E-Commerce: A Study on Online Shopping in Malaysia

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ABSTRACT Despite the high potential of online shopping in Malaysia, there is still a lack of understanding concerning the subject matter and its potential impact on consumer marketing. This study aims to establish a preliminary assessment, evaluation and understanding of the characteristics of online shopping in Malaysia. The Chi-squire test was used to determine the relationship between current online shoppers and demographic variables. Samples t-test was then used to compare the mean differences between current online shoppers and non-online shoppers. Then, correlation coefficient matrix was employed to determine the degree of correlation between future online shopping and issues concerning online shopping. The study revealed that online shopping in Malaysia is significantly associated with the Chinese ethnic group, university degree holders and credit cards or chequebooks owners. The results also indicated a significant mean difference between online shoppers and non-online shoppers in gathering product information and comparing price of goods and services before a purchase decision. Results also indicate that this group of non-online shoppers constitutes more than 60% of the total number of online consumers in Malaysia, implying a huge potential of online shopping to online retailers. In conclusion, online consumers in Malaysia still lack confidence and trust in utilizing the Internet as a shopping channel. They are mainly concerned about issues related to privacy and trust when dealing with online retailers. These issues, if left unchecked, will have a detrimental effect on the future growth of online shopping in Malaysia.