

**AN ANALYSIS ON FACTORS INFLUENCING INTERNATIONAL
ONLINE SHOPPING: INDONESIAN PERSPECTIVE.**

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AN ANALYSIS ON FACTORS INFLUENCING INTERNATIONAL ONLINE SHOPPING: INDONESIAN PERSPECTIVE.

A thesis submitted to the Faculty of International Studies in partial fulfillment of
requirement for the degree Master of Science (International Business) Universiti Utara

Malaysia

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ABSTRACT

The advancement in information technology does bring impacts in our daily lives. This includes our purchasing method. Buying products from international online store has become an alternative way to shop and has been widely used all over the world. The general purpose of this study is to examine the adoption of purchasing products from international web site among Indonesian customers. Applying a survey data from 122 Indonesian respondents in Jakarta, this study attempts to examine the impact of website quality and dependability on the international online product purchasing and customer satisfaction. From website quality perspective, the current study investigates the effects of ease of use, perceived usefulness and cultural adaptation on international online product purchasing. As for dependability, three factors, trust, reliability and cultural adaptation, have been identified as critical in influencing international online product purchasing. The types of analysis being done are descriptive analysis and correlation analysis. Based on the findings, all factors appear significant. It shows that all website quality and dependability factors are important and have to be taken into consideration by the online vendors in order to capture higher demand from foreign customers.

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LIST OF ABBREVIATIONS

TAM Technology Acceptance Model

IPP International Product Purchasing

EOU Ease of Use

PU Perceived Usefulness

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Nowadays, our lives are so much changed because of major technological developments. Technology helps simplify people's job, not only for work but also assists us from simple to the big and crucial things we do every day. Technology also affects the way customers shop. It changes the way they shop, from traditional shopping to online shopping which has become very popular now. One of the most crucial elements of technology today is the internet. It has spread into all sectors of life and people all over the world have begun to take advantage of its' benefits. Internet is used by all regardless of age, gender, culture, and educational background.

According to the Global Internet Survey (2012), people use the internet at least once a day to check their email, social media like Facebook, Twitter, LinkedIn, Google+, Pinterest and Foursquare. They also use internet-based audio or video conference, like Skype and WebEx, and instant messaging and audio or video streaming such as YouTube and Pandora. The internet phenomenon is also affecting many Asian countries. Based on Internet World Stats (Usage and Population Statistics) data, for Asian scope, the population is estimated at 3,922,066,987 people in 2012 and the internet users in Asia are as much as 1,076,681,059 users and 27.5% in rate penetration as of June 2012. Based on these facts, it shows that there is a huge potential in starting an online business. It is also a good platform for companies to widen their market and improve sales.

The contents of
the thesis is for
internal user
only

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APPENDIX

APPENDIX 1 - QUESTIONNAIRE



RESEARCH QUESTIONNAIRE

Dear Sir/Madam,

My name is Cindy Augustie, a postgraduate student from Universiti Utara Malaysia, taking MSc. International Business. I am conducting a survey which entitled: **An Analysis on Factors Affecting International Online Shopping: An Indonesian Perspective.**

The following survey has been developed to collect data required for the completion of a project paper at the Universiti Utara Malaysia's Graduate School of Business. Your participation will remain completely anonymous. The information you provide will be used for academic research purposes only and will be kept strictly confidential. Your willingness to complete the survey is greatly appreciated.

Please provide the response for each item that best representative your own perception. I shall feel obliged if you could kindly cooperate with us to maximum degree of response in order to make this research a very successful one. May Allah bless you.

Ameen

If you have any clarification, please do not hesitate to contact me:

Cindy Augustie
Ghazalie Shafi Graduates School of Government
Universiti Utara Malaysia
e-mail: cindyaugustie@yahoo.com

Instruction: Kindly answer the following questions. Your cooperation in providing the correct answers is greatly appreciated. Tick (/) or write which ever appropriate.

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SECTION B: WEBSITE QUALITY

Please read the following statements and **TICK (/)** based on the scale how much you agree with each statement. *Silahkan baca pernyataan di bawah ini dan beri tanda ceklis (/) pada pernyataan yang paling sesuai dengan jawaban anda.*

1 = strongly disagree	2 = disagree	3 = neutral	4 = agree	5 = strongly agree
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	PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.	1	2	3	4	5
1.	It is easy to become skillful at using the website.					
2.	Learning to operate the web site is easy.					
3.	The web site is flexible to interact with.					
4.	My interaction with the web site is clear and understandable.					
5.	The web site is easy to use.					
6.	The web site enables me to search and buy goods faster.					
7.	The web site enhances my effectiveness in goods searching and buying.					
8.	The web site makes it easier to search for and purchase goods.					
9.	The web site increases my productivity in searching and purchasing goods.					
10.	The web site is useful for searching and buying goods.					
11.	The web site reflects aspects of my country's culture.					
12.	The image, colors, information, and symbols on the site are reflective of my country.					

SECTION C: DEPENDABILITY

Please read the following statements and **TICK (/)** based on the scale how much you agree with each statement. *Silahkan baca pernyataan di bawah ini dan beri tanda ceklis (/) pada pernyataan yang paling sesuai dengan jawaban anda.*

1 = strongly disagree	2 = disagree	3 = neutral	4 = agree	5 = strongly agree
-----------------------	--------------	-------------	-----------	--------------------

	PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.	1	2	3	4	5
1.	Based on my experience with the online store in the past, I know it is honest.					
2.	Based on my experience with online store in the past, it is not opportunistic.					
3.	Based on my experience with the online store in the past, I know it keeps its promises to customers.					
4.	Based on my experience with the online store in the past, I know it is trustworthy.					
5.	The quality and quantity of the product I received was exactly the same as I ordered.					
6.	The product I ordered was delivered to me within the time promised by the online store.					
7.	The billing process was accurately handled.					
8.	The online store responded to my inquiry promptly.					
9.	When the online store promised to e-mail or call me by certain time, it did so.					
10.	The system of the web site rapidly retrieved the information I requested.					
11.	Detailed information is provided regarding the range of products offered.					
12.	Compliance with promised quality and delivery term conditions.					
13.	The online store offer good price quality level product.					
14.	The online store offer customized products.					
15.	The online store offer wide range of products.					

SECTION D: INTERNATIONAL PRODUCT PURCHASING

Please read the following statements and **TICK (/)** based on the scale how much you agree with each statement.

Silahkan baca pernyataan di bawah ini dan beri tanda ceklis (/) pada pernyataan yang paling sesuai dengan jawaban anda.

1 = strongly disagree	2 = disagree	3 = neutral	4 = agree	5 = strongly agree
-----------------------	--------------	-------------	-----------	--------------------

	PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.	1	2	3	4	5
1.	I enjoy buying over the internet.					
2.	Buying over the internet is cheaper than buying in a store.					
3.	Buying over the internet is quicker than buying in a store.					
4.	Buying over the internet is more efficient than buying in a store.					
5.	I like shopping online.					

SECTION E: CUSTOMER SATISFACTION

Please read the following statements and **TICK (/)** based on the scale how much you agree with each statement.

Silahkan baca pernyataan di bawah ini dan beri tanda ceklis (/) pada pernyataan yang paling sesuai dengan jawaban anda.

1 = strongly disagree	2 = disagree	3 = neutral	4 = agree	5 = strongly agree
-----------------------	--------------	-------------	-----------	--------------------

	PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.	1	2	3	4	5
1.	I think I made a right decision by using this online store.					
2.	My shopping expectations have been met by this online store.					
3.	My shopping experience on this online store has been satisfactory.					
4.	I am happy with the product I have bought from this online store.					
5.	I am generally happy with the service provided by this online store.					