

A STUDY ON CUSTOMERS' SATISFACTION TOWARD ONLINE SHOPPING

NOR AZIMAH BINTI MOHD RAZALI 2009544207

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

JULY 2012

ACKNOWLEDGEMENT

"In the name of Allah, The most Gracious and Merciful"

Alhamdulillah, praise to Allah S.W.T. the Lord of the universe, for his wisdom, strength and blessing to complete this project paper successfully. Without His permission, I may be not able to complete this task, which is to fulfil the requirement of the subject's (FIN 667) project paper.

First and foremost, I would like to express my profound gratitude and special thanks to my advisor, Miss Rabihah Binti Nawawi who has given me his advice, guidance, comments and support which is very useful in preparing this project paper. May God bless her.

Not forgotting to PM Dr. Asry Bin Yusoff as my second advisor for his consideration to accept my late submission of proposal. Thank you for being supportive, patience and so understanding with the situation faced by me.

Finally, bouquets will be shared with my family and friends especially my parents. Thanks for the encouragement, understanding, love and support during this study was conducted. I hope this project paper would benefit other researchers for further observation. Once again thanks to all. Thank you.

Abstract

This research attempted to find out the factors that are affecting customers' satisfaction to shop online. To shop on Internet becomes an alternative for consumers since it is more comfortable than conventional shopping. Internet in Malaysia is still considered as a new medium toll between the retailers and the consumers, and also retaining customers on eretail is the most issue that is faced any e-retail store. A study has been carried out to identify the main factors of customers' satisfaction toward online shopping. This research adopted survey by questionnaire approach. 100 Questionnaires been distributed among general public to gauge their intention to shop online. The researcher selects the respondent randomly from the street area at kota bharu. The analysis used in the research are frequency distribution analysis, reliability analysis, dscriptive analysis, correlation coefficient analysis and multiple regression analysis. Through some reading, the research comes up with three main factors which are security, product price and service quality. At the end of this study, the researcher found that the price of the product is the most factors that influence people to buy through online shop.

TABLE OF CONTENT

LETTER OF TRANSMITTAL			
DECLARATION OF ORIGINAL WORK			
ACKNOWLEDGEMENT			
ABSTRACT			
TABLE OF CONTENTS			
LIST OF TABLE		ix	
LIST	LIST OF FIGURE		
CHAI	PTER 1: INTRODUCTION		
1.0	Introduction	1	
1.1	Background of study	1	
1.2	Problem Statement	4	
1.3	Research objebtives	5	
1.4	Theoretical Framework	5	
1.5	Hypothesis	6	
1.6	Definition of Terms	8	
	1.6.1 Online shopping	8	
	1.6.2 Shopping cart	8	
	1.6.3 Electronic commerce	9	
	1.6.4 Business to Business	9	
	1.6.5 Business to Customers	10	
1.7	Limitation of the Study	10	
	1.7.1 Lack of computer expertise	10	
	1.7.2 Time constraint	11	
	1.7.3 Lack of experience	11	

	1.7.4 Questionnaire development	11		
1.8	Significance of study	12		
	1.8.1 To the reseacher	12		
	1.8.2 To the online shopping owner	12		
	1.8.3 To the online shopping customers	12		
CHAPTER 2: LITERATURE REVIEW				
2.0	Introduction	13		
2.1	Online shopping	13		
2.2	Security	16		
2.3	Product price	19		
2.4	Service quality	24		
CHAPTER 3: RESEARCH METHODOLOGY				
3.0	Introduction	34		
3.1	Types of research	34		
3.2	Research design	34		
3.3	Data Collection	35		
	3.3.1 Primary data	35		
	3.3.2 Secondary data	35		
3.4	Sampling technique	36		
3.5	Target population	36		
3.6	Sampling frame	36		
3.7	Sampling procedure	36		
3.8	Sampling size	37		
3.9	Data measurement	37		
3.10	Data analysis	37		