

**Universiti Teknologi MARA**

**Propose Framework for Developing An E-  
Home Service As Web Advertisement In  
E-Commerce**



**Thesis submitted in fulfillment of the requirements for  
Bachelor of Science (Hons) Business Computing  
Faculty of Information Technology And  
Quantitative Science**

May 2006

## DECLARATION

I hereby declare that all contents in this workbook are fully acknowledged in accordance with the standard referencing practices of the disciplines.

Please be informed that I will be grateful to receive advice concerning any errors that should be corrected and any material that should be added or omitted when it is revised.

To the other students who will be compelled to read it, I extend the hope that the material presented will seem as exciting and interesting as it has seemed to me.

02<sup>nd</sup> MAY 2006

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## **APPROVAL**

### **PROPOSE FRAMEWORK FOR DEVELOPING AN E-HOME SERVICE AS WEB ADVERTISEMENT IN E-COMMERCE**

**BY**

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This thesis report is completed by the care of thesis advisor, Pn. Mardziah Bt. Haji Hashim and also has been approved by thesis supervisor En.Ahmad Zambri Bin Shahuddin. It was submitted to the Faculty of Information Technology and Quantitative Science and also was accepted in partial fulfillment of the requirement for the Degree of Bachelor of Science Honors Business Computing.

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## **ABSTRACT**

There is an issue in marketing on how to attract the customer in a competitive Internet marketplace. This research analyzes the features requirement of existing e-home service website and identify how e-marketers can influence the outcome of the virtual interaction and buying process. This framework of e-home service website is actually one of the guideline to make an expand stage. From the analyze of features in e-home service website and evaluation of stage of development of framework, the framework is then developed to make Internet user easier to access from anywhere. In fact, the framework of e-home service will be proposed. At the same time, a set of questionnaire is using as checklist in order to assemble the data. Thereafter, the originality or value of this research will recommend and put forward the features that are important for developing an e-home service Website. The illustration of framework is propose and user interface design involves the development of prototype interfaces to be suitable for evaluating the different between others website.

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# CHAPTER 1

## INTRODUCTION

This chapter provides the background and rationale for the study. It also gives detailed of the significant traditional home service and the proposed service, the issues and problems that led to this research.

### 1.0 Introduction

Using the Internet, advertisers can focus on special interest groups (segmentation) and even on individuals, which is useful in direct marketing. Such activities and many more are part of the new approach to advertising in the new technology. The objectives of advertising on the Internet are the same as those of any other type of advertising, namely to persuade customer to buy a certain product or service. Thus, it is seen as an alternative (or complementary) medium to traditional advertising media. Numerous studies have found that, customers' awareness of this alternative is growing rapidly.

### 1.1 Research Background

“Never has advertising appeared so pale and lifeless”, wrote Rust and Oliver (1994, p. 71). Those authors pointed to increased criticism of advertising's effectiveness as well as lower advertising expenditures. Technological change, the blame for much of these trends, will only increase in the future. A recent survey of leading US advertising executives questioned about advertising's future (Ducoffe *et al.*, 1996) found that the most important factor for the future of advertising was “new media technologies” (that is, the Internet and the World Wide Web).

Advertisement is an attempt to disseminate information in order to affect a buyer-seller transaction. In the traditional sense, advertisement was impersonal, one-way mass communication, which was paid for by sponsors. The Internet has enabled advertisers to learn about customers and to interact directly with them.

E-home service is a part of Web Advertisement, which acts as an electronic storefront, that is shows graphics, descriptions, and sometimes product reviews. There are several reasons why home service companies advertise on the Internet. To begin with, television viewers are migrating to the Internet. The media follows; acknowledging that the goal of any advertises is to reach its target audience effectively and efficiently.

Advertisers recognize that they have to adapt their marketing plans to account for the ever-growing number of people spending increasing amounts of time online. Numerous studies have found that over three-quarters of PC users are giving up some television and newspaper time to spend more time on their computers. Add to this, the fact that many Internet users are well educated and have high income; it is only logical to conclude that desired targets for advertisers are the Internet surfers. In fact, the researcher will show how home service as the advertisement part of interactive marketing is implemented online. Based on some off-line marketers who use the following advertisement methods in order to advertise their product/services, the researcher get an idea to do this research:

- Vertical trade shows to exhibit products.
- Advertisements in industry magazines.
- E-mail and paper catalogs to advertise product/service.
- Salespeople call on existing customer and potential buyer.

The researcher then, concluded that nowadays, in the digital world, these approaches might not be effective, feasible or economical. Some of B2C marketing and advertisement tools and approaches are applicable to B2B, but most of them are not. Then, organizations are using a variety of other online methods, and many of which are presented in the next coming section.

## **1.2 Problem Description**

1. Currently, the advertisement activities still doing in manual or text based that is consists of much documentation.
2. No existence of online advertisement for home services provided for home service company in Kuala Lumpur area.

## **1.3 Research Objectives**

The objectives of this project are:

- a. To analyze general and specific features requirement in existing home services website.
- b. To evaluate the stages of development of framework.
- c. To construct a framework for e-home service based on the analyzed features.

## **1.4 Research Scope**

The scope of this project will be divided into three categories:

a. Location of the research

The researcher definitely chooses Kuala Lumpur area as the location for the research.

b. Target Respondents

The target respondents that will be used in this project are home service companies or an individual who want to advertise their home services.

c. Project Scope

This project definitely focuses on the contents or features of existing website. (Select 50 website, globally to use as reference).

## **1.5 Research Question**

The old adage that says, “The more I know, the more I know that I don’t know” is true. In the field of this research, the trend is to ask the entire related question and get all the answers that one can possibly squeeze into the research objectives.

a. What are the important features of e-home service website?

b. What is the relevant criteria of a good website in order to make people have interest to look for or to access that website?

After those entire questions are answered, the result of the research question will be used directly in order to achieve the research objectives and can contribute information to others.



## **1.6 Significance of the Research**

In terms of:

- **What?**

E-home services can act as 'web ads' that can be interactive and targeted to specific interest groups and/or individual.

Games, entertainment and promotions can easily be combined in this web advertisement.

- **Why?**

This web advertisement sometimes cheaper than newspaper, television or even radio ads, all of which are expensive since they are determined by space occupied, how many days (times) they are shown, and on how many national and local television stations and newspapers they are posted. Besides, this web ad can be updated at any time with minimal cost; therefore they are always timely.

- **Whom?**

This web ad can reach very large numbers of potential buyers, both locally and globally.

## 1.7 Overview of Report

The material in each chapter provides a logical flow in terms of the phases and processes required to plan and manage this research. Once a decision to approve and fund this project is made, the project must be planned at a detailed level to determine how the project will be operated.

- **Chapter 1: *Introduction*** describes simple information of this research. This includes the background of the research necessary to store and process information. Simple insight of an overview of the content's research is also introduced.
- **Chapter 2: *Literature Review*** is a separate chapter that has been devoted to describe the definition and terminology of the study that have been done. The focusing on materials that are relevant and also identifying boundaries of past and current research field area are discussed thoroughly and extensively.
- **Chapter 3: *Research Approach and Methodology*** introduces several project tools that are being used. Tactical approaches for installing the material are also defined in this separate chapter. In addition, the processes for bringing closure to the project and evaluating the project supporter are also discussed.
- **Chapter 4: *Analysis of Data and Findings*** for includes the research findings while it conducted through 50 questionnaire observation of home service website.
- **Chapter 5: *Framework*** which is consist of proposed website that is designed and developed from data that had been analyzed and observed earlier.
- **Chapter 6: *Conclusion*** concluded overall research, which is made, based on the analysis done earlier.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter will discuss the definition and terminology of the study beside other term. And also the focusing on materials that are relevant and also identifying boundaries of past and current research field area are discussed thoroughly and extensively.

#### **2.0 Introduction**

This second part, describes the definition and terminology of the study that have been done. Literature search should be done in a structured and professional way and should not be performed in an ad hoc haphazard and random manner. For this study, the researcher focused on materials that are relevant and also identifying boundaries and know when to stop.

Therefore, the materials traced must be recognized. Then it will be used to help interpret and make sense of findings. So, the researcher provides a coherent argument that leads to the description of a proposed study and discusses how related literature is related to the problem to be solved.

#### **2.1 Definition of Pertinent Terminology**

##### **2.1.1 E-Commerce**

Fundamentally, e-commerce is an electronic exchange information or digital content (Chen, 2001), goods, services and payments (Harrington and Reed, 1996 in Heim and Sinha, 2002) among parties, which will result in monetary exchange (Chen, 2001).

## **2.1.2 E-Service**

According to Lalonde and Zinser (1976, cited in Christopher, 1993, p.5), the concept of e-service is not simply a combination of the words "electronic" and "service". In a true, e-service operation part or all of the interaction between the service provider and the customer is conducted through the Internet. However, some authors consider e-service to be part of e-commerce (Tschohl, 2000).

Besides, e-service is Web-based service (Reynolds, 2000a; Sara, 2000) delivered through the Internet. Voss (1999) distinguished e-service from e-commerce as being two extremes a continuum. At one end of the continuum, pure e-commerce is the basic of buying and selling products whereas, at the other end, pure e-service is offering services-either unconditionally or with a service contract.

More specifically, an e-service depends to some extent on the interaction between the buyer and seller for its provisions (Grosse, 1996).

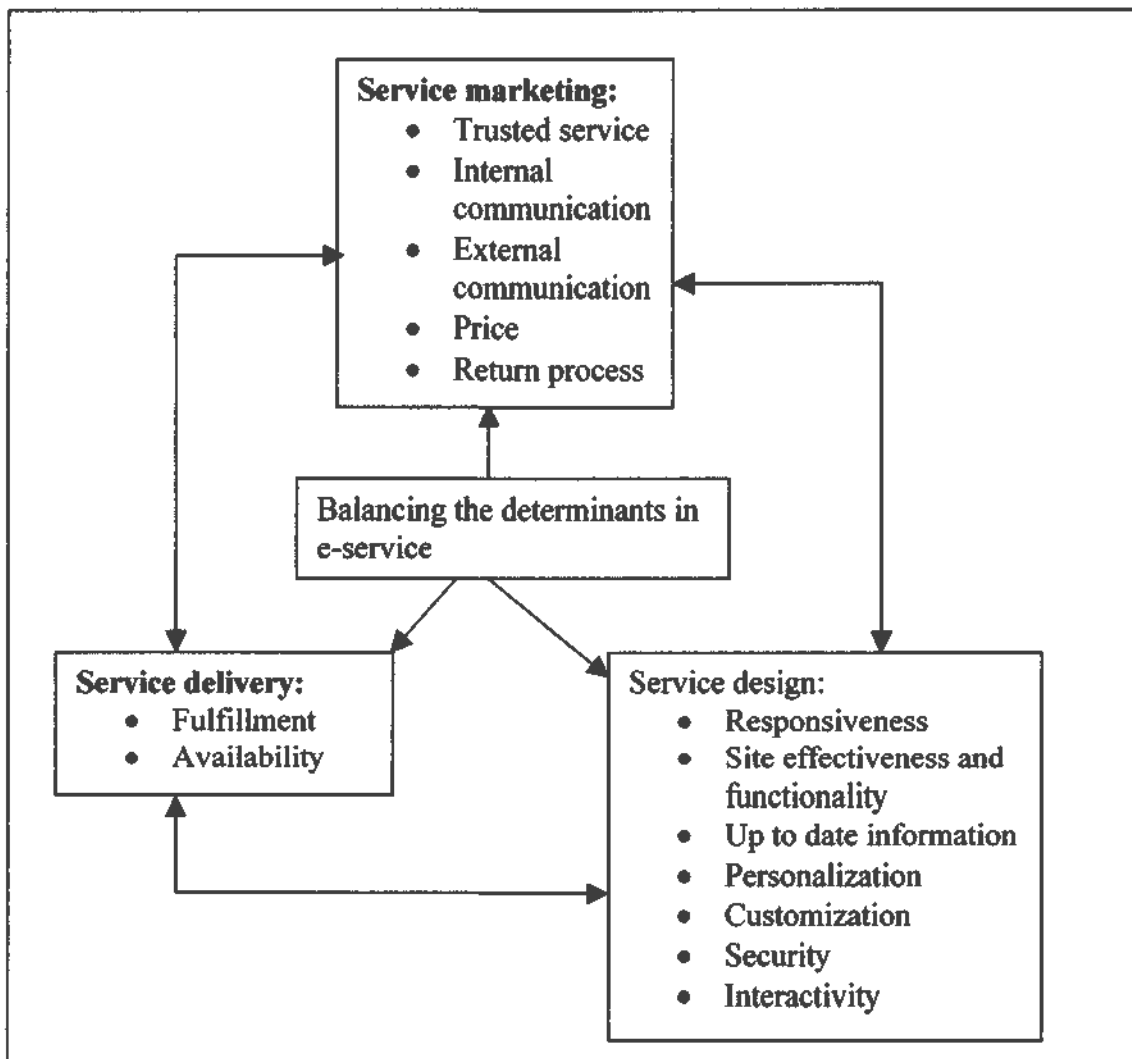
### **2.1.2(a) E-Service determinants**

The determinants of e-service can be categorized into three groups as follows:

- (1) Services marketing, which is deals with the expected quality of service and involves matching market needs with a firm's resources (Meredith, 1992); marketing focuses on determining the marketing mix of product and service features (such as price, brand image and accessibility of services) (Palmer, 2001).*

(2) *Service design* refers to the design of facilities, servers, equipment and other resources needed to produce service; it includes a blueprint of the service system, specifications, procedures and policies (Meredith, 1992).

(3) *Service delivery*, which is concerned with delivery of the core products and services to the customers (Slack et al., 2001), including digital products.



**Figure 2.1 Balancing the determinants of e-service**

**Source:** Armistead, C.G. (1985), "Design of service operations", in Armistead, C., Johnston, B. and Morris, B. (Eds), Operations Management in Service Industries.

### **2.1.3 Framework**

Levitt (1983) defines that a framework will help reduce the ambiguity and confusion in the literature and serve as the basis on which global marketing strategy can be formulated. Hambrick and Cancellla (1989) define a framework as an implementation based on an empirical research project in a multi-business company. They noted that to each of these areas as a key factor.

For example, in the framework proposed by Kazanjian (1956). Okumus (2001) and Waterman et al. (1980), the issues related to managers and employees are incorporated under a separate framework factor entitled “people” or “staff” in the framework developed by Hrebintak and Joyce (1984) and Schmelxer and Olsen (1994) manager’s style. Incentives and training are presented as individual factors.

In some framework such as Stonich (1982) and Waterman et al (1980) system include planning, resource allocation, budgeting and rewards. A framework, consisting of four factors, was proposed by Yip (1992):

- Organizational structure
- Culture
- People
- Managerial process

#### **2.1.4 Electronic Storefront**

According to Dourado, P. (2002), Electronic storefront is also called as an online catalog. It is Website where an e-retailer displays product or services using graphics, its descriptions and also product reviews. Meanwhile, according to Lenz, K. and Oberweis, A. (2000), electronic storefront is a virtual store, usually a Web site, where products are advertised and online ordering may be available.

Electronic or virtual storefront according to Phau, I. and Poon, S.M. (2000) exactly said that it is a "window" to look through while shopping at the electronic mall. Companies or individuals who do not have the technology available to set up their own link to the net can establish links through an electronic mall.

#### **2.1.5 Web Advertisement**

According to (Nevens, 1999). Web advertisement is electronic business information services that systematically reducing transaction costs and many companies are simplifying their business model and unbundling many business functions. Besides, (Tapscott, 1999) said that web ad has dramatically transformed the cost and quality of interaction with its customers, who can now find prices, modify product configurations, and submit and track orders electronically. In addition, (Isakowitz et al., 1998) defined web ad as an information system based on Web technology.

Web advertising has been recommended as a means to help shift demand away from peak periods, increase utilization during slow periods, or teach customers how to become part of the service production and

delivery process, so greater productivity is generated from existing technical capacity (Rust *et al.*, 1996, p. 33).

## **2.2 How e-commerce is transforming and internationalizing service industries**

One of the most significant developments of the 1990s in the globalizing economy is the identification of the service industries as the fastest increasing component of multinational enterprise (MNE) activity in both developing and developed countries (Dunning, 1993). The lower costs associated with technology-based, e-commerce business models should lead to greater product, market and international competition, especially in services (OECD, 1998). Many technologists have likened the growth of electronic business to the industrial revolution of the nineteenth century ± it is transforming most aspects of communications, the service related aspects of manufacturing and commerce (Taylor, 1999a). Nathan Myhrvold, Microsoft's Chief Technology Officer has been quoted as saying that "the Web will fundamentally change customers' expectations about convenience and service" (Taylor, 1999b).

Service companies that are willing and able to rethink their business model, at a minimum taking into account how information technology alters the business environment, will get to the future first. They will be measured by the amount of new wealth created and how they use innovation to restructure the industry (Yoffie and Cusumano, 1999b). The single most significant effect of the Internet is to cut the cost of interaction, i.e. the searching, coordinating, and monitoring that people and companies must do when they exchange goods and services, estimated to be more than one-third of the economic activity in the USA (Iansiti and MacCormack, 1999; Nevens, 1999). E-commerce has dramatically increased the domain of possible outsourcing opportunities and in doing so has greatly expanded many service industries, e.g. software, law,