PERCEIVED RISK ON ONLINE PURCHASE INTENTION ON APPARELS

BY

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A research project submitted in partial fulfilment of the requirement for the degree of

BACHELOR OF INTERNATIONAL BUSINESS (HONS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

DEPARTMENT OF INTERNATIONAL BUSINESS

NOVEMBER 2014

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ACKNOWLEDGEMENT

No writing is the creation of its author alone, so as to holds true for this research project. This research has been a success through the assistance of few remarkable individuals. Therefore, we would like to take this golden opportunity to express our deepest and sincere appreciation to these individuals.

Firstly, we wish to express our deepest gratitude and appreciation to our thesis supervisor, Ms. Chung Choy Yoke who has given us numerous insights in writing this thesis. With her support, supervision, time, patients, efforts and inspiration we could not have managed to complete this thesis on time.

Furthermore, we are truly grateful to our second examiner Dr. Law Kian Aun for giving us his recommendation on how to enhance our thesis. We would also like to thank our lovely family and friends those given us their support financially and emotionally.

We would also like to acknowledge the help of Universiti Tunku Abdul Rahman for giving us the experience of research and providing us the resources for our thesis. In addition, we would also like to thank the respondents to fill up our questionnaire.

Lastly, our sincere appreciation to all the remarkable individuals whom were directly or indirectly involved in this thesis.

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LIST OF ABBREVIATIONS

AVP Average for Product Risk

AVF Average for Financial Risk

AVS Average for Security Risk

AVT Average for Time Risk

AVD Average for Delivery Risk

AVD Average for Physical Risk

AVO Average for Online Purchase Intention

AVPR Average for Perceived Risk

SPSS Statistical Package for the Social Sciences

UPM Universiti Putra Malaysia

UKM UniversitiKebangsaan Malaysia

UM Universiti Malaya

UTM UniversitTecknologi Malaysia

USM UniversitiSains Malaysia

UMS Universiti Malaysia Sabah

UNIMAS Universiti Malaysia Sawarak

UNIMAP Universiti Malaysia Perlis

UMK Universiti Malaysia Kelantan

UTHM UniversitiTun Hussein Onn Malaysia

UTeM UniversitiTeknikal Melaka

UMT Universiti Malaysia Terengganu

UTAR UniversitiTunku Abdul Rahman

NU Nilai University

OUM Open University Malaysia

MMU Multimedia University

ANOVA Analysis of Variance

INTI International University

TAM Technology of Acceptance Model

TPB Theory of Planned Behavior

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PREFACE

Online purchase is becoming more popular with the advancement of technology and introduction of web-based social networks such as e-bay, Groupon and Lazada. Furthermore, companies today are seeking new and attractive marketing plan to market their goods and services to customers. With all sort of theories and research being introduced by authors and researchers, perceived risk has become increasingly significant for marketers to determine the online purchase intention of their customers.

The Technology Acceptance Model (TAM) and Theory of Planned Behaviour (TPB) has been widely accepted and used by researchers to test the online user's purchase intention towards online shopping. This study being conducted uses the TAM to identify the acceptance towards the use of online shopping with perceived risk. The study narrows down to the undergraduate students that are still studying in university Malaysia either in public or private university. TPB is uses to explain conditions how individuals such as online shopper behave to purchase intention and react to perceived risk.

ABSTRACT

Online shopping is currently trending in the society and it will continue to grow as it brings a lot of advantages for businesses and also consumers. The main purpose of this study is to identify how perceived risk will influence on the purchase intention of online customers. Furthermore, the study also highlighted reasons demographic factors such as age, gender and ethnicity will perceive differently on the risk.

This study is to determine the negative relationship between six variables which are product risk, financial risk, security risk, time risk, delivery risk and physical risk towards online purchase intention. A sample of 300 has been selected randomly by distributing self-administered questionnaires to all the public and private university students in Malaysia.

