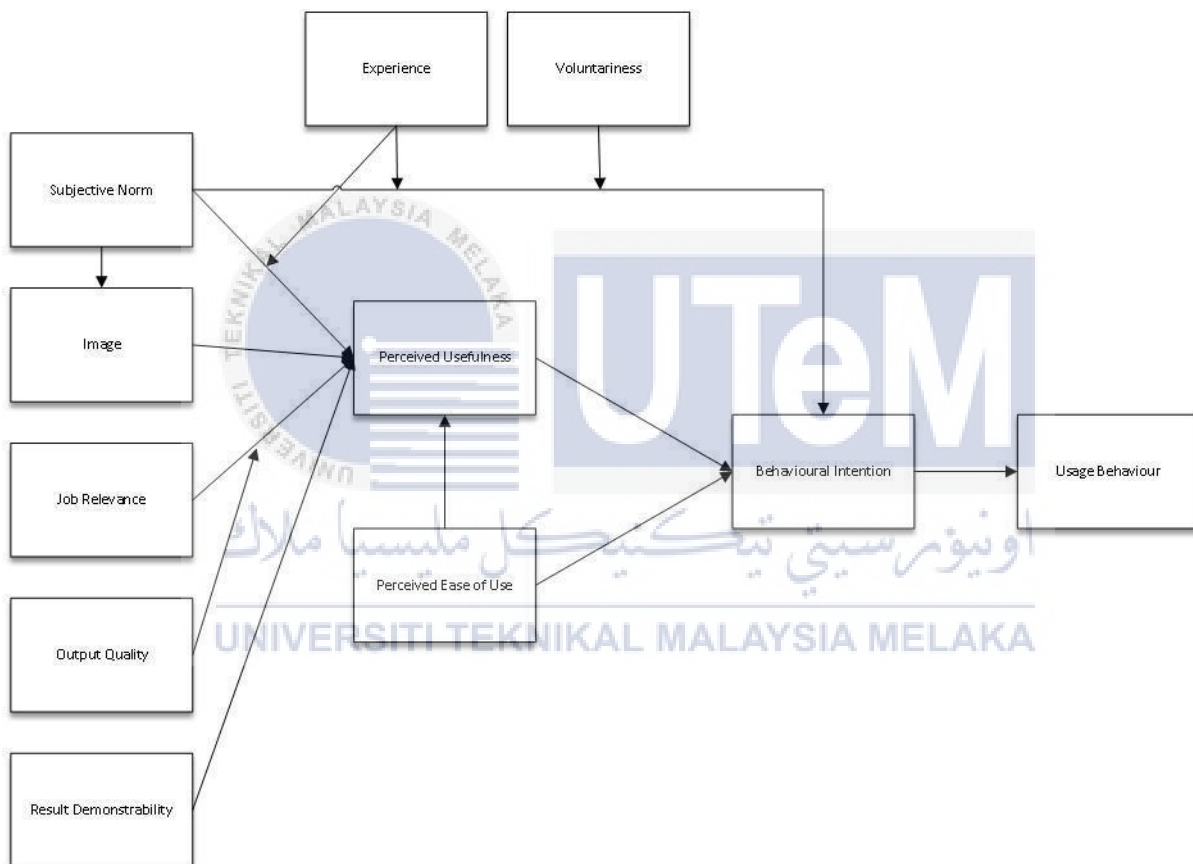

Diagram 2.4: original Technology Acceptance model

2.5   Perceived usefulness

According to Davis 1993, the term "perceived usefulness," or "PU," refers to an individual's views that employing new technology would improve their performance. When discussing online

buying, "usefulness" refers to the extent to which customers feel that making use of the internet as a medium would result in an increase in their level of productivity or performance, and thus, an improvement in their overall shopping experience. The primary advantages of making purchases online are their easy accessibility and quickness, as well as their wide availability of purchases that are both affordable and handy. Aside from that, the most beneficial aspects of making online purchases through social media are the accessibility and the quickness of the process. The system's perceived usefulness is linked to the system's efficiency and efficacy, as well as its overall benefits for improving user performance. According to the TAM, people's use of technology is influenced by their perceived usefulness (PU) and perceived ease-of-use (PEOU) of that technology (Jones & Kauppi, 2018). According to the findings of this study, the following hypothesis is proposed: there is a substantial positive association between perceived usefulness and the factor influencing student perception toward online shopping in UTEM (Muda et al., 2016).

2.6   Perceived convenience

According to findings from previous studies, "Convenience" is an essential component of making purchases online (Clemes et al., 2014). According to the findings of Burke's research from 1998, the most common reason given for making purchases online is that doing so is more convenient. According to Delafrooz, Khatibi, and Paim (2010), the capacity of people to shop online is influenced by the fact that it is more convenient. The primary benefit of making purchases on the internet is that it is more convenient than buying in conventional stores (Delafrooz et al., 2009). Internet users in Malaysia who make purchases from online stores are looking for a variety of benefits, including an easy way to search for information, reasonable pricing, a convenient manner of purchasing goods, and round-the-clock customer care (Zuriahti Azura, 2010). The convenience, company name, freedom of choice, information enrichment, and familiar homepage design are consumer impressions of interest, and they have a significant association with views regarding online shopping (Shwu-Ing, 2003). In addition, convenience factors have been shown to have a substantial relationship with purchasing behaviour influenced by internet advertising (Hasan and Rahim, 2004). The capacity to compare a large number of products in one location at any given time is one aspect of convenience (Cho and Sagynov, 2015). Other aspects of convenience include saving time, energy, and anxiety (Hung et al., 2014). In addition to this, clients feel more at ease when buying online as opposed to in traditional stores because the process is more streamlined and organised (Delafrooz et al., 2010). Customers have the ability to make purchases at any time of the day or from any location (McKinney,

2004; Kim and Kim, 2004, as quoted in Delafrooz, Paim, and Khatibi). This presents a big opportunity for online retailers (2010).

2.7   Perceived ease of use

According to the research conducted by Davis (1989), Davis, Warshaw, and Bagozzi, the "Ease of use" variable, which is our second variable, is the extent to which individuals believe that utilising a new method does not require a great deal of effort (1989). When this setting was applied to online purchasing, the ease of use meant that customers believed they were going to spend the least amount of money and put in the least amount of effort on the Internet (Davis, 1989). To tell you the truth, consumers consider a criteria called perceived ease of use, which indicates that they can utilise technology or systems to discover information without making any kind of an effort (Davis, 1989). The consumer's opinion of the results of their online shopping experiences is referred to as perceived utility, while the consumer's perception of the process that leads to the ultimate result of their online buying is referred to as perceived ease of use (Monsuwe, Ruyter, and Dellaert, 2004). According to Selamat, Jaafar, and Boon's (2009) research, customers who shop online would rather have a system that is easier to navigate and requires less effort on their part. On the other hand, if users come to the conclusion that navigating the site is challenging and hostile for them, their likelihood of making purchases online will decrease (Green, Pearson, and Pearson, 2007; Cheng and Yee, cited in 2014). According to the findings of Oentario et al. (2017), the ease of use has a significant and direct impact on the opinions of the consumers. In addition, it has been discovered through previous study that researchers have drawn out that the simplicity of use had a positive association with online purchase intents. This was proven to be the case. There is a positive relationship between the perception of how easy something is to use and the propensity to make purchases online. It is crucial for online user projections to consider how user-friendly technology is and how satisfied customers are with their experiences shopping online (Ramayah & Ignatius, 2005).

2.8   Security and Privacy

The concept of "Security and Privacy" is another factor that influence students in UTEM perception on online shopping. According to Ramayah, Teck, Aafaqi, and Dahlan (2003), the primary impediments to the adoption of electronic retail are the customer's beliefs in security and privacy difficulties; therefore, in order to resolve this problem, we need to improve technology. Consumers

are hesitant to complete transactions over the internet in part because of the many hurdles involved in making a purchase online, as well as privacy and safety concerns (Grandinetti, 1996; Udo, 2001). Based on our observations, internet users place a significant amount of importance on both their privacy and the protection of their personal information. This is because internet users have a fundamental desire to have a sense of safety and to guard their sensitive data. However, the company's decision to process consumer data was not primarily based on a concern for consumers' right to privacy. This is because there was a presence of third-party consumer data that might potentially misissue consumer data, such as through identity theft or hacking. According to Salim (2000), in the future, hackers would not just be located within the firm; rather, they will also originate from other locations that are either external or unidentifiable. According to Guo Xiaoying, Guo Cuiling, and Liu Min (2012), security refers to the ability of online shopping websites to safeguard the personal information of their customers against any potential dangers posed by the unlawful use of such information in commercial transactions. The primary focus is on the protection of online transactions and data, while the second component is built around authenticating users (Guo, 2012). When it comes to maintaining users' faith in online transactions and the website itself, concerns over privacy and security are among the highest priority criteria (Chellappa, 2002). To find a solution to this problem, Yu and Abdulai (2000) demonstrated that in order for the government to have a role in encouraging the expansion of online shopping, it must do so in a manner that is consistent with the protection of consumers.