



**A STUDY ON FACTORS THAT AFFECTING
CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING
IN ZALORA MALAYSIA**

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TABLE OF CONTENT

Declaration of Original Work	iii
Letter of Transmittal	iv
Acknowledgement	v
List of Tables	vi
List of Figures	vii
Abstract	viii
Chapter 1: Introduction	
1.1 Background of Study	1
1.2 Background of Company	3
1.2.1 Objectives of Company	3
1.2.2 Mission	4
1.2.3 Value	4
1.3 Problem statement	6
1.4 Research Question	7
1.5 Research Objectives	7
1.6 Significant of study	7
1.7 Scope and Limitations of study	8
1.8 Definition of terms	10
Chapter 2: Literature Review	
2.1 Definition on Online Shopping	11
2.2 Customer Satisfaction towards Online Shopping in ZALORA Malaysia	12
2.2.1 Product	13
2.2.2 Price	14
2.2.3 Website	15
2.2.4 Delivery	16
2.3 Hypothesis	17
2.4 Theoretical Framework	18
Chapter 3: Research Methodology	
3.1 Introduction	19
3.2 Research Design	19
3.3 Hypothesis	20
3.3.1 Primary Data	20
3.3.2 Secondary Data	20
3.4 Survey Instruments	20
3.4.1 Questionnaire	20
3.5 Sampling	22
3.5.1 Sampling Frame	22
3.5.2 Sampling Population	22
3.5.3 Sampling Technique	22
3.6 Variables Measurement	23
3.7 Data Analysis Procedure	24

ABSTRACT

In these recent years, the rapid development of Internet has strongly impact to the worldwide. Many marketers all over the world are beginning to develop marketing activities through online to expand their businesses. Online businesses can be either Business to Consumer (B2C) or Business to Business (B2B). These online businesses include fashion online business. According to the latest news, ZALORA is now a leading online fashion destination and fastest growing online retailer in Southeast Asia. ZALORA's in-house private label combined with a mix of international and local brands lends to a greater variety. Since Malaysia is one of the countries that ZALORA choose to expand, it is vital to online fashion retailer ZALORA Malaysia to identify what are the factors that affect customer satisfaction of online shopping in ZALORA Malaysia. The factors that affect customer satisfaction are product, price, website and delivery. The findings are important to online fashion retailer to improve their brand name since there are variety online fashion retailers nowadays. The data collected will reveal which factors are affecting the most to customer satisfaction among Klang Valley's population.

Keywords: Customer satisfaction, product, price, websites, delivery.

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

Increasing trend of customer tend to purchase products and services through online and emergence of online fashion retailer lead to huge opportunity to company or organization to enter business online. According to Malaysian Communications and Multimedia Commission, the percentage of Internet users in 2015 showed a remarkable increase of 11.0 points (2015: 77.6% and 2014: 66.6%) making the online community from two-third to three-fourth of the entire national population. The number of Internet users in 2015 was approximately 24.1 million (or 77.6% of all inhabitants in Malaysia). The use of the Internet has increased exponentially over the past years and it has become a mainstream tool in delivering and trading information, services and goods. (Albarq, 2006). Moreover, internet technologies create marketplaces for consumers to purchase products or services from online Web sites instead of shopping in traditional market channels such as department stores. (Zhuang & Babin, 2015). The increasing number of Internet users will lead to customer purchase through online.

Online stores of ZALORA are mostly selling about fashion. ZALORA is Asia's leading online fashion destination. ZALORA is the largest and fastest growing fashion focused e-commerce site in Southeast Asia such as Singapore, Indonesia, Malaysia, Brunei, Philippines, Thailand, Vietnam, Hong Kong and will expand their business in Taiwan soon. ZALORA was founded on 2012 which brings the trendiest fashion trends online with more than 500 brands international and local brands.