

# FACTORS AFFECTING ONLINE SHOPPING BEHAVIOUR IN MALAYSIA

# MOHAMAD SHAMSUL AIZAT B. MOHD SALLEH

2010536717

BACHELOR OF BUSINESS ADMINISTRATION (HONS) MARKETING FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA KELANTAN KAMPUS KOTA BHARU

DECEMBER 2013

## LETTER OF SUBSMISSION

DECEMBER 2013

The Head of Program

Bachelor of Business Administration (Hons) Marketing

Faculty of Business Management

Universiti Teknologi Mara Kelantan

Kampus Kota Bharu

Dear Sir/Madam,

## SUBMISSION OF PROJECT PAPER

Attached is the project title "FACTORS AFFECTING ONLINE SHOPPING BEHAVIOUR IN MALAYSIA" to fulfil the requirement for the completion of degree studies as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours Sincerely,

MOHAMAD SHAMSUL AIZAT B. MOHD SALLEH

2010536717

Bachelor of Business Administration (Hons) Marketing

#### ACKNOWLEDGEMENT

# IN THE NAME OF ALLAH S.W.T. THE MOST GRACIOUS AND THE MOST MERCIFUL

Alhamdullilah, praise be to Allah S.W.T., with His guidance and love, I am able and manage to finish up my thesis entitled "Factors Affecting Online Shopping Behaviour in Malaysia"

The journey that I have been experienced in order to complete this thesis is very challenging and exhilarating. Here, I would like to express my deep and special thanks to those who involved in the completion of this thesis especially to Dr. Zurina Binti Ismail my beloved advisor and Miss Wan Masnieza Binti Wan Mustapha my second examiner for being so understanding and dedicated in assisting me to complete this research. Their wide knowledge, ideas, time, and personal guidance have been a great value for me.

I would like to express my deep and sincere gratitude to my family especially my father, Mohd Salleh Bin Shamsuddin for his tireless love and support both emotionally and mentally. In addition, thanks to my best friends Mohd Akmal Bin Shuib and Aida Arina Binti Ahamd Tajuddin for their fullest and amazing cooperation and freely shared their views and experience towards the completion of this thesis.

Last but not least, my deepest thank to all the people including my classmates and colleagues that always give their hand in order to finish up this thesis. All their assistance and support are beyond repayment. May Allah S.W.T. reward them with the best rewards in this world, InsyaAllah.

## TABLE OF CONTENTS

		PAGE
TITLE	E PAGE	i
DECLARATION OF ORIGINAL WORK		ii
LETTER OF SUBSMISSION		iii
ACKNOWLEDGEMENT		iv
TABLE OF CONTENTS		v
LIST OF TABLES		ix
LIST	OF FGURES	х
ABST	TRACT	xi
CHA	PTER 1	
INTR	ODUCTION	
1.1	Background of Study	1
1.2	Problem Statement	3
1.3	Research Questions	5
1.4	Research Objectives	5
1.5	Theoretical Framework	6
1.6	Hypotheses	7
1.7	Significance of Study	8
1.8	Definition of Terms	9
1.9	Limitations of Study	11
1.10	Scope of Study	12
CHAI	PTER 2	
LITERATURE REVIEW		
2.1	Introduction	13

### ABSTRACT

**Purpose** - The purpose of this study is to identify the key factors influencing Malaysian's online shopping behaviour. Specifically to determine whether website design, reliability, customer service, and trust influence Malaysian's online shopping behaviour. In addition, to determine which factors has the most impact towards online shopping behaviour.

**Design/Methodology/Approach** - For the completion of this study, the researcher used stratified sampling technique, where the questionnaires were distributed to 64 Malay, 28 Chinese and 8 Indian respondents all around Kuala Lumpur. The research design used in this study is descriptive research design.

**Findings** – The findings of this study indicate that website design, reliability, customer service, and trust have influences on online shopping behaviour in Malaysia. Based on the findings, website design has the most impact towards online shopping behaviour, followed by customer service, trust, and reliability.

**Significance of study** - Based on this study, online retailers can gain more understanding in conducting online business in Malaysia. This study will be use for reference and as additional information for students in marketing or other business program.

**Originality/ Value** - The paper draws attention to a rather neglected issue of key factors that influence online shopping behaviour in Malaysia.

**Keywords** – Online Shopping Behaviour, Website Design, Reliability, Customer Service, Trust.

Paper type - Research paper.