Online Shop System Problem Statement

Customer can browser through the product catalog and add the items to shopping cart. He can proceed

to checkout as long as his shopping cart is not empty. Customer will require to login to the system

when he proceed to checkout, or he can create an account if he not yet have one. The order will charge

to the credit card registered in customer's account.

Customer need to provides full name, email address, phone number, credit card and billing address

details when creating an account.

Customer can login to the system to maintain his account information, such as changing phone number,

address, and credit card details, and check the status of his orders.

Upon order received, the sales staff will process the order by charge to customer's credit card. Once the

order has been charged, he will then mark the order as paid and pass to courier company and deliver

them to customer. If the items customer ordered is out of stock, then the order will mark as on hold.

Once the item(s) arrived, the order will pass to courier company for delivery. Courier company will

pack the item with standard packaging, but if the order is marked as gift, then the the items will pack as

gift.

If the items arrived with damage, customer can return it by register in the online shop. Courier

company will collect the item from customer and sales staff will refund the money for that item.

Marketing staff responsible to maintain the product catalog. He can also setup the promotion item list

and send promotion email to customer

**Problem Statements**

Online shopping in Malaysia is a new technology breakthrough since it has just begun to assault the Malaysia retailing sector with online shopping services (Haque

et al

., 2006). In order to increase online shopping in Malaysia, understandingconsumer online shopping behavior and factors influencing this behavior whenshopping online should be given priority.Research indicates that 81 percent of those who browse web sites for goods andservices do not actually make an online shopping (Gupta, 1995; Kline, 1998; Shim,Eastlick, Lotz, & Warrington, 2001). Interestingly, Taylor Nelson Sofres (2002)reported that only 3 percent of Malaysians Internet users shopped online in May2002, a reduce of 1 percent compared to 4 percent in 2001 (Chua, 2008; Hamid &Khatibi, 2006). Majority Malaysians (76 %), specially younger people were usingthe internet for non-shopping activities such as seeking information, playing games,entertainment, or communicating with friends, etc. (Hamid & Khatibi, 2006).According to Jariah, Husniyah, Laily and Britt (2004), with the expansion of educational services in Malaysia, university students become one of the mostimportant market segments for two reasons; First, this group has money andshopping interests. Second, this is the segment of the population that has the potential of earning a greater income than other segments of the population.4

Therefore, it will be of great significance to find out the factors which influencestudents’ intention to shop online if we want to expand the group of online buyersand the volume of e-commerce. Unfortunately, studies examining students’ behavior towards online shopping in the Malaysian environment are of a limited number (Haque

et al

., 2006).Consumers’ attitude towards online shopping is known as the main factor that affectsonline shopping behavior (Michael, 1998). Attitude directly influence decisionmaking and also is central to a buyer’s shopping behavior. Consequently, the groupwith more positive attitude should be the target market (Shwu-Ing, 2003). Accordingto study conducted by Haque

et al

. (2006), attitude towards online shopping isconsiderably quite negative among Malaysians. Therefore, it is important torecognize that numerous factors precede attitude formation and change.The process of consumers’ decision-making on online shopping relates to theexperiences and satisfaction they perceive while shopping. The Malaysian Internetusers conducting online shopping seek benefits such as cost saving, convenience,cheaper price, a way to easily search for information, and a 24-hours services(Haque, Mahmud, Tarofder, & Ismail, 2007). As pointed out by Rodgers andThorson (2000), various consumers’ motives affect attitude towards online shoppingso internet users become more used to this medium. So, to understand the drivingforces toward online shopping and their relationship with attitude, it is important torecognize how students make their online purchase.5

Consumer shopping behaviour is strongly influenced by consumers’ characteristics.In addition, attitudes serve as the bridge between consumers’ characteristics andonline shopping behavior. As mentioned by Defeng, Bingchuan, and Li (2006)attitude towards online shopping is influencing by demography factors, such asgender, age and income. In addition consumers have different personality, whichmay influence how they perceive their online shopping behavior (Wolfinbarger &Gilly, 2001). Hence, consumer personality that can be classified into utilitarianorientation and hedonic orientation lead to different shopping behaviors.Finally, opportunities of online shopping can be restricted by internal and externalconstraints on behavior (Karami, 2006). It is important in explaining human behavior since an individual who has the intention of accomplishing a certain action may beunable to do so because his or her environment prevents the act from being performed. Moreover, there are some barriers which have contributed to theunwillingness of Malaysians to shop online because they afraid their personalinformation will be stole or misused by others (Haque

et al

., 2006). Despite the high potential of online shopping in Malaysia, there is still a lack of understandingconcerning the online shopping and its impact on marketing (Chua, Khatibi, &Ismail, 2006). Consequently a framework is needed to structure the complex systemof effects of these different factors, and develop an in-depth understanding of consumers’ attitudes towards Internet shopping and their intentions to shop online.6