

**UNIVERSITI TEKNOLOGI MARA**

**FACTORS THAT CONTRIBUTED TO THE  
FAILURE OF E-COMMERCE APPLICATION IN  
BIRO ANGKASA**

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## **ABSTRACT**

This project paper aims to review the significance of e-commerce usage in Biro Angkasa organization as a potential business and revenue generation opportunity and discuss the reasons why the e-commerce application failed. Although the use of e-commerce is still new in Malaysia, its use in business organizations has currently increased. Angkatan Koperasi Kebangsaan Malaysia Berhad or Biro Angkasa is recognized by the Government as a body representing the Malaysia Co-operative Movement at national and international level. Busana Angkasa is a Biro Angkasa joint venture project with Kementerian Pelajaran Malaysia (KPM) and Suruhanjaya Koperasi Malaysia (SKM). With the increase use of e-commerce in Malaysia, new technology of IT infrastructure are believed to have an impact to business solution and applications. Using e-commerce will give an impact to the customer and make a significant contribution to the business, to be as it contributes about business marketing, product and services and consumer behavior expectations. The idea of e-commerce in Biro Angkasa eventually will drive a new business potential aligning with customer interest. This study will highlight on the factors that have contributed to the failure of Busana Angkasa as well as conclude with a set of recommendations that may be applied for future e-commerce application development.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Overview**

This chapter will discuss the fundamentals of this project paper. It will explain the project background, problem statement, objectives, scope of the project and its significance to the community.

### **1.2 Introduction**

Based on Internet World Statistics of 30 November 2007 the number of Internet users in Malaysia was seventh across Asia Pacific overpass Singapore as compared to year 2005, Malaysia was ranked at eighth with Internet penetration of 45% only. The first place is occupied by New Zealand, 2- Australia, 3- South Korea, 4- Hong Kong, 5- Japan and 6- Taiwan. The increase of Internet users from 2000 to 2007 was at 302.80% and Internet penetration of 60%. This represents an increase of 15% Internet penetration in 2007. Internet penetration occurs when consumers buy and make payments through online credit card, master card, visa card and the cards of other banks (Internet World Stats, Usage and Population Statistics).

The Internet provides a wealth of information to customers (Weber, 1997). Marketers can use the Internet to develop their own brands. Marketers can also collect customer information from Internet easily including social media. Besides that computer and internet lead to information technology (IT)-literate users with a