DETERMINANT OF MALAYSIAN PASSENGERS' ACCEPTANCE TOWARDS ELECTRONIC TICKETING: A STUDY ON MALAYSIA AIRLINE SYSTEM (MAS)

SITI HASNIDA BINTI HADZIR

2010155677

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (INTERNATIONAL BUSINESS)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA**

JANUARY 2013

**DETERMINANT OF MALAYSIAN PASSENGERS' ACCEPTANCE TOWARDS
ELECTRONIC TICKETING: A STUDY ON MALAYSIA AIRLINE SYSTEM (MAS)**

SITI HASNIDA BINTI HADZIR

2010155677

**Submitted in Partial Fulfillment of the Requirement for the
Bachelor of Business Administration
(Hons) International Business**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITY TECHNOLOGY MARA
KAMPUS BANDARAYA MELAKA**

DECEMBER 2012

DECLARATION OF ORIGINAL WORK

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) INTERNATIONAL BUSINESS
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA**

"DECLARATION OF ORIGINAL WORK"

I, <u>SITI HASNIDA BINTI HADZIR</u>, (I/C Number: <u>890107-43-5328</u>)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.

- This project-paper is the result of my independent work and investigation, except where otherwise stated.

- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____   Date: _____

LETTER OF SUBMISSION

3 JANUARY 2013

The Head of Program

Bachelor of Business Administration (Hons) International Business

Faculty of Business Management

University Technology Mara

Kampus Bandaraya Melaka

110 Off Jalan Hang Tuah

75300 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER (IBM662)

Attached is the project paper titled **"DETERMINANT OF MALAYSIAN PASSENGERS'
ACCEPTANCE TOWARDS ELECTRONIC TICKETING: A STUDY ON MALAYSIA
AIRLINE SYSTEM (MAS)"** to fulfill the requirement as needed by the Faculty of
Business Administration, Universiti Teknologi MARA.

Thank You.

Yours Sincerely,

....

Siti Hasnida Binti Hadzir

2010155677

Bachelor of Business Administration (Hons) International Business

ABSTRACT

The purpose of this research is to illustrate the key factors affecting the Malaysian passengers' acceptance towards electronic ticketing provided by Malaysia airline system (MAS). The primary data had been collected through 100 valid questionnaire surveys from target respondents who are students and working adults between 18 and 55 years old in Airport Subang. In this study, the researcher collects the information from the questionnaire, website and the secondary data such as journals, articles and text book. The collected data discussed, compared and then finally used to draw general conclusions. After all data has been gathered, it will be interpreted to make it sense for supporting the problem identified. The findings of the study were useful for Malaysia Airline industry as a reference in identifying consumers' perception and attitude to further improve the e-ticketing system. This paper would also contribute to the companies and to the public on future trend and development of e-ticketing.

CHAPTER 1:

INTRODUCTION

1.0   Chapter Overview

In this chapter, the researcher will discuss the background of the company, the background of the study, the problem statement, the objective of the study, the significance of the study, the theoretical framework and the limitation which related to the study.

1.1   Background of Company

Malaysia Airline System Berhad is also known as MAS in short. MAS are founded in 1947 as Malayan Airways Berhad, but it has changed its name as Malaysia Airline System on 1 October 1972. MAS is the flag carrier which is owned by the government of Malaysia. Malaysia Airline System headquarters is situated at Sultan Abdul Aziz Shah Airport in Subang, Selangor. MAS operates flights at its first base in Kuala Lumpur International Airport, and secondary base in Kota Kinabalu.

Malaysian Airlines System Berhad is the holding company for Malaysia's national airline carrier, one of the fastest growing airlines in Asia. Malaysia Airlines has two airline subsidiaries, which is Firefly and MASwings. Firefly operates scheduled flights from its two home bases Penang International Airport and Subang International Airport. The airlines focus on tertiary cities although has recently launched services to Borneo from Kuala Lumpur International Airport (KLIA). MASwings focuses on inter Borneo flights. Malaysia Airlines has a

freighter fleet operated by MASKArgo, which manager's freighter flights and aircraft cargo hold capacity for all Malaysia Airlines' passenger flights.

MAS are using this type of craft Airbus A330-200 and A330-300. Boeing 737-400, 800 and 400/400. Malaysia Airlines operates a fleet of aircraft with two cabin configurations. Malaysia Airlines B777-200ER fleet has a two configuration which is Golden Club Class and Economy Class. Its B747-400 fleet has a three-cabin configuration; also including First Class. Malaysia Airlines premium cabins and Economy Class have been given numerous awards for excellence in product and service delivery.

From a small air service, Malaysia airlines have grown to become an award-winning airline with more than 1000 aircraft, servicing more than 110 destinations across six continents. Malaysia Airlines also practiced the online booking and buying to make their reservation or purchasing way easier for passengers. With this online purchasing, the passengers need to fulfill their details like the destination they want to go and the departure place they want. The payment will settle via the online banking. Internet user can book their air ticket, hotel, and train tickets and rent car via the Malaysia Airlines Website.

The vision of this company is to be *"An airline uniquely renowned for its personal touch, warmth and efficiency."* While the mission is *"To provide air travel and transport service that rank among the best in terms of safety, comfort and punctuality".*

1.1   Airline Electronic Ticketing by Malaysia Airlines

Malaysia Airlines System Berhad (MAS) is investing RM200 million in the next three years in a new passenger service system that will among other things enable the airline to be fully electronic ticketing (E-ticketing) capable by September. Customers will have two check-in options kiosks at the airport or the normal check in counters. Customers will also enjoy the ease of printing their own tickets and the option of making changes of their travel itinerary by themselves, thus not having to visit the ticketing office or travel agent. Moreover, check in will also easier a passenger will just have to show their e-ticket number and a form of identification. There will be no more problems associated with misplaced, damaged or forgotten tickets (The Star, Tuesday July 17, 2007).

Malaysia Airlines System Berhad has encountered a total loss after tax and exempted item which amounting to RM133, 737,000.00 for the financial year (The total loss after tax and exempted item is reported to be RM1,251,603,000.00 for the 2005 financial year). Therefore, Malaysia Airline System Berhad has established a Business Turnaround Plan (BTP) to ensure the company to regain profitability and achieve excellence. Passenger Services System (PSS) program is one of the key catalysts of the BTP that intend to offer passenger a more convenient and efficient travelling experience (Bursa Malaysia Berhad website, 2006).

Under the PSS program, Malaysia Airline will move away from traditional paper tickets to electronic ticket (e-tickets) before the end of 2007. This is in line with the International Air Transport Association (IATA) mandate

that all airlines will have to be 100% e-ticket capable by 31 December 2007. The move is expected to bring savings of approximately RM19.00 per ticket sold, with the elimination of material cost and back end process. The national airline expected savings of RM70mil a year by implementing E-ticketing (The Star, Tuesday July 17, 2007)

1.2   Background of Study

Nowadays, we can see people all around the world turning to the Internet for their needs and concerns. Technological advances have changed the consumer's mind about buying products or services through internet. Many companies have already known that the e-ticketing can become as part of their way to reduce costs in terms of advertising, business transactions and operations, increase its profits, convenience for customers and more informed in order to be consistent in competitive markets. Customers use the internet not only to buy the products and services through online, but also to compare prices, product features or service provided and post purchase facilities they will receive.

The rise of the Internet has created a new way of communicating and interacting with other people. Since the early 1990s, the public usage of the Internet has created a new concept called electronic business (e-business) and electronic commerce (e-commerce). E-commerce refers to selling of products and services over the web, while e-business is the transformation of key business processes through the use of Internet technologies. Online shopping has several benefits rather than traditional shopping Trust is very essential in online shopping because unlike traditional shopping where a consumer has the opportunity to touch and feel a product, meet a salesperson physically, observe their body

language and gestures before making a purchase decision, these vital social cues are either minimal or none in online shopping which makes it more challenging to establish trust.

There is a lot of Internet usage all around the world, but not everyone is willing to shop online. They are afraid to purchase online because of some factors like privacy, security, trust and many others. The factors of costs such as shipping and handling, or lengthy delivery times resulted in their abandoning an online purchase. An airline ticket is among activities that most Malaysians purchased online. Malaysia Airline System (MAS) was one of the airline companies that most of their customers purchased tickets through the Internet that started to implement e-ticketing on October 28, 2007. However, the adoption of e-ticketing was first launched by the low cost carrier, Air Asia about a decade ago.

E-ticketing is one of the most popular online transactions compared to other online transactions. According to the American express website, e-ticketing is one of the most significant opportunities to reduce costs, improve passenger convenience, reduce ticket processing charges, eliminate the need for paper and provide greater flexibility to the passenger and the travel agent to make changes to the journey.

1.3 Problem Statement

In the airline industry, adoption of e-ticketing is a new way of business strategies that widely adopted by companies in different countries. In Malaysia, e-ticketing offered by the airline industry is still in the introduction stage, the study on retailers website is not yet been subject by researchers. Internet retailing in Malaysia is still new business area and the implication of it may not attract researchers. Malaysian acceptance towards e-ticketing is low because lack of exposure about the promotion of retail websites in Malaysia. Not all Malaysian is having an experience and exposed to the online transaction over the internet. They are still hesitating hesitate to make online purchasing due to problems associated with privacy, security, the threat of fraud, and etc (Zailani, Kheng and Fernando, 2008). Besides that, the online purchasing requires a level of computer literacy for those people that purchase tickets online compare to traditional retail store.

Tickets cannot be given directly to the customers who may have a troublesome in collecting tickets on one day before or during the events started whereby customers have to show the reference number of A4 paper to get the their tickets. Thus, peoples are willing to buy the tickets without online ticketing due to some of the reasons. Although online ticketing provides a low cost and convenience for the customer, people are still choosing to buy the tickets directly to the ticket agents or outlets. Furthermore, it is also has insufficient workers to run the company's operations effectively. A company need to improve their work more effectively to compete with other competitors and build a customer trust or loyalty for a long term objective.

Past studies were conducted by Alam and Yasin (2010) and they had examined the factors that influenced the trust from customers towards online airline ticket purchasing in Malaysia. The study indicated that there is a difficult task to understand the consumers' intention on online brand trust thus leads to challenges faced by online retailers, therefore, in-depth investigation is needed in this study.

1.4 Research Question

This study attempts to answer the following question:

i. Is there any relationship between security of the website and the determinant of Malaysian Passengers' acceptance towards electronic ticketing in Malaysia Airline System?

ii. Is there any relationship between perceived risk and the determinant of Malaysian Passengers' acceptance towards electronic ticketing in Malaysia Airline System?

iii. Is there any relationship between perceived convenience and the determinant of Malaysian Passengers' acceptance towards electronic ticketing in Malaysia Airline System?

iv. What are the most significant factors affecting on Malaysian passengers' acceptance towards electronic ticketing in Malaysia Airline System?

1.5 Research Objective

This research is carried out with the general objective to investigate the determinant of Malaysian passengers' acceptance towards electronic ticketing in Malaysia Airline System (MAS). Thus, the specific aims of this study are:

i.   To identify the relationship between security of the website and the determinant of Malaysian Passengers' acceptance towards electronic ticketing in Malaysia Airline System.

ii. To identify the relationship between perceived risk and the determinant of Malaysian Passengers' acceptance towards electronic ticketing in Malaysia Airline System.

iii. To identify the relationship between perceived convenience and the determinant of Malaysian Passengers' acceptance towards electronic ticketing in Malaysia Airline System.

iv. To determine which factor is most significant to Malaysian passengers' acceptance towards electronic ticketing in Malaysia Airline System.

1.6   Significance of the Study

This research is significant in investigating the determinant of Malaysian passengers' acceptance towards electronic ticketing in the Malaysia airline system comprise convenience, security, and perceived risk. As mentioned, the Internet has become an indispensable element of the people especially the young generation, thus e-ticketing which is included in one part of the e-commerce becomes more popular and more favorable for the consumers. Hence, the Malaysia Airline System has tried to develop e-ticketing which covers all online ticketing progress, start from booking, payment to receipt of travel itinerary. This study also creates contribution for consumers and Malaysia Airline companies.

1.6.1 Malaysia Airline System

This study can be very useful and beneficial for the company because it will give them a step forward in order to know the effectiveness of the electronic ticketing. From this research, it also can help the company to become competent and to be successful in competing with rivalry. Moreover, this study can give the opportunity for Malaysia Airline System to make some changes and improvements in its services provided from time to time. It can also help the company to identify what are the factors that can change customers mind and sense towards the productivity showed by the company itself. By recognizing the human behavior from the past and future event arrangements, Malaysia Airline System may take some advantages and recommendations from this study to fulfill consumer's needs and wants.

1.6.2 Researcher

By conducting this research, it helps the researcher to practice on knowledge as a student of Bachelor in Business Management (Hons) International Business. It is very important because researchers can know a lot of things about the e-ticketing which covers all online ticketing progress, start from booking until payment to receipt of travel itinerary. The researcher also will be exposed to the first hand experience in carrying out the research to meet the academic requirement. At the same time, researchers can build their self-confidence and behavior in enhancing the skills in doing research. There will be some opportunity for the researchers to study another research someday and provide good information or recommendations towards the task given together with the best results.

1.6.3 Consumer

For consumers, they may become more concern and realize what will be the best decision they make for their own preferences while buying. Consumers can express their feelings and thought towards their complaining against dissatisfaction about the service quality which is provided by Malaysia Airline System. Within their willingness and honesty in participating in the questionnaire; this study can be filled up with the most valuable results in giving the best cooperation for future satisfactions besides generating a new idea for the e-ticketing systems not only for Malaysia Airline but also other online ticketing company. With the combination of information and customers appearance today, online company would learn a high productivity in handling such events, websites, customer service, cash refunds, company operations, etc. to become as one of the most influential company among competitors.

1.7 Scope of the study

The purpose of this study is to identify the determinant of Malaysian passengers' acceptance towards electronic ticketing in the Malaysia airline system. This proposal begins by reviewing the company's background, description of the student's role and responsibilities, literature review which contains some past information about this study, research methodology that will explain about research methods, implementations will be discussing on how this study will begins, recommendations, conclusions of the study and reference for the review.

1.8   Limitation of Study

Throughout completing the research, there are some limitations that might influence the accuracy of the result. Most of the limitations were cropping up during data collection and data analysis. The limitations are:

1.8.1   Lack of cooperation

During this research, researchers will be faced with lack of cooperation by the respondents. Respondents are usually reluctant and don't have a time to answer the question provided. Even if the researchers are trying to convince them, the respondents will try to avoid answering the question with unreasonable excuses. This factor may lead to difficulties in the problem findings and data collection for the researchers besides having an inexact result at the end of this study. Respondent's cooperation is important to make this study successful.

1.8.2   Time constraint

The time given to complete the research is very limited. The researcher had only several months to gather data and completed this study. In order to obtain accurate and reliable data, plenty of time needed for analysis thoroughly the data captured. Most of the times spend to collect and analysis data. To allocate the appropriate websites to analyze is very time consuming and need extra effort.

1.8.3   Lack of experience

The experience is a very important thing that can help the researcher to perform the research well. Due to the lack of experience, the researcher

faced with some difficulties in order to complete this research. Therefore, guidance from the expert is very important to complete this study.

1.8.4 Reliability

Reliability is more important for this study to make sure that the research indicates no bias and error free. Respondents have to answer the question correctly and honestly because if the answer contains rare information, the results will be also unrecognizable for the researchers. To gain a high quality and effectiveness of the study, respondents are recommended to answer correctly.

1.9 Definitions of Terms

1.9.1 Electronic Ticketing

E-ticketing refers to a paperless electronic document used for ticketing passenger, particularly in the commercial airline industry. The customer details booking will stored in a computer.

1.9.2 Security of the Website

Security is defined as the protection of data against accidental or intentional disclosure to unauthorized persons or unauthorized modifications or destruction (Zailani, Kheng and Fernando, 2008). In making business transactions online, it is important for consumers to feel secure in giving personal information including credit card details. Security, while a requirement for trust, is prevalent in more advanced e-commerce economies and as such is assumed by many consumers.

1.9.3 Perceived risk

In the context of this research, consumers' perceived risk can be classified in terms of economic risk, that is monetary loss from a buying decision made online; performance risk, that is when products or services purchased online do not meet consumer expectations and purchasing risk, that is, consumers' feelings of insecurity in making a purchase online. The amount of risk that consumers perceived in an online purchase transaction would certainly affect the level of trust that they may have in a particular brand.

1.9.4 Perceived convenience

Convenience is mentioned as the key online buying driver resulting from factors such as availability to shop at home 24 hours - day and night, 7 days a week, usability, speed and time savings, the provision of delivery services by suppliers and information capacity. But most importantly what makes online shopping so appealing is that users can shop right from the comfort of their homes or office and save time.

CHAPTER 2

LITERATURE REVIEW

2.0   Chapter Overview

This chapter provides the relevant literature review and evidence reported by previous studies. The literature review is the documentation of a comprehensive review of published and unpublished work from primary and secondary data in specific interest to the researcher. The purpose of the literature review is to ensure that no important variable that has in the past been found repeatedly to have an impact on the problem is ignored. A good literature survey is important to convince the reader that the researcher is knowledgeable about the problem area and has done the preliminary homework that is necessary to conduct the research (Uma Sekaran, 2003). In this chapter will be summarizing the previous research related to this study.

2.1   Introduction to E-Ticketing

Nowadays, online ticketing is becoming the fastest growing segment in the ticketing industry. E-ticketing is a term that had been used by most of the companies especially the airline industry in doing their businesses to proposing a new strategy, promoting, collecting database, giving detailed information, convenience and so on. *Zailani et.al (2008)* defined the e-ticketing as 'an online ticket holds the information previously held on a paper ticket in an electronic record'. *Sulaiman (2008)* stated that, with the e-ticketing model, authorized travel agents are allowed to transmit ticketing information directly to the airlines'

database, enabling passengers to check in and board the flight without showing a paper ticket.

With the technological advance, people will find an effective way to buy the ticket through online systems and get their tickets by courier service. On this way,it provides less cost in terms of its surcharge and easy to use for both online ticketing companies and the customers. All events will be arranged by the promoter and ticketing company which is selling, supply, promote and distribute tickets to the customer. Any change of the event such as venue, date and time are under the promoter's responsibilities. The process of electronic ticketing systems which provided by Ticket Hotline is from the confirmations of event, webpage, purchasing methods (online ticket agents), customers and redemption.

According to *Zailani et al* (2008), in Malaysia, an airline ticket is the activities that the most Malaysians purchased online. Air Asia has become one of the airline companies that their customers using the electronic ticketing to purchase ticket. Approximately, 60% of Air Asia overall booking is made online and the remaining 40% of bookings are done through the Call Centre, Preferred Travel Agents, Air Asia's Airport Stations and sales offices. Besides that, Malaysia Airline also has become another airline that Malaysian purchased tickets through the internet.

With the electronic ticketing system, the tickets are stored electronically, which makes them more flexible than paper ticket. Customer is no need to wait for paper tickets to arrive in the post. It also lets customers amend flight details up to 30 minutes before minimum check in times, subject to airline companies' normal

fare restrictions. Furthermore, checks in procedures are simple and quick and customers can use self-service kiosks or online check in, where available.

2.2   Security

According to *(Zailani et al, 2008),* 'security is defined as the protection of data against accidental or intentional disclosure to unauthorized persons, or unauthorized modifications or destruction'. Security is very important and has become a major concern because there may be a perception of risk involved in online transaction such as credit card numbers and personal information misuse by others. When a technology of e-commerce is introduced, consumers always concern whether their credit card information which has been given out will get hacked. They hardly predict that intended party would not misuse the information that they have provided. Therefore security is always controversial and significant to passengers' intention of using e-ticketing.

Customers would only prefer to e-ticketing only if they were confident with the security of the payment system *(Allred et.a 2006; Paynter & Lim, 2001). Kolsaker (2004)* examined that respondents need to be guaranteed about the safety of online transaction and some service back up from vendors. Customers were worried about data security and this was found to be the major reason for not purchasing tickets on websites; without security, high reluctance of customers will purchase tickets online *(Sulaiman, 2008).*

According to *Alam and Yasin (2008),* it is important for consumers to feel secure when they purchase online because it involve in giving personal information including credit card details. Park and Kim (2003) suggested that perceptions of

security are significantly affected the consumers' actual purchase intention. Furthermore, it is one of the biggest barriers that can prevent consumers from purchasing the item online, *(Nikhashem et.al, 2011)*. However, *Arshad et al. (2008)* claimed that security was not that concerned with organizations and consumers as consumers were confident in security measures by organizations.

Since security is always a great concern and has a great influence on the consumers' attraction of purchasing tickets online based on the past studies, this variable is adopted to examine the relationship between security and consumers' attraction towards adoption of e-ticketing on Malaysia airlines.

2.3   Convenience

According to *Zailani et al (2008),* convenience refers to what the customer feels about the website. The website should be designed in a way that is user friendly, simple and intuitive for potential buyers, who are not familiar with online shopping. In the study done by *Delafrooz et.al (2011*) had concluded that there was a significant and positive relationship between convenience and attitude toward online shopping since online shopping is more convenient comparing to shop in-store. Simultaneously, *Alam and Yasin (2010)* indicated that convenience is the factor that causes purchasing of air tickets online become more popular in Malaysia. *Kare-Silver* (as cited in *Sulaiman et al*., *2008)* discovered that, 'convenience is at the heart of what fundamentally drives demand for the Internet'.

A research conducted by *Sulaiman (2008)* on motivators and barriers of e-ticketing had clearly indicated that convenience serves as the second positive

17

perception of the consumers towards e-ticketing. *Wolfinbarger and Gilly (2001)* found that convenience is one of the most important attributes of online shopping for consumers. However, previous studies also found that convenience is not the greatest concern to the consumer to purchase ticket online.

Moreover, *Paynter and Lim (2001)* indicated that due to the business environment which is culturally different in Malaysia, convenience of time and spatial are not the main reasons motivated Malaysian consumers to shop online. *Eastin (2002)* stated that, convenience as the influential independent variable had been proven by the analysis that there is a positive relationship between perceived convenience of the e-commerce and the adoption of online shopping, banking, investing and Internet.

According to *Kolsaker et al (2004),* convenience is stated as the driver of online buying resulting from factors such as availability to shop at home 24hr /7 days a week, usability, speed and time savings, the provision of delivery services by suppliers and information capacity. Since previous studies have different perceptions towards the relationship between convenience and consumers' attraction to purchase tickets online, it is significant to examine whether convenience will significantly influence customer's intention towards adoption of e-ticketing on Malaysia airlines.

2.4   Perceived risk

According to *(Caral-Mafe, 2009),* perceived risk means the individual's subjective belief about some potentially negative consequences of his/her decision. Perceived risk caused consumer uncertainty due to high level risks existing with online shopping in the virtual world *(Boksberger, Bieger & Laesser, 2007*; *Martin & Camarero, 2008)*. *Samadi* and *Yaghoob-Nejadi (2009)* has justified that the greater the perceived risk of online buying, the lower the future purchasing intention via the Internet. Moreover, *Samadi* and *Yaghoob-Nejadi (2009)* indicated that there have a few of the researchers have successfully proved that purchase intention is negatively associated with perceived risk when online purchase. *Bigné, et al. (2010)* claimed that perceived risk has a negative impact on the consumer's attitude towards airline tickets online shopping because of non-shoppers worries that there will be a theft of embezzler when using a credit card as the payment method and it concerns with transaction privacy and confidentiality.

However, *Kanungo and Jain (2004)* study showed that there is an insignificant negative impact of perceived risk of the intention to purchase over the Internet because perceived usefulness acts as a mediating effect between the perceived risk and perceived intention. When perceived risk is high, consumers will become more risk adverse. Thus, perceived risk was insignificantly negatively correlated impulsive buying intention (Lee & Yi, 2008). *Nikhashem et al, (2011)* stated that, a perceived risk will be the main obstacle for consumer want to have online transaction.

Perceived risk is broadly known as important determinants of consumer behavior and act as important predictors of impulsive buying *(Lee & Yi, 2008). Bigné, et al. (2010)* found that risk, trust and perceived behavior control will affect the intention of consumers. In addition, previous researches done by *Kamarulzaman (2007)* have found risk perception to be an important component when adopting Internet tourism service. Thus, perceived risk should also be considered to give a good explanation on the consumers' reaction at to use online services.

2.5   Theoretical Framework

According to Sekaran (2003), a theoretical framework is a conceptual model of how one theorizes or makes logical sense of the relationship among the several factors which have been identified as important to the problem.
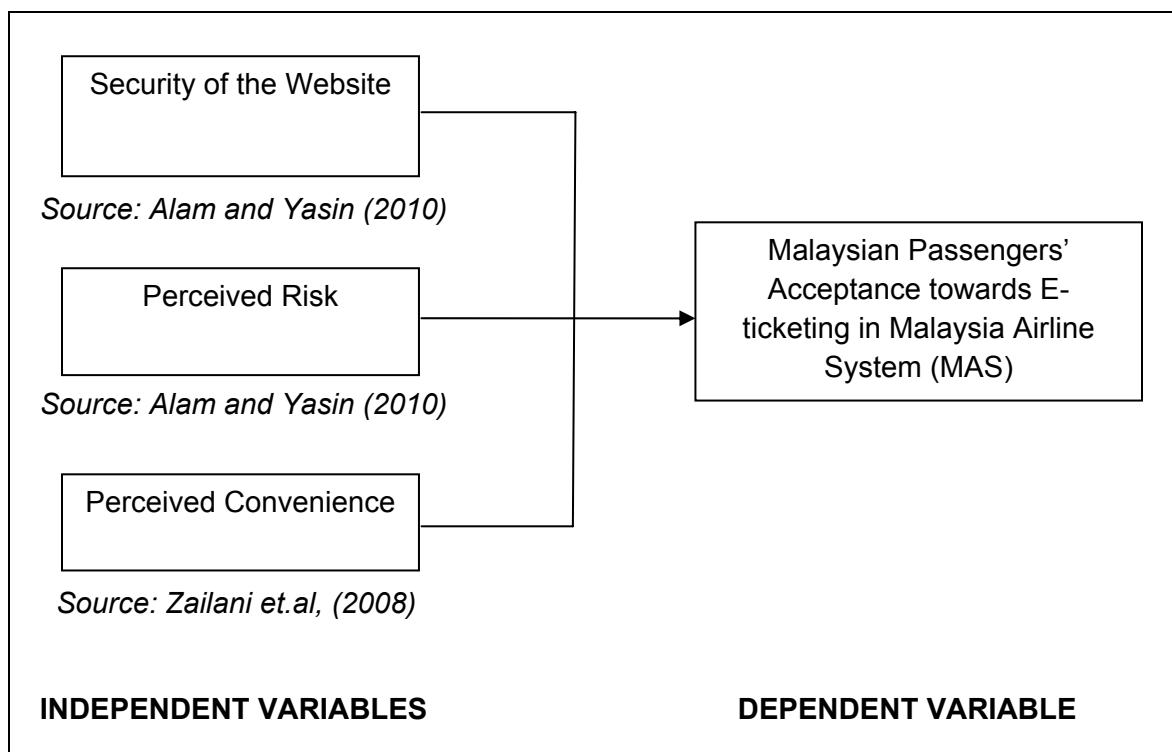
Figure 2.1: Theoretical framework

2.5.1 Dependent Variable

The dependent variable is the primary interest to the researcher. The researchers' goal is to understand and describe the dependent variable, or to explain its variability. In other words, it is the main variable that lends itself for investigation as a viable factor. The dependent variable for this study is Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines.

2.5.2 Independent Variable

The independent variables that have been recognized in this study are security of the website, perceived convenience and perceived risk. These all three variants will be studied to determine what is the determinant of Malaysian passengers' acceptance towards electronic ticketing in Malaysia airlines.

2.6 Research Hypothesis

A hypothesis can be explained as a relationship between two or more variables that expressed in the form of a suggested explanation for an observable phenomenon. By testing the hypothesis, the expected relationship can be found exactly and comprehensively so that this study should have a good result at the end of the research. There are five key determinants selected as the independent variables, which include security of the website, perceived risk and perceived convenience. To test whether there is a relationship between dependent and independent variables, three hypotheses are been develop.

Null Hypothesis (Ho)

It is the conjecture that postulates no differences or no relationship between or among variables.

Alternate Hypothesis (H1)

An educated conjecture that sets the parameters one expects to find. The alternate hypothesis is tested to see whether or not the null is to be rejected.

Hypothesis 1: Security of the website

H_1: There is a relationship between security of the website and the determinant of Malaysian Passengers' acceptance towards e-ticketing in Malaysia Airlines.

H_0: There is a no relationship between security of the website and the determinant of Malaysian Passengers' acceptance towards e-ticketing in Malaysia Airlines.

Hypothesis 2: Perceived convenience

H_1: There is a relationship between perceived convenience and the determinant of Malaysian Passengers' acceptance towards e-ticketing in Malaysia Airlines.

H_0: There is no relationship between perceived convenience and the determinant of Malaysian Passengers' acceptance towards e-ticketing in Malaysia Airlines.

Hypothesis 3: Perceived risk

H_1: There is a relationship between perceived risk and the determinant of Malaysian Passengers' acceptance towards e-ticketing in Malaysia Airlines.

H_0: There is no relationship between perceived risk and the determinant of Malaysian Passengers' acceptance towards e-ticketing in Malaysia Airlines.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 **Chapter Overview**

This chapter will explain the method of research designed that is used to collect data and the possible factors that contribute to the issue. As an introductory chapter for research methodology, provides a description of the method used to collect and analyze the data in order to go with the research objectives and research questions. This chapter contains research design, sampling design which embraces of target population, sampling frame, sampling elements, sampling technique and sampling size, data collection method, variables and measurement, and lastly the conclusion.

3.1 **Research Design**

This study will conduct based on descriptive research to identify the influence of determinants which included security, perceived convenience and perceived risk on Malaysian passengers' acceptance towards electronic ticketing provided by the Malaysia airline system (MAS). Descriptive research is also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research is well planned and structured, the information required and the problem statement of the research is clearly defined. This study is a quantitative research as data are collected through questionnaire survey and is created using numerical data for data analysis.

3.2 Population, Sample and Sampling Procedures

3.2.1 Population

The study covers the determinants of Malaysian passengers' acceptance towards electronic ticketing provided by the Malaysia airline system (MAS). This study is to investigate the characteristics, customer satisfaction and public awareness. The target population for this research is focused on those who have purchasing ability, over 18-55 years of age at Subang Airport.

3.2.2 Sampling Frame

The sampling frame is a means of representing the elements of the target population from which the sample is drawn. It would not be adopted in this study due to the use of non-probability sampling technique.

3.2.3 Sampling Elements

For this research, the unit of analysis of the research was restricted to those who have purchasing ability. Thus, the targeted respondents were students who had incentives for parents, above 18 years old and working adults who have stable incomes, age between 18 to 55 years old. Students are included in this study because they are upcoming generation and highly dependent on the Internet especially for online shopping. While working adults with stable income enable them to have purchasing ability through the Internet.

3.2.4 Sampling Technique

Sampling technique can be classified into two techniques, which are non-probability sampling and probability sampling. In this research study, the sampling technique that applied is non-probability sampling technique due to inability to obtain sample frame and non-probability sampling technique is cheaper and faster than probability sampling technique in terms of capital and commodity. The types of non-probability sampling technique that being adopted in this research study are convenience sampling where all the targeted respondents have been acquired most conveniently. Convenience sampling is chosen because it has the advantages of cost-efficient and less time consuming and most convenient if compare with other sampling techniques.

3.2.5 Sample Size

According to Malhotra and Peterson (2006), the bigger the sample size, the more accurate the data generated but the sample size is different in various situations. The sample size of this study was drawn among Malaysian passenger in Subang Airport. The researcher takes 100 of the respondents as the sample for the research paper.

3.3 Data Collection Method

3.3.1 Primary Data

Primary data refer to information obtained first-hand by researcher on the variables of interest for the specific purpose of the study (Sekaran, 2010). The questionnaire is the primary data that have been used in this

research study to obtain the information. It consists of a set of question presented to the respondent to be answered. The type of question is closed question format which makes it easier for respondents to answer and it is convenient for researchers to interpret the data information gathered

3.3.1.1 Questionnaire

A questionnaire is a structural technique for data collection that consists of a series of question written or verbal that a respondent's answer (Malhotra, 2004). Questionnaires were given to the Malaysian passengers at Subang Airport. The researcher will choose 100 respondents. After respondents completed answer the questionnaire, it has been returned to the researcher for next step actions and interprets the data from the questionnaire.

3.3.2 Secondary Data

3.3.2.1 Internet

The researcher used the internet to seek the information. Through the internet, researcher can obtained written reports and e-journal published by the other people. Seeking information through the internet saved most of the researcher's time as it easy and quick to be accessed either from home, library or even cyber station available.

3.3.2.2 Journals

The journal is the main data that the researcher uses for the research. In order to complete this research, researcher is using the journal as a reference to get the information that cannot be gotten if using primary data as a data collected. The journals are used for the reference from the previous studies to support the research findings. Those journals used in this study gather from the website of Emerald and also ProQuest.

3.3.2.3 Articles

Articles were also the secondary data sources that have been used in this study. Articles were searched in Google using similar keywords especially on online trade journals related to airline, Malaysia Airlines and etc.

3.3.2.4 Books

A book titled Research Methods for Business by Uma Sekaran has been used as the main reference and guidance for this research. This book gives the guideline on how to conduct a research paper. Most textbooks that researcher used related to the theories of preparing the research proposal and also related to analyzing the data collected and ways of preparing research reports.

3.3.3 Survey instrument

The questionnaire was used to inquire about the respondents' perceptions on the usage of e-ticketing online systems. The questionnaire was divided into 5 sections. Section A will be focused on collecting the respondents' demographic and information details such as gender, age, marital status, education, race, and personal income. The 4 point Likert scale was used for all items ranging from "strongly agree" to "strongly disagree". Respondents are also will be given a simple question and easy to understand that will take a few minutes to answer it with a convenient and economical sampling method to obtain the respondents.

3.4 Variables and Measurement

3.4.1 Dependent Variable

The dependent variable for this study is Malaysian passengers' acceptance towards adoption E-ticketing in Malaysia Airline System

3.4.2 Independent Variables

For this study, there are three independent variables that will be measured. There are perceived risk, security of the website and perceived convenience.

3.5 Data Analysis

The data were collected from the survey conducted through questionnaires, and the data collected been keyed in and analyzed through the Statistical Package for the Social Science (SPSS) program after coding.

3.5.1 Reliability Analysis

The researcher used reliability test to test whether each item in dependent and independent variables is accepted or reliable or not in this study regarding to the topic interest. Table produced from reliability test will refer to Cronbach's alpha which is based on average correlation of items within a test if the items are standardized. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability.

3.5.2 Frequency Distribution

The frequency distribution is used for obtaining a count of the number of responses associated with different values of one variable and to express these count in percentage terms. The frequency distribution is used to analyze the respondents' demographic profile in part A such as gender, age, marital status, ethnic group, income level and education level.

3.5.3 Descriptive Analysis

Descriptive analysis is used to describe and explain the information of sample collected and summarizes a given data set, which can either be a representation of the entire population or a sample. The measures used to describe the data set are measures of central tendency and measures of variability or dispersion.

3.5.4 Correlation Analysis

Pearson correlation analysis will be used to analyze the relationship between two variables or to measure the degree of association between variables *(Parasuraman, 1986).* In analyzing the result, the researcher

wants to investigate the relationship exists between two variables, dependent and independent variables. The analysis can be interpreted as high, moderate and low correlation based on the score computed.

3.5.5 Regression Analysis

Multi Linear regression analysis is an analysis of the relationship between one variable (dependent variable) and set of variations (independent variables). It is used by the researcher to test the hypothesis. As with all hypothesis tests, the goal is to reject the null hypothesis and accept the alternative hypothesis.

CHAPTER 4

FINDINGS AND DISCUSSION

4.0   Chapter Overview

This chapter aims to present and discuss the research findings. Data collected from questionnaires were analyzed using SPSS Version 20.0. Data generated from this research has to be interpreted to be meaningful and this chapter serves this purpose via result and interpretations. The main purpose of this research is to investigate the determinant of Malaysian passengers' acceptance towards electronic ticketing: a study on Malaysia Airline System.

4.1   Reliability Analysis

According to Malhotra (1996), reliability is the extent to which a scale produces consistent results if repeated measurements are made on the characteristics. Reliability of measure is established by testing for both consistency and stability. While the Cronbach's Alpha is a reliability coefficient that indicated how well the items in a set are positively correlated to one another. As note that, reliability test used to test all the questions in questionnaires either it was reliable or not with this study.

Alpha Coefficient Range	Strength of Association
0<0.6	Poor
0.6<0.7	Moderated
0.7<0.8	Good
0.8<0.9	Very Good
0.9	Excellent

Table 4.1: Rules of Thumb about Cronbach's Alpha

4.1.1 Reliability Statistics - (Dependent Variable)

Reliability Statistics	
Cronbach's Alpha	N of Items
.797	3

Table 4.1.1: Reliability Statistics of Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines Dependent Variable

According to table 4.1.1 above, the Cronbach's Alpha for dependent variable is 0.797. It is within the rank of 0.7<0.8 which means that the data obtained from the study is considered as good. Thus, all questions for this dependent variable are acceptable.

4.1.2 Reliability Statistics – Security (Independent variable)

Reliability Statistics

Cronbach's Alpha	N of Items
.609	6

Table 4.1.2: Reliability Statistics of Security

As stated in table 4.1.2 above, the Cronbach's Alpha for security is 0.609. It is within the rank of 0.6<0.7 which means that the data obtained from the study is considered as moderate. However, all questions for this independent variables are acceptable.

4.1.3 Reliability Statistics – Risk (Independent variable)

Reliability Statistics

Cronbach's Alpha	N of Items
.874	7

Table 4.1.3: Reliability Statistics of Risk

The Cronbach's Alpha for risk is 0.874. It is within the rank of 0.8<0.9 which means that the data obtained from the study is very good. Thus, all questions for these independent variables are acceptable.

4.1.4 Reliability Statistics – Convenience (Independent variable)

Reliability Statistics	
Cronbach's Alpha	N of Items
.731	6

Table 4.1.4: Reliability Statistics of Convenience

According to table 4.1.4 above, the Cronbach's Alpha for convenience is 0.731. It is within the rank of 0.7<0.8 which means that the data obtained from the study is considered as good. Thus, all questions for this independent variable are acceptable.

4.2   Frequency Analysis

According to Sekaran (2003), frequencies refer to the number of times various subcategories of a certain phenomenon occurs from which the percentage and cumulative percentages of their occurrence can be easily. The objective is to obtain a count of the number of responses associated with different values of the variable. This analysis is appropriate and suitable to analyze the question in Section A which is respondent profile such as gender, marital status, age, ethnic group, monthly income, and academic qualification.

4.2.1 Gender

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	39	39.0	39.0	39.0
Valid	Female	61	61.0	61.0	100.0
	Total	100	100.0	100.0	

Table 4.2.1 Frequency table of gender
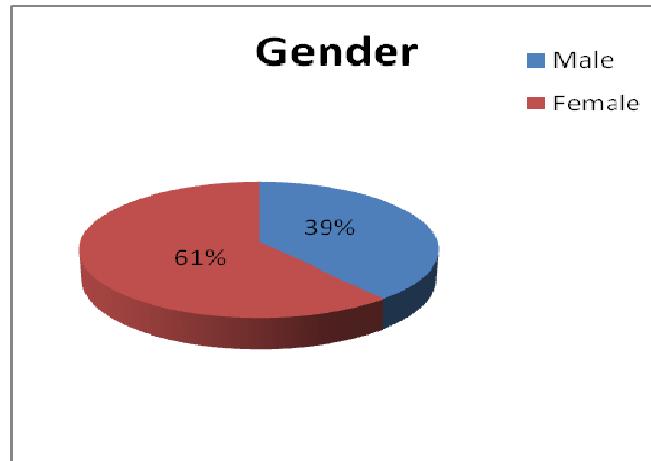
Figure 4.2.1: Percentage of Respondents Based on Gender

According to table 4.2.1 above, indicates the gender of respondents who answered the questionnaire. Based on the result, a female respondent is more than male respondents. For males, there were 39 which consist of 39% and the females were 61 which consist of 61%.

4.2.2 Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
	18-24 years	22	22.0	22.0	22.0
	25-34 years	44	44.0	44.0	66.0
Valid	35-44 years	21	21.0	21.0	87.0
	45-55 years	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

Table 4.2.2: Frequency Table for Age
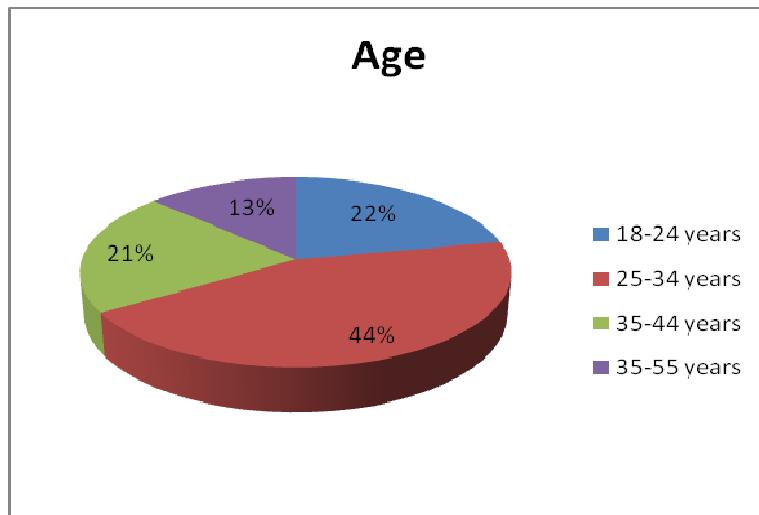
Figure 4.2.2 Percentage of Respondent Based on Age

The pie chart shows the frequency of the respondents' age group. The majority of the respondents falls into the age group of 25 to 34 years old which is 44 (44%), followed by the age group of 18 to 24 years old which is 22 (22%). Meanwhile, 21 (21%) of the respondents are between 35 to 44 years old. Only 13 (13%) of the respondents are 46 to 55 years old.

4.2.3 Ethnic Group

Ethnic group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	63	63.0	63.0	63.0
	Indian	19	19.0	19.0	82.0
	Chinese	17	17.0	17.0	99.0
	Others	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Table 4.2.3: Frequency Table for Ethnic Group
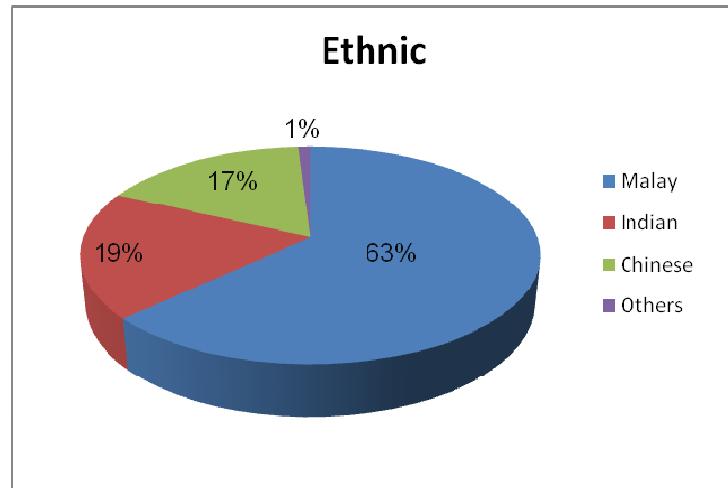
Figure 4.2.3: Percentage of Respondent Based on Ethnic Group

Table 4.2.3 shows that the majority of the respondents are Malay which consists of 63% and followed by Indian which consist of 19% of respondent. Meanwhile, Chinese consists of 17% and the last respondent are others which consist of 1%.

4.2.4 Marital Status

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	38	38.0	38.0	38.0
	Married	59	59.0	59.0	97.0
	Divorce	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

Table 4.2.4: Frequency Table for Marital Status
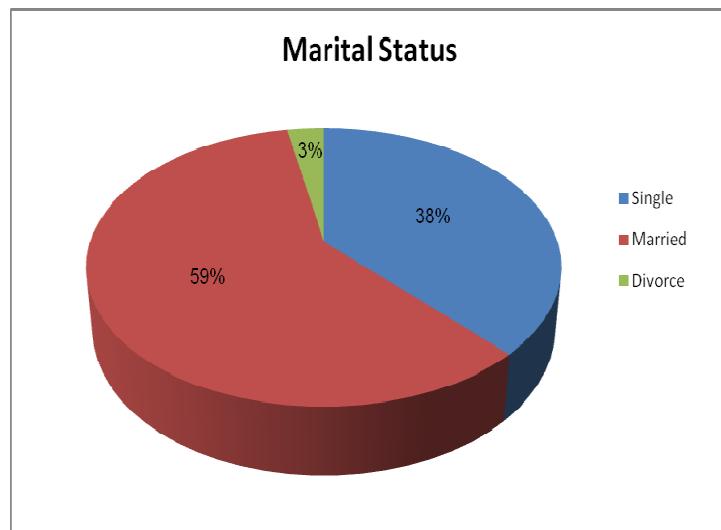
Figure 4.2.4: Percentage of Respondent Based on Marital status

Table 4.2.4 shows the marital status of respondents which are categorized into three different statuses. Single shows total of respondents which are 38 respondents and represents 38 % overall respondents, followed by married that shows 59 respondents or 59 % of overall respondents. Finally, divorce shows the lowest total number of respondents with 3 respondents or 3% of overall respondents.

4.2.5 Income Level per Month

Income level per month

		Frequency	Percent	Valid Percent	Cumulative Pelrcent
Valid	Below RM2, 000	18	18.0	18.0	18.0
	RM2, 000-RM2, 999	24	24.0	24.0	42.0
	RM3, 000-RM3, 999	39	39.0	39.0	81.0
	RM4, 000-RM4, 999	10	10.0	10.0	91.0
	RM5, 000-RM5, 999	8	8.0	8.0	99.0
	RM6, 000 Above	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Table 4.2.5: Frequency Table for Income Level
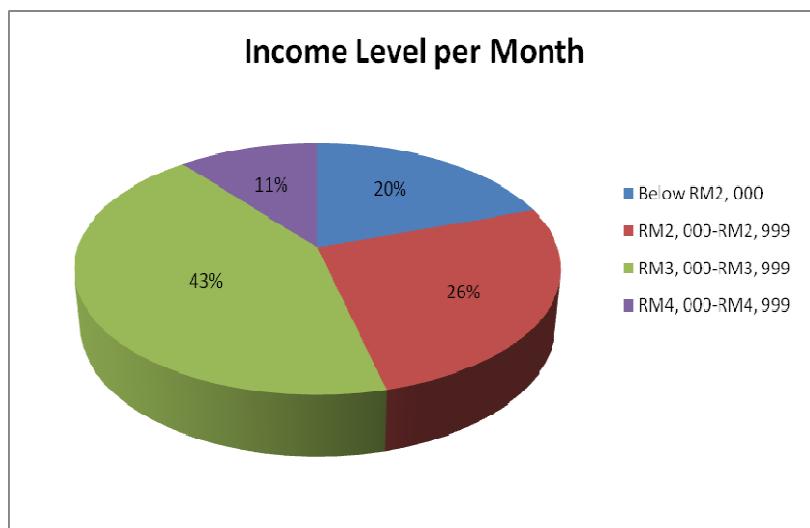
Figure 4.2.5: Percentage of Respondent Based on Income Level

The income for the majority of 39 (39%) respondents' falls into the category of RM3, 000-RM3, 999, 24 (24%) respondents earn between RM2, 000-RM2, 999, while 18 (18%) respondents are having Below RM2, 000 monthly income level. The 10 (10%) respondents fall into the category of RM4, 000-RM4, 999 whereas 8(8%) respondents earn RM5, 000-RM5, 999 and 1 (1%) respondent receive RM6, 000 and above.

40

4.2.6 Academic Qualification

Academic qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Master	6	6.0	6.0	6.0
	Degree	33	33.0	33.0	39.0
	Diploma	41	41.0	41.0	80.0
	SPM	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Table 4.2.6: Frequency Table for Academic Qualification
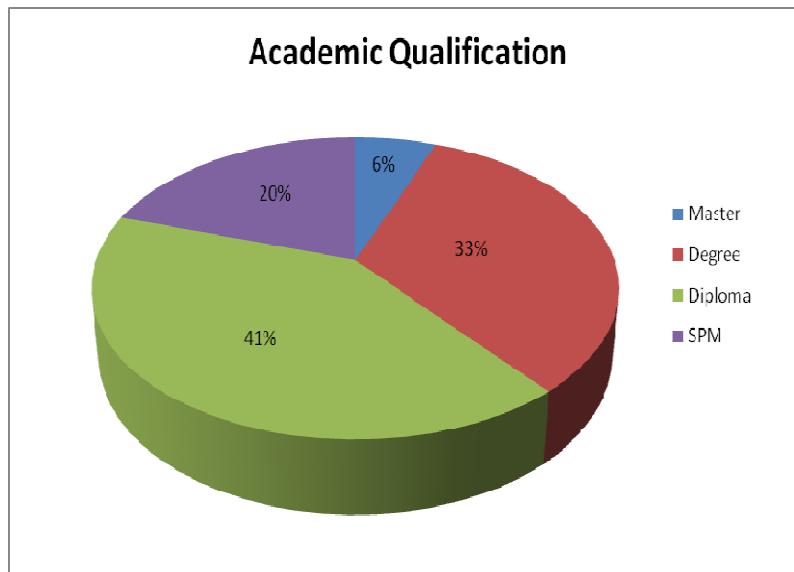
Figure 4.2.6: Percentage of Respondent Based
on Academic Qualification

According to the table 4.2.6, majority of the respondents' academic qualification are diploma which consists of 41%, followed by degree 33%. Total 20% of the respondents completed their SPM level while master consists of 6%.

4.2.7 Respondents Having Experience on Purchasing Tickets Online

Have you purchase airline e-ticketing before?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	78	78.0	78.0	78.0
	No	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

Table 4.2.7: Frequency Table for Respondents Having Experience on Purchasing Tickets Online
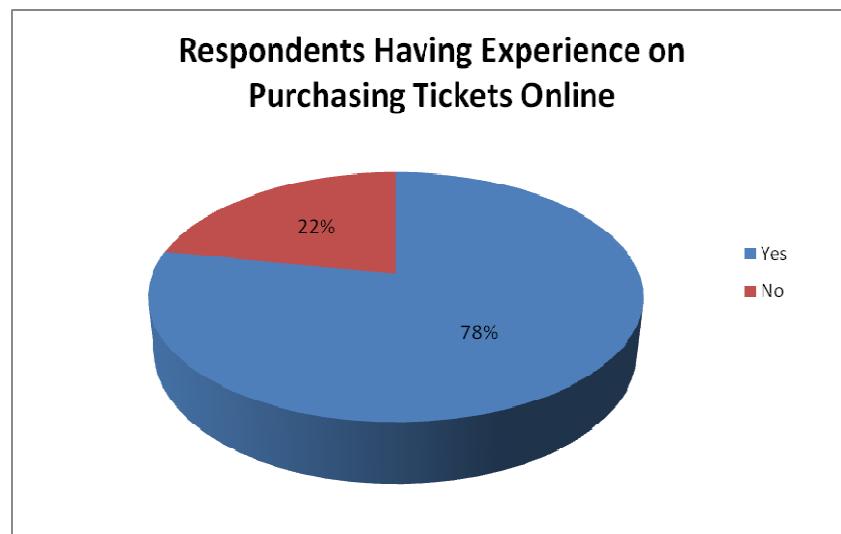
Figure 4.2.7: Percentage of Respondent Based on Respondents Having Experience on Purchasing Tickets Online

Table 4.2.7 shows that 78% of respondents have experience on purchasing tickets through Internet, while the remaining 22% of respondents have no any experience.

4.2.8   Types of Company that Respondent Purchased Ticket Online

If yes, please specify where/which company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Air Asia	38	38.0	48.7	48.7
	Malaysia Airlines	28	28.0	35.9	84.6
	Firefly	12	12.0	15.4	100.0
	Total	78	78.0	100.0	
Missing	System	22	22.0		
Total		100	100.0		

Table 4.2.8: Types of Company that Respondent Purchased Ticket Online
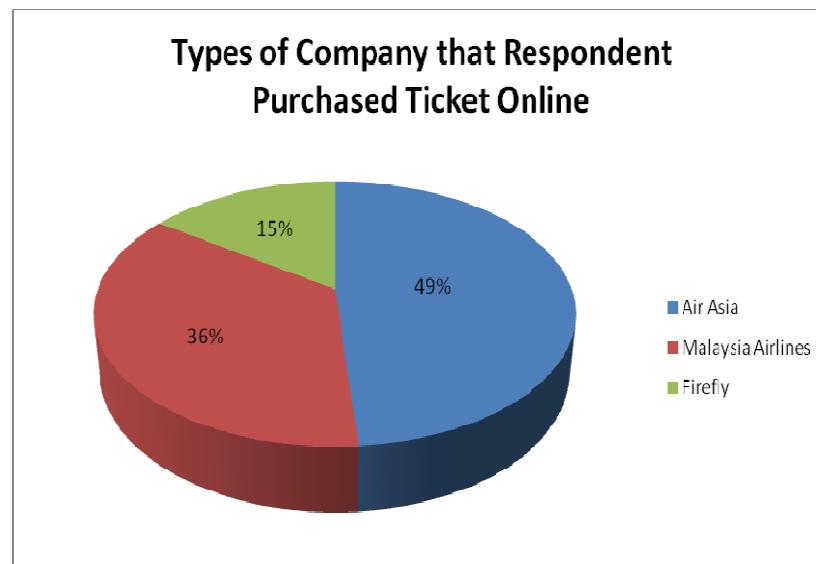
Figure 4.2.8: Types of Company that Respondent Purchased Ticket Online

According to table 4.2.8, various types of airlines online tickets had been purchased by the 78 out of 100 respondents, which is 38 (38%) respondents have experience on purchase of Air Asia online tickets, followed by Malaysia Airlines which consists of 28 (28%), and the remaining 12 (12%) is the Firefly online ticket.

43

4.3   Descriptive Analysis

Descriptive analysis is used to describe the attributes of a system. A typical procedure is to first identify the attributes present, and then rate these attributes. Magnitude estimation can be used to correlate each of the attribute's relative contributions to the final system.

Range of Mean	Measure
0-1.49	Strongly Disagree
1.5-2.49	Disagree
2.5-3.49	Neutral
3.5-4.49	Agree
4.5-5.49	Strongly Agree

Table 4.3: Ranges of means

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Security	100	2.50	5.00	3.9133	.51109
Risk	100	1.71	5.00	3.6614	.73789
Convenience	100	2.83	5.00	4.2767	.45209
Valid N (listwise)	100				

Table 4.3.1: Descriptive Statistics

Based on Table 4.10, the highest mean is 4.2767 where most of the respondents agree that convenience is the main factors that influence Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines. Besides that, respondents with a total mean of 3.9133 agree that security is the second factor that influence Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines. Lastly, the lowest mean is 3. 6614 where most of the respondents agree that risk

is the third factor that influence Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines.

4.4   Pearson Correlation Coefficient

The Pearson correlation measures the linear relationship between two intervals and/ or ratio scaled variables. Based on the scores computed the analysis can be interpreted. This analysis is appropriate since researcher use interval measurement scales. One of the issues is to determine whether the correlation coefficient is statistically significant. Regardless of its absolute size, a correlation coefficient has no meaning unless it is statistically significant. Then, if the relationship is significant, we must decide what strength of association is acceptable. The rules of thumb (Hair, 2003) have been proposed to characterize the strength of the association between variables, based on the absolute size of the correlation coefficient.

Coefficient size	Strength of Relationhip
± 0.91 to ± 1.0	Very Strong
± 0.71 to ± 0.90	Strong
± 0.41 to ± 0.70	Moderate
± 0.21 to ± 0.40	Small but definite relationship
± 0.01 to ± 0.20	Slight, almost negligible

Table 4.4: Range of Pearson Coefficient

4.4.1 **Correlation between convenience and Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines**

Correlations		Convenience	DV
Convenience	Pearson Correlation	1	.440**
	Sig. (2-tailed)		.000
	N	100	100
DV	Pearson Correlation	.440**	1
	Sig. (2-tailed)	.000	
	N	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.4.1: Correlation of convenience

Based on Table 4.4.1, it is reported that there is a positive and moderate relationship exist between convenience and the Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines (r = .440, p < .01). Therefore, it can be concluded there is a relationship between these two variables. Based on the significant value obtained, it proves that the alternate hypothesis in this study are failed to reject. The correlations are significant at the 0.01 level as all the p-values state in 0.000.

4.4.2 Correlation between security and Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines

Correlations		Security	DV
Security	Pearson Correlation	1	.140
	Sig. (2-tailed)		.164
	N	100	100
DV	Pearson Correlation	.140	1
	Sig. (2-tailed)	.164	
	N	100	100

Table 4.4.2: Correlation of Security

From the table 4.4.2 above, it shows that security has positively correlated with Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines. The strength of the relationship is relatively slight, and almost negligible where correlation between the dependent variable with the independent variable is r = .140. However, the independent variable has no significant correlation with the dependent variable as the significant value 0.164 above the .01 level. Therefore, for security, null hypothesis is fail to reject and as there is no significant between security and Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines.

4.4.3 **Correlation between risk and Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines**

Correlations		Risk	DV
Risk	Pearson Correlation	1	.062
	Sig. (2-tailed)		.539
	N	100	100
DV	Pearson Correlation	.062	1
	Sig. (2-tailed)	.539	
	N	100	100

Table 4.4.3: Correlation of Risk

From the table 4.4.3 above, it shows that the risk has positively correlated with Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines. The strength of the relationship is relatively slight, and almost negligible where correlation between the dependent variable with the independent variable is r = .062. However, the independent variable has no significant correlation with the dependent variable as the significant value 0.539 above the .01 level. Therefore, for risk, null hypothesis are failed to reject as there is no significant between risk and Malaysian passengers' acceptance towards e-ticketing in Malaysia Airlines.

4.5 Hypothesis Testing

When the all variables in this study have been analyzed, all hypotheses should be discussed to determine its relevancy and whether it is supported or not. For this research study, Pearson Correlation Analysis was used to determine the relationship between independent and dependent variables. If the significant of the variable shows the result less than 0.01 it will lead to significant relationship between the two variables.

4.5.1 Security of the Website

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.140[a]	.020	.010	.63864

a. Predictors: (Constant), Security

b. Dependent Variable: DV

Table 4.5.1(a): Model Summary for security

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.803	1	.803	1.970	.164[b]
	Residual	39.970	98	.408		
	Total	40.773	99			

a. Dependent Variable: DV

b. Predictors: (Constant), Security

Table 4.5.1(b): ANOVA Table for security

Table shows that Anova table indicates independent variable which is the security of the website and the dependent variable which is Malaysia passengers' acceptance towards e-ticketing in Malaysia Airlines. According to Anova table above, the significant level of

Anova is .164 which is > 0.05. Fit model resulted with 1.970. Therefore, for security, alternated hypothesis will be rejected while null hypothesis can be accepted.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.484	.496		7.029	.000
	Security	.176	.126	.140	1.403	.164

a. Dependent Variable: DV

Table 4.5.1(c): Coefficients table for security

Based on table 4.5.1 (c), illustrate the coefficient to what extent the level of Malaysian passengers' acceptance towards e-ticketing in Malaysia airlines. From the table shows, the security has a value of beta which is .140 with the significant value of .164. Since the significant value is P>0.01, it means the security of the website not influence the level of acceptance of Malaysian passengers to purchase ticket online.

4.5.2 Perceived Convenience

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.440[a]	.194	.186	.57911

a. Predictors: (Constant), Convenience

b. Dependent Variable: DV

Table 4.5.2(a): Model Summary for convenience

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.907	1	7.907	23.577	.000[b]
	Residual	32.866	98	.335		
	Total	40.773	99			

a. Dependent Variable: DV

b. Predictors: (Constant), Convenience

Table 4.5.2(b): ANOVA table for Convenience

Table shows that Anova table indicates independent variable which is the convenience and the dependent variable which is Malaysia passengers' acceptance towards e-ticketing in Malaysia Airlines. According to Anova table above, the significant level of Anova is .000 which is < 0.05. Fit model resulted with 23.577. Therefore, for convenience, the null hypothesis will be rejected while alternate hypothesis can be accepted.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.500	.554		2.709	.008
	Convenience	.625	.129	.440	4.856	.000

a. Dependent Variable: DV

Table 4.5.2(c): Coefficient table for convenience

Based on table 4.5.2 (c), illustrate the coefficient to what extent the level of Malaysian passengers' acceptance towards e-ticketing in Malaysia airlines. From the table shows, the convenience has a value of beta which is .440 with the significant value of .000. Since the significant value is $P<0.01$, it means the perceived convenience is influencing the level of acceptance of Malaysian passengers to purchase ticket online.

4.5.2 Perceived Risk

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.062^a	.004	-.006	.64377

a. Predictors: (Constant), Risk

b. Dependent Variable: DV

Table 4.5.3(a): Model Summary for risk

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	.158	1	.158	.381	.539^b
1	Residual	40.616	98	.414		
	Total	40.773	99			

a. Dependent Variable: DV

b. Predictors: (Constant), Risk

Table 4.5.3(b): ANOVA table for risk

The table shows that Anova table indicates independent variable which is risk and the dependent variable which is Malaysia passengers' acceptance towards e-ticketing in Malaysia Airlines. According to Anova table above, the significant level of Anova is .539 which is > 0.05. Fit model resulted with .381. Therefore, for risk, alternated hypothesis will be rejected while null hypothesis can be accepted.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.975	.327		12.140	.000
	Risk	.054	.088	.062	.617	.539

a. Dependent Variable: DV

Table 4.5.3(c): Coefficient table for risk

Based on table 4.5.3 (c), illustrate the coefficient to what extent the level of Malaysian passengers' acceptance towards e-ticketing in Malaysia airlines. From the table shows, the perceived risk has a value of beta which is .062 with the significant value of .539 since the significant value is $P>0.01$, it means the perceived risk not influence the level of acceptance of Malaysian passengers to purchase ticket online.

CHAPTER 5:

CONCLUSION AND RECOMMENDATION

5.0 Chapter Overview

In this chapter, the researcher summarized and concluded this study. Recommendations and suggestions concerning areas to be marked in future research as well as the various limitations existed in this research. There are five chapters that have been discussed in this research study. In chapter one, the researcher introduced the background of study, background of company that included all the information about the company, research questions, research objective and give a detailed literature review for studied variables in chapter two. After that, the researcher proceeds with chapter three which explained about the research methodology and describes this research result that being carried out after the survey had done in chapter four. Lastly, the researcher will conclude and give some recommendation for future research. From this point, research objectives that have been formulated will be discussed in this section.

5.1 Conclusion

This study aimed to achieve three objectives which are to identify the level of acceptance towards electronic ticketing in the Malaysia Airline System, to examine the relationship between independent variables and dependent variable and to identify the most significant factors affecting on Malaysian passengers' acceptance towards electronic ticketing in Malaysia Airline System. In this research, the proposed conceptual model is supported by empirical data collected from 100 respondents in Subang Airport.

Based on the result in frequency analysis, the researcher can conclude that the majority of the respondents were female which is (61%), majority age of respondents were 25 to 34 years old (44%), majority of ethnic group of respondents were Malay which consists of (63%), for the marital status, 59% of the respondents were married person, majority of the respondent's income level per month were RM3, 000-RM, 3999 (39%), 33% of total respondents were degree holder which become the majority respondent in this study, and the most of the respondent having and experience on purchasing ticket online that which is 78% and Air Asia has become the most Airlines company that the respondent purchased ticket online which is 38%.

Based on the mean for overall independent variables, it shows that the most preferable factors that influencing the Malaysian passengers' acceptance towards e-ticketing is a convenience which consists of 4.2767. Secondly are security which is 3.9133 and the lastly is a risk which is 3.6614.

5.2   Recommendation

The researcher suggests several recommendations based on the result in finding. This recommendation will give the benefit to those parties to be more productive, excellent outstanding.

5.2.1   To Malaysia Airlines

Based on the result in findings, the researcher came out with recommendations for Malaysia Airlines which might be used in the future. As we know, online ticketing in Malaysia Airlines is not a new phenomenon. They started to implement e-ticketing since October 28,

2007. Therefore, in order to establish the success of online ticketing in Malaysia airlines, the researcher suggests that Malaysia airlines need to focus on the customer needs and wants.

Malaysia airlines need to provide a self check in kiosk at selected airports and online check in. In this way, the customer feels more convenience because it will save their time and save the effort of visiting counters. They also may check in at an airport check in desk without any hassle. Check in procedures also will be simple and quick because customers can use self service kiosks.

Malaysia airlines' website also plays an important role to influence people to purchase tickets online. It is easy for customers to purchase tickets online such as offer language selection in Bahasa and English for every page on their website and reduce required field in pre-registration process in order to create an easy way. In this way, they might feel Malaysia airline website is a convenient way of purchasing e-ticket.

5.2.1 To Future researcher

The purpose of this research is to investigate the acceptance of Malaysian Passengers' on purchasing a ticket online in Malaysia Airlines. This study is only focused on Malaysia airline industry. Thus, for future researchers, they may expand their research of study and focus on each specific industry in depth such as any other transportation in Malaysia like bus, train and any others.

Instead of the questionnaire survey method, interview method can be in consideration for collecting target respondents' information. Direct communication which is a face to face interview with respondents enables researchers to know more about Malaysian passenger acceptance towards online ticketing thus the results are more accurate and reliable.

Furthermore, future researchers are also suggested to set up questionnaires with more than one language such as Mandarin and Bahasa Melayu in order to approach different race of respondents which enable research to target more widely of respondents. This can also reduce the misleading of communication and the respondent can give more precise and accurate feedback.

BIBLIOGRAPHY

- AC Nielsen (2008, April 14). *Over 875 Million Consumers Have Shopped Online - The Number of Internet Shoppers Up 40% in Two Years.* Retrieved July 8, 2011,from http://my.acnielsen.com/site/20080414.shtml

- Alam, S. S., & Yasin, N. M. (2010). What factors influence online brand trust: evidence from online tickets buyers in Malaysia. *Journal of Theoretical and Applied Electronic Commerce Research, 5*(3), 78-89.

- Allred, C. R., Smith, S. M., & Swinyard, W. R. (2006). E-shopping lovers and fearful conservatives: a market segmentation analysis. *International Journal of Retail & Distribution Management, 34*(4/5), 308-333.

- Boksberger, P. E., Bieger, T., & Laesser, C. (2007). Multidimensional Analysis of Perceived Risk in Commercial Air Travel. *Journal of Air Transport Management, 13*, 90-96.

- Bigné, E., Sanz, S., Ruiz, C., & Aldás, J. (2010). Why Some Internet Users Don t Buy Air Tickets Online. *Information and Communication Technologies in Tourism, 6*, 209-221.

- Chen, C. F. (2006). Identifying significant factors influencing consumer trust in an online travel site. *Information Technology and Tourism, 8*, 197-214.

- Delafrooz, N., Paim, L. H., & Khatibi, A. (2011). Understanding Consumer s Internet Purchase Intention in Malaysia. *African Journal of Business Management, 5*(3), 2837-2846.

- Eastin, M. S. (2002). Diffusion of e-commerce: an analysis of the adoption of four e-commerce activities. *Telematics and Informatics, 19*, 251-267.

- *IATA-Fact Sheet: Electronic Ticketing* (2005, May). Retrieved July 3, 2011, from http://www.iata.org/events/agm/2005/newsroom/Pages/fact06.aspx

- Kanungo, S., & Jain, V. (2004). Relationship between risk and intention to purchase in an online context: Role of gender and product category. *ECIS Proceedings*. Retrieved July 24, 2011, from http://ifiptc8.org/asp/aspecis/20040080.pdf

- Kamarulzaman, Y. (2007). Adoption of travel e-shopping in the UK. *International Journal of Retail and Distribution Management, 35*(9), 703-719.

- Kolsaker, A., Lee-Kelly, L., & Choy, P. C. (2004). The reluctant Hong Kong consumer: purchasing travel online. *International Journal of Consumer Studies, 31*(3), 295-304.

- Lee, G. Y., & Yi, Y. (2008). The Effect of Shopping Emotions and Perceived Risk on Impulsive Buying: The Moderating Role of Buying Impulsiveness Trait. *Seoul Journal of Business, 14*(2), 67-92.

- Paynter, J., & Lim, J. (2001). Drivers and impediments to e-commerce in Malaysia. *Malaysia Journal of Library & Information Science, 6*(2), 1-19.

- Samadi, M., & Yaghoob-Nejadi, A. (2009). A Survey of the Effect of Consumers Perceived Risk on Purchase Intention in E-shopping. *Business Intelligence Journal, 2*(2), 261-275.

- Sekaran U. (2003), Research Method for Business: A Skill Building Approach, John Wiley and Sons Inc.

- Sulaiman, A., Ng, J., & Mohezar, S. (2008). E-Ticketing as a New Way of Buying Tickets: Malaysian Perceptions. *Journal of Social Science, 17*(2), 149-157.

- Zailani, K, Kheng, C. K., Fernando, Y. (2008). Services Quality Analysis on the Consumer Perceptions Toward online Ticketing: Evidence in Malaysia. *Business Intelligence Journal, 2*(1), 11-21.

QUESTIONNAIRE

DETERMINANT OF MALAYSIAN PASSENGERS' ACCEPTANCE TOWARDS ELECTRONIC TICKETING: A STUDY ON MALAYSIA AIRLINE SYSTEM (MAS)

Dear Respondents,

I am a Bachelor of Business Administration (Hons) student, majoring in International Business courses from Universiti Teknologi Mara (UiTM) Melaka City Campus. The **purpose** of this survey is to illustrate the key factors influencing Malaysian passengers' acceptance towards electronic ticketing: A study on Malaysia Airline System (MAS).

It is a great pleasure to invite you to participate in this study. The confidentiality of your responses to this questionnaire is guaranteed. Please read the instruction below carefully and complete the questionnaire accordingly. Thank you for taking the time to participate in this questionnaire. Your cooperation in filling this questionnaire is highly appreciated.

Instructions:

1) There are **FIVE** (5) sections in this questionnaire. Please answer ALL questions in ALL sections.
2) Completion of this form will take you approximately 10 to 15 minutes.

SITI HASNIDA BINTI HADZIR

Bachelor of Business Administration (Hons) International Business

UiTM Melaka City Campus

110 Off Jalan Hang Tuah,

75300, Melaka.

Section A: Demographic Profile

Instruction: Please provide the appropriate information by placing a tick (√) in the box ☐ to represent your answer.

1. Gender:

   ☐ Male   ☐ Female

2. Age:

   ☐ 18-24 years   ☐ 25-34 years
   ☐ 35-44 years   ☐ 45-55 years

3. Ethnic group:

   ☐ Malay   ☐ Indian
   ☐ Chinese   ☐ Others (Please Specify): _____

4. Marital status:

   ☐ Single   ☐ Married   ☐ Divorce

5. Income level per month:

   ☐ Below RM2, 000   ☐ RM4, 000-RM4, 999
   ☐ RM2, 000-RM2, 999   ☐ RM5, 000-RM5, 999
   ☐ RM3, 000-RM3, 999   ☐ RM6, 000 Above

6. Academic qualification:

   ☐ Master   ☐ Diploma
   ☐ Degree   ☐ SPM

7. Have you purchase Airline E-Ticketing before?

   ☐ Yes   ☐ No

8. If yes, please specify where/which company?

   ☐ Air Asia   ☐ Malaysia Airlines   ☐ Firefly

Instruction:

Please circle (O) your answer to rate your agreement towards each statement using 5-Likert scale.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

Section B: Security

1.	Malaysia Airlines websites provide detailed information about security.	1	2	3	4	5
2.	The personal information that I provide on Malaysia Airline e-ticketing website will be secured.	1	2	3	4	5
3.	I feel that my privacy is protected when I'm purchasing ticket online.	1	2	3	4	5
4.	I trust Malaysia Airlines websites with respect to my credit card information.	1	2	3	4	5
5.	I am not afraid that my private information will be used in an unwanted manner.	1	2	3	4	5
6.	Compared to other website, Malaysia Airline e-ticketing website is secure and reliable.	1	2	3	4	5

Section C: Perceived Risk

1.	Using e-ticketing will not cause me to lose control over the privacy of my payment information.	1	2	3	4	5
2.	Purchasing on Airline e-ticketing with Malaysia Airline will not induce financial risks.	1	2	3	4	5
3..	Using e-ticket will not add great uncertainty to my travel plan.	1	2	3	4	5
4.	Internet hackers (criminals) may not take control of my account if I use e-ticketing.	1	2	3	4	5
5.	Servers perform well and it's not possible that I will lose my ticket.	1	2	3	4	5
6.	The possible time loss from having to set-up and learn how to use e-ticketing is not risky.	1	2	3	4	5
7.	I might make mistake while booking flights on the Internet.	1	2	3	4	5

Section D: Perceived Convenience

1.	I want the convenience (e.g. anytime/anywhere booking, time saving etc) that online flight booking offers	1	2	3	4	5
2.	Saving time while purchasing e-ticket is very important to me.	1	2	3	4	5
3.	I want to be able to purchase e-ticket at any time of the day.	1	2	3	4	5
4.	E-ticketing can save the effort of visiting counters.	1	2	3	4	5
5.	Malaysia Airline website is a convenient way of purchasing e-ticket.	1	2	3	4	5
6.	I enjoy the flexibility of online flight booking.	1	2	3	4	5

Section E: Malaysian Passengers' Acceptance

1.	I would use the Malaysia Airlines website for purchasing a ticket.	1	2	3	4	5
2.	I aware, If someone asked me about Airlines, I will ask him or her to purchase Malaysia Airline's Ticket.	1	2	3	4	5
3.	Given the chance, I predict that I should use Airline E-ticketing website in future	1	2	3	4	5

END OF QUESTIONNAIRES

Thank you for spending your valuable time in answering the questions. All the answers will keep private and confidential. Your cooperation is very much appreciated.

SPSS OUTPUT

Respondent's Gender

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	39	39.0	39.0	39.0
Valid	Female	61	61.0	61.0	100.0
	Total	100	100.0	100.0	

Respondent' Age

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
	18-24 years	22	22.0	22.0	22.0
	25-34 years	44	44.0	44.0	66.0
Valid	35-44 years	21	21.0	21.0	87.0
	45-55 years	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

Respondent's Ethnic Group

Ethnic group

		Frequency	Percent	Valid Percent	Cumulative Percent
	Malay	63	63.0	63.0	63.0
	Indian	19	19.0	19.0	82.0
Valid	Chinese	17	17.0	17.0	99.0
	Others	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Respondent's Marital Status

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	38	38.0	38.0	38.0
	Married	59	59.0	59.0	97.0
	Divorce	3	3.0	3.0	100.0
	Total	100	100.0	100.0	

Respondent's Income Level per Month

Income level per month

		Frequency	Percent	Valid Percent	Cumulative Pelrcent
Valid	Below RM2, 000	18	18.0	18.0	18.0
	RM2, 000-RM2, 999	24	24.0	24.0	42.0
	RM3, 000-RM3, 999	39	39.0	39.0	81.0
	RM4, 000-RM4, 999	10	10.0	10.0	91.0
	RM5, 000-RM5, 999	8	8.0	8.0	99.0
	RM6, 000 Above	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

Respondent's Academic Qualification

Academic qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Master	6	6.0	6.0	6.0
	Degree	33	33.0	33.0	39.0
	Diploma	41	41.0	41.0	80.0
	SPM	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Respondent's Having Experience on Purchasing Tickets Online

Have you purchase airline e-ticketing before?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	78	78.0	78.0	78.0
	No	22	22.0	22.0	100.0
	Total	100	100.0	100.0	

Types of Company that Respondent Purchased Ticket Online

If yes, please specify where/which company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Air Asia	38	38.0	48.7	48.7
	Malaysia Airlines	28	28.0	35.9	84.6
	Firefly	12	12.0	15.4	100.0
	Total	78	78.0	100.0	
Missing	System	22	22.0		
Total		100	100.0		

Correlation of Convenience

Correlations

		Convenience	DV
Convenience	Pearson Correlation	1	.440[**]
	Sig. (2-tailed)		.000
	N	100	100
DV	Pearson Correlation	.440[**]	1
	Sig. (2-tailed)	.000	
	N	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation of Security

Correlations

		Security	DV
Security	Pearson Correlation	1	.140
	Sig. (2-tailed)		.164
	N	100	100
DV	Pearson Correlation	.140	1
	Sig. (2-tailed)	.164	
	N	100	100

Correlation of Risk

Correlations

		Risk	DV
Risk	Pearson Correlation	1	.062
	Sig. (2-tailed)		.539
	N	100	100
DV	Pearson Correlation	.062	1
	Sig. (2-tailed)	.539	
	N	100	100

Model Summary of Security

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.140[a]	.020	.010	.63864

a. Predictors: (Constant), Security

b. Dependent Variable: DV

ANOVA Table of Security

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.803	1	.803	1.970	.164[b]
	Residual	39.970	98	.408		
	Total	40.773	99			

a. Dependent Variable: DV

b. Predictors: (Constant), Security

Coefficient Table of security

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.484	.496		7.029	.000
	Security	.176	.126	.140	1.403	.164

a. Dependent Variable: DV

Model Summary of Convenience

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.440[a]	.194	.186	.57911

a. Predictors: (Constant), Convenience

b. Dependent Variable: DV

ANOVA Table of Convenience

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.907	1	7.907	23.577	.000[b]
	Residual	32.866	98	.335		
	Total	40.773	99			

a. Dependent Variable: DV

b. Predictors: (Constant), Convenience

Coefficient Table of Convenience

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.500	.554		2.709	.008
	Convenience	.625	.129	.440	4.856	.000

a. Dependent Variable: DV

Model Summary of Risk

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.062[a]	.004	-.006	.64377

a. Predictors: (Constant), Risk

b. Dependent Variable: DV

ANOVA table of risk

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.158	1	.158	.381	.539[b]
	Residual	40.616	98	.414		
	Total	40.773	99			

a. Dependent Variable: DV

b. Predictors: (Constant), Risk

Coefficient Table of Risk

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.975	.327		12.140	.000
	Risk	.054	.088	.062	.617	.539

a. Dependent Variable: DV