

# Role of Consumer Advantage and Social Culture Influence on E-Commerce Adoption

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## ABSTRACT

The aim related to this study is to explore the influence of social culture influence and consumer advantage on the adoption of E-commerce in Malaysia. Data were gather from the private companies of Malaysia and SPSS was used for the analysis of the data. The results revealed that the growths of electronic application have promoted the growth of business indirectly. Advances in electronic banking technology through daily banking affairs had created open doors for business to handling electronic document especially via the online banking channel. Throughout the world, online banking has been leading the e-commerce world into greater heights of business and consumer market. Consumer acceptance of online banking services had been the main catalyst for the growth of E-commerce. This is also true in Malaysia, rapid individual blog that turn into business had been flourishing. World is experiencing the industrial revolution, it changes the industries functionalities and all the way to how the product affect the market place. This attributes to the increasing use of internet in business. It has changed how company sell product to customer and distributed them to retailers.

**Keywords:** social culture influence, consumer advantage, e-commerce adoption.

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## INTRODUCTION

The internet began to set foot in Asia, somewhere in the 80's and has since being growing rapidly. Malaysia first ISP – JARING back in the early 90's have a mere number of 90 internet subscribers, now it has grown to a staggering 50,176 in 1996 and have increased to 100,103 by the end of 1997. Although e-commerce history is short but it is very fascinating. E-commerce, over the corners of few decades, networking and the computer revolution technology has improved at exponential rate. Powerful computers technologies have enabled the information network to link globally and opened up a whole new world of intellectual social possibilities and financial interaction. And this phase can still be considered in the beginning. Even now with the downturn of the world global economy, online retail sales continue to rise. According to forecast by Forrester Research, an online retail sale is increasing to 17% in 2008 for world market (Hussain, Mosa, & Omran, 2017; Nguyen et al., 2019; Nikhashemi et al., 2013; Pathiratne et al., 2018; Seneviratne et al., 2019; Tarofder et al., 2019).

In the marketing stand point, ecommerce will serve 2 purposes; firstly, the company will be rushing to go online in order to keep close communication with prospective or potential customer, and secondly, the adoption of broadband consumer segment for pre-purchased information or online shopping. Both of these combinations will provide a catalyst to the company growth in the commercial use of interactive multimedia (Chong, 2013).

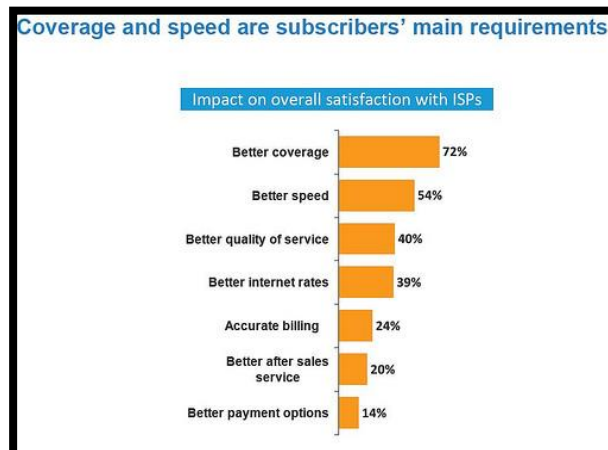


Figure 1. - Consumer Internet Coverage and Speed

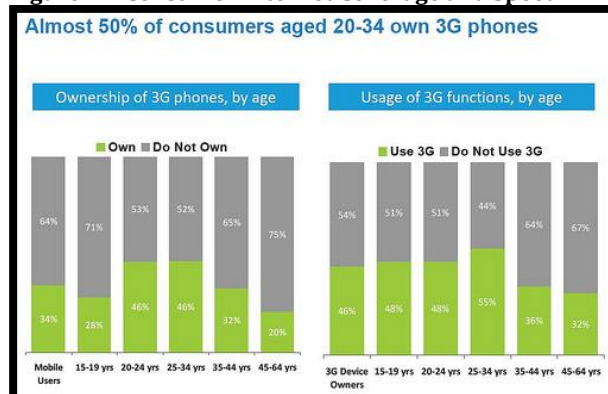


Figure 2. - Consumer Age and Own 3G Phones

Based from the Nielsen Company (April 2011) survey, 50% of consumer age 20-34 own 3G phone (Figure 1.8). In 2013 will be another exciting and dynamic year for mobile phone and Tablet market, as it will promote internet usage in the country and at the same time, the success marketing of Tablet computers will further build the market and demand more expectations on e-commerce technology.

The objective of this study is to tackle the adoption of e-commerce among consumer and demographic factor of Malaysia consumer online. This study will take the journey back to the basic statistic foundation. Thus, this research perceives that many data have changed and the information may need to be updated to get a good glimpse of current Malaysian e-commerce acceptance and consumer online shopping. However, we also predict that most of the trend and data made by past research may support our studies here. Therefore, the main objective of the study is to identify the factors influencing consumer adoption of ecommerce in Malaysia (Belkhamza & Wafa, 1970).

The specific objectives of the study are:

- 1) To examine the demographic profile on users that have been using the internet such as student, retiree, housewife, working class, income levels etc. the adoption of e-commerce in Malaysia.
- 2) To determine the relationships between perceived usefulness of e-commerce portal and application have any influence on consumer to adopt ecommerce in Malaysia.
- 3) To evaluate consumer perception on perceive of use on e-commerce payment system and portal have any influence to adopt ecommerce in Malaysia.
- 4) To investigate if social peer or culture such as friends, co-worker or relatives have any significant effect towards adopting ecommerce in their daily lives.
- 5) To determine that by using e-commerce consumer will gain advantages over those who do not use. Many of these products or services are being purchased by friends, co-worker or family members; they later on share their experience using the product or services through social networks. This gives the product or services a free promotion plus a recommendation to use and purchase it. This social influence made the same product or services more appealing to the potential consumer to be buyer of the product. Many of this influence to purchase also indirectly connected to the benefit that the services or the product brings along (Hussain, Musa, & Omran, 2019). Hence, this study will also try to identify the consumer advantages of using services or buying product by using e-commerce. And we hope to find the relationship to it. The target of this study is to gather information for the effectiveness of e-commerce and the adoption of e-commerce. This study will also update the data about the ecommerce consumer that is online and see if there are any changes to the demographic profile of previous studies. It is also to identify the factor that relates to the contribution of e-commerce adoption in the society during their daily online computing. The questions that the researcher hopes to solve in conducting this research are as mentioned below:-

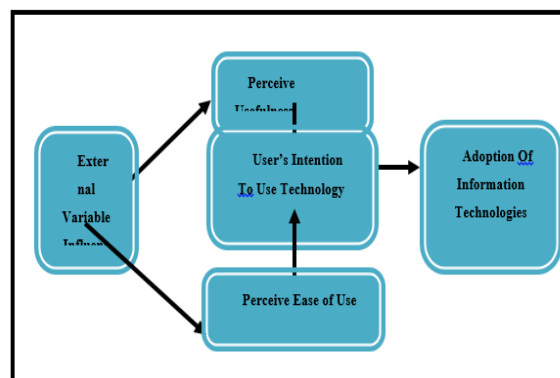
- 1) What is the demographic profile on user that has been using the internet e.g. student, retiree, housewife, working class, income level etc. will influence adoption of ecommerce in Malaysia?
- 2) Are there any relationship between perceive usefulness factors such as time saving, comparing product have influence on consumer adoption of ecommerce in Malaysia?
- 3) Are there relationship between the society influence and the user to adopt e commerce in Malaysia?
- 4) Is there any advantageous to the consumer when they use ecommerce in Malaysia?

Specifically, this research study is to identify the key consumer factor for Malaysian e-commerce adoption and mark the finding by category or sub-factor (Hussain, Musa, & Omran, 2018). Malaysian culture heritage is a rich mixed of many different races and culture, so one of the main objectives is also to compare the age group that are mostly online. This research project is divided into 5 main Chapters - The introduction in Chapter 1 discusses the background of study and Malaysian e-commerce scenario. Chapter 2 gives an open review on the studies done by other researchers. A survey is used to find answers and information to all research questions in the preceding chapter. The framework and the model adopted in this study are based on a few literature reviews. Chapter 3 presented the Framework Concept, Variable, and Research Hypothesis. Chapter 4 is on Data Collection and the Data Analysis part will be done here. Chapter 5 gives the summaries and conclusion of the studies as well as elaborating on the future recommendation and limitation of this study.

### LITERATURE REVIEW

Technology Acceptance Model (TAM) was developed by past studies, in the following journal he introduced these variables - Perceived usefulness, perceived ease of use, and user acceptance of information technology, "MIS Quarterly", to model the user acceptance towards technology usage. The model proposed that a number of factors may affect an individual's intention and decision of how and when a user will adopt a new technology when it is introduced. TAM practises two main variables which are "perceived usefulness" and "perceived ease of use" (Figure 3).

Perceived usefulness is defined as the extent to which a person believes that using a particular system would enhance his or her job performance while perceived ease of use is the degree of a user's belief of requiring minimum effort when using new technology (Hussain et al., 2012). This model explained that a person's intention on using technology is influenced by his or her perception on the perceived usefulness and perceived ease of use of that particular technology. The two primary constructs are the factors affecting towards adoption of information technologies (IT), user's intention to use technology and the actual usage.



**Figure 3. - Framework – Technology Acceptance Model** Online retailing or internet ecommerce was first started in 1994, and it began as store less direct consumer marketing and retailing for online channel. It offered a new concept of getting customer and sales online. This new concept has captured the interest and enthusiasm of many retailers

and merchants because the recognition of online shopping has established itself as an alternative to traditional offline retail channel of physical store. There have been many extensive researches done on various angles of the online consumer model and below are some discussions from few studies done. Online shopping has stimulated a widespread of research and paper journals that attracting either on views of consumer behaviour or technologies wise. The extend literature upon individual factor and their impact on consumer online (Lallmahamood, 1970). Shopping is an activity that is favoured traditionally by women. According to past studies, men and women have different orientation when they do these activities, the males tend to be more convenient and practical oriented and are found to be less social motivated as compared to the women. Women did not find shopping online as "attractive" as the male shoppers – all due to lack of face to face interaction with the sale assistance. Based on technology association with online shopping, there have been significant differences between gender adoptions to online shopping (Nawaz, Afzal, & Shehzadi, 2013). Women being more sceptical about e-commerce and online shopping made less purchases than men – but it could also due to women emotionally feel less satisfied with online shopping.

The Malaysian demographic studies show insignificant increase in the consumer online purchasing or selling. Empirical statistics are mostly used as evidence to relate e-commerce preference to the studies characteristic or hypotheses form, to show meaning behind the numbers (Ndubisi, 2007). Past studies, has identified few factors that influenced online potential sales of specific product. Past studies have explored consumer behaviour based on the flow of facilities. They found that online shopping is convenient but it could not replace actual shopping experience. Malaysians do find these same experiences while shopping online. Malaysians share the perceived attributes of online shopping that consist of 4 factors (Nawaz et al., 2013). They are Transaction cost, Incentive program, Site design, Interactivity of the website. The company marketing and market analyst department shows particular interest in this attributes because they are a tell-tale sign on consumer behaviour and conduct when they do online purchasing. In which most of the organization wish to convert their onlookers at the web site window into a buyers. Based on the studies above, the following result were disseminated, 77% were males respondent and 23% were females respondent. Malay contributes 58.6%, Chinese 24.3% and 14.1% Indians correspond to the studies made (Nawaz, Azam, & Bhatti, 2019).

## METHODS

"Methodology may refer to nothing more than a simple set of methods or procedures, or it may refer to the rationale and the philosophical assumptions that underlie a particular study relative to the scientific method. Methodology doesn't describe specific methods; nevertheless it does specify several processes that need to be followed. These processes constitute a generic framework (Ramayah, Rouibah, Gopi, & Rangel, 2009). They may be broken down in sub-processes, they may be combined, or their sequence may change." Correlation shows how strongly the relationship between 2 item relates. If the correlation follows a linear value, it is said to follow Pearson product moment correlation, it helps to

analyse whether the questions in the survey are related towards the research topic adoption of e-commerce.

The "dependent variable" represents the output or effect, or is tested to see if it is the effect. The "independent variables" represent the inputs or causes, or are tested to see if they are the cause.

$$AEC = SC + CA + e$$

AEC = Adoption of E Commerce

SC = Social Culture Influence

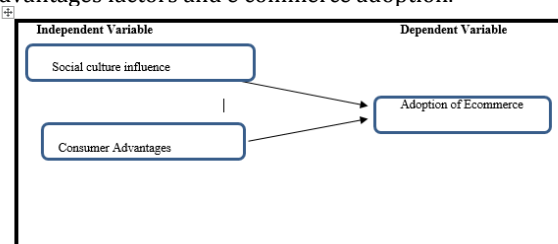
CA = Consumer Advantages

e = Error Term

Social culture influence is defined as a degree to which an individual believes that he or she will submit to what others thought they should do (Ramayah & Suki, 2006). In our case - it is defined as an individual's perception that most people who are important to him think he should or should not perform the action that is expected of them. Past studies also explained that the opinions and influence of friends, family, and relatives are important in making a decision to adopt a new product and service. Thus, the following hypothesis is postulated:

Hypothesis 1: There is a positive nexuses among social culture influence and e commerce adoption.

Consumer Advantage factor refers to the degree in which a person perceives that adopting e-commerce would be better than other form of shopping. Previous research in the diffusion of innovation (DOI) and TAM studies – have found that perceive usefulness have a strong and constant relationship with technology advantage adoption and usage. Other factors that influenced a consumer's desire to use a new application such as e-commerce are a factor of social culture influence. Results of a study by Fan, past studies found that consumers love to give suggestions and recommendations related to a service used to others if they are satisfied with the services received or given. They usually will tell and recommend it to their closest friends to also try and use the system (Sin, Nor, & Al-Agaga, 2012). Hypothesis 2: There is a positive link among consumer's advantages factors and e commerce adoption.



**Figure 4 – Research Framework**

Based on previous research – many models have been used in many literature reviews: Technology Acceptance Model (TAM) and also the Diffusion of Innovation (DOI) Model have been widely used by other researcher as a guide in their research. While designing the questionnaire, few measures and counter measures were taken into account to ensure that the constructs are reliable and valid. 31 structured questions were used to measure the 5 key constructs identified in this project thesis. Every question on the survey form (questionnaire) focuses on specific issue and proper care have been taken to ensure that each question have clarity and brevity. Structured question is use to ensure standard responses are captured from the respondents, and it also to set a standard way to arrange and compile the data at hand. Most of the designed question is of close end, in order to make the respondents answer it in a fix fashion manner – a Likert scale is used to

measure the responses given. Each the questionnaire item is filtered and double-checked to be of length more or less about 25 words per question per item. This is to ensure the question is kept simple to be understood and is direct to the point. This will reduce misunderstanding and confusion to the question statement used in the questionnaire (Suki & Suki, 2011).

Questionnaire in this study does not have multiple level type of question where the respondents were required to answer another question pertaining to the first question's answer. It is to avoid confusion and discourage respondents from continuing the survey. Proper care have also been taken in designing the questionnaire to reduce question bias or leading but this questionnaire is not susceptible to wrong wording or misunderstood or confusing on part of respondent. The questionnaire was designed to have 5 dimension or section. Each of the dimensions is using Likert scale measurement to gauge the data, except for the demographic section that is not using this measurement scale. It will examine how well the subject and the respondent agrees or disagrees to the statement on a scale of 1 to 5 - where 1 is extremely disagree, 3 is neutral/ No Opinion and 5 is extremely agree. Likert scale is used to rate the respondent answers towards the given statement and an analysis will be conducted to each statement in order to evaluate the respondent answer and determine the analysis for each variable being studied. The population under study consisted of teenagers and adults of age 15 years old and above. The understudy candidates must also have exposure in internet usage. The expectation of the studies population will come from various demographic groups and a well diverse background either in academic, job experience or society level. They were also chosen by the researcher because they were easily accessible and this will save time, cost and human resources.

Sampling method used in this research paper is of convenient sampling method, where the distribution pattern may be considered as random but more towards convenient randomness. Why we use this method? It is because it is not possible to do a purely random method out in the open field or location. So by visiting specific location and distributing questionnaire to passer-by who have time to spend doing the survey is our main target candidate. So, this technique is used. Although it may be less efficient in gathering good sample or data, but compared to other method, this is better. Also, this method is cost effective and time saving, especially when the population that need to be studied is large in size.

The data collection was done in the course of 15 to 20 weeks. This much time is required in order to give more flexibility and consideration to friends that help to distribute the questionnaire at their office and relatives. It also ensures that they have ample time to collect it back. This research will be expected to distribute around 270 questionnaires.

This survey questionnaire was also distributed through relatives and friends who helped to distribute it at their work place and neighborhood. Most of them were given about 10 to 20 questionnaire each and they have about 6 weeks to distribute it and collect it back. At the end of week 8 or 9, they will collect them all for the final analysis. This method of distribution were the most effective method used by the researcher, since the researcher have to send and collect back the questionnaire as compare to email distribution. This method ensures the respondent will

receive the questionnaire and all the distributed survey form was answered by the respective respondents. Although not all of the survey forms were distributed but so far all of the forms, either answered or not, were given back to the researcher in the same quantity that were given to them. So that is a good thing.

The software use in this report to analyse the data are Statistical Package for the Social Science or SPSS and Microsoft Excel. The main data analysing processing will be done with a computer using the software Statistical Package for the Social Science or SPSS. SPSS is used to analyse the data because it is a professional tool used by many researchers throughout the world. It is a reliable and trustworthy tool in delivering the results. It has very good statistical packages that are able to analyse data, form relationship between data and hypothesis, while delivering reliable and trustworthy result. The result generated from SPSS can be converted into tables and graphs for better display of information. The table and graph would made the data more visible to pattern and trends for better observation.

All these patterns and trends will make for more accurate data analysis which can give more meaningful relationship of the data and the observing facts. With this facts and data, SPSS, would help to prove the theory on the hypothesis made in this report, and see whether if there is any significant relationship drawn from the hypothesis made.

This chapter has discussed some details on the methodology and data collection used in this research thesis. It included the questionnaire design, research design and analysis method that will be used in this study. The research was conducted in a quantitative research manner and development also by hypotheses development. The theoretical framework was also discussed. The measurement of instrument used, sample selection and the data analysis were also presented. The summary of the findings will be presented in the next chapter.

## ANALYSIS

### Findings

Pilot test was conducted to 50 respondents prior to the survey. The chosen respondents' criteria are set by the researcher. Almost all of the respondents are MBA's student for the Management Science University at Graduate Management Centre and some of them are public respondent from Bandar Tun Hussein Onn McDonald. This pilot test was done in 60 days. This test pilot is done to gauge the questionnaire reliability and validity. It also serves to test the construct so the questionnaire gives the correct or good data.

**Table 1 - Construct Reliability Test AEC - SC.**

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.820	.822	2

The score between SC – AEC is 0.820 for the reliability coefficient or Cronbach’s alpha. As shown in Table 1, in this pilot test, Cronbach’s was performed on each construct to measure internal consistency reliability for the individual construct and the overall measures. The constructs scored above 0.70 and therefore are considered reliable in all aspects. What this means is the question or construct of SC is related to AEC. Items of SC then have relationship with AEC.

**Table 2 - Statistics Standard Mean AEC - SC**

Item Statistics

	Mean	Std. Deviation	N
AEC	3.3300	.53557	50
SC	3.3280	.58101	50

Given here on Table 2, the standard mean for the 2 item is 3.3280 for SC and 3.3300 for AEC.

**Table 3 - Inter-Item Correlation Matrix AEC – SC**

Inter-Item Correlation Matrix

	AEC	SC
AEC	1.000	.698
SC	.698	1.000

From Table 3, it shows that item in SC do correlate with item in AEC at 0.698.

**Table 4 - Inter-Item Covariance Matrix AEC - SC C**

Inter-Item Covariance Matrix

	AEC	SC
AEC	.287	.217
SC	.217	.338

From Table 4, it shows that item in SC covariance value is at 0.217 with AEC.

Cronbach's Alpha Cronbach's Alpha Based on Standardized Items N of Items .701 .706 2  
The score between CA – AEC is 0.701 for the reliability coefficient or Cronbach’s alpha. As shown in Table 5, in this pilot test, Cronbach’s was performed on each construct to measure internal consistency reliability for the individual construct and the overall measures. The constructs scored equal or above 0.70 and therefore are considered reliable in all aspects.

What this means is the question or construct of CA is related to AEC. Items of CA then have relationship with AEC.

**Table 5 - Statistics Standard Mean AEC - CA**

Item Statistics

	Mean	Std. Deviation	N
AEC	3.3300	.53557	50
CA	3.8000	.45714	50

Given here on Table 6, the standard mean for the 2 item is 3.8000 for CA and 3.3300 for AEC.

**Table 6 - Inter-Item Correlation Matrix AEC - CA**

Item Statistics

	Mean	Std. Deviation	N
AEC	3.3300	.53557	50
CA	3.8000	.45714	50

Given here on Table 6, the standard mean for the 2 item is 3.8000 for CA and 3.3300 for AEC.

**Table 7 - Inter-Item Correlation Matrix AEC - CA**

Inter-Item Correlation Matrix

	AEC	CA
AEC	1.000	.546
CA	.546	1.000

From Table 7, it shows that item in SC do correlate with item in AEC at 0.546.

**Table 8 - Inter-Item Covariance Matrix AEC - CA**

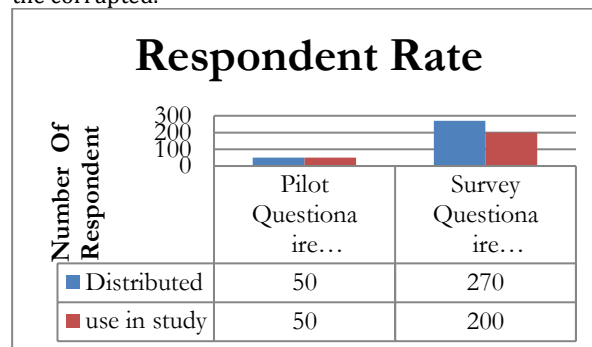
Inter-Item Covariance Matrix

	AEC	CA
AEC	.287	.134
CA	.134	.209

From Table 8, it shows that item in SC covariance value is at 0.134 with AEC.

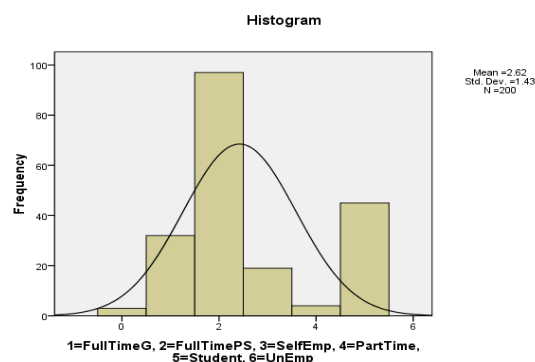
The response rate of the respondents taking the questionnaire is about 74%, based on the Figure 5 below, a total of 270 questionnaires were distributed, but only 200 from that distribution are used in this study, the rest contain data error and many unanswered sections that rendered as corrupted data. According to Vogt (2007), if the sample taken in the research survey is big enough, than the error produce by the result of the survey sample will be small and thus giving better result on the statistical analysis. Based on this research the rate of response is acceptable for use in this project and are considered good

sample distribution - based on the accepted data verses the corrupted.



**Figure 5 - Respondent Rate**

The survey responses were collected basically from individual of age 14 and above. From the frequency. We can see that many of the respondents were born on the year of 1993 to 1983 where the age of respondent is between 20 years to 30 years. 12.5 % of the responses came from respondents that were born on 1993 which corresponds to 25 people that took the survey. - 16 people represent 8% of the population were born on 1983. 7% or 14 of the respondents that took the survey did not answer this question and leave it blank, which been represented by value 0 entered in SPSS. 11 of the respondent were born on 1978 which represent 5.5% of the population and another 5% of the population were born on 1975 which represent 10 respondents. Most of the respondents can be considered from Generation-X. They are in their prime and most of them are young working adults, which means they have money to spend and not many obligations to uphold. We can see through by each of the respondent job designation or position and we will focus on job positions that score a level of frequency of 5 and above only. Synopsis forms the Table above based on selected profession are discussed. We have 4 admin that took the survey and that gives 2% of respondent. 9 assistant s that contribute to 4.5% of the respondents, 14 managers that made up of 7% of the respondents, with 5 lecturers that consist of 2.5% of respondents and the largest group of respondents which consist of 22 students that makes up for 22.5% of the total pack. And 11.5% or 23 of the respondents did not answer this question, denotes by value 0.



**Figure 6 - Histogram Table of Work Status and Job Designation**

The total number of respondents, about 34.5% of the respondents or 69 of them are having level of income of more than RM 5000 per month. 14.5% of respondents or 29 of them are having level of income in the area of RM

3000 per month. 14% of respondents or 28 of them are having level of income less than RM 1000 per month. 8.5% of the respondents or 17 of them are having level of income in the area of RM 2000 per month. 7.5% of the respondents or 15 of them are having level of income in the area of RM 1000 per month. And 15.5% of the respondents or 31 of them did not answer this question, indicated by 0 entries in SPSS.

Table 9 - Frequency of Marital Status

1=Single, 2=Married, 3=Others.

Based on the Table 4.29, 53.5% of respondents are single and 43.5% of respondents are married. 2% of the respondents did not answer the question and the other 1% of the respondents is either widowed or divorced. Many of the respondents are single; which in response with the job position category where many of them are students.

Table 10 - Normality Test - SC

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	4	2.0	2.0	2.0
1	107	53.5	53.5	55.5
2	87	43.5	43.5	99.0
3	2	1.0	1.0	100.0
Total	200	100.0	100.0	

Tests of Normality

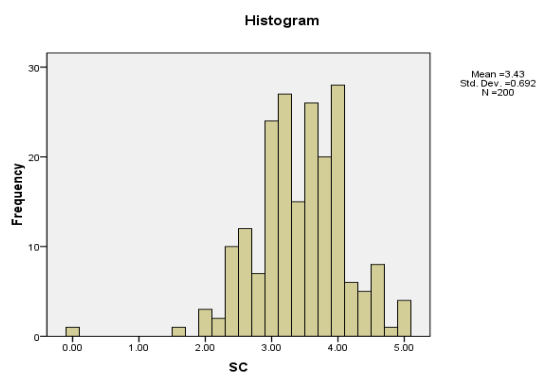


Figure 7 - Histogram Normality Test - SC

Kolmogorov-Smirnova the test for normality result, the significant level is at 0.01, which is less than 0.05. Thus the assumption that the distribution normal is not met. But as shown in the histogram Figure 7, the graph is of normal distribution but more skewed towards right, which shown leaning on the Likert scale value of agreeing. Value of 4 is agreed and value of 5 is extremely agreed. Naturally, this normality test would lean more towards the agreeing value on category of social Culture Influences. If we look at the Figure 4.18, Normal Q-Q Plot graph, the result plotted against the linear line falls close to the straight line, which can be assumed that this sample is from a normal distribution.

Table 11 - Normality Test -AEC

Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
AEC	.145	200	.000	.968	200	.000

a. Lilliefors Significance Correction

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
SC	.086	200	.001	.964	200	.000

a. Lilliefors Significance Correction

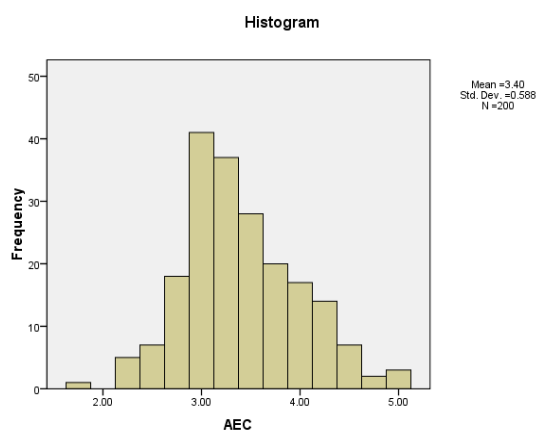


Figure 8 - Histogram Normality Test -AEC

Kolmogorov-Smirnova the test for normality result, the significant level is at 0.00, which is less than 0.05. Thus the assumption that the distribution normal is not met. But as shown in the histogram Figure 4.21 the graph is of normal distribution but more skewed towards right, which shown leaning on the Likert scale value of agreeing. Value of 4 is agree and value of 5 is extremely agree. Naturally this normality test would lean more towards the agreeing value on category of usefulness. If we look at the Figure 4.22, Normal Q-Q Plot graph, the result plotted against the linear line falls close to the straight line, which can be assumed that this sample is from a normal distribution.

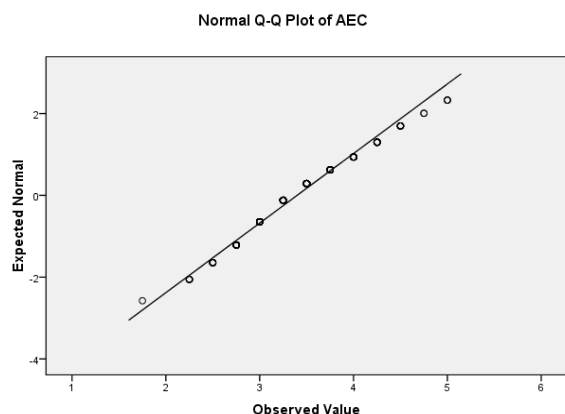


Figure 9 - Normal QQ Plot of AEC

Table 12 - Homogeneity Test

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
SC	.540 <sup>c</sup>	11	187	.874
CA	1.083 <sup>d</sup>	11	187	.377

SC test of homogeneity is at 0.874, is higher than 0.05, suggesting that SC does significantly influence AEC. CA test of homogeneity is at 0.377, is higher than 0.05, suggesting that CA does significantly influence AEC.

Table 13. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	-.416	.141		-2.946	.004
SC	.253	.034	.298	7.523	.000
CA	.274	.035	.275	7.706	.000

The results reveal that there is positive correlation between independent variable and dependent variable. There is high correlation between these two dimensions as correlation coefficient is as follows:

- SC correlation is the second highest at 0.746 which indicate that SC is also a strong factor that contribute or have impact on AEC. SC can easily influence AEC.
- CA correlation is the third highest at 0.660 which indicate that CA is a strong factor that contribute or have impact on AEC. CA can influence AEC.

E-commerce plays an important role in our lives today and adopting to use e-commerce as a trade tool or as a convenient way to shop on the internet have become prominent in our everyday activity. Most respondents in the survey indicate that they in more than one way have used and will use the internet and e-commerce. Our analysis on the data collected can be observed by the demographic data collected. Many of the respondents are Malay, which represent 68% of population, Chinese represent 21% of population, Indian represent 9.5% of population and other races represent 1.5% of population. Malay and Chinese are more justified of showing indication to adopt e-commerce. Many of the respondents that use ecommerce are at the age of 18 to 25 as they are more incline with technology and internet. Most of the respondents are female which represent 54.5% of the total respondent. Female may indicate to adopt to use ecommerce more than men. Since woman items are a lot more available on the internet than men.

Many respondents have bachelor degree as minimum level of education represent 44%, respondents that have diploma level represent 31.5% of them, while 17% of respondents have MBA and about 2% are PhD holder. Most of e-commerce users are also wise to spend their money online as well as social contact but in a very cautious way since they also know about the internet scheme and phishing. Whereas unscholarly respondents mostly on the internet for social gathering. By using



ANOVA regression model the coefficient value estimate the theory model, used on representing on the consumer influence to adopt ecommerce. The Equation B is fitted to represent the model on theory:

## CONCLUSIONS

The hypotheses models have been tested with a sample of 200 consumer respondent. Using homogeneity test, normality test and ANOVA regression, we analysed the data collected to see if they had significant impact towards the adoption of ecommerce. Demographic study shows there are 109 female which represents 54.5 % and 91 male which consist of 45.5 % respondents involved. Age of respondents comes from a large scale, but the highest score fall to respondent that was borne on 1993 which represent 12.5%. Second highest is from respondent that was born on 1983 which represent 8% of the peoples who are engage in ecommerce. Third highest is respondent that was born between the year of 1975 and 1978 which represent 5% and 5.5% of the respondents respectively. And most of the respondent are Malay race which represent 136 respondent or 68% of the population. 42 respondent or 21% of the respondent represent the Chinese race, 9.5% or 19 respondent represent the Indian race and 1.5% or 3 respondent represent from other race. Demographic studies on income level shows, that 69 of the respondent is having an income of more than RM 5000 which represent 34.5% of population. 29 of the respondent are having an income of more than RM 3000 which represent 14.5% of population. 28 of the respondent are having an income of less than RM 1000 which represent 14% of population. 17 of the respondent are having an income of more than RM 2000 which represent 8.5% of population.

Analysis test shown result for employment status, that a significant value of  $p = 0.06$ . Since the  $p$  value is below 0.05, this can be concluded that there is significant difference in Adoption of E-commerce by employment status group that can influence the use of e-commerce. Employment statuses do have influence on AEC. Analysis test shown result for marital status, that a significant value of  $p = 0.590$ . Since the  $p$  value is above 0.05, this can be conclude that there is no significant difference in Adoption of E-commerce by marital status group that can influence the use of e-commerce. Marital statuses do not have influence on AEC. Analysis test shown result for income level, that a significant value of  $p = 0.582$ . Since the  $p$  value is above 0.05, this can be conclude that there is no significant difference in Adoption of E-commerce by income level group that can influence the use of e-commerce. Income level group do not have influence on AEC.

Since the internet in Malaysia is growing, we can also conclude that the consumer base is also growing. This will make it easier for SME and businesses to make their consumers target become a customer, since they know exactly which type of consumer are interested with their product or services, and with this knowledge they can make the conversion rate much higher, and thus sell more product or services. The only limitation here is that some of the data collected from the population do not represent the exact portion or size of the population. The sample size collected from population is only 270; out of this collected sample only 200 can be used in this study. It is hardly enough to give a correct assumption on the consumer, let alone to profile the entire population based on the studies

done. That is the limitation of the study, which will be discussed in the next section.

270 questionnaires were distributed by convenient sampling method and 270 respondents did take part to answer the questionnaires. The questionnaires were aimed to investigate the opinion of the respondent on how the propose factor and consumer preference can affect the adoption of ecommerce. The measuring scales used were devices into 5 measurements according to Likert scale rating. 4 hypotheses were created to measure the affect degree of adoption of ecommerce through consumer opinion. Statistical technique used for processing the data collected from respondent were frequency distribution, percentages, means arithmetic, standard deviation, correlation test, normality test and Anova test. SPSS Application and excel 2010 were used for processing and analysing the collected data from the respondent. The predictor uses to investigate the influence of adoption of ecommerce factor are:

- 1) On Consumer Side
  - Internet experience usage, respondent gender, respondent education level, respondent income level, respondent job position and marital status.
- 2) On the ecommerce side
  - Easy Internet access, compare product item and price, easy e-commerce application usage, perform e-commerce transaction easily, peer or relative influence into using e-commerce and benefit of using e-commerce.

## I. Limitation and Recommendation for Future Research

Thus, if this study chooses all the main cities in Malaysia such as Kota Bharu, Kota Kinabalu, Tawau, Miri, Kuching, Kuala Lumpur, Kuala Terengganu, Penang, Johor Baharu, Putrajaya, Kajang to name a few. Each sample size at lease contains 50 to 100 – this will ensure thorough coverage of the area and the data collected will actually represent that area. Finally, in this study there are only 200 respondents out of 270 questionnaires that can be used in the study due to limited resources and time constraints.

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