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FACTORS AFFECTING PURCHASE INTENTION OF ONLINE  
SHOPPING AMONG YOUNG CONSUMERS

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## TABLE OF CONTENT

| No. Particular                              | Page        |
|---|-------------|
| <b>DEDICATION</b>                           | <b>iii</b>  |
| <b>ORIGINAL LITERATURE WORK DECLARATION</b> | <b>iv</b>   |
| <b>LETTER OF TRANSMITTAL</b>                | <b>v</b>    |
| <b>ACKNOWLEDGEMENT</b>                      | <b>vi</b>   |
| <b>TABLE OF CONTENT</b>                     | <b>vii</b>  |
| <b>LIST OF TABLES</b>                       | <b>ix</b>   |
| <b>LIST OF FIGURES</b>                      | <b>x</b>    |
| <b>LIST OF CHARTS</b>                       | <b>xi</b>   |
| <b>LIST OF APPENDICES</b>                   | <b>xii</b>  |
| <b>ABSTRACT</b>                             | <b>xiii</b> |
| <br>  |             |
| <b>CHAPTER 1: INTRODUCTION</b>              |             |
| 1.0 Introduction                            | 1           |
| 1.1 Background of the Study                 | 2           |
| 1.2 Statement of the Problem                | 3           |
| 1.3 Research Questions                      | 3           |
| 1.4 Research Objectives                     | 4           |
| 1.5 Significance of Study                   | 4           |
| 1.6 Limitation and Delimitations            | 4           |
| 1.7 Scope of the Study                      | 5           |
| 1.8 Definition of Terms                     | 5           |
| <br>  |             |
| <b>CHAPTER 2: LITERATURE REVIEW</b>         |             |
| 2.0 Introduction                            | 6           |
| 2.1 Literature Review                       | 6           |
| 2.1.1 Perceived Ease of Use                 | 7           |
| 2.1.2 Perceived Usefulness                  | 8           |
| 2.1.3 Perceived Risk                        | 8           |
| 2.1.4 Trust                                 | 9           |
| 3.0 Theoretical of Conceptual Framework     | 10          |
| <br>  |             |
| <b>CHAPTER 3: RESEARCH METHODOLOGY</b>      |             |
| 3.0 Introduction                            | 13          |
| 3.1 Research Design                         | 13          |
| 3.2 Research Method                         |             |
| 3.2.1 The Selection of Data Sources         | 14          |
| 3.3 Data Collection Method                  | 14          |
| 3.4 Measurement                             | 15          |
| 3.4.1 Instruments                           | 15          |
| 3.5 Questionnaire Design                    | 16          |
| 3.6 Population, Sample and Size             | 17          |

## ABSTRACT

Internet shopping is great revolution era of globalization electronic marketing. Over the period of time maximum business organizations are running with technological revolution. Online shopping is convenience and trend among consumer, especially young consumers. Moreover, the prevalence of online shopping has raised the interest of retailers to focus on this area. Therefore, this study was to identify the factors affecting purchase intention of online shopping among young consumers. Young consumers aged between 18 and 37 were selected as a subject of analysis. 292 out of 300 sets of questionnaires distributed were valid for coding and analyzing. Collected data were then analyzed using SPSS version 24.0 to examine the model fits and answer research questions. The conclusion can be represented that perceived ease of use, perceived usefulness, perceived risk and trust significant positively influence online purchase intention. Finding also discovered that purchase intention significant positively influence online shopping behavior. For future research, sample from senior citizens and other variables that related to online shopping were to be included to minimize sampling bias.

## CHAPTER 1

### INTRODUCTION

#### 1. Introduction

The Internet-based electronic commerce environment allows consumers to search for information and purchase products or service over direct interaction with online store. Hence, consumer-purchases are mainly based on the cyberspace appearance for examples pictures, images, quality information, and video clips of the product, not on the actual experience (Lohse and Spiller, 1998; Kolesar and Galbraith, 2000). Moreover, Shopping at an online store is similar shopping through a paper catalogue because both involve mail delivery of the purchases and in both cases customers cannot touch or smell the items (Spiller and Lohse, 1997).

This chapter presents the background of the study, the statement of the problem research question, and the objectives of the study, the significance of the study, scope of the study, limitations and lastly definition of the terms in this study.

#### 1.1 Background of study

The increasing number of smartphones and other internet-enabled devices along with their applications and services make the internet easier to be accessed and much more abundant. This has led to an enormous growth of online shopping which therefore has increased the level of competition in the internet marketplace (Vazquez and Xu, 2009; Limbu et al, 2012). Compared to the bricks and mortars way of shopping where consumers must go to stores to buy goods, online shopping creates the opportunity for different businesses to reach consumers directly across the world (Laohapensang, 2009; Al- Maghrabi et al., 2011).

According to Lee (2014), most of the online consumers prefer to purchase via internet because they can compare different types of products or services and discover something exclusive. Among the online shoppers, Lee (2014) presented that the statistics in the year of 2013 indicated that more than 50% of online shoppers shop online once or more in a month meanwhile 85% of online shoppers spend RM 500 to purchase via internet or less in a month.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter is about distributed information or findings about the area of this topic that has been done by several researchers. On the other hand, this section also includes literature review and theoretical framework which is the relationship between the dependent variable and independent variables.

#### 2.1 Literature Review

Commerce via the Internet or e-commerce has experienced rapid growth since the early years. It is well known to most of the Internet researchers that the volume of online business – to consumer (B2C) transactions is increasing annually at a very high rate.

Malaysia as one of the internet – native countries of South – East Asia after Singapore, presents huge opportunities for e – commerce, with a USD 1.1 billion market by end of 2017. According to Deloitte in 2010, the multichannel shopper constitutes 80% of the consumer market, and they spend 82% more per transaction than those who only shop in store.

Based on survey by the Malaysia Communication and Multimedia Corporation (MCMC) in 2016, the percentage of internet users in 2015 showed remarkable increase of 11.0 points (2015:77.6 % and 2014: 66.6%), from this result indicate that the online community from two – third to three- fourth of the entire national population. The number of Internet users in 2015 was almost 24.1 million (or 77.6% of all inhabitants in Malaysia).

Online purchasing is getting popular and growing well in Malaysia. A recent study by ACNielsen and Paypal (Marketing Interactive.com, 2011) represents that online purchasing in Malaysia has recorder transactions worth RM 1.8 billion in 2011 with the estimation of 1.1 million online shoppers. This figure is 70 percent higher than that recorded in the previous year. Items most frequently purchased online are travel-related products such as flight tickets and hotel accommodation (RM 4.35 million), followed by financial products and services (RM 3 million) and entertainment and