

# The Website Usage among Private Sector: A Case of Malaysian Business Organization

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## Abstract

Nowadays in Malaysia, there are a lot of private companies using their official website to promote their products and services to the customer. This is because people are more flexible and aware with online advertisement rather than traditional advertising. This structure is based on the characteristics, sub-characteristics and attributes of three main dimensions (complexity, compatibility and relative advantage) of the website that verified the adoption of it according to particular sector of activity and perspective. This study examines the adoption of website for private business sector, specifically in the area of Klang Valley, Malaysia. Data from a questionnaire survey of 150 respondents among 5 private companies in Klang Valley includes Petronas, Openet Telecom Malaysia, Wealth Mastery Academy, SALAM Medical Centre, and World-class Trade and Development are used to answer the research question “do the complexity, compatibility and relative advantage of website affect the way website is adopted in organization in Klang Valley, Malaysia?” The main findings revealed that the most significant predictors of the adoption of website in organization in Klang Valley is complexity. This study is hoped to contribute to both knowledge and practicality. The theory of diffusion of Innovation can be extended. In practical, Malaysian Business Organization can have a better understanding of the important characteristics of website before it can be adopted.

**Keywords:** technology adoption, innovation, website

## 1. Introduction

According to a survey made by Barrett et al. (2011), nearly 1,700 executives from around the world, across a range of industries and functional areas responses and suggest why Web 2.0 remains of high interest: 69% (percentage) of respondents report that their companies have gained measurable business benefits, including more innovative products and services, more effective marketing, better access to knowledge, lower cost of doing business, and higher revenues.

This research discovered the issues regarding the characteristics of websites in developing countries, through a study of business organization in Malaysia specifically in private sectors. An observation, survey and a web-based analysis based on respondents' perception conducted as the methods to stimulate data. Factors that will be hypothesized are complexity of website, compatibility of website and relative advantage of website. In overall, the research explained about private sectors willingness to adopt website in their organization. In conjunction with that, the research also embraced the study on the level of complexity of website, the compatibility of website and the relative advantage of adopting website.

## 2. Literature Review

According to Anna & Rebecca (2013), over the past few years social networks such as Facebook and other internet based business, e-commerce such as Amazon and Ebay have become the largest phenomena on the internet. In November 2009, Alexa.com listed Facebook as the second most visited site on the internet, behind Google.com, with Chinese network QQ.com coming in at 11<sup>th</sup> and MySpace at 12<sup>th</sup>. By November 2009, Facebook was quoting 300 million members, about one in six of all the world's internet users. As customers and citizens moved into social networks, market researchers followed them to gain new insights.

According to Rocha (2012), with the increasing number of websites and considerable investment in them, website quality evaluation has become an important activity. The theory shows that people depend on websites to do their activities. Organizations invest time and money to develop and maintain their website's quality. Websites should establish an effective information and communication channel between organizations and their clients. As for nowadays, people trust technology and used it every day to seek for information. Business sectors should use it as an opportunity and start to maximise it to gain more profit without any cost because online marketing is free.

Whenever customers do online shopping with a business sector, the level of satisfaction is higher while the activity is performed (Keiningham et al., 2014). Customers will be allowed to select from a various kind of new garments design and make a choice according to what preferred. In order to gain profit, Word-of-mouth marketing is a good tool (Groeger & Buttle, 2014). An attractive website design and a user friendly website

allows the customer to browse through the page easily. Thus it leads to satisfaction directly leading to Word-of-mouth. Vice versa, if your website system often appears to stuck or suffer from a system down, the likeliness of a negative Word-of-mouth would occur.

Through some resources, consumers not only aggregate product and price information but also collect and publish reviews and ratings of online retailers. Such reviews and ratings may be viewed as measures of online retailer reputation as they reflect the collective opinions of consumers toward the retailer (Kim & Lennon, 2013). In order to investigate the cognitive process in which consumers evaluate an unfamiliar website and form website trust. Specifically, it examined consumers' cognitive process of various website design and content factors in the formation of website trust, and the influence of two specific consumer characteristics – situational involvement and e-commerce knowledge – on the cognitive processing (Lee, C. and Huh, J. (2010).

The internet evolved from a software convention for computer networking developed by the US Army's Advanced Research Projects Agency. This open standard, termed the transmission control/internet protocol (TCP/IP), was adopted by a wide-range of research, education and public sector organizations as a means of integrating previously incompatible computer applications (Chakravarty et. al., 2014).

Findings from statistical analyses showed that e-commerce adoption could help SMEs from developing countries to contact with customer easily, be more competitive in foreign markets, coping with regulations of the host country, and efficiently manage the foreign exchange fluctuations as the most important challenges for SMEs in developing countries. Managers must also justify the cost of developing and maintaining commercial websites, cost which increases considerably as advanced functionalities are added and should consider e-commerce as a facilitator in initial steps of going international. In particular, e-commerce adoption was seen to benefit SME exporters (Jalali & Soleimani, 2014).

The proposed framework is intended to be used as a guide for B2B firms especially small and medium sized enterprises (SMEs) who wish to adopt a proactive approach in the use of information and communication technology for business efficiency and competitive advantage, and those who wish to explore the internet technologies for marketing activities. Therefore, the importance of B2B commerce is increasing dramatically, either as private networks connecting co-operating organizations, or as networks linked through the Internet (Chong et. al., 2010).

There are a lot of comments from the previous researcher saying that the usage of internet and the adoption of website are increasing time-by-time. Many factors were contributed to the adoption of website to the organization. The purpose of this research is to look into the only three variables (complexity level of website, compatibility of website, relative advantage of website) as the factors to the adoption of website in private business sector in Klang Valley area. Research model is shown in Figure 1 below.

### **3. Methodology**

This research method completely designs how the research of this study were conducted. The research questions are “Will the complexity of a website influence business organization to adopt it?”, “Will the compatibility of a website influence business organization to adopt it?” and “Will the relative advantage of website influence business organization to adopt it?”. Moreover, the research objectives on this study are to identify the level of complexity in adopting the usage of website in business organization, to determine the compatibility of website in business organization and to determine the relative advantage of adopting website in a business organization. A methodological choice that the researcher have chosen is quantitative method by using Statistical Package for the Social Sciences (SPSS). With SPSS predictive analytics software, we can predict with confidence what will happen next so that you can make smarter decisions, solve problems and improve outcomes.

The researcher distribute the questionnaires from December 2013 until early of February 2014 to the selected private companies within Klang Valley. The companies are Petroleum Nasional Berhad (PETRONAS), Openet Telecom Malaysia, Wealth Mastery Academy, SALAM Medical Centre, and Worldclass Trade and Development.

### **4. Data Findings and Analysis**

The data and discussion of the findings are based on research objectives. In addition, by using descriptive statistics, a numerical calculation for the questionnaire was created to classify the overall frequencies of the data including the mean values and standard deviations get from the respondents. This paper also presented the inferential analysis including multiple regression analyses for the dependent and independent variables.

Survey questionnaires were answered by 150 respondents from 5 private companies, 10 sets of each of the questionnaires received from different departments of each company. The Position Level of Respondents and their Departments are shown in Table 1 and Table 2 respectively:

### **5. Multiple Regression Analysis**

This research uses Multiple Regression Analysis (MRA) to analyse all the 4 variables; 3 of the variables known

as independent (X) variables which is complexity of website (X1), compatibility of website (X2) and relative advantage of website (X3). Adoption of website (Y) is the only dependent variable used. Additionally, MRA is used to measure the effect of each variable (X1, X2 and X3) to Y. The adjustment of independent variable might affect the dependent variable.

Based on the Model Summary in Table 3 above, the result shows that the R value (correlation coefficient) between independent variables (Complexity, Compatibility and Realative Advantage) and the dependent variables (adoption of website) is a positive number 0.447 which indicates medium correlation between independent variables and a dependent variable. The result above also shows that R square is equal to 0.200, which means that 20% of the adoption of website is explained by the independent variables. In other words, the organization size, skills of employee and employer support contribute 20% to the adoption of website in business organization, while the other 80% is contributed to the other independent variables not discussed in this research.

From the ANOVA analysis in Table 4 above, the significance level for this MRA is below than  $P=0.05$  which is a 5% level of confidence for this result. Thus, it means that it was less than 5% chance than the result was coincidence for the research.

From the coefficient analysis in Table 5 above, it was found that only two variables have below than 5% or 0.05 of significant level which are complexity of website and compatibility of website. It means that the variables has given a big encouragement towards the adoption of website. Besides, complexity of website resulted as the most significant because the significance value is almost perfect (0.003) as compared to other variables. Furthermore, the relative advantage of website gives slightly good result as the value of the significance level is 0.160. As for the compatibility of website factor, the significance level is too low as the significance value is only 0.512. It can be concluded that the factor of compatibility of website does not encourage much of the adoption of website towards private business sector.

## 6. Conclusion

This research provides a better understanding on how the characteristics of the website (Relative Advantage, Complexity and Compatibility) affect the adoption of website. This private business sector were used as a medium to know the characteristics of website determinant in adoption of website.

Based on the findings from this study, all components in characteristics website have a significant effect on the adoption of website. Characteristic of website is an important criteria for a company to identify whether or not they should adopt it. In conclusion, through this research the researcher may find out that the characteristic of website is one of elements give impact in the adoption of website.

For future study, the researcher should investigate other external factors that contribute to the adoption of website in private business sectors. If possible it would be an honour to make comparison between adoption of website in private and public business sectors, which factors will strongly influences the adoption of website in both sectors.

## 6. Future Recommendations

The following recommendations for further research can be made based on the findings from this research study: (a) a study was limited to organizations within Klang Valley Malaysia. Perhaps increasing the number of respondents and distribute it fairly throughout Malaysia to get more reliable and valid data. (b) Only three factors of the characteristics of website were selected for this research. Broadening the scope of studies would provide additional information on the adoption of website that might be missed out from general adoption factors. (c) It would be of great interest to further this research using qualitative method to discover more reasons of adoption of website among the business organization in Malaysia.

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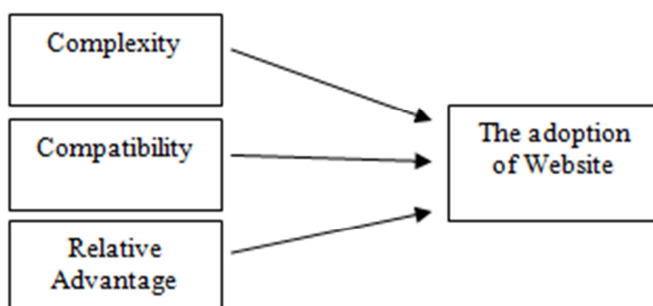


Figure 1. Research Model

Table 1. Position Level of Respondents

Item	Frequency	Percent	Cumulative Percent
<b>Position Level:</b>			
Junior	35	23.33	23.33
Senior	35	23.33	46.66
Supervisor	35	23.33	69.99
Manager	35	23.33	93.32
Others	10	6.68	100
<b>TOTAL</b>	<b>150</b>	<b>100.00</b>	

Table 2. Respondents Departments

Item	Frequency	Percent	Cumulative Percent
<b>Departments:</b>			
Sales and Marketing	30	20	20
Finance	15	10	30
Administration	30	20	50
Human Resource	30	20	70
Operation	45	30	100
<b>TOTAL</b>	<b>150</b>	<b>100.00</b>	

Table 3. Model Summary of MRA

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	0.447 <sup>a</sup>	.200	.175	.34290

- a. Predictors: (Constant), Complexity of Website, Compatibility of Website, Relative Advantage
- b. Dependent Variable: Adoption of Website

Table 4. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.082	3	7.027	6.523	0.000 <sup>a</sup>
Residual	157.291	146	1.077		
Total	178.373	149			

- a. Predictors: (Constant), Complexity of Website, Compatibility of Website, Relative Advantage
- b. Dependent Variable: Adoption of Website

Table 5. Coefficient Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std Error	Beta		
1	(Constant)	2.808	.616		4.556	.000
	Complexity of Website	.420	.140	.239	3.012	.003
	Compatibility of Website	-.149	.226	-.094	-.657	.512
	Relative Advantage	-.275	.195	-.201	-1.411	.150

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