



UNIVERSITI TEKNOLOGI MARA

**PERCEIVED RISK EFFECT ON CUSTOMER BUYING ATTITUDE  
TOWARDS ONLINE SHOPPING:**

A case study on Sarawak Civil Employee

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## **Abstract**

The purpose of this study is to analyze Perceived Risk effect on Customer Buying Attitude towards online shopping that might be one of the most important issues of online shopping in marketing field. However, there is very limited knowledge about online consumer attitude because it is a complicated socio-technical phenomenon and involves too many factors. the objectives of this study is to investigate the relationship between perceived risks factor consist of Financial Risk, Delivery Risk, Convenience Risk, Product (performance) Risk and Return Policy Risk with the effects of customers buying attitude towards online shopping. This goal has been followed by using a model examining the impact of perceived risks variables on attitude toward online shopping as the hypotheses of study. To investigate these hypotheses 200 questionnaires dispersed among Sarawak civil service in Sarawak Chief Minister Department (Jabatan Ketua Menteri Sarawak) in Kuching. Respondents to the questionnaire were customers of online stores which randomly selected. This study can be considered as an applied research from purpose perspective and descriptive-survey with regard to the nature and method (type of correlation). The study identified that Return Policy Risk is the highest average score which affected customer buying attitude toward online shopping.

**Keywords:** online shopping, consumer attitudes, perceived risks,

# CHAPTER 1

## 1.0. INTRODUCTION

### 1.1. Background of Study

The internet usage adapts by people nowadays due to rapid change in the new technology. It has move the time into the new era of business, the use of the internet and e-commerce has been growing rapidly since the last decade (Yörük et al. 2011). In addition, change in the technologies has improved the way of standard of living, demands of products and services. The people use the internet for many reasons such as searching product information, evaluate price and quality, choose services, and transfer payments (Moshref et al. 2012). The internet has shown tremendous growth in both its application and number of user. One of its revolutionary transformation brought forward the internet is online shopping which has changed the traditional shopping from retail stores into digital business. Online shopping has cannibalised into the in store shopping as consumers are becoming more familiar with online shopping and in many cases are giving preference to online shopping. The internet can be used for the competitive advantages by the organisation and actually it is a powerful source to use (Hammil, 1997).

The online shopping website has attracted more web-vendor or online marketer entering new business online websites. In Malaysia, the establishing of online shopping has influence people to shop via internet. According from ASEAN UP in 2017, the most popular online shopping is LAZADA.Com, followed by 11Street.com and Lelong.com. There has been a move towards online shopping because of different online factors including convenience, ease of use, low cost, time saving, various online products and brands, with fast delivery as compared to shopping physically (Adnan, 2014). The definition of online shopping or also known as Electronic Commerce by Ravi Kalakota & Andrew B. Whinston in Manager's Guide has difference perspective. This definition depending on whom they asked.

## CHAPTER 2

### 2.0. LITERATURE REVIEW

Literature Review is a Systematic and through search of published literature in order to identify as many as possible on a particular topic. It then organizes the literature into topics and documents a need for a proposed study (Faizah Hj. Abdul Rahim & Noraini Mohamad Sheriff).

### 2.1. The internet

In 40 years, the internet has grown to become one of the most amazing and social accomplishments of the last millennium. An internet is a group of computer networks that has been interconnected. In fact, “internet” is short for “interconnected network.” One particular internet, which uses a specific set of rules and connects networks all over the world to each other, is called the internet (Gary P. Schneider). The internet is simply a means of communication between consumers, companies and between millions around the world. The internet enables people to convey their message the way they communicate whether with just one person or with the entire communities quickly and easily. The ready accessibility of one too many communications once only available through television, radio or print media creates opportunities that did not exist with traditional media for all types and size of populations. For marketer, communications can be created quickly and often than in other media. For consumers, exposure to commercial communication is not limited by the geography.

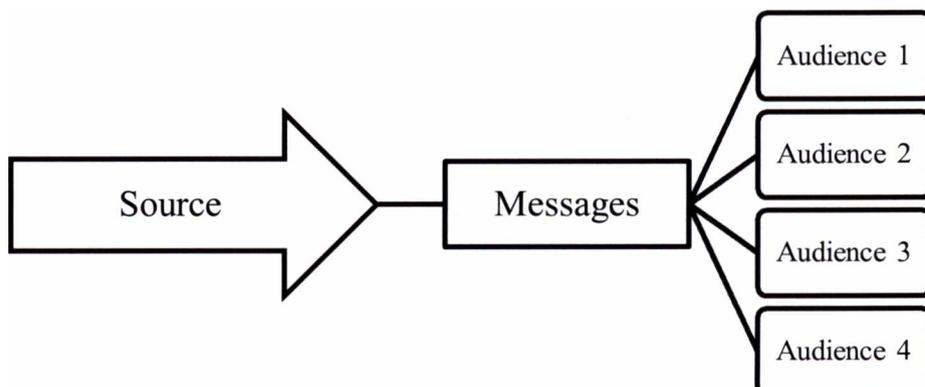


Figure 1: One too many communications can reach Broad Audiences