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A Study on Consumers' Online Stores Preferences: Comparison between Shopee and Lazada in Malaysia

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ABSTRACT

Nowadays, online stores are widespread all over the world. It is a website or an application where people can easily purchase goods and services over the internet. Online stores are known to be active in growing their businesses, especially since the Covid-19 outbreak, which urges people to think that online shopping is more convenient and safer than visiting the physical stores to buy their needs and wants. This research paper attempts to study the factors influencing the consumers' online store preferences between Shopee and Lazada. The research was conducted through the distribution of a questionnaire to collect data on the consumers' online store preferences. A total of 100 respondents have answered the questionnaire survey. The results indicate that factors including customer satisfaction, information quality, performance expectancy influence the consumers' online stores preferences as well as impact the businesses of Shopee and Lazada. The findings also provide some feedback to assist these two organizations for better future business performance.

Keywords: Consumer, COVID-19, Lazada, Malaysia, Online Stores, Preferences, Shopee

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INTRODUCTION

Today, online shopping is becoming more popular than ever. The Internet has completely altered the old marketing paradigm and structure. In addition to serving as a communication medium, the internet has been employed as a market area where the buyers and sellers can trade information, commodities, and services without regard for time or geography (Khatibi, Thyagarajan, & Seetharaman, 2003). The primary distinction between traditional and online shopping is the level of engagement between the consumer and the seller. Buying from online stores will give a better experience for consumers. The advancement of Internet technology enables the development of purchasing possibilities beyond the traditional and time-consuming ways. Offline purchasing approaches eliminate the need for clients to physically obtain the information, allowing them to better spend their time (Shanthi & Kannaiah, 2015).

Consumer shopping patterns have also evolved from conventional to digital channels as mobile technology advancements have resulted in easier access to markets worldwide with increased access to high-speed internet (Aryani et al., 2021). With an increasing number of households switching to the online and the world of e-commerce to shop, invest, make payments, and conduct online banking, new technological breakthroughs are required to ensure the security of these transactions to make sure their consumer's privacy and rights are always protected. There are a lot of online shopping platforms such as Lazada, Alibaba, Taobao, Zalora, Amazon, and Shopee. Among all online shopping platforms, Shopee and Lazada are chosen by the researchers as the research objects.

Shopee is one of the most popular and widely utilized internet stores among millennials. Shopee, a sea company, debuted in Singapore in 2015 and has since spread to Thailand, Taiwan, Malaysia, Vietnam, Indonesia, and the Philippines. It is a platform designed specifically for offering clients an easy, safe, and quick online shopping experience with robust payment and logistical support. According to the latest ranking analysis in November 2021, Shopee was ranked number 1 and Shopee was the most visited marketplace website in Malaysia (Similarweb, 2021). Shopee offers services that considerably simplify the process of purchasing and selling transactions between buyers and sellers by implementing a simple payment mechanism for customers and with a low rate of fraud (Handayani & Usman, 2021). Shopee offers a number of distinguishing characteristics that set it apart from the other e-commerce sites, such as consumer-toconsumer (C2C) and live chat tools that allow Shopee site visitors to connect easily (Kamila & Usman, 2021). As online commerce becomes the norm, Shopee aspires to continually improve its platform to provide a smooth and delightful purchasing experience for all users and be the region's e-commerce platform of choice (Shanthi & Kannaiah, 2015).

One of Shoppe's rivals is Lazada. In 2012, following the path and sales practice of Amazon.com, Lazada launched its e-commerce and became the leading e-commerce company in Southeast Asia (Lazada, 2021). Lazada is a part of Rocket Internet, a German company that has launched numerous creative online goods throughout the world (Utami & Usman, 2021). Lazada was declared the Alibaba Group's regional flagship in 2016, supported by Alibaba's best-in-class technological infrastructure (Lazada, 2021). Lazada, headquartered in Singapore, is a retail e-commerce website that began in electronics and expanded its product range by adding more categories such as household appliances and apparel. According to the latest ranking analysis in November 2021, Lazada was ranked number 2 on the Malaysia most visited marketplace website (Similarweb, 2021). The more companies there are on the internet, the more

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rivalry there is in the online industry; this necessitates those online stores to focus on the aspects that might strive to keep the online stores surviving, expanding, and flourishing (Samudra & Usman, 2021).

Online shopping platforms such as Shopee and Lazada have long been used in the community. Still, after the disease COVID-19 shook the whole country, online shopping facilities have become commonplace for the community and no longer strangers to every community (Husin & Roslan, 2021). Since the Movement Control Order (MCO) began in March 2020, online buying and selling activity recorded an increase of 28.9% in April 2020 (Ruzki, 2020). The number of online purchases is also increasing from year to year, and it has become an attraction and popular nowadays. People also prefer to use online applications to buy goods so that Covid-19 cases can be curbed as best as possible, and it can help reduce the infection of this virus. Online shopping applications are increasing during the Covid-19 pandemic period. Most shops and supermarkets were not allowed to operate as usual during the MCO. Therefore, the consumers do not have any other choices and start to place orders and purchase goods through the online shopping applications.

We are interested in examining the factors influencing the consumers' online store preferences between Shopee and Lazada. Companies aim to provide consumers with products and services that meet their demands and requirements. Therefore, Shopee and Lazada must analyze and consider which dimensions significantly impact their consumers' online purchasing intentions. Hence, the company can go further and increase its market.

LITERATURE REVIEW

Information Quality

The perceived satisfaction level of users with the technical and functional performance of the website is referred to as system quality (Putri & Pujani, 2019). The quality of online information on e-commerce websites can be assessed from various angles, including product quality, system quality, service quality, software product quality, and others (Hairuddin, Seman, & Mozie, 2019). The relationship between service providers and customers can be improved by offering correct information and services according to the customers' needs (Amanah, Hurriyati, Disman, Gaffar, & Harahap et al., 2018). When the online shopping websites provide a clean structure and organized category products, the shoppers can get their products with fewer searches. Consumers' impressions of an e-commerce platform's design, usability, and resourcefulness substantially impact trust in online purchasing. The website's quality, which shapes the corporate's image, impacts users' trust. It is vital not just for marketing a product or service but also for providing information that can entice the customers to make purchases (Ardi & Yulisetiarini, 2018).

Performance Expectancy

Performance expectancy is the degree to which one believes using innovative technologies will improve job performance (Sair & Danish, 2018). Customers' use of ecommerce applications is affected by performance expectations. It is also important to note that e-commerce must understand the customers' needs and figure out the problems that might occur in the electronic commerce environment because it can lead to customer good impression (Falk, Sockel, & Chen, 2005). Along with technological development, it has always been one of the most difficult tasks to measure the progress and performance of e-commerce (Mistry, 2003). Customers often assess the speed of e-sellers in assisting them in solving their issues. Better and quicker customer services can be improved by e-commerce. It helps generate more customers that can access

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their own accounts online, saving both their time and money (Kabugumila, Lushakuzi, & Mtui, 2016).

To summarize, the users will only use the systems or technologies that provide their requirements. This variable is noteworthy because the customers will reject the ecommerce application if it is not helpful to them (Hamzat & Mobawonku, 2018). Therefore, performance expectancy is a critical factor in influencing the customers' use of e-commerce applications.

Customer Satisfaction

A satisfactory purchase experience appears to be one requirement for ongoing interest in a product that could lead to repeat purchases (Lin, Wu, & Chang, 2011). Customer satisfaction is an important factor in a company's sustenance and growth in the market. It is essential when firms that want to compete must provide their customers with valuable and unique terms that meet their needs (Biesok & Wyród-Wróbel, 2011). Customers are always looking for quality and value; therefore, businesses strive to earn customer satisfaction by offering low prices and various services (Khalid, Lee, Choi, & Ahn, 2018). When the companies run the e-commerce businesses, better and quick customer service is the key feature to building customer relationships and improving their experience. Customers must first engage in an exchange before making judgements on retailers' satisfaction and trust level. Their satisfaction will create a good relationship between the company or product brand and the customers and increase their willingness to pay more for the brand (Hanif, Hafeez, & Riaz, 2010).

RESEARCH METHOD

Secondary and primary data were used in this study. Through an online survey of Google Form, questionnaires were distributed to 100 respondents with previous experience as Shopee and Lazada users in Malaysia. Furthermore, secondary data was acquired from the internet sources such as the official websites of Shopee and Lazada, journals, and any other relevant websites.

RESULTS

The survey is to examine the consumers' online store preferences with a comparison between Shopee and Lazada. The findings show that 91% of respondents prefer to use Shopee and 9% choose Lazada as their favorite online stores. There are five sections, including the respondents' demographics profile, a summary of Shopee and Lazada information quality, respondents' performance expectancy towards Shopee and Lazada, respondents' satisfaction with Shopee and Lazada, and a summary of respondents using the Shopee and Lazada app during the Covid-19 outbreak period.

Table 1. Respondent Demographics (N=100)

Response	5	Shopee	Lazada		
Gender					
Male Female	Frequency 14 77	Percentage (%) 15.4 84.6	Frequency 2 7	Percentage (%) 22.2 77.8	
Ethnicity					

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Malay	70	76.9	4	44.4	
Chinese	18	19.8	3	33.3	
Indian	3	3.3	1	11.1	
Others	0	0	1	11.1	
Age					
Below 20 years old	20	21.5	0	0	
21-29 years old	47	50.5	4	44.4	
30-39 years old	10	10.8	2	22.2	
40-49 years old	12	14	1	11.1	
More than 50 years old	2	3.2	2	22.2	
Frequency of using ap	Frequency of using apps				
Almost every day	25	27.5	1	11.1	
Few times a week	24	26.4	3	33.3	
Once a week	10	12	1	11.1	
Once or twice a month	26	28.6	4	44.4	
Not even once a	6	6.6	0	0	
month					
Experience (in months or years) in using apps					
Less than a month	9	9.9	1	11.1	
1 - 3 months	8	8.8	0	0	
4 - 6 months	7	7.7	0	0	
7 – 12 months	8	8.8	1	11.1	
More than 12 months	59	64.8	7	77.8	

Table 1 shows the summary of respondents' demographics. For Shopee and Lazada, the respondents are mostly female, which are 84.6% for Shopee and 77.8% for Lazada. Malay respondents are the most respondents who participate in this survey. The highest age group for Shopee and Lazada are between 21 to 29 years old, 50.5% and 44.4% respectively. From the results, 28.6% of Shopee users and 44.4% of Lazada users use the applications once or twice a month. The results show that most of the respondents have experienced using the applications for more than 12 months, with 59 respondents (64.8%) of Shopee and seven respondents (77.8%) of Lazada. Thus, this concludes that Shopee and Lazada are well-known among people of different ages and have experience using the applications.

Table 2. Summary of Shopee and Lazada Information Quality (N=100)

Response	Shopee	Lazada			
Apps provide photos, reviews and ratings, which help me in choosing sellers to order from					

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Strongly Disagree Disagree Neutral Agree Strongly Agree	Frequency 0 0 11 36 44	Percentage (%) 0 0 12.1 39.6 48.4	Frequency 0 0 2 1 6	Percentage (%) 0 0 22.2 11.1 66.7		
Apps provide photo product to order	Apps provide photos, reviews and ratings, which help me in choosing the product to order					
Strongly Disagree Disagree Neutral Agree Strongly Agree	0 0 7 39 45	0 0 7.7 42.9 49.5	0 0 1 2 6	0 0 11.1 22.2 66.7		
Apps provide photos, reviews and ratings, which help me to complete my order						
Strongly Disagree Disagree Neutral Agree Strongly Agree	0 0 11 37 43	0 0 2.1 40.7 47.3	0 0 1 2 6	0 0 11.1 22.2 66.7		

Table 2 summarises respondent opinions about the information quality of Shopee and Lazada apps. The overall results show that most people are satisfied with the information provided by Shopee and Lazada. Respectively, 88% and 77.8% of the respondents agree that the quality of the information provided on the applications helps choose the sellers to order from Shopee and Lazada. The study also indicates that 92.4% and 88.9% of the respondents agree that information provided on the applications helps choose products to order. Furthermore, 88% and 88.9% of the respondents agree that information helps complete the order. A very minimal number of respondents are neutral, and none of them disagree that the information is helpful for them in making the buying decisions.

The findings of this study suggest that information quality has a positive and significant impact on consumer preference. The better the information quality, the more appropriate consumer purchasing decisions (Fadhillah, Zebua, & Prayoga, 2021). The respondents' responses show that most enjoy buying in Shopee because it provides information that meets their expectations. Moreover, a successful e-servicescape can boost the online customer trust and raise the likelihood of repeat purchases (Thamrin & Permana, 2021).

Table 3. Respondents' Performance Expectancy towards Shopee and Lazada (N=100)

Response	Shopee	Lazada			
I find Shopee/ (Lazada) apps useful in my daily life					

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Strongly Disagree Disagree Neutral Agree Strongly Agree	Frequency 0 0 13 36 42	Percentage (%) 0 14.3 39.6 46.2	Frequency 0 1 1 4 3	Percentage (%) 0 11.1 11.1 44.4 33.3
Using Shopee/ (Laz are important to me		ncreases my chanc	es of purcha	asing things that
Strongly Disagree Disagree Neutral Agree Strongly Agree	0 2 11 33 45	0 2.2 12.1 36.3 49.5	0 1 1 4 3	0 11.1 11.1 44.4 33.3
I can save time when I use Shopee/ (Lazada) apps for buying things				
Strongly Disagree Disagree Neutral Agree Strongly Agree	0 0 17 32 42	0 0 18.7 35.2 46.2	0 1 1 4 3	0 11.1 11.1 44.4 33.3

Table 3 summarises respondents' performance expectancy towards Shopee and Lazada. The results show that 85.8% of the respondents agree that the Shopee app is useful in their daily lives, and none disagrees with this statement. However, 77.7% of respondents agree that the Lazada app is useful in their daily life, and only 11.1% of respondents do not agree with it. A total of 85.8% of the respondents agree that using Shopee app increases their chances of purchasing things that are important to them and only 2.2% of respondents disagree with it. For Lazada respondents, 77.7% agree that the app increases their chances of buying important things, and 11.1% disagree. This concludes that Shopee provides good benefits to most respondents as they are very satisfied with this app in contrast to Lazada because some Lazada users do not agree that the app simplifies their daily affairs. As the e-commerce sector expands, Shopee and Lazada create a necessary user experience. This makes most respondents from Shopee (90.2%) and Lazada (77.7%) agree that the app enables them to accomplish the purchasing process more quickly. Also, over half of the respondents from Shopee (81.4%) and Lazada (77.7%) agree that the e-commerce app can save their time when purchasing goods. These findings indicate that the majority of Shopee users are satisfied with the application.

DISCUSSION

As agreed by the Shopee respondents, the applications are helpful for their daily activities and also can save their time because Shopee provides a section that can facilitate the customer affairs where they can buy the top-up, pay bills, entertainment, travel (restaurants & hotels), and also donations with one application (Balachandar, 2021). Furthermore, Shopee and Lazada allow their sellers to sell goods in "live streaming. Customers can make more accurate choices, receive a response, and deal directly from the dealer without having to visit the store, which will simplify the purchasing process and save time. In short, the study findings show that the performance expectancy towards Shopee and Lazada applications can influence the consumers'

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online store preferences. In other words, the study results indicate a positive relationship between performance expectancy and consumer preference.

Table 4. Respondents' Satisfaction with Shopee and Lazada (N=100)

Table 4. Respondents' Satisfaction with Shopee and Lazada (N=100)						
S	hopee	Lazada				
I am generally pleased with Shopee/ (Lazada) apps						
Frequency	Percentage (%)	Frequency	Percentage (%)			
. 0	Ů ,	. 0	0			
1	1.1	1	11.1			
9	9.9	0	0			
46	50.5	6	66.7			
35	38.5	2	22.2			
I am very satisfied with Shopee/ (Lazada) apps						
0	0	0	0			
1	1.1	1	11.1			
9	9.9	0	0			
44	48.4	6	66.7			
37	40.7	2	22.2			
I am satisfied with the way that Shopee/ (Lazada) apps have carried out transactions						
1	1.1	0	0			
1	1.1	1	11.1			
10	11	0	0			
36	39.6	6	66.7			
43	47.3	2	22.2			
	Frequency 0 1 9 46 35 ith Shopee/ 0 1 9 44 37 ne way that S	Shopee ed with Shopee/ (Lazada) app Frequency Percentage (%) 0 0 1 1.1 9 9.9 9.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5 38.5	Shopee Cazada Shopee C			

Table 4 shows the summary of respondents' satisfaction with Shopee and Lazada. Regarding whether the respondents are generally pleased with the Shopee application, 89% of them agree that the Shopee application is pleasant for them to use, and only 1.1% of the respondents disagree with this statement. Similarly, 88.9% of the respondents are also pleased when using the Lazada application, and yet 11.1% of them disagree. Furthermore, for the question of whether they fare very satisfied using both Shopee and Lazada applications, 89.1% of the respondents agree that using the Shopee application is very satisfying, while 1.1% disagree. A total of 88.9% of respondents admit that they agree about the feeling of satisfaction when using the Lazada application, whereas 11.1% of them disagree. 8Also, 6.9% of the respondents are satisfied with how Shopee carried out their transactions, however, 2.2% do not feel the same way. In contrast, 88.9% of the respondents agree that they are satisfied with how Lazada has carried out their transactions whereas 11.1% disagree. The study findings conclude that most respondents are satisfied with using Shopee and Lazada.

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Most respondents agree that they are pleased with the Shopee application because it does not limit the methods of payments to its users. Shopee application provides more payment methods than Lazada application, where some of the transactions can be made using a credit or debit card, online banking, over-the-counter bank deposit, cash on delivery, or an in-store e-wallet. Therefore, when the customers are pleased with the services provided in the system, it can help ensure they buy what they want. It implies that customer satisfaction has an impact on consumer preferences. Customer satisfaction is important as it can help in enhancing the company's business performance (Kee et al., 2021).

Table 5. Summary of Respondents Using the Shopee and Lazada App During the Covid-19 Outbreak (N=100)

Covid-19 Outbreak (N=100)					
Response	Shopee		Lazada		
I would keep using Shopee/ (Lazada) apps to order items online					
	Frequency	Percentage (%)	Frequency	Percentage (%)	
Strongly Disagree	0	0	0	0	
Disagree	0	0	1	11.1	
Neutral	5	5.5	0	0	
Agree	39	42.9	4	44.4	
Strongly Agree	47	51.6	4	44.4	
I would continue to buy things online using Shopee/ (Lazada) apps even if the social distancing measures are lifted					
Strongly Disagree	0	0	0	0	
Disagree	0	0	1	11.1	
Neutral	9	9.9	1	11.1	
Agree	38	41.8	4	44.4	
Strongly Agree	44	48.4	3	33.3	
Shopee/ (Lazada) gives good service during Covid-19 outbreak					
Strongly Disagree	0	0	0	0	
Disagree	0	0	1	11.1	
Neutral	12	13.2	1	11.1	
Agree	34	37.4	3	33.3	
Strongly Agree	45	49.5	4	44.4	

Table 5 presents the summary of respondents using the Shopee and Lazada application during the Covid-19 outbreak. The results show that 94.5% of the respondents would keep using the Shopee application to order items online, while for the Lazada application, 88.8% of the respondents agreed. Since MCO restricts people from buying necessities outside, using online shopping is an alternative way. More than half of the respondents choose to use online shopping, especially the Shopee application.

For the Shopee application, 90.2% of the respondents agree that they would continue to buy things online using the application even if the social distancing measures are lifted. For Lazada's application, 77.7% of the respondents agree, and 11.1% disagree with this statement. More than half of the respondents agree to continue using the Shopee app even though the social distancing measures are lifted. This shows that customer loyalty to Shopee compared to Lazada has grown during the Covid-19 pandemic period.

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Finally, 86.9% of the respondents agree that the Shopee application gives good service during Covid-19 outbreak. For the Lazada application, 77.7% of the respondents agree while 11.1% disagree that Lazada provides good service during Covid-19 outbreak. Many respondents claimed that Shopee and Lazada provided excellent service throughout the pandemic. This is because they want to maintain the loyalty of their users, especially Shopee, as it is already ranked the best in Malaysia.

CONCLUSION

This study examines the factors influencing the consumers' online stores preferences between Shopee and Lazada. The findings that most respondents prefer to use Shopee for their online shopping compared to Lazada. This highlights that information quality, performance expectancy and customer satisfaction can influence the consumers' online stores preferences. These factors can be used as a reference to develop their new strategies to target more customers. This study contributes to the existing literatures and provides the empirical evidences that information quality, performance expectancy and customer satisfaction are significantly correlated with consumer preferences.

Shopee and Lazada should consider factors that can affect their business performance. Both companies can keep improving the quality of the information in their applications by providing greater product information details that can satisfy consumers' needs. They should also focus on improving their performance expectancy from time to time. The customers will reject the e-commerce application if it is not helpful to them. Therefore, Shopee and Lazada can improve their performance expectancy by providing a high-quality site search and always keep the website design simple and easy to assess.

Customer satisfaction is also crucial. Satisfied consumers enhance their loyalty to the online shopping. Shopee and Lazada can improve customer satisfaction by giving more promotions and vouchers. They can always be concerned aboutout the customer reviews on their websiem to improhe customer satisfaction.

LIMITATION

This study only focuses on the respondents in Malaysia. Future researchers can expand the respondents not only in Malaysia but also from other countries. Also, this paper only uses a sample of 100 respondents. Future studies can use a larger sample size to get better findings that can be used as a generalization for the whole population of Malaysia.

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DECLARATION OF CONFLICTING INTERESTS

We declare no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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