AN EMPIRICAL INVESTIGATION ON THE
ACCEPTANCE AND ADOPTION OF E-COMMERCE
AMONG INTERNET USERS IN MALAYSIA

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ABSTRACT

This study examines the effect of three factors on the acceptance and adoption of electronic commerce among internet users in Malaysia. A review of the literature shows that owner characteristics such as lack of knowledge and perceived lack of trust are significant inhibitors while environment characteristics such as government support are significant motivators of electronic commerce in Malaysia. A questionnaire survey was conducted with 150 respondents of internet users in Kuala Lumpur. A total of 108 valid responses were obtained. Stratified random sampling was adopted over other techniques to enhance representativeness. Data analysis shows that a significant relationship exists between each of the three variables and electronic commerce adoption among internet users in Kuala Lumpur. Security issues emerged as the most important factor influencing the acceptance and adoption of e-commerce. This factor is followed by government support and knowledge in information technology.

Keywords: electronic commerce, information technology, internet user, security
ABSTRAK


Kata kunci: perdagangan elektronik, teknologi maklumat, pengguna internet, keselamatan
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Abstract

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Chapter 1: Introduction

1.1 Introduction

Electronic Commerce or e-commerce has received much attention from governments, businesses and regional bodies. This importance has been attributed to several converging factors. According to Ding (1999), these factors include: first, the development of the use of the Internet as a means by which information is disseminated and through which communication and connectivity is enabled; and second, the affordability of personal computers, increase in their computing capability, and the wide use of open standards. In the business environment, traditionally there is a need for a tangible and permanent form of communication in a transaction between buyer and seller.

However, in e-commerce there is the ability to communicate in an electronic form where a computer is able to recognize, reproduce and store means that business could now be conducted in a paperless environment. Electronic commerce is the process of trading across the Internet, that is, a buyer visits a seller's website and makes a transaction there. Less rigidly it includes deals where the Internet plays some role, for example, assisting the buyer in locating or comparing products and/or sellers.
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