



UNDERSTANDING CONSUMERS' PURCHASING BEHAVIOR
TOWARDS ONLINE SHOPPING IN KUCHING

ANDREA RACHEL ELONE
2012918289

SUBMITTED FOR THE FULLFILMENT OF THE
REQUIREMENT FOR THE DEGREE BACHELOR OF
BUSINESS ADMINISTRATION WITH HONOURS
(MARKETING)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

SARAWAK

JUNE 2015

UNIVERSITI TEKNOLOGI MARA
ORIGINAL LITERATURE WORK DECLARATION

Name of Student : Andrea Rachel Elone
Registration Matric No : 2012918289
Name of Degree : Bachelor of Business Administration (Hons) Marketing
Title of Research Project : UNDERSTANDING CONSUMERS' PURCHASING
BEHAVIOR TOWARDS ONLINE SHOPPING IN
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TABLE OF CONTENTS

INTRODUCTION	7
1.0 Introduction.....	7
1.1 Background of the Study.....	9
1.2 Problem Statement	10
1.3 Research Objectives.....	11
1.4 Research Questions	11
1.5 Significance of Study	12
1.6 Limitation of Study	13
1.6.1 Geographical Area	13
1.7 Definitions of Terms	14
LITERATURE REVIEW.....	15
2.0 Introduction.....	15
2.2 Consumer Factor	16
2.2.1 Security	16
2.2.2 Convenience.....	17
2.2.3 Previous Experience.....	18
2.2.4 Company Reputation	19
2.3 Marketing Factor.....	19
2.3.1 Product Quality and Variety.....	19
2.3.2 Product Promotion	20
2.4 Technology Factor.....	20
2.4.1 Availability of PC/Internet Access	20
2.4.2 Representativeness of Pictures and Colours	20
2.5 Conceptual Framework.....	22
RESEARCH METHODOLOGY.....	23
3.1 Research Design.....	23
3.2 Target Respondents and Sample Size	24
3.2.1 Target Population	25
3.3 Instruments and Measurements.....	26
3.4 Data Collection Method.....	28
3.5 Data Preparation and Analysis	29
3.6 Conclusion	29
DATA ANALYSIS AND FINDINGS	31
4.1 Frequency Analysis.....	31
4.2 Descriptive Analysis	36
4.3 Reliability Analysis Results	41
4.4 Correlation Analysis.....	42
CONCLUSION AND RECOMMENDATIONS	43
5.1 Conclusion	43
5.2 Recommendations.....	44
APPENDIX 1 – QUESTIONNAIRE.....	46
APPENDIX 11 – SPSS OUTPUT	50
REFERENCES	54

CHAPTER 1

INTRODUCTION

1.0 Introduction

The Internet, also addressed as the World Wide Web (www), has undeniably given a big impact on social, organization and public affairs worldwide (Jeacle & Carter, 2011). The breakthrough of the Internet had changed and formed new methods in the management of organizations. The Internet has become a medium through which organizations section their markets, distinguish and allocate their products and communicate with stakeholders (Dobre & Milovan-Ciuta, 2015). It has made the world seem smaller in size as most information on product and services are accessible easily as long as one has an Internet connection. Today, the Internet is not only a networking media, but it is also used as a means of transaction for consumers at global market. The Internet has brought remarkable changes to people all around the world. The Internet is highly convenient as the information gathered from there is easily attained 24 hours a day (Ureigho, Oroke, & Ekruyota, 2006). In recent years, the number of Internet users has increased worldwide. The number of Internet subscribers in Malaysia has reached 25.3 million as of July 2012 (Salman, Choy, Mahmud, & Latif, 2013).

Online shopping is also known as internet shopping, electronic shopping, online purchasing or internet buying (Fong, 2013). It can be defined as the process of purchasing goods and services from merchants over the Internet (Jusoh & Ling, 2012). Alternatively, according to (Nkamnebe, 2015), online shopping has many advantages such as reduction in buying time, easier buying decisions and convenience of home delivery and privacy.

1.1 Background of the Study

Despite many studies were conducted on online shopping around the world, there is still a need for a closer examination of the consumers' purchasing behavior through online shopping. Online shopping is still at the early stage of development in Malaysia. Therefore, not much is known about consumers' behavior adopting this new shopping channel and the determinants which influence their behavior (Delafronz, Paim, & Khatibi, 2011).

Consumer behavior has always been of great importance to marketers. According to a study by (Brosekhan & Velayutham, 2013), "The knowledge of consumer behavior helps the marketers to understand how consumers think, feel and select from alternatives like products, brands and the like and how consumers are influenced by their environment, the reference groups, family, and salesperson and so on." In agreement with that, "Online consumer behavior includes a wide range of processes and activities related to sensory reactions, perceptions, attitude formation, preferences, decisions, assessing the degree of satisfaction, and loyalty formation" (Dobre & Milovan-Ciuta, 2015).

This research focuses on understanding the consumers in Kuching who shops in Groupon to determine which online purchasing factor (consumer, marketing, technology) predict consumer behavior. The online environment is very different from the offline environment where it offers more options for interactive and customized marketing (Shankar, Smith, & Rangaswamy, 2003). Therefore, such understanding on consumer behavior will assist online merchants and web designers to develop an online environment that can encourage more people to shop online.