CONSUMERS' PURCHASE PATTERN TOWARDS THE E-COMMERCE: A CASE OF UiTM MELAKA

RESEARCH MANAGEMENT INSTITUTE (RMI)
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA

BY:

HEAD OF PROJECT

NORAZLINDA BINTI HJ MOHAMMAD
NORIDA BINTI ABU BAKAR
NORLINDA TENDOT BINTI ABU BAKAR
DR. HARDEV KAUR LATCHIMANAN SINGH

MAC 2014

Universiti Teknologi MARA
KM 26 Jalan Lendu
78000 Alor Gajah
Melaka Bandaraya Bersejarah
Tel +606 558 2000
Faks: +606 558 2001

Surat Kami	:	600-KM (PJI. 5/4/1)
Tarikh	:	5 OKT. 2012

Norazlinda binti Hj. Mohammad
Pensyarah
Fakulti Komunikasi dan Pengajian Media
UiTM Cawangan Melaka

YBhg. Datuk/Datin Paduka/Prof/Tuan/Puan

KELULUSAN PERMOHONAN DANA KECEMERLANGAN 2/2012

Tajuk Projek	:	The Effects of Consumer's Trust on Business to Consumers (B2C) In Universiti Teknologi MARA Melaka (UiTMM).
Kategori Projek	:	Kategori B (2012)
Tempoh	:	1 Okt. 2012 – 1 Okt. 2013
Jumlah Peruntukan	:	RM 5,000.00
Ketua Projek	:	Norazlinda binti Hj. Mohammad

Dengan hormatnya perkara di atas dirujuk.

2. Sukacita dimaklumkan pihak Universiti telah meluluskan cadangan penyelidikan YBhg. Datuk/Datin Paduka/Prof/Tuan/Puan untuk membiayai projek penyelidikan di bawah Dana Kecemerlangan UiTM.

3. Bagi pihak Universiti kami mengucapkan tahniah kepada YBhg. Datuk/Datin Paduka/Prof/Tuan/Puan kerana kejayaan ini dan seterusnya diharapkan berjaya menyiapkan projek ini dengan cemerlang.

4. Peruntukan kewangan akan disalurkan melalui tiga (3) peringkat berdasarkan kepada laporan kemajuan serta kewangan yang mencapai perbelanjaan lebih kurang 50% dari peruntukan yang diterima.

Peringkat Pertama	20%
Peringkat Kedua	40%
Peringkat Ketiga	40%

5. Untuk tujuan mengemaskini, pihak YBhg. Datuk/Datin Paduka/Prof/Tuan/Puan adalah diminta untuk melengkapkan semula kertas cadangan penyelidikan sekiranya perlu, mengisi borang setuju terima projek penyelidikan dan menyusun perancangan semula bajet yang baru seperti yang diluluskan. Sila lihat lampiran bagi tatacara tambahan untuk pengurusan projek.

Sekian, harap maklum.

"SELAMAT MENJALANKAN PENYELIDIKAN DENGAN JAYANYA"

Yang benar

PROF. MADYA DR ROAIMAH OMAR
Timbalan Rektor
Penyelidikan, Jaringan Industri & Alumni
UiTM Cawangan Melaka

4. Report

4.1 Proposed Executive Summary

This study addresses the role of the reliability of vendors and privacy of on online consumers in determining consumer trust in EC. Presently, consumers do not trust the unknown faceless seller and paperless transaction. For that matter, it is advisable for the online-seller (electronic commerce vendors) to enhance their websites' ethical procedure so they could gain trust from the consumers. This is fundamental as it shapes the consumer's perception on the websites that they frequent patronizing. The lack of consumer trust is one of the focused issues today as the world moves toward advanced information and technology era. The objective of this study is to identify the factors that affect consumer trust in electronic commerce in other words to determine how consumer trust is determined in EC.

For the methodology aspect, this study uses descriptive analysis as the research design to further investigate the correlation between privacy of consumers and reliability of vendors in determining consumers' trust in electronic commerce. The samples of this study are the web users of electronic commerce around Malacca. Simple random sampling method will be used in selecting locations for questionnaire distribution. The data will be analysed using both descriptive and inferential statistics with SPSS software.

It is expected that the result will show the factors that affects consumer trust in EC. It also provides beneficial guidelines for web vendors to understand more about consumer trust in order for them to build a healthy, secure and trusted e-commerce website. Thus, acquiring consumer's trust is a vital element that not only contributes to the success of e-commerce but also determines the purchase decisions of the consumers.

4.2 Enhanced Executive Summary

This study addresses the role of the reliability of vendors and privacy of online consumers in determining consumer trust in Business to Consumer (B2C). Presently, consumers do not trust the unknown faceless seller and paperless transaction. Hence, it is advisable for the online-seller to enhance their websites' ethical procedure so they could gain trust from the consumers. This is important as it shapes the consumer's perception on the websites that they frequent patronizing. The lack of consumer trust is one of the focused issues today. This study is to examine the level of consumer's trust and to identify the factor of web user characteristics and web site characteristics of web vendors with the consumer's purchase pattern. It uses quantitative analysis as the research design to discover the findings. The samples of this study are the web users in UiTM Melaka. It is expected that the result will show the factor of web user characteristics and web site characteristics of web vendors affects the consumer's purchase pattern. Acquiring consumers' trust is a vital element that not only contributes to the success of B2C but also determines the purchase decisions of the consumers.

Keywords: Business to Consumer (B2C), E- Commerce, ethics, purchase pattern, trust.

4.3 Introduction

In recent years, the business and retail market has been more competitive and challenging. The improvement of marketing tools and marketing strategies has been developed to compete with their competitors. Revolutionary multimedia technology and information communication technology (ICT) has further enhanced the impact on the business environment (Yasmin Hassan & Nik Faridzam A.A, 2010). Many companies believe that there is money to be made as soon as the internet became popular. In the retailers' opinion, the future of internet shoppping or e-commerce will always be bright (AhasanulHaque et al, 2006).

Electronic commerce (EC) has gained considerable attention in the past few years, giving rise to several interesting studies and industrial applications. Due to that, the Internet has created enormous change in the business environment. The Malaysian Government has made a massive move by launching the Multimedia Super Corridor (MSC) whereby one of its seven flagship applications includes the active promotion of the electronic business activities in the country. However, the acceptance level of the EC by the Malaysian consumers is still regarded very low compared to the other parts of the world especially the developed countries like the United States and the European countries. For example, the Small-and Medium-Sized Industries Association of Malaysia commented that less than 5% of its members were involved in Business to Consumer (B2C) business (2005).

Electronic commerce is defined as the process of distributing, marketing, buying, selling or exchanging products, service or information via the Internet. For business to consumer, the success of shopping website is critical to the establishment of viable net-enabled business. It is particulary challenging in many aspects and affects the consumers'trust, privacy, information security and website's reputation. However, the usage of Internet and multimedia by public, government and corporate sectors in Malaysia is on the increase. Reported by Internet World Stats (2011), there were 17,723,000 internet users in Malaysia (representing 61.7% of the population) in December 2011 and this represented 1.7 percent of the Asian population. In addition, electronic commerce spending in Malaysia is forecasted to continously grow at a healthy rate from the year 2010 to 2014 (Lee & Rondon 2010), which had earlier showed compounded yearly growth rate of more than 28% from the year 2006 till 2010.

The dramatic influence of online shopping on consumers and businesses are slowly being accepted in Malaysia as an alternative shopping mode rather than the traditional way of shopping by visiting shops or shopping centres. The understanding of consumer behaviour in a virtual environment is limited since e-commerce is only just beginning to penetrate mass