

INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

Behavioural Intention of Generation Y and Users' Acceptance on Social Networking Website

Author : Yeo Wee Jiet
Student No : I12000523
Supervisor : Mr. Jaspal Singh Joginder Singh
Submission Date : April 15th, 2013.
Ethics Number :
Final Word Count : 14, 322 words

Abstract

Due to the advanced technology, distance is not a problem to stop people from connecting with one each other. Through the social networking websites (SNWs), it enables people around the world to stay connected, build and strengthen the relationship. Different people have different behavioural intentions of using SNWs. The reasons that encourage the users to use SNWs may include perceived usefulness, perceived ease of use and perceived enjoyment. However, privacy concern will negatively impact the users' behavioural intention in using the SNW. Therefore, the purpose of this research is to investigate the privacy concern and behavioural intention of users in acceptance on social networking websites. In addition, it examines the relationship between perceived usefulness, perceived ease of use, perceived enjoyment and users' behavioural intention in using social networking websites.

This research will focus on generation Y who are the technology-driven people and actively accessing to SNWs. A quantitative research method will be used for this research which is conducts survey through questionnaire. The questionnaires will be distributed to 450 students who are generation Y study at Institution A that located at Negeri Sembilan, Malaysia. In order to analyze the data, Statistical Package for Social Science (SPSS) and Partial Least Square (PLS) will be used as the analysis technique. The findings of this research will provide empirical evidence to SNW operators, application developers, marketers, other parties in managing their businesses in the context of SNW and help them to develop strategies in order to increase users' acceptance on SNWs.

Acknowledgement

Throughout this dissertation, it contains hard work, challenges, excitement, patience, motivation and expectation. Without the generous help and encouragement from different people, the completion of this dissertation would never happen. It is my pleasure to take this golden opportunity to thank every individual who supports me along this journey.

First of all, I would like to acknowledge my honourable and respectable supervisor, Mr. Jaspal Singh Joginder Singh for his kind words and advice when I confronted difficulties in writing this paper. He has been generous in sharing his opinions and suggestions, which served as inspiration and motivation during the study. Under his continuous guidance and assistance, I am able to complete this research successfully. It is my pleasure and honour to work with him.

Secondly, I would like to express my sincere gratitude to lecturers who have taught me throughout the MBA program. I have been enlightened with knowledge and skills which allow me to complete my dissertation successfully. Furthermore, I would like to address special thanks to Dr. Mudiarasan Kuppusamy and Ms. Yalini A/P Easvaralingam who taught me the "Business Research Method" and "Statistics and Decision Analysis". Both of the classes are extremely useful and highly applicable which allow me to have a better understanding of the methods in business research and data analysis.

Finally, I would like to thank my family especially my father, mother, brother and sisters. Their love and encouragement are the greatest momentum for me to eliminate the obstacles and move me towards the completion of dissertation. Lastly, to all my remaining friends and classmates of the MBA program, I am grateful for your input, encouragement, and a lot of the great moments spent together. Without the assistance, support and encouragement, this dissertation will not be accomplished this early - Thank you.

April 10th, 2013.

Yeo Wee Jiet

Declaration

I hereby declare that this dissertation is my own effort and work. For the information that has been referred from other authors or researchers, it has been acknowledged and cited ethically in this paper.

April 10th, 2013.

Yeo Wee Jiet

Table of Contents

Table of Contents	1
List of Figures	3
List of Tables	3
List of Appendices	3
Chapter 1: Introduction.....	4
1.0 Introduction	4
1.1 Background of Research	4
1.2 Problem Statement	6
1.3 Research Objectives.....	8
1.4 Significance of the Study	9
1.5 Limitations of the Study	10
1.6 Scope of the Study	11
1.7 Operational Definitions	13
1.8 Outline of the Chapters	14
Chapter 2: Literature Review	15
1.0 Introduction	15
2.1 Social Networking Website (SNW).....	15
2.2 Privacy Concern (PC)	16
2.3 Technology Acceptance Model (TAM).....	17
2.4 Theory of Planned Behaviour (TPB).....	17
2.5 Perceived Usefulness (PU)	18
2.6 Perceived Ease of Use (PEU).....	19
2.7 Perceived Enjoyment (PE)	19
2.8 Behavioural Intention (BI).....	20
2.9 Previous studies about SNWs that conducted in Malaysia.....	20
2.10 Hypotheses	21
2.11 Research Model.....	22
2.12 Chapter Summary	22
Chapter 3: Research Methodology.....	23
3.0 Introduction	23
3.1 Research Design	23
3.2 Research Approach	25

3.3 Sampling Methods	26
3.4 Sampling Size	26
3.5 Unit of Analysis	27
3.6 Method of Data Collection	27
3.7 Development of Measurement.....	28
3.8 Design of questionnaire.....	28
3.9 Analysis of Data	32
3.10 Reliability and Validity Tests	33
3.11 Structural Model Evaluation	34
3.12 Ethical Consideration	34
3.12.1 Voluntary Participation.....	35
3.12.2 Informed Consent.....	35
3.12.3 Confidentiality and Privacy	35
3.13 Chapter Summary	35
Chapter 4: Research Findings	36
4.0 Introduction	36
4.1 Response rate	36
4.2 Preliminary and demographic analysis.....	36
4.3 Reliability Analysis	40
4.4 Results from Partial Least Square (PLS) Modeling	41
4.4.1 PLS Measurement Model Evaluation	42
4.4.2 Structural Model Evaluations	45
4.5 Hypotheses Testing.....	45
4.6 Chapter Summary	47
Chapter 5: Discussion and Conclusion.....	48
5.0 Introduction	48
5.1 Results Discussion.....	48
5.2 Theoretical Implication.....	51
5.3 Practical Implication	52
5.4 Recommendation and Conclusion	53
5.5 Personal Reflection	55
References	57
Appendices	68

List of Figures

Figure 1.0: Research model	22
Figure 2.0: Part two - Demographic questions	31

List of Tables

Table 1.0: Likert scale used to measure the agreement of statements.....	28
Table 2.0: Part one - Statements for each variable.....	30
Table 3.0: Criterion for reliability and validity.....	34
Table 4.0: Summary of respondents' demographic profile.....	40
Table 5.0: Summary of Reliability Analysis	41
Table 6.0: Results of Measurement Model Evaluation before Removing	42
Table 7.0: Results of Measurement Model Evaluation after Removing.....	43
Table 8.0: Correlations of Latent Variable.....	44
Table 9.0: Results generated from PLS Bootstrapping.....	45
Table 10.0 Summary of Hypothesis – Accepted or Rejected.....	46

List of Appendices

Appendix 1: Questionnaire	68
Appendix 2: Initial Research Proposal Paper	70
Appendix 3: MBA Project Ethic Form	88
Appendix 4: MBA Project Log.....	95
Appendix 5: Result of Data Analysis	100
Appendix 6: Turnitin Report.....	106

Chapter 1: Introduction

1.0 Introduction

This research was done to find out the privacy concern and behavioural intention of users in acceptance on social networking websites. It also investigates the relationship between perceived usefulness, perceived ease of use, perceived enjoyment and users' behavioural intention in using social networking websites. Under this chapter, the following sections cover the background of research, problem statement, research objectives, significance of the study, limitations and scope of the study. For the last section, it reveals the outline of this research.

1.1 Background of Research

With the advanced technology, the internet and social platforms have evolved rapidly over the past decades. Nowadays, people around the world can communicate with each other regardless the distance. Gradually, online communication tools such as social networking websites (SNWs) play as one of the important roles in people's daily life. People can easily access to SNWs through devices such as computer and handheld devices like mobile phone, tablet personal computer, personal digital assistant device and so forth. There are different SNWs such as Orkut, MySpace, Facebook and LinkedIn which have grown rapidly in the past few years (Zhou, 2011). Building and strengthening social networks is one of the reasons that driven the growth of SNWs. In order to find out other individuals who have similar experience and interests, users around the world have registered for the accounts on SNWs by establishing business contacts or sharing personal information with friends and strangers (Tan, Qin, Kim and Hsu, 2012).

On a daily basis, SNWs are being visited by millions of registered users and it has led to greater business value of SNWs which cannot be ignored by either application developers or marketers (Tan, et al., 2012). Currently, many companies in different industries such as McDonalds, Gap, Toyota, Levis and other companies have set up their accounts on different SNWs. Besides that, SNWs create opportunities for application developers because they can develop and promote gadgets such as Candy Crush Saga, FarmVille and Barn Buddy which are frequently used by the SNWs users. It indicates that SNWs not only entertain the users but also create business value to the marketers and application developers. Therefore, it leads to the importance of finding out the behavioural intention of SNWs users. The behavioural intention of users in deciding to use a system can be influenced by their extrinsic motivator and intrinsic motivator (Davis, Bagozzi and Warshaw, 1992). These motivators include perceived usefulness, perceived ease of use and perceived enjoyment. Through this study, it gives a clear insight about the relationship between perceived usefulness, perceived ease of use, perceived enjoyment and behavioural intention of SNWs users.

However, SNWs have negative impacts on the users. Privacy issues are one of the negative impacts that concerned by the SNWs users. Facebook has different "Apps" which are the pieces of software that enable the users to share common interests and play games with one another (Steel and Fowler, 2010). Based on a research conducted by Inside Network Inc., three of the top ten apps which are FarmVille, FrontierVille and Texas HoldEmPoker have been transmitted the personal information of users to the outside companies (Steel and Fowler, 2010). The spokesman of Facebook claimed that they have taken action immediately to disable all of the applications that violate the terms of Facebook (404 Tech Support, 2010). In 2011, Facebook admitted it involved in privacy breach by enabling the software downloaded to the computers of users while they logged in or not logged in to Facebook and sent the information to the company (Bates, 2011). Although Facebook claimed the issue was fixed, Mr. Cubrilovic pointed out that the Facebook creates the file as 'cookies' on

users' computers and monitor their browsing history (Bates, 2011). These issues of privacy breach have led to the awareness of users in using SNWs.

Overall, there are three dimensions of privacy that should be aware by the SNWs users. First of all, users of SNWs who have public or semi-public profiles, the information that they posted can lead to risks which include sexual exploitation, cyber harassment, identity theft and online stalking (Gross and Acquisti, 2005). Secondly, users' private and personal information that posted on SNW opens up a user to public scrutiny, it is possible to create permanent records which can negatively impact the users in the future (Rosenblum, 2007). Thirdly, the news feed's feature makes personal information more visible and accessible that could lead to privacy disruption (Boyd, 2008). These concerns foster the importance of undertaking a study on privacy concern and users' acceptance on SNWs.

1.2 Problem Statement

This study focuses on SNW that provides web-based services to users within a bounded system and it allows them to build a profile which is public or semi-public (Boyd and Ellison, 2007). Besides, within the system, SNW provides a clear list which enables users to view their own connections and share connections with one another (Boyd and Ellison, 2007). There are more and more people using SNWs, however, the usage pattern in SNWs and the level of privacy concern are largely unknown (Tan, et al., 2012).

Previously, there were some studies conducted in Malaysia regarding the factors that cause the users to use or adopt the SNWs. However, there are fewer studies that shows that whether privacy concerns impact users' behavioural intention in using SNW and whether the perceived of usefulness, perceived ease of use and perceived enjoyment impact the user's behavioural intention in using SNWs. Therefore, it leads to the importance of carrying out this research. For this research, the purpose is to find out the privacy concern

and behavioural intention of users in acceptance on social networking websites. It also investigates the relationship between perceived usefulness, perceived ease of use, perceived enjoyment and users' behavioural intention in using SNWs.

The concept of the users' behavioural intention and acceptance on SNW is referred to the technology acceptance model (TAM) which developed by Davis (1989) and it used to study the determinants of adoption, intention and usage behaviour in different information technologies and systems. TAM theorizes the behavioural intention of an individual in using systems which can be determined by extrinsic motivator which are perceived usefulness and perceived ease of use and intrinsic motivator which is perceived enjoyment (Davis, Bagozzi and Warshaw, 1992). Perceived usefulness defined as "the degree to which a person believes that using a particular system would enhance his or her job performance" and perceived ease of use defined as "the degree to which a person believes that using a particular system would be free of effort" (Davis, 1989). For perceived enjoyment, it defined as "the extent to which the activity of using the computer is perceived to be enjoyable in its own right, apart from any performance consequences that may be anticipated" (Davis, et. al., 1992). These three constructs are used to determine the users' acceptance on SNWs. Hence, TAM is used to derive the research model of this study.

Furthermore, this study integrated the theory of planned behaviour (TPB). It is a social psychological theory that used to predict the behaviour and intention of people and predict a wide range of behaviours' performance (Sutton, 1998; Pelling and White, 2009; Tohidinia and Mosakhani, 2010). Based on TPB, the behavioural intention of an individual is determined by attitude, perceived behavioural control and subjective norm (Ajzen, 1985 and 1991). By applying TPB to this study, it helps to predict the behavioural intention of SNWs users in using the SNWs.

The main reason chose to conduct this study in Malaysia is because Malaysia is a growing country with increasing numbers of internet users. According to the Internet World Stats, there were 17,723,000 internet users in December, 2011 which represent 61.7% of the Malaysian population (European Travel Commission, 2012). Besides that, there was a report shows that an analysis of how internet users spend their time on online activity. In August 2011, for social networking activity, it increased 5% to 32.1% of users spent all time on online which indicates that online social networking has become increasingly important in the daily life of people (ComScore., 2011). All of these results show that Malaysia is a potential market for online social networking. From this research, the findings provide empirical evidence to SNW operators, application developers, marketers and other parties who are managing their businesses in the context of SNW (Tan, et al., 2012). By understanding the privacy concern and behavioural intention of SNWs users, it will help them to develop strategies in order to increase users' acceptance on SNWs. In the future, the study can further research on the security concern of SNWs.

1.3 Research Objectives

The general objectives of this study are to determine whether there is significant privacy concern among the SNWs users and examine the relationship between perceived usefulness, perceived ease of use and perceived enjoyment and behavioural intention of SNWs users in using SNWs. The specific objectives are:

Research objective 1: To investigate if privacy concerns (PC) awareness impacting users' behavioural intention (BI) in using SNW among generation Y.

Research objective 2: To examine the relationship between perceived usefulness (PU) and users' behavioural intention (BI) in using SNW among generation Y.

Research objective 3: To examine the relationship between perceived ease of use (PEU) and users' behavioural intention (BI) in using SNW among generation Y.

Research objective 4: To examine the relationship between perceived enjoyment (PE) and users' behavioural intention (BI) in using SNW among generation Y.

1.4 Significance of the Study

The significance of this study is important for three areas which are academia, government and industry.

For the academia, this study provides knowledge about the behavioural intention of users in using SNWs. By reading this study, readers will understand the impact of privacy concern towards the behavioural intention of SNWs users. Besides that, readers will find out the relationship between perceived usefulness, perceived ease of use, perceived enjoyment and users' behavioural intention in using SNW. Furthermore, the information especially on the parts of the discussion and results will assist researchers in their future research. By looking at this study, researcher can define the gap, look for issues that never examine before and extend the gap.

For the government, the findings of this study provide an understanding about the users' privacy concern on SNWs. For example, by understanding the users' privacy concern, government can set rules and regulations in order to protect the privacy of SNWs users. By doing so, it may increase the users' acceptance on SNWs.

For the industry of social networking, this study provides empirical evidence to SNWs operators, application developers, marketers and other parties who are managing their businesses in the context of SNW (Tan, et al.,

2012). By knowing the privacy concern of users, these parties can develop strategies to increase the acceptance of users on SNWs.

1.5 Limitations of the Study

The first limitation is the geographic limitation. According to the Department of Statistics, Malaysia, the population in Malaysia is about 29.6 million (Department of Statistics-Malaysia, 2013). Today, the numbers of SNWs users are increasing rapidly. However, the data will be collected at Institution A which located in Negeri Sembilan, Malaysia. The collected data may not represent all of the SNWs users in Malaysia.

According to the Internet World Stats, there were 17,723,000 internet users in December, 2011 which represent 61.7% of the Malaysian population (European Travel Commission, 2012). Most of the internet users are the SNWs users. For example, Facebook has 12.1 million of users in Malaysia (Socialbakers, 2012). However, the target respondents are 450 represents a small sample size of the SNWs users in Malaysia. Apparently, sample size is the second limitation.

Thirdly, data collection is another limitation. The attitudes of the respondents towards the questionnaires may influence the accuracy of answering the questions. During the data collection, it is out of control of researcher to manage the respondents' attitudes towards the questionnaires. It may result in incomplete data which cannot be used for the data analysis and lead to a limitation of the study.

Besides that, the fourth limitation is unit of analysis. This study targets on generation Y who are the students from the same institution. Studying under same environment, they may have the similar reaction or thoughts towards a certain issue. Therefore, it may lead to limitation on this study regarding their privacy concerns and behavioural intention in using SNWs.

The last limitation is the data analysis technique. Without the knowledge of using the statistical software to analyze and interpret the data, it will be a limitation of study. So, it is crucial to have knowledge and skills in analyzing and interpreting the data.

1.6 Scope of the Study

With the popularity of SNWs, it has become one of the important online communication tools for most of the people. In order to understand the behavioural intention of SNWs users, the focus of this study is to find out the privacy concern and behavioural intention of users in acceptance on social networking websites. Besides that, it investigates the relationship between perceived usefulness, perceived ease of use, perceived enjoyment and users' behavioural intention in using social networking websites.

Users in different generations have different perceptions towards SNWs especially for generation Y who seem are the technology-driven people and comfortable with the rapid change in technology. Generation Y is also known as "Millennials" and "Echo Boomers" and it refers to individuals who born between mid-1970s and early 2000s (Castillo, 2009). For generation Y, they have grown up in the digital world which they are heavily relying on the internet and actively accessing to SNWs (Teng and Tay, 2012). The reasons that they treat SNWs as one part of their daily life are because it enables them to maintain and build relationship, share information and communicate with people (Wolfe, 2007). A study conducted by Lenhart showed that 70 per cent of generation Y uses SNWs and 63 per cent of them go online to receive news and send messages to friends (Cabral, 2011). Based on an annual social media report by Nielsen and NM Incite, individuals who aged between 18 and 24 spend most of the time for social networking by using personal computers (Brandwatch, 2013). These results show that SNWs plays an important role for generation Y. However, in Malaysia, there are fewer studies investigate the generation Y's behavioural