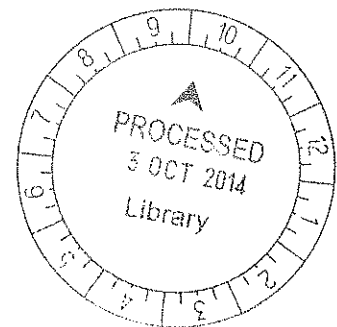


INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

An Investigation on the Factors Influencing Consumer Behavioral Intention to Adopt Broadband in Kuala Lumpur, Malaysia

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Submission Date : 27,08,2014
Ethics Number : cBUS/PG/CP/00178
Final Word Count : 15,056 words



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2014

Abstract

This research aims to investigate the factors that affect the intention of adopting broadband technology in Kuala Lumpur through the integration of the renowned framework of The Theory of planned behavior (TPB) and Unified Theory of Acceptance of Use of Technology (UTAUT) model. Self-administered questionnaires were developed and distributed around Kuala Lumpur, Malaysia targeting Malaysian at the age of 18-60. This study reflects the perception of users of broadband technology. Out of the 400 questionnaires distributed, only 389 useable questionnaires were been used for analysis purposes. The analyses were done using the SPSS and Smart PLS software and results shows all factors which are "perceived usefulness, perceived ease of use, social influence and perceived cost" were found to have a positive relationship with the intention to adopt broadband technology while the perceived usefulness shows the strongest positive relationship. The results of this research are believed to be able to provide useful insights and important implication to the government, academia, and industry to improve the adoption and diffusion of broadband technology in the future.

Acknowledgement

At the beginning, I would like to say thank you to INTI International University to provide me the environment to increase my knowledge and experience. And also, during the learning process for my MBA project, I really got lots of supports from others, so by take this opportunity I would like to express my appreciation and gratefulness to those who have contributed in the project.

First of all, I would like to express my best sincere gratitude to Mr. Madhavan Poduval who is my supervisor for this research project, his conscientiously and patience guidance has directly improved the overall quality for my MBA project. Thank you very much Mr. Madhavan Poduval.

And also, I would like to extend my sincere thanks to Ms. Liew Heong Shya and Ms. Faziha, they give me lots of commends and help in this MBA project. And besides, my special thanks to my friends and classmates who helped me in the period of this project. Thank you Woon Tah Therk, Yang Yu, Zhang Yue, Liu Cong and Zhou Yuwei

And finally, I would like to extremely thankful for my family members who have consistently give me support and strength throughout the journey in this MBA project. Their encouragement has boosted my courage and confidence during the process of the project.

Declaration

"I hereby declare that this research project is of my own effort except for those summaries and information of which the sources are clearly specified"

Fu Bo Yang

Date:

Table of Contents

Abstract.....	i
Acknowledgement.....	ii
Declaration.....	iii
List of Figures.....	viii
List of Tables.....	ix
List of Abbreviations.....	x
Chapter 1 Introduction.....	1
1.0 Background of the Study.....	1
1.0.1 Broadband Technology in the World.....	1
1.0.2 Broadband Technology in Malaysia.....	3
1.1 Problem Statement.....	4
1.2 Research Objectives.....	6
1.3 Research Question.....	6
1.4 Significance of the Study.....	7
1.5 Limitation of the Study.....	7
1.6 Scope of Study.....	8
1.7 Organization of the Report.....	9
Chapter 2: Literature Review.....	11
2.0 Introduction.....	11
2.1 Information and Communication Technology.....	11
2.2 The Broadband Technology.....	12
2.2.1 Digital Subscriber Line (DSL).....	12

2.2.2 Cable Modem.....	13
2.2.3 Fiber optic technology	13
2.2.4 Wireless	14
2.2.5 Satellite	14
2.3 Hypothesis Development.....	15
2.3.1 Consumer behavior Intention to adopt.....	15
2.3.2 Perceived Usefulness.....	16
2.3.3 Perceived Ease of Use	17
2.3.4 Perceived Cost.....	19
2.3.5 Social Influence.....	20
2.4 Theories	21
2.4.1 The Theory of planned behavior.....	21
2.4.2 Unified Theory of Acceptance of Use of Technology	22
2.5 Conceptual Framework	23
Chapter 3: Research Methodology	24
3.0 Overview	24
3.1 Research Design.....	24
3.2 Measuring Instrument.....	25
3.3 Questionnaire Design.....	25
3.4 Pilot Test.....	30
3.5 Validity Test.....	30
3.6 Reliability Test.....	31
3.7 Population of Study	31
3.8 Unit of Analysis	32

3.9 Sample Selection	32
3.10 Sampling Techniques	32
3.11 Data Collection	33
3.12 Data Analysis	34
Chapter 4 Research Finding.....	35
4.1 Chapter Overview.....	35
4.2 Pilot Test.....	35
4.3 Responsible Rate	37
4.4 Descriptive Analysis	37
4.5 Reliability Analysis.....	41
4.6 Validity Analysis	42
4.6.1 Construct Validity	42
4.6.2 Convergent Validity	44
4.6.3 Discriminant Validity	45
4.7 PLS Inner Model Evaluation	46
4.8 Hypotheses Testing.....	47
Chapter 5 Conclusion and Recommendations.....	50
5.1 Introduction	50
5.2 Conclusion	50
5.3 Recommendations	55
5.3.1 Academia	55
5.3.2 Government	56
5.3.3 Industry	57
5.4 Implications for Future Research.....	58

5.5 Personal Reflection 59

Reference 61

Appendix 70

Turnitin Report 113

List of Figures

Figure 1.1 Sample Size Calculators	8
Figure 2.1 Conceptual Framework	23
Figure 4.1 Path Coefficient	48
Figure 5.1 Malaysia GDP per Capita	55

List of Tables

Table 1.1 Broadband Coverage Rate by State	3
Table 1.2: broadband adoption data around some Asian countries	5
Table 3.1 Variable and Measurements	29
Table 4.1 Pilot Test Result	38
Table 4.2 Demographic Profile	39
Table 4.3 the general information of broadband usage	41
Table 4.4 Reliability Test Result	43
Table 4.5 Factor Loading	44
Table 4.6 Convergent Reliability	46
Table 4.7 Discriminant Validity of Constructs	47
Table 4.8 Structure model and Hypothesis Testing	47

List of Abbreviations

GDP: Gross Domestic Product

ICT: Information and communication technologies

FDI: Foreign Direct Investment

DSL: Digital Subscriber Line

ADSL: Asymmetrical Digital Subscriber Line

SDSL: Symmetrical Digital Subscriber Line

Wi-Fi: Wireless Fidelity

UTAUT: Unified Theory of Acceptance of Use of Technology

TPB; Theory of planned behavior

PU: Perceived Usefulness

PEOU: Perceived Ease of Use

PC: Perceived Cost

SI: Social Influence

CBI: Consumer's Behavior Intention

PLS: Partial Least Square

SPSS: Statistical Package for Social Science

AVE: Average variance extracted

Chapter 1 Introduction

1.0 Background of the Study

1.0.1 Broadband Technology in the World

In modern society, with the development of the communication engineering, the information technology has already become one of the most important parts in human's daily life. As the key technology of IT industry, the broadband has been considered as indispensable. Broadband is an important component around information and communication technologies (ICT), and it refers to an innovation high-speed network access technology which is used to positively influence both public and countries by promoting the communication around public or countries and transfer economic value (Choudrie & Dwivedi, 2006). Furthermore, the research of Neville indicated that implementing broadband technology has significant influence on countries' Gross Domestic Product contribution. The World Bank also showed that a 10% increment of the network broadband penetration will cause a 1.21% in economic growth for developed countries or 1.31% for those low and middle income countries (Spykerman, 2013). Beside that, the high-speed and wide range of network technology access has offered many different kinds of business opportunities and relatively applications which cover almost all kinds of industries (CNetNews, 2002). Based on its ability of global reach, the broadband technology can directly influence the basic properties of global business by offering people to communicate with others and business without geographical limitations. This also means that the advanced broadband technology can support a country to attract more Foreign Direct Investment (FDI). Therefore, a country will have more competitive advantage if the development of broadband access is higher (Albert & Flournoy, 2010).

According to Mcquade (2011), using broadband technology can improve people's quality of life if the broadband technology is up to a certain standard. A certain standard can be defined as if has a high speed broadcast and fast rate in information and data delivery. Advanced technology is designed to allow users safely and ubiquitously access to new information, services and online application program which is closely related to customers' real lifestyle and productivity benefits (Sawyers et al., 2003). Therefore, based on these benefits from the broadband technology, in recent years, the major trend of network technology has been implemented where many countries takes an effort to promote the development of the broadband technology to replace narrowband technology.

On the other hand, as the main part of the interactive multimedia technology, the broadband also supports a country to gain international competitiveness. According to Johnson (2010), in various countries around some parts of Asia and North America, the proposed technology has been considered as the core drivers in promoting, developing and leveraging the e-commerce activities that it is able to support countries to gain higher level of international competitive advantages. Furthermore, Dwivedi & Irani (2009) made a research and the results indicated that in different countries or areas, the degree of the broadband access is different. The current broadband coverage rate and penetration rate is included in the broadband technology and the technology level of broadband access also have big difference around the globe. Researchers found that countries with lower coverage and penetration rate of broadband technology are difficult to gain competitive advantages in the information and communication technology industry around the world.

1.0.2 Broadband Technology in Malaysia

In recent years, the development of the broadband industry has created large contribution for economics in Malaysia. The research shows that the information and communication technology industry of Malaysia actually brings 6.1% of revenue to Malaysia's Gross Domestic Product in the year 2007 and the broadband consists of 2.7% (skmm.gov.my, 2007). According to the proposed benefits of broadband, the government of Malaysia has gradually shifted their mind in developing the broadband technology. With the support of the Malaysia government, the growth rate of broadband coverage in Malaysia increased very fast in recent years. According to Mingfeng (2010), the Malaysia government planned to achieve the 75% coverage of broadband in year 2015 and it has already reached 66% in year 2013 from 18% at year 2008. According to Table 1.1, Kuala Lumpur is the most developed area over the country comparing with other states of Malaysia such as Melaka (66.8%), Selangor (77.6%), Pulau Pinang (83.8%) and Negeri Sembilan (73.7%). Kuala Lumpur has the highest broadband coverage rate which is 119.4%, and this is the reason why the author selected Kuala Lumpur as the target to do research (kkmm.gov.my, 2014).

Table 1.1 Broadband Coverage Rate by State

State	Broadband Coverage Rate
Kuala Lumpur	119.4%
Melaka	66.8%
Selangor	77.6%
Pulau Pinang	83.8%
Negeri Sembilan	73.7%

Source: kkmm.gov.my, 2014

1.1 Problem Statement

According to Ooi et al., (2011), as compared to most of broadband technology developed countries, Malaysia is considered to be slow in the adoption and diffusion of broadband adoption. Actually, the government of Malaysia has focused to develop the broadband technology and increase the broadband coverage and performance. Muhyiddin bin Yassin who is the Malaysia Deputy Prime Minister and Minister of Education has mentioned that the government of Malaysia will utmost support the diffusion of broadband around the society sectors by promoting the cooperation among private and public sectors. And the result showed that the broadband coverage rate has increased for almost 50% around four years Mingfeng (2010). However, the adoption rate of broadband does not increase and even has been reducing every year, based on the Internetworldstats.com (2012). The report indicated that the adoption rate of broadband in year 2008 is 62.8% and it only has 60.7% in year 2012. Comparing with those countries and areas which have developed broadband technology market, 60.7% is considered to be relatively low. For instance, according to Table 1.2, in Asia, Singapore is one of the closest country around Malaysia and the broadband adoption rate for Singapore have reached up to 75% which is 15% higher than Malaysia. Japan is up to 79.5% while Korea (82.5%) and so on other areas such as Hong Kong China and Taiwan all showed a much higher broadband adoption rate than Malaysia (Internetworldstats.com, 2012).

Table 1.2: broadband adoption data around some countries and area in Asia

Nation & Area	Broadband Usage Rate
Malaysia	60.07%
Japan	79.5%
Korea, South	82.5%