

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

Business expect to derive value from the use of Internet as a business tool. In general, perceptions of respondents on the usefulness of the Internet are largely positive. Most respondents (over 60 %) perceive positively on the use of Internet in business as a business tool. This formed a highly positive overall perception of the Internet use for businesses . Most of the respondents agree that Internet marketing is a way for staying up to date with the latest technology to do unit trusts business and a way for our country to achieve vision 2020. This is a good indication to the unit trust industry and our country—Malaysia. Since we are implementing the MSC in our country, it also indicates the unit trust companies should update themselves with the latest technology advances as the use of Internet in conducting day to day business. Through it may take time and expertise to catch up with the latest technological development. It is important to get process started.

In general, the findings were in line with most of the study and survey's discussed in chapter 2. This study has found that most of the survey respondents use the Internet for communication, marketing and advertising, information gathering to a lesser degree-electronic. Generally, there were few application of electronic commerce, especially on line application/ registration and the processing electronic payment or credit transaction on line. The findings also suggest that the business in unit trusts companies generally have high positive attitude towards the use of Internet. In particular, they agreed that the use of Internet could enhance their corporation image, Internet use for business is part of their business strategy and it is an innovative way for unit trust investment in the 21st century. In addition, most unit trusts companies could provide better and faster service to the customers through the Internet and they believe customer can get first hand information on the fund performance and service offered from the Internet. Using Internet can also create the added value to the customers.

In regard to the barriers of using Internet, the findings provide evidence to the evidence discussed in chapter 2 in which five main reasons – Lack of security, problems with the use of Internet for marketing, rapid environmental changes and technological advances were identified as the barriers to the use of Internet. The majority of respondents indicated that the issue of security is a major barrier in the use of the Internet, Internet is not yet secure enough for electronic commerce. Generally the lack of security is caused by the weaknesses of on line credit payments transaction and the destructive power of computer viruses and hacking. In addition, respondents are concerned with the security problems of Internet marketing, they are facing difficulties and insufficient knowledge in trying to keep with the developments of technological. Lack of standard regulations from government on Internet issues is another main barriers of Internet marketing.

It includes the guidelines from Securities Commission apply to advertisements issued by way of computer transaction. Any advertisement and promotional materials in relation to the scheme must be approved by the SC under the Regulations. The advertisements and promotional materials should comply with the Guidelines on Unit Trust Advertisements and Promotional Materials.

The Securities Commission (Unit trust Scheme) Regulations 1996 prescribe the manner in which unit trust advertisements, releases, statements and reports may be issues. Among others, the Regulations permit the issuance of advertisements and promotional materials that have been issued with the written consent of the Securities Commission (SC). At present, the advertisement should not offer units for sale or purchase and it should not allow for transactions to be conducted via computer transaction. Investors are however permitted to ask for further information via the Internet.

On the other hand, the problem experienced by the current user are marketing service and support required for Internet application. Despite of these barriers, majority of the unit trusts companies reported that they would use or use more of Internet in the near future two years.

5.2 CONCLUSIONS

The advancement in information technology and the ever increasing popularity of Internet has brought about dramatic and revolutionary changes in practically every field. The Internet as a commercial medium provides many opportunities to the business. One of the most significant changes in the event of electronic commerce and its powerful to develop business and enterprise. The changes represent the new IT era with all its challenges as well as bountiful opportunities.

This study has found that most of the survey respondents use the Internet for marketing and advertising, customer service and support, information gathering to a lesser degree–electronic transaction. Compared with unit trusts companies in developed countries, Malaysia unit trust companies use the Internet more for conservative tasks, such as information dissemination, and marketing and advertising. The respondents' perception of the attributes of the Internet are largely positive. This may reflect the relatively pro IT culture that exists in the country because of the government's strong support for IT education, use and infrastructure. The problems encountered by the respondents – namely security problems on the net and rising costs of Internet marketing use. Some of these problems are likely to be alleviated by development in technology, and by government initiative aimed at lowering costs and increasing bandwidth the near future.

In the unit trust industry, the performance attributes of the Internet are related to both the needs of customers and the nature of the financial service products. However, the unit trust companies are beginning to understand the importance of Internet as they generally have high positive perception toward Internet. They were aware of the benefits of what Internet can do for their business and how they affect the company's relationship with its customers and competitors. The positive perception toward Internet has been instrumental increasing the business to adopt and use more of the Internet in the future.

With the government taking a supportive role, the electronic commerce industry is positioned to thrive. Though the pie is potentially big, the development of Malaysia's e-commerce industry may be constrained because it lacks deep and well developed capital market, thus the introduction of electronic commerce in the Malaysian capital market would presents the Securities Commission with several challenges. Toward this end, the Security Commission is currently studying whether existing security laws should be amended to enable it to effectively enforce the relevant securities laws. As for the legal framework, this would involve basic government policies reflected in the law and regulations that affect capital market operations. To a certain extent, this has been addressed in the cyber-laws introduced by the government to support the MSC. The introduction of the Communications and Multimedia Act 1998 heralds a new regulatory environment for the industry , providing a modern and flexible structure with encourages development for this growing market.

5.3 RECOMMENDATIONS

The Internet network is a marketing channel that is presently being used as an avenue for advertisers, marketers and society by and large to find the right combination of marketing mix that best suit the customer's needs. If a particular unit trust company does not yet have access to the Internet, it must do so immediately. To deliver new services or bypass intermediates, unit trust companies first need to build direct connections to customers. That means just designing a web site to market a unit trust company's offerings. The construction of a homepage is vital for the success of unit trust business in this day and it is very easy for any unit trust company to get a web site on the Internet.

The future is looking bright for marketers who use the Internet networking services. Marketing on the Internet gives forward thinking companies a unique edge over competition. The evolution of the virtual experience and the promise of cyberspace have begun to open doors to information which was previously inaccessible. Doing business on the Internet will become even more important in the future. More and

more companies will have access to the Internet and with a reduction in communication prices and more and more customers will come to the Internet as well. The Internet offers tremendous possibilities and could in the long run outperform conventional distribution channels. A continuous connection to the Internet will become a common feature in organization of the future and customers will be able to do more and more interactively. Information will be provided and it will even easier to communicate by using the web. Despite recent Internet traffic jams and consumer jitters over security, unit trust companies should not hesitate to get connected to the Internet, if they do not, they are likely be overlooked by customers in the future.

It has been said the emergence of electronic commerce needs to take the form of a revolution rather than a natural evolution in order to successful. The successful implementation of electronic commerce in the capital market would depend not only the level of technological innovation, but also the ability to create an environment that is conducive for electronic commerce in a cohesive and coordinated manner. The Security Commission should fully support the development of electronic commerce in the capital market due to the enormous benefits it will bring to the marketplace in terms of creating greater competition and efficiency. Electronic commerce is likely to be an inevitable feature of the capital market in the near future, the development and enhancement of technology applications for the capital market will be a continuous and on going process, in line with the rapid change in technology. In addition, there is a need to create awareness and understanding of this issue among existing market participants, that is the impact of electronic commerce on business processes and the regulatory environment.

5.4 SUGGESTED FOR ADDITIONAL RESEARCH

The Internet is fast becoming an important new channel for commerce in a range of businesses, marketers can't afford to avoid thinking about the impact of Internet commerce on their businesses. By exploring the opportunities and threats they face, marketers can realistically assess what, if any investments they should begin to

make in internet commerce and determine what risks they will face. While doing business online involves risks, marketers may devote attention to several key issues to propelling themselves closer to cyber success. Therefore, other studies may explore the Internet marketing strategies. This may look at on line strategies such as the product and pricing on the net, marketing communication on the net, the distribution channel on the net and relationship marketing on the net.

5.5 IMPLICATION OF THE RESEARCH

The objectives of this study is to identify the usage pattern, the influencing factors and barriers faced in relation to the use of Internet by the unit trust business in Malaysia. The insights provided by this study is particularly useful to the unit trust community, this study can create awareness and assist the unit trust companies in the decision to adopt and extend the usage of Internet. In addition, the problems identified can help these businesses to make better decision and take precaution to overcome the problems. For the factors that influence the use of Internet can provide guidance on how to improve and customize the service and solutions to meet the business needs.

The Security Commission can based on the findings learn and understand the problems and concerns faced by the unit trust companies and help them to plan and facilitate the development of Internet and its Internet commerce in unit trust company. Finally, the introduction of the Communications and Multimedia Act 1998 heralds a new regulatory environment for the industry, providing a modern and flexible structure which encourages development for the fast growing market. Within this new framework, Telekom Malaysia, as the national communications and multimedia provider, should see opportunities to engage fully in assisting the unit trust industry to achieve its national communications policy objectives.