A STUDY ON THE PERCEPTION OF E-BUSINESS ADOPTION AMONG RETAILING FIRMS IN PERLIS

MOHTER BIN HJ GHAZALI

MSc (Management)
COLLEGE OF BUSINESS
UNIVERSITI UTARA MALAYSIA
2010
A STUDY ON THE PERCEPTION OF E-BUSINESS ADOPTION AMONG RETAILING FIRMS IN PERLIS
ACKNOWLEDGMENT

In the name of Allah, the most Gracious and the most Merciful

First of all, I would like to express my profound gratitude to Al-Mighty Allah, the Most Merciful and the Most Compassionate, Who has granted me the strength and will to start and complete this study.

My appreciation also goes to my indefatigable supervisor, En Mustafa Zakaria for his scientifically proven creativity and constructive criticism towards the success of this project. His supervision is indeed the undeniable impetus to the successful completion of this work. I thank him very deeply for his support and cooperation, May Allah continues to be with you.

This acknowledgement will not be completed without the recognition of my ever supportive and very sacrificing loving wife Puan Norhayati bt. Ahmad who always support me to face the reality of study and overcome all the obstacles along the line of study which need a lot of perseverance and hard work in order to success. The same goes to all my children who understand.

Last but not least I wish to thank to everyone who assist me in completing this project. Without their assistant, I won’t be able to finish this project on time.

May Allah (SWT) bless them all.
PERMISSION TO USE

In presenting this thesis in partial fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the University Library may make it freely available for inspection. I further agree that permission for coping of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in his absence by the Dean of Research and Innovation and Post Graduate studies.

It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part should be addressed to:

Dean of Research and Post Graduate Studies
College of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman.
# TABLE OF CONTENTS

## CONTENTS

<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgment</td>
<td>i</td>
</tr>
<tr>
<td>Permission to use</td>
<td>ii</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>iii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>vi</td>
</tr>
<tr>
<td>Abstract</td>
<td>vii</td>
</tr>
</tbody>
</table>

## CHAPTER 1: Introduction

1.1 Problem Statement                           | 2    |
1.2 Objectives of the Study                    | 3    |
1.3 Significance of the Study                  | 3    |
1.4 Scope and Limitation of the Study          | 4    |

## CHAPTER 2: Literature Review

2.1 Definition of e-Business                   | 5    |
2.2 Retailing Firms and e-Business Adoption 6

2.3.1 Perceived Driving Factors 10

2.3.2 Perceived Areas of Adoption 10

2.3.3 Perceived Problem of Adoption 12

CHAPTER 3: Research Methodology 13

3.1 Research Framework 13

3.2 Sample 13

3.3 Survey Instruments 14

3.4 Method of Analysis 14

3.5 Reliability 15

CHAPTER 4: Result 17

4.1 Profile of the Retailing Firms Participated in the Study 17

4.2 Perceived Driving Factors 18

4.3 Perceived Areas of Adoption 20

4.4 Perceived Problem of Adoption 22
CHAPTER 5: Discussions and Conclusion 23

5.1 General Discussion 23

5.2 Implication of the Study 24

5.3 Future Research 25

5.4 Conclusion 25

References 26

Appendix 29
# LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 3-1</td>
<td>15</td>
</tr>
<tr>
<td>Reliability For Dimensions on Driving Factors</td>
<td>15</td>
</tr>
<tr>
<td>Table 3-2</td>
<td>15</td>
</tr>
<tr>
<td>Reliability for Dimensions on Area of Adoption</td>
<td>17</td>
</tr>
<tr>
<td>Table 4-1</td>
<td>17</td>
</tr>
<tr>
<td>Profile of the Retailing Firms Participated in the Study</td>
<td>18</td>
</tr>
<tr>
<td>Table 4-2</td>
<td>18</td>
</tr>
<tr>
<td>Mean Ratings for the Dimensions on Driving Factors</td>
<td>19</td>
</tr>
<tr>
<td>Table 4-3</td>
<td>19</td>
</tr>
<tr>
<td>Breakdown for the Dimensions on Driving Factors</td>
<td>20</td>
</tr>
<tr>
<td>Table 4-4</td>
<td>20</td>
</tr>
<tr>
<td>Mean Rating for the Dimensions on Areas of Adoption</td>
<td>21</td>
</tr>
<tr>
<td>Table 4-5</td>
<td>21</td>
</tr>
<tr>
<td>Breakdowns for the Dimensions on Area of Adoption</td>
<td>22</td>
</tr>
<tr>
<td>Table 4-6</td>
<td>22</td>
</tr>
<tr>
<td>Perceived Problems of Adoption</td>
<td></td>
</tr>
</tbody>
</table>
ABSTRACT

The purpose of this study is to characterize the attitudes of owners and managers of retailing firms toward e-business. More precisely, the present study attempted to assess the perceptions of retailers particularly owners and managers of retailing firms concerning the adoption of e-business. The research examined the perception of retailing firms on adopting e-business especially their perception on driving factors for adoption, the area of adoption, and the problems accompanying adoption. The sample for this study comprised retailing firms in Kangar town (Perlis State Capital).

The finding shows that the normative pressure and customer orientation in particular were perceived to be important in adopting e-business. In terms of the areas of adoption, it appears that the surveyed firms' perceived e-business was to be used for communication purposes especially in the case of outbound communications. On the whole the findings from this study seemed to concur with the findings from earlier studies though the setting and respondents were different.
INTRODUCTION

1.0 Introduction

E-business (electronic business)," is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners". Today, major corporations are rethinking their businesses in terms of the Internet and its new culture and capabilities. Companies are using the Web to buy parts and supplies from other companies, to collaborate on sales promotions, and to do joint research.

Electronic business (e-business) is indeed beneficial to companies and it is growing daily throughout the world. More importantly, e-business provides opportunities for both large and small companies to expand their revenues lower their costs and in turn realize greater profits. While e-business has afforded companies, no matter how big or small, the opportunity for unprecedented growth, its complexities, high cost of software acquisition, shortage of information technology staff, and its challenges appear to inhibit its adoption among retailers may they be small or medium sized in the Malaysian context.

As far as Malaysia is concerned, retailers seem to be lagging in the area of e-business, though it seems that e-business can offer them better opportunities for long term growth and profitability. Furthermore with the effect of globalization, the prospects of stiffer competition from the Internet, maturing markets, and limited local market opportunities, the potential consequences of e-business for retailers are obvious.

The retail environment in Malaysia has undergone a continuous and marked change over the decades. New facilities ranging from supermarkets and superstores to retail warehouses and convenience stores have been added to the retail landscape, much at the expense of the traditional shop houses. However, all is not lost for the small retailer. It may be losing out in the urban center but at suburban areas the small retailer is still very much in the picture.

Retail as defined by Wikipedia consists of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or
The contents of the thesis is for internal user only
REFERENCES


