FACTORS INFLUENCING THE ONLINE PURCHASE INTENTION OF MOVIE TICKET: THE MEDIATING EFFECT OF TRUST AND PERCEIVED USEFULNESS

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THESIS SUBMITTED IN FULFILLMENT FOR THE DEGREE OF MASTER IN BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS AND ECONOMICS

UNIVERSITI MALAYSIA SABAH

2012

UNIVERSITI MALAYSIA SABAH

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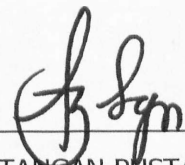
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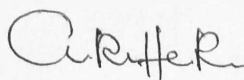4. TIDAKTERHAD

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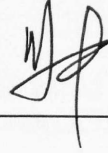
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ACKNOWLEDGEMENT

ABSTRACT

FACTORS INFLUENCING THE ONLINE BUYING INTENTION OF MOVIE TICKET AMONG MALAYSIANS

The purpose of this study is to determine the factors that influencing the online purchase intention of movie ticket among Malaysians. The framework of this study was the integration of Technology Acceptance Model and Trust Model, adopted from Gefen *et al.* (2003). This study was conducted using questionnaire as the instrument and distributed through internet. A total of 185 sets questionnaires were received. However, 33 sets were uncompleted and two respondents were out of the age range (18-34 years old). From the result of the data analyses done, all the hypotheses were confirmed to be significant. Trust was found to have mediating effect towards the relationship between Structural Assurances, Knowledge-based Familiarity and purchase intention. Perceived Usefulness also found to have mediating effect towards the relationship between Perceived Ease of Use and Purchase Intention. The findings of this study may help the marketer to gain better understanding about the factors that influence the consumers' online movie ticket purchase intention and allow them to develop a more effective strategy to increase the numbers of online movie ticket purchasers.

ABSTRAK

Tujuan kajian ini adalah untuk mengenalpasti faktor-faktor yang mempengaruhi niat pembelian tiket wayang secara atas talian di kalangan rakyat Malaysia. Rangka kerja kajian ini merupakan integrasi Technology Acceptance Model and Trust Model, diubahsuai daripada kajian Gefen et al. (2003). Kajian ini dijalankan menggunakan borang soal selidik dan diedarkan melalui internet. Sebanyak 185 set borang soal selidik telah diterima. Akan tetapi, 33 set adalah tidak lengkap dan dua responden teleh melebihi had umur yang ditetapkan (18-34 tahun). Keputusan analisis telah menunjukkan bahawa semua hipotesis dalam kajian ini adalah penting. Amanah mempunyai kesan pengantara terhadap hubungan di antara Jaminan Struktur, Kebiasaan Berasaskan Pengetahuan dan Niat Pembelian. Tanggapan Kegunaan juga dikenalpasti mempunyai kesan pengantara terhadap hubungan di antara Tanggapan Kemudahan Penggunaan dan Niat Pembelian. Keputusan kajian ini dapat membantu pemasar untuk lebih memahami faktor-faktor yang mempengaruhi niat pembelian tiket wayang secara atas talian. Ini membolehkan pemasar untuk membangunkan strategi yang lebih berkesan dan seterusnya meningkatkan bilangan pembeli tiket wayang secare atas talian.

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CHAPTER 1

INTRODUCTION

1.1 Overview

Nowadays, the electronic technology had become more complex. The internet facilities were easily available and became more common in Malaysia. Internet usage had become one of the important and daily practices among Malaysians. According to research done by Internet World Stats (2012), Internet user in Malaysia in year 2011 had reached 17,723,000, which equal to 61.7 percent of the Malaysia population. This figure suggested that internet had become more and more important in Malaysia.

The increased number of internet users had opened a new potential market, which was the online selling or E-commerce. Since the numbers of the internet users were so huge, it opened up a huge new market for the marketer to focus on. On the other hands, increased number of internet in user in Malaysia also caused the use of World Wide Web (WWW) became more common. The generalization and advancement of World Wide Web had created a new type of shopping, which was the online transaction or online shopping. Eventually, the raise of online shopping had led to the raise of a new form of business, online business or E-commerce (Kwek Lau and Tan, 2010).

In year 2010, according to Asia Digital Marketing Association (2010), online Malaysian spent an average of approximate RM6000 on online purchasing. Besides, according to Ho (2010), Malaysian spent RM1.8 billion in online shopping in year 2010. In year 2010, Malaysian spent RM435 million or equal to 24 percent of total online spending on travel, RM329 million (18 percent) on bill payments, RM255 (14 percent) million on entertainment and lifestyle, RM218 million (12 percent) on IT and electronics, RM205 million (11 percent) on general insurance, RM181 million (10 percent) on fashion and beauty and RM68 million (4 percent) on gifts and collectibles (Ho, 2010).

All the data above were shown that online selling or E-commerce had become more and more important and common. This had opened up a brand new market channel for companies to sell and promote their products and services. However, online shopping or purchasing was not same as conventional offline shopping. Online shopping always associated with uncertainty, lack of control and potential opportunism (Grabner-Krauter and Kaluscha, 2003). Thus, consumers perceived that online purchase involved greater risk than offline purchase. Gefen Karahanna and Straub (2003) suggested that the website technological attributes and the consumers' trust over the vendor affected the consumers' online purchase intention.

In Malaysia, consumers' trust towards the e-vendors and the acceptance of online technology are believed are the primary factors that influencing the online purchase intention. Consumers refuse to do online purchase because they lack of trust of the e-vendor as well as the purchase conducting website. Moreover, familiarity and acceptance of the online technology also influence the consumers online purchase intention.

Over the years, Trust is one of the most cited factors that stops and prevents consumers to shop online (Lee and Turban, 2001). Perceived ease of use (PEOU) and perceived usefulness (PU) are the factors found in Technology Acceptance Model (TAM) that influence the consumers' online purchase intention (Tang and Chi, 2008). Combined Trust and TAM model were used to investigate the factors influencing the online buying intention of movie ticket among Malaysians.

1.2 Problem Statement

Online movie ticketing (E-ticketing) is one of the E-commerce businesses in Malaysia. In Malaysia, three main cinemas have been providing online movie ticketing services. These cinemas are Golden Screen Cinema (GSC), Tanjong Golden Village (TGV) and MCAT Box Office (MBO). Before the introduction of E-ticketing, consumers can only purchase movie ticket at the cinema counter or through phone reservation. Online movie ticketing is beneficial to both consumers

and cinema operator. For consumers, online movie ticketing is hassle free. With online movie ticketing, consumers no need walk out their door step to get the movie ticket. The online movie ticketing is fast and easy. As for the cinema operator, online movie ticketing can help them to reduce operating cost as the online movie ticketing process is paperless. On the other hands, online movie ticketing also help cinema operator in labor cost saving. This is because less ticket counter is needed if consumers tend to buy movie ticket online. Thus, reduce the amount of labor needed. On the other hands, online movie ticketing is environment friendly as no paper is involved during the process.

There are numerous benefits to both consumers and cinema operators by purchasing movie ticket online. However, number of consumers that use the online movie ticketing system is low. Still a number of consumers still have no intention to purchase movie ticket online. This situation basically caused by several factors such as Trust, Perceived Usefulness, Perceived Ease of Use and many more. Thus, research ought to be conducted to investigate the factors that influencing consumer's online movie ticket purchase intention. This research was conducted in the hope to fill in the gap of the online movie ticketing industry. By identifying the factors that influence consumers' online movie ticket purchase intention, the cinema operator can focus on the root cause of the problem and come out with a good and relevant strategy to tackle the problem. With this, Malaysia cinema industry can become more advance and developed.

Technology Acceptance Model and Trust Model have always been used by researchers to investigate the purchase intention of consumers. However, the use of these two models in Malaysia context is still new. Moreover, it is believed that trust and the acceptance of online technology are the primary factors that influence the online purchase intention of movie ticket. Thus, research based on these two models should to be conducted to confirm these two primary factors in Malaysia context.

In summary, the problem statement for this research is "The factors influences the online purchase intention of movie ticket are unclear."

1.3   Research Questions

Based on the overview and the problem statements, several research questions are raised. These research questions are:

i.   What is the relationship between Perceived Usefulness and consumers' online movie ticket purchase intention?

ii. What is the relationship between Perceived Ease of Use and Perceived Usefulness?

iii. What is the relationship between Perceived Ease of Use and consumers' online movie ticket purchase intention?

iv. What is the relationship between consumers' Trust and online movie ticket purchase intention?

v.   What is the relationship between consumers' knowledge-based familiarity and consumers' Trust?

vi. What is the relationship between consumers' knowledge-based familiarity and online movie ticket purchase intention?

vii. What is the relationship between movie ticketing website's Structural Assurances and consumers' Trust?

viii. What is the relationship between movie ticketing website's Structural Assurances and online movie ticket purchase intention?

ix. Is Trust mediates the relationship of movie ticketing website's Structural Assurances and online movie ticket purchase intention?

x.   Is Trust mediates the relationship of consumers' knowledge-based familiarity and online movie ticket purchase intention?

xi. Is Perceived Usefulness mediates the relationship of Perceived Ease of Use and online movie ticket purchase intention?

1.4   Research Objective

In response to the research question, the objectives of this study are as the following:

i.   To determine the relationship between Perceived Usefulness and consumers' online movie ticket purchase intention.

ii.   To determine the relationship between Perceived Ease of Use and Perceived Usefulness

iii.   To determine the relationship between Perceived Ease of Use and consumers' online movie ticket purchase intention.

iv.   To determine the relationship between consumers' Trust and online movie ticket purchase intention.

v.   To determine the relationship between consumers' knowledge-based familiarity and consumers' Trust.

vi.   To determine the relationship between consumers' knowledge-based familiarity and online movie ticket purchase intention.

vii.   To determine the relationship between movie ticketing website's Structural Assurances and consumers' Trust.

viii. To determine the relationship between movies ticketing website's Structural Assurances and online movie ticket purchase intention.

ix.   To determine if Trust mediates the relationship of movie ticketing website's Structural Assurances and online movie ticket purchase intention.

x.   To determine if Trust mediates the relationship of consumers' knowledge-based familiarity and online movie ticket purchase intention

xi.   To determine if Perceived Usefulness mediates the relationship of Perceived Ease of Use and online movie ticket purchase intention.

1.5   Scope of Study

Trust and the acceptance of online technology are believed are the factors that influence the online purchase intention of movie ticket in Malaysia. Consumers intended to purchase things and ticket online because of their trust towards the e-vendor as well as their acceptance of the online technology. Previous study done by Gefen *et al.* (2003) was using the integration framework of Technology Acceptance Model and Trust Model. They focused on the online purchase intention of CD and books in the United State. By adapting the framework used in Gefen *et al.* (2003) research, this study was carried out to examine the factors influencing consumers'

online purchase intention of movie ticket in term of trust and online technology acceptance in the Malaysia context.

This study was conducted in the form of online survey. Malaysia consumers with or without online movie ticketing experience aged 18 to 34 were recruited as the respondents of this study. According to Asia Digital Marketing Association, this age group of Malaysian is the highest online spender group. The framework used in this study is adapting the trust model and the Technology Acceptance Model.

1.6   Purpose and the Importance of the Study

Online movie ticketing is one of the convenience services introduced and provided by cinemas in Malaysia. The online movie ticketing service has numerous of benefits to both consumers and cinema operators. However, the numbers of consumers that use this facilities or services still low.

The purpose of this study is to identify the factors that influencing purchase intention of movie ticket via internet among Malaysians with the use of trust model and the Technology Acceptance Model. Lack of such understanding cause cinema operator fails to tackle this problem effectively. Through this research finding, it is believed that cinema operator can have a better understanding about the online movie ticket purchasing behavior of Malaysian consumers. With a better understanding about the consumers' behavior, cinema operator can figure out a good strategy to encourage consumers to go for online movie ticketing services which has numerous of benefit to both consumers and cinema operator.

1.7   Definition of Terms Used

In this section, all the terms used in this research will be defined.

1.7.1   Perceived Usefulness

Perceived Usefulness is defined as "the degree to which a person believes that using a particular system would enhance his or her job performance" (Davis, Bagozzi and Warshaw, 1989).

1.7.2 Perceived Ease of Use

Perceived Ease of Use is defined as "the degree to which a person believes that using a particular system would be free of efforts" (Davis et al., 1989).

1.7.3 Behavioral Intention to Use

Behavioral Intention to Use is defined as a measurement of the likelihood a user will use the online movie ticketing service website (Davis et al., 1989).

1.7.4 Knowledge-based Familiarity

Knowledge-based Familiarity is referring to the understanding or familiarities of consumer towards the online selling websites operate procedures such as, how to make an order (checkout) and how to pay using credit card (Gefen, 2000).

1.7.5 Structural Assurance

In the e-commerce context, Structural Assurances referred to the security provided by the e-vendor or websites that guarantees safe transaction online (Gefen et al., 2003).

1.7.6 Trust

In this research, trust is referring to the trust of consumers towards the e-vendor (cinema's e-ticketing service) in term of honesty, trustworthiness and benevolence (Jarvenpaa, Tractincky and Vitale, 2000).

1.8 Organization of Study

This research paper will be organized as below:

a.   Chapter one - Introduction

The chapter will include the overview, problem statement, research question and objective, scope of study and the purpose as well as the important of the study. Besides, this chapter also includes all the definition of terms used in this study.

b. **Chapter 2 – Literature Review**

This chapter will review the theories adopted, research framework, variables as well as the relationship between variables.

c. **Chapter 3 – Research Methodology and Theoretical Framework**

This chapter will explain and discuss about the research framework used in this study. All the hypotheses of this study will be explained followed by the methodology used to execute the study. Research deign will be explained as well in this chapter

d. **Chapter 4 – Results of the Study**

This chapter will be focused on data analysis and report of the result.

e. **Chapter 5 – Discussion and Conclusion**

This chapter will include the discussion, conclusion and suggestion of the study.
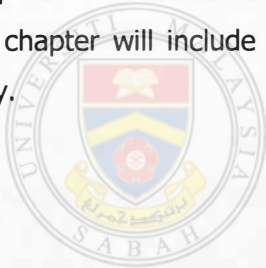
CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This research was focused on finding and exploring the factors that influence the online buying intention of movie ticket among Malaysians. Thus, this chapter was focused in reviewing the literature concerning the online buying intention. Technology Acceptance Model (TAM) and Trust Model were the focus theories to explain the variables in this study.

2.2 Adoption Theories

Websites is an IT channel that enables consumer to do online shopping or purchase. This channel allows consumer to interact with the e-vendor or the e-entrepreneur, with technology based and trust based as the influence key for the consumers to participate e-commerce with the particular e-vendor (Gefen *et al.,* 2003). Therefore, this research will adopt the Technology Acceptance Model (TAM) by Davis (1989) as well as the trust model by various researchers.

2.3 Technology Acceptance Model (TAM)

Over the past 30 years, researchers have been focused in identifying the variables or factors that influences the use of technology in the business. Efforts of the researchers have come out with a list of factors that influence the use of technology in the business context (Bailey and Pearson, 1993). In year 1989, Davis introduced the Technology Acceptance Model in his doctoral thesis. After all, Davis's Technology Acceptance Model has been widely use and adopted by researchers in their research regarding the technology acceptance.

Technology Acceptance Model (Davis, 1989) is a robust research model that widely used to determine the acceptance of information technology and the intention to use the particular information technology among individuals. Apparently, Technology Acceptance Model is a foundation theory that explains as

well as predicts the individual's acceptance of information technology (Davis, 1989). Since Technology Acceptance Model was introduced in year 1989 by Davis, it has been widely used among the technology area researchers. However, Gefen and Straub (2000) also suggested Technology Acceptance Model is applicable to e-commerce study as the raise of internet technology.

Technology Acceptance Model is a model that based on Theory of Reasoned Action (TRA). Theory of Reasoned is a theory that suggested behavior of consumers is motivated by attitude and intention to buy of the consumer (Li and Huang, 2009). Technology Acceptance Model introduced by Davis (1989) is a adaption of Theory of Reasoned, focusing in consumers acceptance of information system. According to Davis *et al.* (1989), Technology Acceptance Model is used to explain the determinants of general computer acceptance. Moreover, Technology Acceptance Model is able to explain the users' behavior by accessing these determinants. As a summary, Technology Acceptance Model is capable to find out the reason why a particular information system or information technology is not acceptable and allows the system designer to take appropriate corrective actions. Figure 2.1 below shows the original Technology Acceptance Model by Davis *et al.* (1989).
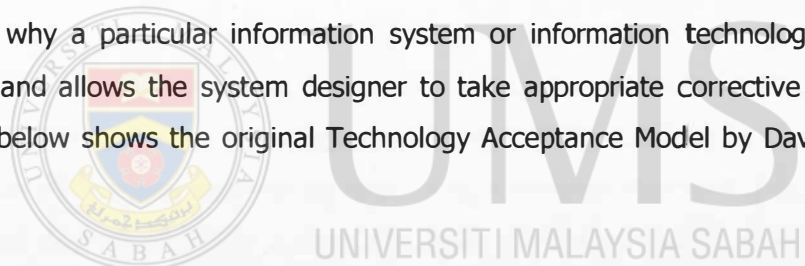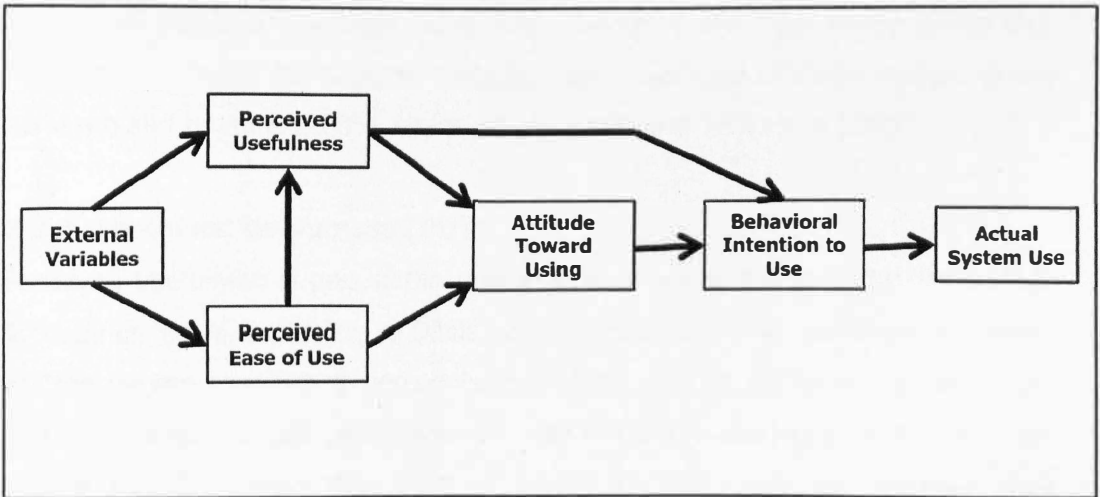
Figure 2.1: Figure Shows the Technology Acceptance Model

Source: Davis *et al.* (1989)