THE RELATIONSHIP BETWEEN E-COMMERCE AND CUSTOMER SATISFACTION AT GOVERMENT SECTOR IN PERBADANAN KEMAJUAN NEGERI KEDAH, ALOR SETAR, KEDAH

MUHAMMAD FARID IKHWAN BIN SENU

BACHELOR IN OFFICE SYSTEM MANAGEMENT (HONS.)
UNIVERSITI TEKNOLOGI MARA (UITM)
2014

ABSTRACT

With the development of Internet, e-commerce is developing rapidly in Malaysia as a new way for online business transaction. Therefore, it is important for this research paper to identify the determinants of consumer satisfaction towards e-commerce for among government servant in Perbadanan Kemajuan Negeri Kedah (PKNK), Alor Setar, Kedah. A total of 110 e-commerce users had participated in this research. The findings revealed that website design, payment method, information quality, security and privacy are positively related to customer satisfaction towards e-commerce among government servant in Perbadanan Kemajuan Negeri Kedah (PKNK), Alor Setar, Kedah. Data are gathered through survey among the government servant in Perbadanan Kemajuan Negeri Kedah (PKNK), Alor Setar, Kedah which has experience in e-commerce.

ACKNOWLEDGEMENT

A major research project like this is never the work of any one alone. The contributions of many different people, in their different ways, have made this possible. I would like to extend my appreciation, especially to the following.

Foremost, I would like to express my sincere gratitude to my advisor, Madam Mimi Zazira Binti Hj Hashim for the continuous support of my degree study and research, for her patience, motivation, enthusiasm, and immense knowledge. Her guidance helped me in all the time of research and writing of this thesis. I could not have imagined having a better advisor and mentor for my degree study. Besides my advisor, I would like to thank the rest of my thesis lecturers, Mr. Ibhrahim Bin Zakaria and Miss Norrini Binti Muhammad for their encouragement, insightful comments, and hard questions.

My sincere thanks also go to my thesis partner, Tengku Muhammad Izzuddin Bin Tengku Izaham , and Muhamad Hafis Bin Ramli for all ideas and knowledge that's been shared throughout the thesis completion. Last but not least, I would like to thank my parents for their unconditional support, both financially and emotionally throughout my degree. In particular, the patience and understanding shown by my mother and father during the honours year are greatly appreciated.

CHAPTER 1

INTRODUCTION

Background of the Study

The literature provides numerous terms to describe the use of information communication technologies in the conducting of business transactions. These terms include electronic commerce (ecommerce), electronic business (e-business) and the electronic economy (e-economy) (Hartman, Sifonis & Kador, 1999; Kalakota & Robinson, 1999). The term, however, that is used most frequently in the press and academic literature is that of ecommerce (Bauer & Glasson, 1999). Bauer & Glasson (1999) describe e-commerce as "the general term for the buying and selling of information, products and services with the assistance of computer and telecommunication networks that use Internet technology". According to Hartman et al. (1999), ecommerce focuses on individual business transactions, including business-to-business and business-to consumer transactions, which use the Internet as a medium of exchange. Han & Noh (1999), define ecommerce as "the processes of sharing business information, maintaining business relationships, and conducting transactions by means of telecommunication networks".

Nowadays Internet has been vital part of our daily life. Internet shopping statuses are different from traditional shopping, first customers cannot see front-line employees, products and store environment. Second, each online shopping consists of a lot of third parties for payment processes. Third, trusts have an important role in acceptance of Internet shopping. Trust is a critical factor in every relationship and

prerequisite of each contract (B. Jin and J. Yong Park, 2008), so we have different challenges for e-commerce.

Customer satisfaction is defined as the number of customers or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. (John and Joby, 2003). Customer satisfaction is related with the service quality which means that if the quality of the service provided by the company is good and fulfills what are the customer Perception and expectation will leads to the higher customer satisfaction. Therefore, this paper was conducted to study the relationships between e-commerce and customer satisfaction among the government servant in Alor Setar, Kedah.