



**THE IMPACT OF ONLINE SHOPPING ORIENTATION,
PERCEIVED BENEFITS, AND TECHNOLOGY
ACCEPTANCE MODEL (TAM) ON
STUDENTS' INTENTION TOWARD ONLINE SHOPPING**

Thesis

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THE IMPACT OF ONLINE SHOPPING ORIENTATION, PERCEIVED BENEFITS AND TECHNOLOGY ACCEPTANCE MODEL (TAM) ON STUDENT'S INTENTION TOWARD ONLINE SHOPPING

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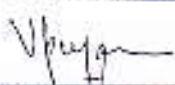
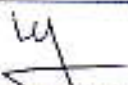
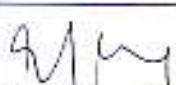
ABSTRAK

The internet has become a key medium for the purchase of products and services in virtual markets and has effectively linked all countries and business. Through the internet, electronic commerce offers a tremendously wide variety of electronic business opportunities. One of them is online shopping which has become the popular internet activity after e-mail or instant messaging and web browsing. Even though this method has started to win hearts the consumers, the factors influencing the willingness to shop online are still unknown. To ensure the success of online business, it is important for the retailers to understand their targeted customers. Such retailers' awareness of the factors affecting buyers' intention can further develop their marketing strategies in converting potential customers into active ones, while maintaining their existent online customers. This research is an empirical research which collects the primary data. A five-level Likert scale was used to determine students' intention towards online shopping. A self-administered questionnaire, based on prior literature, was developed and a total of 150 students of Andalas University in West Sumatra were selected by random sampling. The data analyzed by SPSS for windows using multiple regression analysis. The results indicated that online shopping orientation, perceived benefits, and technology acceptance model influenced the students' intention toward online shopping.

Keywords: students, online shopping, technology acceptance model (TAM)

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CHAPTER I

INTRODUCTION

1.1 Background of the research

Nowadays, the development of information and technology influence almost in all part of our daily activities. People tend to use technology and information system since it creates more effectiveness and efficiency. Recently, information system becomes more popular in business world including in retailing sectors, since the traditional form of shopping such as traditional market, convenient store, supermarket, mall, and catalogue could not meet customer's satisfaction.

E-commerce practices have been employed since last a decade. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace. Since Internet commerce has been developed, there were about 600 million online people in the world in 2002 (UNCTAD, 2002). Along with the development of E-retailing, researchers continue to investigate E-consumers' behavior from various perspectives. Most of their studies have posited new emergent factors or assumptions which are based on the traditional models of consumer behavior, and then examine their validity in the internet context.

Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies believe that there is money to be made as soon as the internet becomes popular. In the retailers' opinion,

the future of internet shopping will always be bright however; nothing is guaranteed success for retailers and companies in e-commerce.

The companies are started using the internet with the efficiency reason, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. In e-retailing, the seller can save more money from several costs such as wages, building rent, and marketing cost, therefore they can sell their product in lower price. Companies also use the internet to convey, communicate and disseminate information, to sell the product, to take feed back and also to conduct satisfaction surveys with customers.

Customers use the internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Customers also gain some profit such as wider selection of product and efficiency of time because they don't need to go anywhere to buy something. They can do shopping directly from their house or office.

Shopping at an online store is like shopping through a paper catalogue because both involve mail delivery of the purchase and in both cases customers cannot touch or smell the items (Spiller and Lohse, 1997). So, the promise of electronic commerce and online shopping depends, to a great extent, on user interfaces and how people interact with computers (Hoque and Lohse, 1999; Griffith *et al.*, 2001).

Considering that Internet shopping, is still at the early stage of development, little is known about consumers' attitudes towards adopting this new shopping channel and factors that influence their attitude toward (Haque *et al.*, 2006). The

CHAPTER V

CONCLUSION AND LIMITATION

5.1 Conclusion of the Research

The results show some supportive result from the previous research. The only difference is in the contribution given by each independent variable to the dependent variable, in this case, to intention toward online shopping. The research indicates that all the factors of online shopping are significantly effect the intention to shopping online. The data result that the consumers who perceived benefits from online shopping and can accept the technology are likely to shop online. The data also shows that the students of Andalas University who have experienced online shopping have different orientation in shopping online. Some of them are goal-oriented which is utilitarian and some others are experiential shoppers or hedonic oriented.

The finding in this study shows that hedonic value is greater than utilitarian value. This result is supported by the result of perceived benefits where fun being the most significant value to intention among other dimensions. As we know before that people that have hedonic orientation are more likely looking for joy, excitement, and fun. They are kind of experiential shoppers.

Therefore, finding from this study confirmed that shoppers are more experiential oriented and didn't previously planning their most recent online purchase. Hedonic shoppers may be inclined to shop through internet in order to seeking fun, enjoyment and experienced. On the other hand, consumers' tendency

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