

The 2020 Undergraduate Colloquium on Retailing (TUC Retailing 2020)

**AND BUSINESS** 

NIK NOORHAZILA NIK MUD

NURNADDIA NORDIN

NURHAIZA NORDIN

MOHD ZULKIFLI MUHAMMAD

# Proceedings of Entrepreneurship and Business

The 2020 Undergraduate
Colloquium on Retailing
(TUC Retailing 2020)

UNIVERSITI MALAYSIA KELANTAN

### **Editors:**

NIK NOORHAZILA NIK MUD

NURNADDIA NORDIN

NURHAIZA NORDIN

MOHD ZULKIFLI MUHAMMAD

Faculty of Entrepreneurship and Business Universiti Malaysia Kelantan City Campus, Pengkalan Chepa 16100 Kota Bharu Kelantan

Telephone: +609 771 7251

Fax: +609 771 7252

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e-ISSN 2682-9029

2022

Perpustakaan Negara Malaysia

Cataloguing-in-Publications Data

Nik Noorhazila Nik Mud, Nurnaddia Nordin, Nurhaiza Nordin and Mohd Zulkifli Muhammad Proceedings of Entrepreneurship and Business / editors Includes index Bibliography:p.

e-ISSN 2682-9029

1. Retailing. 2. Entrepreneurship. I. Title.

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Printed and bound in Malaysia by Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan

#### **Preface**

The 2020 Undergraduate Colloquium on Retailing with the theme "3<sup>rd</sup> Multidisciplinary Research on The Entrepreneurship and Business Colloquium" provides the platform for undergraduate students to engage, collaborate and disseminate ideas and research findings across a broad spectrum of audiences. Moreover, it gives the knowledge to undergraduate student towards high-impact of publication. Through this colloquium, it enables the final year students in encouraging their understanding of basic research on issues in current learning.

The objectives of The 2020 Undergraduate Colloquium on Retailing with the theme "3<sup>rd</sup> Multidisciplinary Research On The Entrepreneurship and Business Colloquium" (i) to exposure the final year student to article writing and colloquium presentation; and (ii) to enhance the understanding and enthusiasm of final year students about high impact studies and the documentation of their respectives studies.

The editors would like to express their thanks to all participants and paper presenters from all over field and topic. Last but not least, thank you and congratulations to the organizing committee for their support and effort to make this successful seminar.

#### **Editors:**

Nik Noorhazila Nik Mud Nurnaddia Nordin Nurhaiza Nordin Mohd Zulkifli Muhammad

Faculty of Entrepreneurship and Business Universiti Malaysia Kelantan Kelantan, Malaysia June 2022

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# THE FACTORS THAT INFLUENCE CUSTOMER LOYALTY TOWARDS RETAIL STORE

#### Ahmad Zaim Mohd Alui and Tahirah Abdullah

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: zaim.a17b1023@siswa.umk.edu.my; tahirah@umk.edu.my

#### Abstract:

This research is examining the factors that influences customer loyalty towards retail store. In addition, this study discussed about the cause that lead customer loyalty factors such as product, service, brand image. The factors are developed from justice theory. The quantitative methodology is adopted for this study and the result shows that all the variables are supported by the carried analysis.

**Keyword:** Justice, product, service, brand image, customer loyalty.

### 1. Introduction

Retail store is a place of business usually owned and operated by a retailer but sometimes owned and operated by a manufacturer or by someone other than a retailer in which merchandise is sold primarily to ultimate consumers. There are different types of retailers that specialise in various sales techniques and cater to different consumer types. They provide different services offering direct purchasing from a manufacturer or providing a wide range of merchandise. Others are based more on convenience. The purpose of this research proposal is to focus on customer loyalty towards retail stores and various aspects associated with it, such as the products, service, and brand image. In fact, loyal customers will repeat their purchasing behaviour which helps to increase sales revenue of business organisations. Therefore, customer's loyalty is the feedback of a successful retail marketing strategy in a competitive market that creates value for money for customers.

In Malaysia, traditional retail stores models have the retailer dictating to the customer how they can shop according to comfort and what service will be offered to meet their needs. Modern retail stores on the other hand is about listening to what customers want and developing services to meet their needs. Modern retail is attracting the upper and middle income shoppers but at present it is fast changing as improved consumer lifestyles, changing consumer's preferences and changing educational level of population. According to Olsen and Granzin (2013), grocery retail sectors were operated by many foreign business firms. Now, Malaysia is attracting other foreign names such as United Kingdom's Tesco, France's Carrefour, and Hong Kong which operates the Giant hypermarkets. Nowadays, retail sectors and grocery sectors are playing an important role in improving service quality and product assortment. Yuen and Chan (2013) posited that customers' demands in the grocery sectors are gradually increasing due to the development of customer service in parallel with product quality and diversity. This is similarly reflected in the retailing industry which plays a vital role to the tremendous growth of the

service sector. As such, it is necessary for the retailers to understand the customers' wants and needs to increase the level of their satisfaction and loyalty.

#### 2. Literature Review

#### 2.1 Customer Value and Distributive Justice

Organizations have been developing strategies to increase the perceived value delivered to the customers (Reichheld, 1996). While there are several different definitions of value; it has been suggested that the most important evaluation (Webster, 1994) is an overall assessment of worth (Zeithaml, 1988) or subjective value. Subjective value is based on the benefits that the customer receives in relation to their sacrifices. In CRM implementations that result in a modification of products or services delivered to the customer, the value perception is based on the benefits that they have received in light of possible changes in the pricing structure or perceived service quality.

### 2.2 Product Quality

A major proportion of consumers have strong feelings on superstores or hypermarkets with product brand equity for shopping of goods and services. Business firms had begun to develop the customers' loyalty by offering good quality products and services. The study Allaway et al. (2015) stated that product quality, service level and assortment were the basic requirements for achieving high levels of brand equity. He also mentioned that successful brand equity can successfully arouse commitment, shopping behaviour and the most interesting part is to develop familiarity with a person to person interactive communication. Aliawadi and Keller (2016) posited that successful retail branding influenced customers' perceptions and loyalty and even to the extent of choosing their favourite retailer stores frequently for shopping of goods. Brand equity creates customers' equity that emphasizes customers' satisfaction and loyalty. Customers' satisfaction and loyalty improves numerous opportunities for product brand equity and it helps to increase marketing tactics. According to Reichheld (2009), Zeithaml, Berry, and Parasuraman (2003) and Wright and Sparks (2013), they stated that loyal customers were willingly interested to purchase more products and pay the right prices of products and services. Bolten, Kennerknecht, and Spiller (2012) posited that the main determinants of customer satisfaction and loyalty are the service and product quality.

### 2.3 Service Quality

Service quality has different shades of meanings and various concepts in terms of different customers. The study by Lewis and Booms (2018), Gronoos (2019) and Su (2020), Service quality is defined as how well a consumer's needs are met and how well the service delivered meets the customer's expectations. Consumers' perceived values of services are heavily reliant on the customer expectations and outcomes of the evaluation processes. Service quality has a significant relationship with the customers' satisfaction which directly affects the customers' loyalty. Thus, the retail business firm should focus on these factors to increase the customers' relationship with satisfaction and loyalty in a competitive retail market globally. Service quality is the major tool for changing or developing the retail business paradigm. Customers' evaluations of the service quality are quite difficult to be developed in the retail marketing strategy. A business organization can gain profit and competitive advantages by applying an appropriate service quality. Service quality is capable of helping the business firms to realize

their envious position in the retail market place. If product prices and other costs are stable, the customers will invariably prefer the service quality as an extra attraction. So the following hypothesis is verified to test based on the above literature.

### 2.4 Brand Image Quality

Brand image represents an important aspect of marketing activities branding and market offering with varied definition and approaches to its conceptualisation Burleigh and Sidney, (1955) Dobni and Zinkhan, (1990) Martinez and Pina, (2003). A widely accepted view is that brand image represents customers' perceptions of a brand as reflected by the brand associations held in consumer memory Herzog, (1963) Keller, (1993) argued that these associations could originate from customer's direct experience or from information obtained on a market offering or due to the impact a pre-existing associations with an organisation had on consumer. Brand image is, therefore, the mental picture or perception of a brand or a branded product or service and includes symbolic meanings that consumers associate with the specific attributes of a product or service Dobni and Zinkhan, (1990) Padgett and Allen, (1997) Aperia and Back, (2004).

### 2.5 Customer Loyalty

Customers' loyalty means the customers are committed to buying goods or services at a particular retailer's locations. Retailers think that the customers' loyalty is secured by developing brand strategy and creating emotional attitudes towards the purchase behaviour of goods and services through loyalty programs. Customers have individual loyalty concept to specific product, stores and companies. Customers' loyalty is defined as customers are committed, either emotionally or sensibly, to repurchase the preferred goods and services in the particular retailer's market which is also considered as a firm's long term survival goal and objectives. It is not only the basis for developing business plan, but it also becomes sustainable in a competitive marketing strategy. Customer loyalty was held by the consumers who frequently did shopping of goods or services at particular outlets. Consumers' attributes on repeat purchase of goods are generated by the degree of enhancement of the service quality and store attributes in the retail business strategy. Customers' frequent buying intentions towards goods or services from the particular outlets are the key dimensions that produce customers' loyalty in the retail strategy. Reynolds and Arnold's (2008) posited that customers' loyalty was drive from shopping behaviours and loyalty attitudes which were recognized based on the service quality and product quality.

- H1: There is a relationship between product quality and customer loyalty towards retail stores.
- H2: There is a relationship between service quality and customer loyalty towards retail stores.
- H3: There is a relationship between brand image and customer loyalty towards retail stores.

### 3 Research Methodology

This chapter explained regarding the method used by this research. This chapter will mention every component involved in conducting this research from research approach and design, population, population frame and sampling techniques used for the interview. Finally, this chapter provides a detail explanation of the selected mode of analysis used and data collection method. This study also highlighted the factors influences customer loyalty towards retail store. For the present analysis, thus, a quantitative approach was adopted. The student in Kampung Jias, Pasir Mas, Kelantan, was taken there.

### 3.1 Research Design

According to Kerlinger (2012) research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control. There were completed schemes or program of the research. It includes the outline of what researcher will do from writing the hypothesis to the final analysis of data.

Research methodology was grounded on the summary of the systematic investigation, procedure, sample selection and analysis, which were conducted in the research. Since, the main purpose of this study is to investigate the factors that influence customer loyalty towards retail store in Malaysia country such as hypermarkets and so on, then, a self-administered questionnaire was developed to collect respondent's data from the Malaysian retail store consumers.

#### 3.2 Data Collection Method

Data collection is the process of collecting and calculating information on variables of interest, in an established systematic fashion that enables one to answer stated research question, test hypotheses and evaluate outcomes (O' Neill, 2015). To execute this research, researchers will obtain the data through distributing questionnaires to target respondents because it is the main means to gather primary data and it enable researchers to reach large number of respondents and each questionnaire is collected back within 10 to 15 minutes. Before conducting a survey, permission from every type of retail stores visited around Kampung Jias, Pasir Mas, Kelantan must be made. Therefore, the permission for our research to be given out questionnaire has been granted. The respondents of the questionnaire are being chosen randomly by gender, religion and age. While the questionnaire being held, the researcher will ask respondents to send via WhatsApp or Facebook to ensure that the respondents answer their questionnaire properly because it is quite difficult to observe respondents face to face during this pandemic. Finally, after the survey being held, a data will be collected to be analysed to ensure the validity and reliability of this research.

### 4 Findings and Discussion

### 4.1 Demographic Profile of Respondents

The demographic profile is included gender, age, ethnicity, educational level, occupation, how frequent did respondents visit their retail store in a year. Frequency analysis was first run to measure respondents' demographic profile. The results of analysis were presented in Table 4.2. The total numbers of respondents are 108 who answered the survey questionnaires distributed. Based on the findings in Table 4.2, it shows that 53.7 percent of respondents are female while remaining 46.3 percent are male. Besides, 72.2 percent of respondents who participated in this research are Malay that makes up the majority of ethnicity for the survey. The rest are Chinese, Indian and others which are 15.7 percent, 10.2 and 1.9 percent respectively. For the occupation, respondents from students get the higher percentage, it is 48.1 percent.

Besides, 19.4 percent of respondents are qualified up to SPM, then. The larger proportions of the respondents are undergraduate degree with a percentage of 62 percent. The majority of frequent respondents visit retail store in a year is more than 15 times with 39.8 percent.

Table 4.2: Demographic Profile of Respondents in Main Survey

Profile	Category	Frequency	Percentage
Gender	Male	50	46.3
	Female	58	53.7
Age	17 - 20 years' old	10	9.3
	21 - 30 years' old	63	58.3
	31 - 40 years' old	29	26.9
	41 - 50 years' old	6	5.6
Ethnicity	Malay	78	72.2
	Chinese	17	15.7
	Indian	11	10.2
	Others	2	1.9
<b>Education Level</b>	High School	4	3.7
	SPM	21	19.4
	Diploma	15	13.9
	Degree	67	62
	Master	1	9
	Doctor of Philosophy	0	0
	Others	0	0
Occupation	Government sector	20	18.5
	Private sector	33	30.6
	Student	52	48.1
	Others	3	2.8
How frequent	1-5 times	18	16.7
did you visit your	6 - 10 times	20	18.5
favourite retail	11 – 15 times	27	25
store in a year?	More than 15 times	43	39.8

### 4.2 Reliability Test

The reliability test was performed using Cronbach's alpha analysis to measure the internal consistency of the item sets for the dependent and independent variables. The Alpha analysis of Cronbach makes it possible to determine if the set of the elements presents a high stability in the measurement of a variable.

Table 4.13 shows the results of the reliability analysis for the study variables. As illustrated above, Cronbach's alpha for customer loyalty towards retail store is 0.868 (dependent variable), product quality is 0.808, service quality is 0.861, and service quality is 0.861. the brand image is 0.886 (independent variables). Customer loyalty towards the retail store is the dependent variable in this study, since the calculated value of Cronbach's alpha is 0.868, the variable used was a good remarks and capable of measuring customer loyalty towards the store. In addition, three variables also obtained good remarks because the result of the score was higher than 0.80 whose product quality is 0.808, the service quality is 0.861 and the brand image quality is

0.886. In conclusion, Cronbach's alpha for the reliability coefficients of the dependent and independent variables in this study was approximately good.

Table 4.13: Results of Reliability Cronbach's Alpha for the Variables

	Variables	Cronbach's Alpha	Remarks	Number of Item
Independent Variables	Product Quality	0.808	Good	5
	Service Quality	0.861	Good	5
	Brand Image Quality	0.886	Good	5
Dependent Variable	Customer Loyalty Towards Retail Store	0.868	Good	5

### 4.3 Testing of Hypothesized Model

Based on Table 4.18, the hypothesis testing shows the significant relationships between the three attributes, namely, product, service, brand image towards customer loyalty that were tested using by Spearman correlation analysis. It showed that hypothesis for product, service, brand image and customer loyalty towards retail store are accepted as the significant values are less than 0.05 significant levels which is 0.000. Therefore, H1, H2, and H3 are accepted.

Table 4.18: Summary for Hypothesis Testing Based on Spearman Correlation's Results

	Hypothesis	Spearman Correlation's	Results (Sig.)
H1	There is a significant relationship	Sig. value=0.000	Accepted
	between product quality and	Coefficient Value=0.713	
	customer loyalty towards the retail	(High positive	
	store.	relationship)	
H2	There is a significant relationship	Sig. value=0.000	Accepted
	between service quality and	Coefficient Value=0.596	
	customer loyalty towards the retail	(Moderate positive	
	store.	relationship)	
H3	There is a significant relationship	Sig. value=0.000	Accepted
	between brand quality and customer	Coefficient Value=0.693	
	loyalty to the retail store	(Moderate positive	
	loyalty to the retail store	relationship)	

### 5 Discussion and Conclusion

The findings showed that 3 hypotheses were supported. The relationship between product of use and customer loyalty towards retail store is the strongest relationship with value of coefficient is 0.713. Then follow with brand image quality with 0.693 and service quality 0.596. As a conclusion, the outcome of this research project indicated that product is the most important factor to influence customer loyalty towards retail store. Although product has the strongest influence on customer loyalty towards retail store, other factors such as service and brand image should not be underestimated. In addition, implication, limitation and

recommendations for future studies have been provided in this study as a guideline for retailers to develop innovative retail strategy and reference for future research to find out more coverage of retail store across the different retail segment, generation, culture and ethnic.

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# FACTORS INFLUENCING THE USE OF E-WALLET AS A PAYMENT METHOD AMONG STUDENT IN UNIVERSITY OF MALAYSIA KELANTAN CITY CAMPUS

### Amira Khalisha Arshad and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: khalisha.a17a0037@siswa.umk.edu.my; izyan.md@umk.edu.my

#### Abstract:

E-wallet also well-known as a noticeable increase of cashless transactions due to the development of financial technology. One of the best inventions of the 21st century is the electronic wallets (e-wallets) an integral part of electronic payment system. The term "e-wallet" is a form of digital wallet that allows an individual to link their debit or credit cards to digital wallet in order to make any transactions (Digital Wallet, 2019). Apart from the debit or credit cards electronic cards enable consumers to store their physical cards information and bank account number to perform certain action towards payment (Ray, 2017). The purpose of this study was to investigate the relationship between save money and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. This study also aimed to investigate the relationship between discount and cashback and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. Next this study aimed to investigate the relationship between safety and privacy and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. In this study has three factors influencing use of E-wallet were state: Save Money, Discount and Cashback, and Safety and Privacy. This research discusses the relationship between the factors mentioned with use of E-wallet. This research use questionnaire as the survey to collect data from respondents. This research uses Statistical Package for Social Sciences (SPSS) to analysis the data. This research also have regression and correlation techniques to study the relationships between independent variables and dependent variables.

Keywords: E-wallet, Digital Wallet, Payment Method, Discount, Mobile Payment

### 1 Introduction

E-wallet is one of the technology apps and software. E-wallet is a device that has also been recognized as a digital wallet. E-wallet is a software application that uses electronic devices such as computers or mobile devices for online transactions. E-wallet is also a payable device without the use of cash or money. This helps the seller to collect the customer's payment through the use of the unique two-dimensional quick-response code, also known as (QR) code that the seller generates. For example, Grab pay, Boost, Touch n Go e-wallet, Alipay, Fave-pay and so on. If the customer wants to use this method of payment, they will need to install the Mobile app to begin the payments and services (Kasthuri Subaramaniam, 2020).

Then, E-wallet well-known as a component of payment system. The word "payment system" is defined as a system that enables payment to be effects between a payers and a beneficiary, involving clearing, payment, or settlement services or all of them. A "payment system" as understood in India, can include the system enabling credit card operation, debit card operation,

smart card operation, money transfer operations or such similar operation (Jinimol.P, 2018). Next, E-wallet is a component of payment system. It is an electronic, internet-based payment system which stores financial value as well personal identity related information. More security measures to safeguard the identity related information will lead to use of e-wallet among many. Lack of awareness is also problem, which can be sort out only by giving proper information about e-wallets

The term "e-wallet" is a form of digital wallet that allows an individual to link their debit or credit cards to digital wallet in order to make any transactions (Digital Wallet, 2019). Apart from the debit or credit cards electronic cards enable consumers to store their physical cards information and bank account number to perform certain action towards payment (Ray, 2017). The mobile payments can be defined as "a type of payment transaction processing in which the payer uses mobile communication techniques in conjunction with mobile devices for initiation, authorization, or completion of payment" (Goeke and Pousttchi, 2010). When implemented on a mobile phone, the mobile payments can be combined with additional services, for example, public transport and event ticketing, loyalty programs, and so on. This is a way to develop a mobile wallet including all items that people usually hold in their physical wallets (Tatjana, 2014).

The increasing of customer's needs in mobility when payment for transaction has created requirement for a new payment tool allowing the transactions more feasible and convenient (Ondrus & Pigneur, 2006). The current payment method gives consumers solvency that is beneficial in dealing with medium and large amount of money. It is inconvenient for customers in small denominations of coins or pennies when making micropayments (Gia-Shie Liu, 2016).

Mobile payment (M-payment) is defined as a transaction method which money is transferred from one person to another through a mobile device without intermediate. Mobile payment is a new payment method for purchases of products and services, which uses all kinds of mobile devices and wireless communication technologies which ia mobile telecommunication networks, Internet. In this new method, mobile devices can be used to make a varied type of small payments. These devices help users to connect to a server through which transactions are made and confirmed (Antovski & Gusev, 2003).

### 2 Literature Review

### 2.1 Save Money

E-wallets usually act like a debit card, which means the amount of money you have preloaded is determined by you. Reign in your spending by topping up your e-wallet with an amount limit based on your monthly budget. This is particularly great for discretionary spending such as shopping and eating out. If you've spent it all before the month ends, do not cave in by topping up with more cash. Instead, acknowledge that you've hit your budget limit and start reducing your indulgences.

H1: Save time of e-wallet will have positive influence on factors influencing to use E-wallet.

#### 2.2 Discount and Cashback

Cashback is the amount of cashback payment not only by the cashback offer but also by the

amount a consumer spends which results in significant variation in the size of cashback payments related to the same offer. The variable Last Purchase Spend it captures the amount consumer I spent on the most recent purchase day, and therefore it controls for consumer-specific purchase trends. The variable Purchase Instance it the number of transactions consumer I made up to but not including day controls for past experience with the cashback company.

H2: Discount and cashback will have positive factors influencing on use of E-wallet.

### 2.3 Safety and Privacy

The study reported a moderate positive correlation between "security" and "intention to use" E-wallets. LAI (2016) argued that "intention to use" of e-Payment system was significantly influenced by "security," design, "perceived usefulness" and "perceived ease of use." He reported that "security" positively influences users' "intention to use" the e-Payment system. Kim et al. (2010) found that "perceived security" has a positive impact on "perceived trust" and on the usage of e-Payment. They reported that "hedonic motivation, perceived security, general privacy, facilitating conditions, performance expectancy, perceived savings and social influence and price value in this order, influence the intention to adopt e-wallets." They advocated to modify existing services to maintain the customers' "privacy and security."

H3: Safety and privacy will have positive influence on factors influencing to use e-wallet.

### 2.4 Conceptual Framework

Figure 1 show the theoretical framework on the factor influecing use E-wallet as a payment method among student in University of Malaysia Kelantan, City Campus. There is two type of variables. The first variable is independent variables, which consist ofsave money, discount and cashback, and safety and privacy. The second variable is dependent variable, which is use of E-wallet.

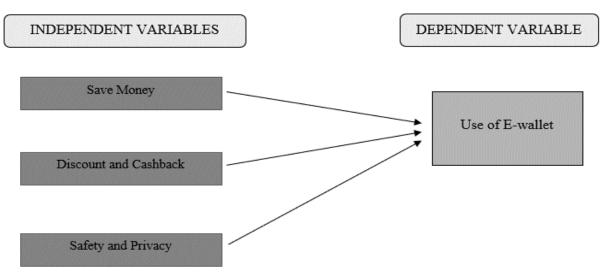


Figure 1: Conceptual Framework of Factor Influencing Use of E-Wallet As A Payment Method Among Students in University of Malaysia Kelantan

### 3. Research Methodology

### 3.1 Research Design

In this research, researchers chose the quantitative research approach. Quantitative research includes the collection of primary data which can ensure the validity of the study. Therefore, the study should collect information about the factor influencing by questionnaire. This study design used quantitative approaches to collect the necessary data. Questionnaires will be undertaken in order to collect data from selected groups of among student in the area University of Malaysia Kelantan City Campus.

#### 3.2 Data Collection Methods

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Data collection methods can be divided into two categories that is primary data and secondary data. Questionnaires is use particularly in case of big enquiries. It is being adopted by private individuals, research workers, private and public organizations, students and even by governments. In this method a questionnaire is sent (usually by post) to the persons concerned with a request to answer the questions and return the questionnaire. A questionnaire consists of several questions printed or typed in a definite order on a form or set of forms. The questionnaire is mailed to respondents who are expected to read and understand the questions and write down the reply in the space meant for the purpose in the questionnaire itself. The respondents must answer the questions on their own. This study will use the method of distributing questionnaires to respondents in the area of the study to gain data collection.

### 3.3 Study Population

Population is the large general group of many cases from which a researcher draws a sample for a study (Neumann and Robson, 2009; Engine, 1998). According to Mugenda (1999), the target population means the population to which a researcher wants to generalize the results of the study. The population was composed of students each year in University of Malaysia Kelantan City Campus. Krishnan, (2003) defined population as the target group to be studied place. It is the aggregate of all units pertaining to the study. The technique which was students in sampling. The target population of this study will be the students in University of Malaysia Kelantan City Campus consist of both gender from the age of 21 and above.

### 3.4 Sample Size

University of Malaysia Kelantan City Campus is the federal university and most famous area in Kelantan, Malaysia. University of Malaysia Kelantan Campus Kota the fastest growing university area of Kelantan state. University of Malaysia Kelantan Campus Kota has 3482 students from Faculty Entrepreneurship and Business and 2169 students from Faculty Hospitality, Tourism and Wellness. It is has 6000 students in University of Malaysia Kelantan City Campus. Many students in University of Malaysia Kelantan use the E-wallet nowadays. The population size of students use the E-wallet based on table (Krejcie & Morgan). Therefore, based on the table by (Krejcie & Morgan, 1970). For be respondents need to follow the table. University of Malaysia Kelantan that being domestic violence are targeted 362 respondents to answer questionnaire.

### 3.5 Sampling Technique

Non-probability sampling was used as the sampling design in this study as the samples are collected in a method that does not offer equal opportunities for all people in the population for being selected. In the convenient sampling, respondents are randomly selected. The people who are easy to reach and provide the information will become the target respondents in the research.

### 3.6 Research Instrument Development

The method of data collection for this study is quantitative. Questionnaire will be used to collect the data. It consists of 5 sections: A) Demographic; B) Use of E-wallet; C) Save Money D) Discount and Cashback; E) Safety and Privacy.

#### 3.7 Measurement of The Variables

This study will be using 5-Likert scale which consist of Scale: 1 Strongly Disagree, 2. Disagree, 3. Less Agree, 4. Agree, 5. Strongly Agree. Section B, Section C, Section D and Section E use the scale for answer.

### 4 Research Findings

### 4.1 Frequency Analysis

Table 1 shows the demographic of respondents was collect form survey and analysis by SPSS.

Table 1: Demographic respondent profile

Variables	Frequency	Percentage (%)
Gender		
Male	113	31.2
Female	249	68.8
Total	362	100
Age		
19-20 Years	105	29.0
21-22 Years	166	45.9
23 Years and above	91	25.1
Total	362	100
Races		
Malay	304	84.9
Chinese	33	9.1
Indian	14	3.9
Others	11	3.0
Total	362	100

Marital Status Single Married Total	347 15 362	95.9 4.1 100
Education STPM Diploma Bachelor Others	37 51 266 8	10.2 14.1 73.5 2.2
Total	362	100

### 4.2 Reliability Analysis

Table 2 show the reliability analysis of Cronbach's Alpha. The Cronbach's Alpha for Use of E-wallet which is dependent variable is 0.890. Next is the Cronbach's Alpha for save money which is independent variable is 0.900. The Cronbach's Alpha for Discount and Cashback which is independent variable is 0.893. Lastly, the Cronbach's Alpha for Safety and Privacy is 0.929. The number item for all construct has five. All the construct has the good relationships.

Table 2: Reliability Test

VARIABLES	COEFFICIENT	NUMBER OF ITEM	RELATIONSHIP
Use of E-wallet (DV)	0.890	5	Good
Save Money (IV 1)	0.900	5	Good
Discount and Cashback (IV 2)	0.893	5	Good
Safety and Privacy (IV 3)	0.929	5	Good

### 4.3 Pearson's Correlation

Pearson's Correlation Analysis will examine that whether the independent variable, which is store image, satisfaction and consumer value is statistically significant with the technological innovation, the dependent variable. In this case, the researcher had used the Pearson Correlation Analysis (two-tailed test) to investigate the relationship between store image, satisfaction and consumer value with the use of technological innovation. The table below showed the interpretation of the strength of the coefficient with variables Guilford and Fruchter (1973).

Table 3 shows that there is a positive fair significant relationship between discount and cashback and use of E-wallet (p >0.05, r = 0.778). Then, there is a positive good significant relationship between save money and use of E-wallet (p>0.05, r = 0.783) and there is a positive perfect significant relationship between safety and privacy and use of E-wallet (p >0.05, r = 0.799).

Table 3: The correlation between independent and dependent variables

		Save Money	Discount and Cashback	Safety and Privacy	Use of E- wallet
Save Money	Pearson Correlation	1	.789~	.836**	.783**
	Sig. (2-tailed)		.000	.000	.000
	N	362	362	362	362
Discount and Cashback	Pearson Correlation	.789**	1	.826**	.778**
	Sig. (2-tailed)	.000		.000	.000
	N	362	362	362	362
Safety and Privacy	Pearson Correlation	.836**	.826**	1	.799⁴
	Sig. (2-tailed)	.000	.000		.000
	N	362	362	362	362
Use of E-wallet	Pearson Correlation	.783**	.778**	.799**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	362	362	362	362

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

### 4.4 Multiple Linear Regression Analysis

Multiple regression analysis was a statistical technique for estimating the variability of the dependent variable by regressing the independent variables against it (Sekaran & Bougie, 2016). Cooper and Schindler (2014) stated that multiple regression analysis was a statistical method used to construct a self-weighing estimation formula that predicts values for a dependent variable from the values of independent variables; monitors confounding variables to better assess the influence of other variables; tests and describes a causal hypothesis. The multiple regression result shown in Table 4:

Table 4: Multiple regression between independent variables with use of E-wallet.

		Unstand Coeffi	lardized cients	Standardized Coefficients			95.0% Confid	
Мо	del	В	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	1.633	.122		13.380	.000	1.393	1.874
	Safety and Privacy	.663	.026	.799	25.203	.000	.611	.715
2	(Constant)	1.520	.116		13.144	.000	1.292	1.747
	Safety and Privacy	.397	.045	.479	8.844	.000	.309	.486
	Save Money	.294	.041	.383	7.083	.000	.212	.376
3	(Constant)	1.207	.127		9.510	.000	.957	1.456
	Safety and Privacy	.269	.050	.324	5.389	.000	.171	.367
	Save Money	.224	.042	.292	5.294	.000	.141	.307
	Discount and Cashback	.262	.051	.279	5.193	.000	.163	.362

#### 5 Discussion

Although this research has reached its aims, there is several research limitations were found in this study when conducting this study. This limitation is important and must give attention in order for the researchers to learn and gain knowledge. The first limitation is using only students in University of Malaysia Kelantan City Campus area as place of the survey of study. The researchers just focused at one university which is University of Malaysia Kelantan. However, the result at each state will not be the same and the researcher can evaluate based on the respondent of using E-wallet as a payment method. Each respondent's perception is not same because of the experience and their type of E-wallet as a payment method. Second, the limitation of study that the researchers had been facing during conducting this research is distributing the questionnaire to the right people at right time. This is because there was less commitment from the respondent as some-time they busy with their business.

This causes them to fill the answer without read the questions properly and understand it. Most of the questionnaire was answered by the students and not the owner although some students have less experience about this study. Researcher need to distribute the questionnaire and collect it on other day. So, it is difficult to find respondents that willing to answer the questionnaire as well as conducting the research in quantitative method.

Lastly, time constraint is one of the barriers in completing this research. Only 4 months are given to complete final year project 1 and 2. The time is very limited to conduct this research as this research needs more commitments to find research about E-wallet as a payment method.

#### 5.1 **Hypothesis Testing**

In discussion, will have more discussion on the hypothesis in this study. The hypothesis are based on the independents variables that is save money, discount and cashback, and safety and privacy. Firstly, hypothesis for independent variable of save money are stated as H1. Second, hypothesis for independent variable of discount and cashback are stated as H2. Lastly, hypothesis for independent variable of safety and privacy are stated as H3.

Research Question	Hypotheses	Result	Initial Decision
What the relationship between save money and factor use of E-wallet among students in University of Malaysia Kelantan City Campus?	payment method among student in	= 0.000	Hypothesis, H1 are accepted
What the relationship between discount and cashback and factor use of E- wallet among students in University of Malaysia Kelantan City Campus?	H2: There is a significant relationship between discount and cashback and the factors influencing use of E-wallet as a payment method among student in University of Malaysia Kelantan City Campus.	= 0.000	Hypothesis, H2 are accepted
What the relationship between safety and privacy and factor use of E-wallet among students in University of Malaysia Kelantan City Campus?	H3: There is a significant relationship between safety and privacy and the factors influencing use of E-wallet as a payment method among student in University of Malaysia Kelantan City Campus.	= 0.000	Hypothesis, H3 are accepted

#### 6 Recommendations

After ending this study, the researchers have found out that there are some spaces for improving the quality of this study in the future. The study can be conducted using different independent variable such as discount and cashback to get better results on factors influencing use E-wallet as a payment method in University of Malaysia Kelantan City Campus. The researches just focus in certain students in University of Malaysia Kelantan City Campus. So, in the future the researcher can conduct the research at other place such as at University of Malaysia Kelantan Bachok and Jeli Campus. Besides that, researchers prescribed some strategies that the

government and its agencies responsible to using E-wallet as a payment method in the industries.

The government should play a leading role in educating E-wallet as a beginner on the incentives available to them and how to use the E-wallet when shopping with E-wallet. Such incentives will help them to improve their business besides contributes to national income. These incentives should be delivered through an establishment that really cares for the success and sustainability of E-wallet. Moreover, the primary data collected for the studies should compromise not only quantitative method but also the qualitative method such as interview. Qualitative data obtained from the interview session can generate high reliability as there are two-way communications between researchers and the respondents. This will make sure the respondents will clearly understand with the research and can give better commitment. Lastly, this study will give benefit to future researcher to conduct their study. This journal will be a reference and guideline to them to improve the benefit of E-wallet as a payment method in nowadays. This thesis can be displayed at the libraries and can be uploaded in website to the future researcher's reference. They will have proper guide when they understand about this case study and also the limitations.

### 7 Conclusion

In this chapter, the researchers make a conclusion of the study based on the research objectives which show in chapter 1. The implication of the study also discussed in this chapter which is about the impact of this research study. Besides, the researchers discussed the limitation of the study and make a several recommendations to improve the research. Based on the problem statement, the researcher investigates that the factor influencing use of E-wallet as a payment method among students in University of Malaysia Kelantan City Campus. It shows that payment method is one of the keys that factor influencing use E-wallet as a payment method. By this, the researcher can know the relationship between the use E-wallet and the factor influencing use E-wallet as a payment method.

The objective of this is to investigate the relationship between save money and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. The result of the study has shown the use of E-wallet as a payment method in Kelantan. Furthermore, the factor influencing use of E-wallet as a payment method is classified accordingly. All the hypotheses are accepted where there are significant positive relationships between save money (IV1), discount and cashback (IV2) and safety and privacy (IV3).

For the finding, the researcher was found that the respondent was agreed that E-wallet is important as a payment method in nowadays. Save money can gain the competitive advantage for students to save money when shopping. Besides, save money is also important for the growth money and income nowadays. In addition, the finding shows that the save money is also one of the factors that influence use E-wallet as a payment method. Save money can increase the value for the payment method by online, or it can generate value to external customers, including supplier, end users or potential consumers. Besides, discount and cashback can increase the demand for user E-wallet in nowadays. It is can increasing the number of people who register the E-wallet as a payment method and minimize the cost and to generate more income for the firm. Besides, safety and privacy is also one of the key factors that influence to use E-wallet as a payment method. Customer data is important and must give full attention. Customer always hopes that their use E-wallet must be fulfilled. So, E-wallet

should take note about it to attract more customers by using the benefit of E-wallet. Customer taste and preference is not always the same. It will change according to the trend and environment. E-wallet should accept and adapt to the changes to attract more customers by fulfil their demands.

This will make sure the user E-wallet to them as customer with E-wallet as a payment method can fulfil customers demand on the time. In sum, all of the independent variable and dependent variable show a positive result, which is means that the result for research are acceptable, reliable, and significant, therefore, this research can be carrying out for the further research and learning.

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### A STUDY ON THE IMPACT OF COVID-19 TO THE BUSINESS PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN KEDAH

Anna Azieati Anuar and Siti Afiqah Zainuddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: azieati.a17a00470@siswa.umk.edu.my; sitiafiqah@umk.edu.my

#### Abstract:

This research discusses the impact of Covid-19 to the business performance of SMEs in Kedah. Coronavirus is the latest disaster in the world that has impacted all aspects of the economy. Lockdown, containment, restricted travel order and social distances are among the pre-emptive efforts of governments to protect public health. Although acknowledging the importance of the national order in preventing the widespread spread of the virus, the authors argue that there are some undiscovered impacts of the control order policy on small and medium-sized enterprises in Malaysia. The predominant goal of this study is to investigate the In addition, this is comprehensive study in which 380 respondents from various genders, ages, and educational backgrounds were interviewed. The data obtained from the respondents was analysed using SPSS. The findings of this study have been proved by performing a reliable analysis, a descriptive analysis, and a Pearson correlation value for each variable we tested.

Keywords: small and medium-sized enterprises, Covid-19

### 1 Introduction

The goal of this study is to explore the effect of coronavirus disease 2019 (COVID-19) on the business performance of small and medium-sized enterprises in Kedah. Small and mediumsized enterprises (SMEs) are the main contributors to the Malaysian economy (Zalina et al., 2016) and this is one of the industries impacted by the 19th pandemic. There are 37092 SMEs registered by the Small and Medium Enterprise Corporation (SMECorp, 2019). Small and medium-sized enterprises are classified as enterprises with a turnover not exceeding RM50 million or an employment not exceeding 200 employees in the manufacturing sector. For services and other industries, small and medium-sized businesses have revenue turnover not exceeding RM20 million or jobs not exceeding 75 employees (SMECorp, 2019). With large numbers of small and medium-sized businesses on the market, any industry and economic downturn will eventually impact different sectors and national economic growth. Unfortunately, the spread of the Covid-19 coronavirus has underpinned downside possibilities for the global economy and human activities. China is the first country to record the spread of the virus, with more than 80,000 people infected, and the World Health Organization (WHO) declared Covid-19 a pandemic on 11 March 2020 (Congressional Research Service, 2020). The outbreak of the virus has spread rapidly and is expected to continue to spread to all parts of the world (Segal & Gerstel, 2020). However, states, companies and individuals do have a

considerable capacity to monitor the progression of the disease by certain particular acts (Craven et al., 2020; Smith-Bingham & Hariharan, 2020). Movement control order, lockdown, containment and social distance are among the government's measures to safeguard unparalleled public health and economic responses (Craven et al., 2020). The coronavirus may not totally swing back until the epidemic has relented (Craven et al., 2020). As such, Malaysia introduced the Movement Control Order (MCO) on March, 2020 to March 31, 2020 and later, on April 14, 2020, in accordance with the Infectious Diseases Prevention and Control Act 1988 and the Police Act 1967, to link the virus chain. The order included the closure of all government, private and commercial premises except those in critical services (water, electricity, energy, telecommunications, postal services, transport, irrigation, oil, gas, power, lubricants, broadcasting, finance, banking, health, pharmacy, fire, jail, port, airport, protection, defence, cleaning, retail and food supply) (The New Straits Times, 2020).

### 2 Research Objectives

The objective of this study is to investigate the impact of covid-19 on the business performance of small and medium enterprises (SMEs) in Kedah. The specific objectives for the proposed study are as follow:

- 2.1 To identify the relationship between the impact of covid-19 which is movement control order, social distancing, standard operating procedure and people reaction and emotion toward covid-19.
- 2.2 To identify the relationship between the impact of covid-19 which is movement control order, social distancing, standard operating procedure and the business performance of SMEs in Kedah.

### 3 Significance of Research

#### 3.1 SMEs

By knowing the impact of Covid-19 on small and medium enterprises (SMEs), SMEs could use this finding from this research to enhance their knowledge. The study also helps SMEs to understand the point that they need to make a new strategy that can help them to grow up their business in these outbreaks. SMEs may connect with customers better and serve them on a higher level in new norms.

#### 3.2 Future research

The outcome of this study will benefit future research in the covid-19. In that field, the research can be expanding to see the impact of covid-19 on SMEs. The researcher can suggest some recommendations for improvement in the future. This will help the new researcher to get knowledge, idea, and make it as a reference.

#### 4 Literature Review

### **Dependent Variable**

#### 4.1 Business Performance of SMEs

Business performance is a important aspect and it's consist 3 aspect which is income, supply chain and business operation. All of this three aspects are affected of this pandemic. First, income is the basis for the redistribution of tax obligations, the distribution of transfers and wider normative questions of inequality and justice. Yet we lack a common understanding of income, and a pure, rigorous concept of income is unlikely (Brooks, John R, 2018). The revenue impact can, depending on several factors, have positive or negative implications for a small business. In general, as wages are smaller, there is less spending and the impact on businesses is hurt. But that's not always the case. In addition, the most serious effects of COVID-19 are for the economy. Malaysia is doing the first step of the Movement Control Order during the first phase of COVID-19, and everything is stopping, including business and economic processes. Small and medium-sized businesses in Malaysia have a decent income and can also earn good revenue. But in this pendemic outbreak, small and medium-sized businesses are struggling to make profits, and their earnings are having an impact. Next the supply chain is an important activity in the market movement, since it is a network between a corporation and its suppliers to manufacture and deliver a particular commodity to the final purchaser (Will Kenton, 2020). The supply chain often reflects the steps that it takes to get the product or service from its original state to the consumer. Small and medium-sized companies (SMEs) have major impacts on the efficiency of the supply chain. They can take on the position of manufacturers, producers, distributors and customers. This paper contrasts large companies and small and medium-sized businesses in terms of strategic and organisational choices (Hong, P and Jeong, J, 2006). Ensuring supply chain management with the right resources and in a secure manner can offer multiple benefits to small and medium-sized businesses in any phase. In order to boost business and increase profitability. Small and medium-sized businesses, therefore, need to have a strong supply chain to ensure that they can meet their needs only in the time of their stock. Finally, market operations such as time of operation, flow of operation and SOP in business are necessary In order to reduce the spread of covid-19, the government has instructed small and medium-sized enterprises to adopt the SOP. The goal of SOP is to reduce health risks to the public and business premises while avoiding burdening the country's health systems beyond reach. This SOP takes into account modern business and dayto-day standards.

### **Independent Variable**

#### **4.2** Movement Control Order

Movement Control Order is merely a temporary step to minimise the overload of Covid-19 cases in health facilities because it cannot prevent the spread of viruses (Dzulkefly, 2019 and caused a significant economic shock to small and medium-sized enterprises. During the lockdown time, all small and medium-sized companies need to close their operations during the first step of the Movement Control Order (MCO). After the first step of MCO, small and medium-sized businesses need to obey the government's orders to shorten their business hours, and now there are some places in the red zone that have to comply with the movement instructions and are unable to operate their business. Moreover, it also affects the supply chain perfomance because during the MCO, all cross-country movements are not permitted to dissolve the network between the company and its suppliers in order to manufacture and deliver a particular product to the final purchaser. All these things have impacted the profits of small and medium-sized businesses.

#### 4.3 Social Distancing

Social distance is to keep us in a secure space between ourselves and others. To practise social or physical distance, keep at least 6 feet (about 2 arms in length) away from other people who are not in your home, both indoor and outdoor. Any small and medium-sized business needs to minimise the tables or position them at least 1.5m between the tables so that the customer can sit at a comfortable distance. Employees or service personnel would also need to be qualified to serve table orders in the best way possible. So the number of customers coming to their outlet is going to decline before this pendemic.

### 4.4 Standard Operating Procedure

The Standard Operational Procedure (SOP) is a compilation of step-by-step instructions compiled by the company to help staff carry out complex routine operations. SOPs aim to achieve reliability, quality production and continuity of results, while at the same time reducing miscommunication and non-compliance with industry regulations. The goal of SOP is to reduce health risks to the public and business premises while avoiding burdening the country's health systems beyond reach. This SOP takes into account modern business and day-to-day standards. A list of standard operating procedures has been published to be followed by those residing in Makaysia who have been brought under the conditional movement control order (MCO).

### 4.5 Changes reaction and emotion of people toward covid-19.

Covid-19 also make people more emotional because we are facing our visible enemy so everybody will have their own stress and everyone want the best for their life but covid-19 make us to life in limitation so it will make people feel bad emotion. In service section, if we serve people with emotion, we cant give the best service to them and people don't attract to buy our product and we cant make sales and it will affect ourr business. Same goes with customer, some customer feel that they don't save to be in public area so they don't spend their money for something that they want but they maybe only will order their need using online seller. According to Mark Fisher, 2012 people buy using emotion. If people feel uncomfortable especially people who have anxiety they cannot feel comfort to shopping during this pendemic especially in shopping complex because they will feel very worry with their environment so it will effect the purchasing power.

### 4.7 Online Impulse Buying

(Beatty & Ferrell, 1998) provided a simpler classification that separates impulse purchases from unplanned purchases. Impulsive buys are "unexpected and prompt buys, with no prerequest proposed to buy a specific item classification or to finish a particular buy task", and a spontaneous update buy might be an "unavailable" update buy. As a result, impulse buying is a whimsy purchase that is almost unthinking. For example, shoppers see some sweets and decide to buy suddenly, while unplanned cautionary purchases are purchases because shoppers forget to list a piece of goods. For example, shoppers see sugar in the store and remember she bought them when they don't (Bellini et al., 2017). Past investigations have demonstrated that purchasers are impacted by others when they purchase items, which might be higher online than offline (Riegner, 2007). (Kollat & Willett, 1969), indicated to that when an individual attempts to purchase little things, for example, food, drinks, and different things, and winds up getting them with buying huge things like jewelry, watches, cell phones, and so forth, they are no plans. It indicates that the person made an impulsive or unannimity purchase during the

purchase process.

### 4.8 Variety of Selection

Variety of selection is an important reason for shoppers to shop online (Szymanski & Hise, 2000). A study by (Chang, 2011), shown that when things were arranged into more subcategories in the decision menu, clients comprehended that the page offered more kinds of things and experienced furthermore shopping euphoria, improving them toward online stores. (Mallapragada et al., 2016) also uncovered that online retailers with multiple product categories will in general carry more advantages to online buyers. There are numerous reasons why online customers esteem item classes. To start with, superior products can expand the odds of addressing their requirements, especially when it is highly unlikely that traditional retail channels will offer them. Second, a wide variety of search engines allow consumers to buy higher-quality goods (Bakos, 1997).

#### 4.9 Price Attributes

Price attribute is an important variable in the process of consumer's purchase decision-making, which can easily affect consumer's purchasing behavior. According to a study by (Biswas & Blair, 1991), revealed price discounts can affect consumers' price perceptions and ultimately their willingness to shop. (Brynjolfsson & Smith, 2000), argue that online products and services cost 9 to 16 per cent less than similar products in traditional retail stores, contingent upon whether duties, delivery cost and shopping costs are included for the cost. (Reibstein, 2002), points out to that online shopper frequently look for price information from various retailers of a similar item to settle on the most ideal economic choices. Now and again, not exclusively do costs are brought down, yet exceptional proposals from online suppliers make web based business a productive alternative for customers. These unique offers may incorporate a "get one, get one", free pass for an event, discount coupons for future purchases, free gifts for 1st customers, holiday exchanges, etc. (Arora & Aggarwal, 2018).

### 4.10 Website Ease of Use

The website ease of use of a website is a view of the extent to which the site can be easily browsed. In an internet shopping climate, convenience is the client's inclination that it is nothing difficult to use the site for web based shopping (Awad & Ragowsky, 2008; Cho & Sagynov, 2015; Vijayasarathy, 2004). (Liu et al., 2013) define ease of use as "how easy it is to navigate through online shopping sites". In addition, ease of use is that clients can without much of a stretch peruse efficient sites, peruse and comprehend the data showed on sites (Loiacono et al., 2002). Ease of use additionally includes intuitiveness and traversability on a site, a quick and confided in inquiry framework, a deliberate showcase of refreshed and complete data on the site, and simple installment (Akram et al., 2017; Bilgihan & Bujisic, 2015; Verhagen & van Dolen, 2011). Many scholars point out that factors influence impulse buying: online users are more likely to participate when they are positively affected. In addition, online shoppers' positive feelings about emotions increase impulse buying and overspending (Akram et al., 2017).

### 4 Hypothesis Development

The hypothesis is a proposition to test or a tentative statement that two variables are causally related. In short, it is a clear statement of what is supposed to be investigated. It is a must to investigate the relationship which the researcher already analyze with reasonable reasons because the results that the researcher found out will give suggestions for problem-solving. It also can be used as formal procedures by statisticians or researchers to accept or reject a statistical hypothesis. In this research, the researcher has identified three hypotheses as stated below.

H1: There is a significant relationship between the impact of covid-19 which is movement control order, social distancing, standard operating procedure and people reaction and emotion toward covid-19.

H2: There is a significant relationship between the impact of covid-19 which is movement control order, social distancing, standard operating procedure and the business performance of SMEs in Kedah.

#### 4.1 Research Framework

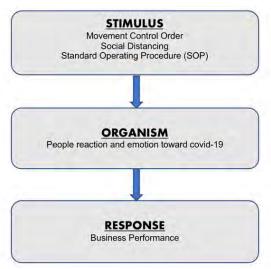


Figure 2.2: Research Framework

This research is aim to investigate the impact of covid-19 to the business performance of SMEs with the variables are shown in figure 2.2. In order to study on the impact of covid19 to the business performance of small and medium sized enterprises in Kedah, this study proposes stimulus, including movement control order, social distancing and standard operating procedure (SOP). The organism of this study is the people reaction and emotion toward covid-19 and lastly, the response of this study is the business performance of the SMEs in Kedah.

### 5 Methodology

#### 5.1 Research Design

Research design is the general approach to integrate the several factors of the research coherently and rationally, wherein, assuring you may efficiently cope with the studies' trouble. It develops the blueprint for the collection, measurement, and evaluation of statistics. A research design is the plan of research followed to fulfill the research objectives or test the hypotheses of a research. Research design creates solution to the research problem that researcher discussed earlier. This research study will use quantitative research method. Quantitative approach is selected for a larger target respondents' sample size and include of multiple type of measurement and analysis (Sekaran, 2012). According to Madrigal (2012), this method enable researcher to gather and analyses data collected and use for further hypothesis test in order to determine the relationship between dependent variable and independent variables. Cross-sectional design is also known as cross-sectional survey, because the descriptive information obtained is collected at a certain point in time or within a short time interval, so easy to implement, the object of study is better represented, a study can observe a variety of relevant possible factors and can collect data on all variables at the same time. This type of research is very low cost, so using cross-sectional design is the most appropriate research method for this study.

#### **5.2** Data Collection

Data collection is the process of collecting and gathering information about identified variables. All researchers collect data to understand and explore the answers to their questions. Key data will be collected in this research and will be further explained. Primary data and secondary data were utilized in this research as data collection method. The primary data of researcher use to collect the data is questionnaire and the source of secondary data that researchers use to collect data is the including books, journal, web, article and electronic library data set.

### 5.3 Sampling

Probability sampling is the sample techniques method that will be chosen in this research. In probability sampling, a random selection is used to select the sample so that each element in the population has a known chance of being selected. Simple random sampling is the most basic form of probability sampling. In a simple random sample, each member of the population has an equal known opportunity to become the body of the sample. This approach is used because researchers are required to collect data over exercise periods and there is no funding for the study. As a result, researchers will distribute online questionnaires through Google forms and publish them to certain groups or pages. This allows the person to fill out comments in their free time based on their volunteer attitude. By using this approach, consumers can easily provide their personal information and making the data collection process more efficient.

### 5.4 Population

The particular population elements concerning to the research group is named as target population. Usually to answer the questionnaire of population of study, it always in a big population that be target by researcher. The respondents will help the researcher to get the valid and data collected. The researchers choose to do a research about the impact of covid-19 to the business of SMEs in Kedah and it show that there are 37092 SMEs in Kedah.

### 5.5 Sample Size

The sample is a subset of the population. The total number of objects in the sample is called the sample number and is expressed as "n". A sample was a subset of the population being studied that included the process of selecting a few samples. Larger the sample the more representative and more generalizable the results of the study were likely to be. This research is using sample size from Krejcie and Morgan's table. The total of sample size use is 380.

#### 5.6 Research Instrument

The questionnaire planned in the study was bilingual, for example English and Malay. This is on the grounds that English is a worldwide language and can speak with respondents from everywhere the world, while Malaysia is the Malaysian language of the nation. Furthermore, the inquiries in this study questionnaire have been adapted and adjusted.

### 5.7 Data Analysis

Data analysis (the application of statistical and logical techniques in the system) can be used to describe and analyze the compression, generalization, and evaluation of data. The data for this research will be analyses using statistical software known as IBM. The Social Science Statistics Package (SPSS) software was used to analyze data collected from questionnaires. IBM was picked in light of its similarity with most other programming bundles and its ease of use utilized for information examination. SPSS is used to explain Descriptive Analysis, Pearson Correlation Analysis, and Multiple Regression analysis. By using this software will eliminate errors. Research can be carried out quickly and efficiently.

### 6 Data Analysis and Findings

The purpose of the study was to find out a study on the impact of covid-19 to the business performance of SMEs.

### 6.1 Demographic profiles of respondents

Table 2: Demographic profiles of respondents

			GENDER	ine promes or respo		
		Frequency	Percent		Valid Percent	Cumulative Percent
Valid	Male	188	49.5		49.5	49.5
	Female	192	50.5		50.5	100.0
	Total	380	100.0		100.0	

		A	GE		
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 years	108	28.4	14.9	14.9
	31-40 years	123	32.4	35.5	50.4
	41-50 years	117	30.8	37.1	87.5
	51 and above	32	8.4	12.5	100.0
	Total	380	100.0	100.0	

Note: \*Multiple choice questions

		EDUCATIO	NAL		
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	54	14.2	14.2	14.2
	STPM	79	20.8	20.8	35.0
	Diploma	95	25.0	25.0	60.0
	Bachelor of Degree	105	27.6	27.6	87.6
	Master	35	9.2	9.2	96.8
	PHD	12	3.2	3.2	100.0
	Total	380	100.0	100.0	

Table 2 summarizes demographic information of the 380 respondents. Female respondents

were higher with 50.5% (n=192) respondents as compared to male with 49.5%. The respondents were allocated into four groups. Highest number of respondents were from group 31-40 years old with 32.4% (n=123) respondents. The lowest number of group age was 51 and above with 8.4%. The respondents were allocated into four groups. The highest number of respondents were from group 31-40 years old with 32.4% (n=123) respondents. The second highest group were from group 31-40 years old with 30.8% (n=117) respondents. Meanwhile, the respondents from young people of group 20-30 years old were 28.4% (n=108) respondents. Lastly, the lowest number of group age was 51 and above with 8.4% (n=32) respondents. The respondents were allocated into six groups. The highest number of respondents were Bachelor of Degree with 27.6% (n=105) respondents. Second highest were Diploma with 25% (n=95) respondents and next were STPM with 20.8% (n=79) respondents. The respondents of SPM with 14.2% (n=54) respondents. The second last is Master with 9.2% (n=35) respondents and the last one is PhD with 3.2% (n=12) respondents.

### **6.2** Descriptive Statistics

Table 3: Mean and Standard Deviation

		Tuble 5: Wiedir dita St		1
		STIMULUS	ORGANISM	RESPONSE
N	Valid	380	380	380
	Missing	0	0	0
Mean	1	64.2158	22.2026	22.0158
Std. Dev	iation	5.96655	2.51402	2.45589

The Table 3 illustrates the descriptive statistics for the study on the impact of covid-19 to th business performance of SMEs in Kedah. Table 3 showed all the mean values range between 22.0158 to 64.2158 which the highest mean value show that the variable have high level of acceptance. This study adopted 5-point likert scale range from 1 (strongly disagree) to 5 (strongly agree).

### 6.3 Reliability Analysis

The general rule of thumb is that the Cronbach's Alpha which is >0.9 (excellent), >0.8 (good), >0.7 (acceptable), >0.6 (questionable), >0.5 (poor) and <0.5 (unacceptable). Table 4 shows the Cronbach's Alpha values of the questionnaire were above the acceptance level with the value range above than 0.70.

Table 4: Reliability Statistics

Variables		Cronbach's Alpha before item deletion item.
Stimulus	5	0.770

Organism	5	0.749
Response	5	0.719

Based on the result from Table 4, the Cronbach's Alpha values of the questionnaire were above the acceptance level with the value range above than 0.70. George and Mallery (2003) provide the following rules of thumb which is >0.9 (excellent), >0.8 (good), >0.7 (acceptable), >0.6 (questionable), >0.5 (poor) and <0.5 (unacceptable). The first The first vsriable is stimulus found to be good reliable (5 items;  $\alpha = 0.770$ ). The next variable is organism showed a good reliability (5 items;  $\alpha = 0.749$ ) and the last variable that is response and it found to be also an acceptable reliability (5 items;  $\alpha = 0.719$ ). The Cronbach's Alpha from every variable unchanged after the removal. Therefore, the data was considered suitable for further analysis.

#### 6.4 Pearson Correlation

Pearson correlation analysis is utilized to decide the connection between at least two quantitative elements. This sort of assessment is an essential level, depending on the doubt of the direct connection between quantitative elements. The aftereffect of relationship investigation is a connection coefficient whose worth reaches from - 1 to +1. The connection coefficient +1 shows that two factors have great relationship in a positive direct way; a relationship coefficient of - 1 demonstrates that the two factors have a huge connection in a negative straight way, and a relationship coefficient of 0 shows that there is no direct connection between the two factors (Gogtay & Thatte, 2017).

Table 5: Pearson Correlation of IVs, MVs and DVs

		STIMULUS	ORGANISM	RESPONSE
STIMULUS	Pearson Correlation	0.015	0.015	0.068
	Sig. (2-tailed)		0.770	0.188
	N	380	380	380
ORGANISM	Pearson Correlation	0.015	1	0.052
	Sig. (2-tailed)	0.770		0.308
	N	380	380	380
	Pearson Correlation	0.068	0.052	1
RESPONSE	Sig. (2-tailed)	0.188	0.308	
	N	380	380	380

Based on the Table 5, the pearson correlation values, r between stimulus and organism is 0.015. r between stimulus and response is 0.068. All the r value is range between 0.01 to 0.07 with indicate high positive relationship between variable. Besides, all the p-value for this relationship is 0.000 which is less than (p<0.01) indicates a significant relationship between variable. Therefore all the hypotheses for this study is accepted.

### 7 Discussion and Recommendation

Based on the limitations of the study, some recommendations have been made for researchers who might carry out similar research in the future. This is align with the limitation that have been discussed in previous section. In the addition, there are some additional information that can be use by the future research to be conducted. Firstly, future research could extend the scope of the study on different type of industries such as manufacturing and services. The differences between industries by sector will give different views on their opinion. Thirdly, the number of sample size should be expended to emerge more accuracy outcome and data. Besides that, that is suggested to have more balance respondents among age ranges and occupations for the future studies and get more comprehensive findings as well by evenly giving out and collecting the data around the sampling location. Lastly, future research should investigate the influence of possible variables such as the education, income level, and age of SMEs owner. Analysing the difference between respondents' demographic profiles would give a better explanation of the trait of the target population more comprehensively towards SMEs.

### 8 Conclusion

The study examines the impact of covid-19 to the SME in Kedah. The result of this study shows that the literature is supported and the data collected are reliable. The impact from this study is SMEs need to face various changes and constraints to continue their business journey such as movement control order, social distancing and standard operating procedures that have been directed by the government to control this pendemic outbreak and there are positive relationship between the impact of covid-19 which is movement control order, social distancing, standard operating procedure (stimulus) and people reaction and emotion toward covid-19 (organism). There are positive relationship between the impact of covid-19 which is movement control order, social distancing, standard operating procedure (stimulus) and the business performance of SMEs in Kedah (response). Hence, the implications for the study shown that this research has impact of covid-19 to SME in Kedah. The impact from this study is SMEs in Kedah exposed towards people reaction and emotion toward covid-19 and the business performance of SMEs in Kedah and has positive impact on their business. For limitation of the study, although the hypothesis results show there is relationship tasted by the variables however the study have some limitations for the purpose of future research. This study was conducted face to face and limitation that appear here are applicable to time constraints because most of the respondents need help in understanding and interpreting the questions. This makes researchers must spend time to distribute the questionnaire within about two weeks for a total of 380 respondents. Last but not least, some recommendations have been made for researchers who might carry out similar research in the future. Future research could extend the scope of the study on different type of industries such as manufacturing and services. In addition, the number of sample size should be expended to emerge more accuracy outcome and data. Then, future research should investigate the influence of possible variables such as the education, income level, and age of SMEs owner.

### 9 Acknowledgement

First of all, I would like to express my deepest appreciation and gratitude to several parties who help me to complete this research paper. This research had been done very well even though it had some limitations. Foremost, I would like to express my sincere gratitude to our supervisor, Dr. Siti Afiqah Binti Zainuddin, for the support, motivation, sharing of the knowledge, and guide me in completing this research. Her guidance helped me all the time of research and writing this report. I really appreciate his help from the early. On the other hand, I also would like to thank my friends who tried their best to give their support and information to me to complete this report and research. Last but not least, I would like to express our ultimate appreciation to those respondents who willing to help by spending their precious time to respond to the questionnaire of the research project. Besides that, I would like to thank our family members, friends, course mates and group mates for helping and supporting us till the research project end.

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### FACTORS THAT INFLUENCE THE IMPACT OF BIG DATA TO RETAIL STORES IN SEREMBAN

### Divya Bharathi A/P Subramaniam and Munirah Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: divya.a17a0077@siswa.umki.edu; munirah@umk.edu.my

#### Abstract:

In this globalization era, technology in retail stores are really needed in order to develop their business also could become popular in Negeri Sembilan especially in whole Malaysia. This research study was carried out to explore factors that influencing impact of big data to retail stores in Seremban. Researchers had examined four factors include sales profit, buying pattern, operation and impact of big data. The Theory of Planned Behaviour (TPB) were used to explain the independent variables and dependent variables. Researchers gathered data systematically to gain more in depth understanding about big data technology. Quantitative data collection method and random sampling technique had been used. A total of 100 retailers in Seremban were tested using questionnaires and being analyzed by using Pearson's Correlation Statistic Package for the Social Sciences (SPSS). The result indicates that all the elements have significant relationship with Seremban area retailers. The implication and future direction of the study were discussed at the end of this paper.

Keywords: Sales profit, Buying pattern, Operation, Big Data

### 1 Introduction

Big data have been defined as three main characteristics that are called as 3Vs (Furht & Villanustre, 2016). Big data are defined as data that have ability to provide unlimited access to a range of database resources in order to support research activities in academia and industry for users from international and domestic to convert big data into big discoveries. The purpose of this research was to investigate the factors that influencing the positive or negative impact of big data to retail stores in Seremban. Big data is known as an abstract concept. Over the past 20 years, data has increased in a large scale in various fields. In 2011, the 'big' term begun to be spread to all over the world (Gandomi & Haider, 2015). Big companies in Malaysia should have made a huge investments in order to build a very strong platform for big data to deliver new business insights that have some goals such as reduce the storage and maintenance costs of the company. According to Hadoop (2010) big data are defined as datasets that cannot be recorded, handled and processed within an appropriate scope by general computers. Besides, big data is a technology that refers to a new generation of technology and architectures that are created in order to extract the value from a huge amount of wide variety of data economically. This process are carried out by enabling some capture with high speed, discovery and analysis. One of the common issue that can be seen by multiple big data applications in retail stores are the environment in marketing are showing tremendous changes in potential driving the

marketing opportunities and impact to the customer management domain (Svilar, Chakraborty, & Kanioura, 2013). According to the lifeline of the fashion retailers in Seremban, to discover and develop trends and historical sales alone have been the determinant of the popularity of trends in the past. But it is inadequate to look at historical sales, as customers increasingly expect and demand highly personalised shopping experiences. It is very difficult for fashion retailers in Seremban to determine which trends that are followed by the customers that leads them to buy outfits from the retail store. Through this implementation of big data, fashion line retailers could able to catch up with all the new trends by analysing what kind of outfits that consumers are buying from the statistics obtained. They can also keep updating their cloth stocks according to the trends easily. One of example according Alton (2018) which is Big Data analytics on previous seasons' buying behaviour could able to help to determine which fashion qualities or components shoppers can respond to in the future favourably. This fast fashion trend was initially supported by the first wave of Big Data analytics, which helped meet the demands in terms of enabling fashion companies to get the right pricing, stock, discounting, colours and sizing (Landon-Murray, 2016). The lack of a particular context and the large sample that is the scale of big data could provide new scientific opportunities in discovery, however, presents significant challenges in which high volume and dimensionality of data can produce noise accumulation, spurious correlations and incidental endogeneity were highlighted by (Fan, Lau, & Zhao, 2015) (Gandomi & Haider, 2015). The challenge of analysing big data has largely been addressed through the development of big data analytics (Kambatla, Kollias, Kumar, & Grama, 2014) and cloud computing (Assunção, Calheiros, Bianchi, Netto, & Buyya, 2015). Not only that, there will be an obstacles in order the way how to manage the complex data which are in high velocity, huge volume and from variety sources and how to process it in a mix of applications in a distributed environment (Khan et al., 2014). Those retailers need to be know how to clean those huge data sets and they need to decide which data that are reliable and also useful that became as one of the challenges in dealing with big data technologies. In addition, the main source of a very huge range of data experiments could be categorize into few types of information such as sequences of genetic and interactions of proteins or findings in the records of medical. According to this statement, all of the data that are gained need to be analysed according to the relevant data knowledge. This clearly shows that if a retailer are getting a huge amount of data, they need to have a space to store all those big data in order to analyse it, compare and also distribute it. This processes are not an easy task that can be done by those workers. Researchers had examined four factors include sales profit, buying pattern, operation and impact of big data. The Theory of Planned Behaviour (TPB) were used to explain the independent variables and dependent variables.

### 1.1 Research Question

- i. Does the sales profit influence big data to retail stores in Seremban?
- ii. Does the buying pattern influence big data to retail stores in Seremban?
- iii. Does the operations influence big data to retail stores in Seremban?

### 1.2 Research Objective

- i. To identify the relationship between sales profit and the impacts of big data to retail stores.
- ii. To understand what are the relationship between buying pattern and the impact of big data to retail stores.

iii. To investigate the relationship between operations and the impact of big data to retail stores.

### 2 Literature Review

The literature review of this study have to discuss the related theory and model. The definition of the sales profit, buying pattern, operation and big data will be define under this section. Besides, this study have to describe the research framework, which also served as the conceptual framework.

The Theory of Planned Behaviour (TPB) was prepared to manage the restrictions of the Theory of Reasoned Action (TRA) and carry out to anticipate the intention of individuals to participate in behaviour inside a specific venue, time and to describe all behaviour over which an individual has the ability to apply self-control. Moreover, Theory of Reasoned Action (TRA) was created to estimate and appreciate human behaviour including attitude (Olumide, 2016). This bring meaning that how much people see a specific behavioural positively which is attitude, or predicts that considerable other need them to take part in the behaviour which is subjective norm and trust that they are fit for completing the behaviour which is perceived behavioural control, serve as immediate determinants of the degree of their intention to perform the behaviour (Yakasai & Jusoh, 2015).

Theory of planned behaviour are used in this research because there is a research that need to know about the purchasing behaviour of the consumers in retail stores. This theory is one of the best theory as it understand consumers' mind-set that retailers can know. This theory are used because this theory is a social psychology theory that is well-established which also stating it is a specific salient beliefs influence of behavioural intentions and also behaviour of subsequent that are highlighted by (Ajzen, 2014). Many researchers that have done research regarding technology adopted and used this theory as their theoretical framework. This theory are used because it can determine what will be the relationship between, Perceived Behavioural Control and behaviour intention of consumers of the retail stores easier. In addition, there are few studies that are carried out by researcher (Wu & Chen, 2005) that stressing out that Perceived Behaviour Control under this theory could affect directly to the technology intention and (Hsu, Hsu, Wang, & Chang, 2016) stating that it can also affecting the continuance of usage intention.

First of all, this 'Big Data' term are used in most of the articles and reports that are mostly focused on Information Technology by researchers. This digital technology can spread easily to a very broad range of the data-reliant applications. This has made this digital technology to spread more into other disciplines which are including into sociology, medicine, biology, economics field, management and also science information. (Belhadi, Zkik, Cherrafi, & Sha'ri, 2019) stated that this Data Information Knowledge able to show an alternative way in order to view data in a structured way that can be very useful in a specific reasons. Last impact that most of the industries will be get because of the big data are which gives new bits of knowledge into environmental trends that could be used to improve effective capacities through supporting from corporate of decision-makers because they are being responsive and adaptive to the recent environmental trends (Erevelles, Fukawa, & Swayne, 2016). To be conclude, an organisations have to be more 'integrate, build and reconfigure' capability in order to meet the changes of the environmental into the highlights of big data technologies (Teece, 2009, p. 515).

Sales profit can be defined as a primary output that are concerned by retailers which also known

as profitability (Haessler, 2020). This financial benefits are classified into few issues which is in the cost reduction by limiting demand of energy, investments in technology and processes in the retail store (Ball, 2011). Financial issue in a retail store is the perception that some amount of cash may be lost or required to make a product work properly. Also, (Maignan & Lukas, 1997) viewed sales profit of retail stores as potential overall deficit of cash and includes consumers' feeling of uncertainty. Other than that, a business need to have some knowledge in big data in order to increase their sales in the retail stores. This is due to a new products and services in retail stores normally needs many types of knowledges such ad private knowledge might also need knowledge in big data types and variety of mixed knowledge in order to gain more information of the new products and services of retail stores. In addition, retail stores needs to have knowledge to transfer in the environment of big data technology so that they can increase their sales and profits of the stores (Verma & Singh, 2017). This shows when retailers could determine the perishability of the products and services and we are ready to allocate the best available spaces on the shelf for maximum profit through this big data technology in retail stores (Rautaray, Pandey, Chakraborty, & Barua).

Buying pattern which is the purchasing behaviour of customers is commonly define as a behaviour that is a noticeable response in a given circumstance as for a given target that retailers can observe. A buying behaviour or buying pattern may be characterized as a tendency to react in a positive or unfavourable way with respect to a given attitude objects (Cheung & To, 2019). Behaviour is a psychological and neutral condition of status, controlled through understanding, applying a directive impact upon the person's reaction to all items and circumstances with which it is connected. It is elusively hard trying to judge the psychological state of consumers while they are making purchases. Due to this hard task of making generalized conclusions there have been a number of studies that have come out hypothesizing different factors. Past research demonstrated that purchasing behaviour is also influence by demographics, channel information, and shopping orientation. However, there are many elements that are observable which can lend to having higher exchange rates and having a look into shopping behaviours. Seremban relatively low technology penetration that contributes to the continued rapid expansion of retail stores.

According to the research carried out from the previous studies reported, the main contribution of big data technology in retail stores are operations management. The existing prove are variety and it shows that big data is the accurate technology for operations in retail store. Therefore, this studies had reported successfully the implementation of big data technology followed by what technologies that were workers employed and their contributions to operations of retail stores. Not only that, big data is still considered shallow for those retailers that have their existing operations in retail stores are suggested by (Müller & Birkel, 2020). Further, this research indicates the conclusion of big data technology in retail stores, since it aims in providing proves in order to assist in a better understanding of framework that are applied and how big data impacted this retail stores operations. Operations of retail stores might mitigate the implementation of big data technology procedures be lack (Fettermann, Cavalcante, Almeida, & Tortorella, 2018).

### 2.1 Hypothesis Statement

H1: The sales profit had significant relationship with impact of big data towards retail stores in Seremban.

H2: The buying pattern had significant relationship with impact of big data towards retail stores in Seremban.

H3: The operations had significant relationship with impact of big data towards retail stores in Seremban.

### 2.2 Conceptual Framework

The main reason of this research study is to determine the elements of the impact of big data to retail stores in Seremban. Nowadays, involving new advanced technology in retail industries that be faced by retailers that use technology in their retail store especially retailers that not skilled in technology. This section explains the proposed theoretical framework. In general, the main theories basically the theoretical framework consist of three impacts which is sales profit, buying pattern and operations. The research framework as illustrated has three key component which is serves as independent variables consist of sales profit, buying pattern and operations while impact of big data is the dependent variable.

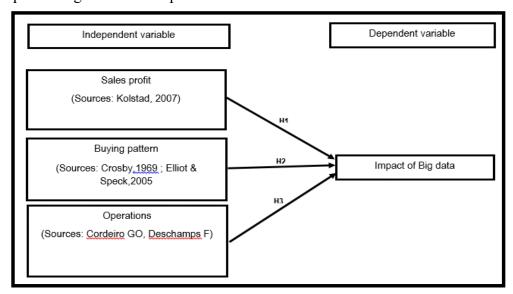


Figure 2.1 Conceptual Framework on factors that influencing the positive or negative impact of big data to retail stores in Seremban.

### 3 Research Methodology

### 3.1 Research Design

The research design was an exploratory research. There is important for researchers to meets objectives of study by select suitable design. The objective of this research is to examine the relationship of impact of big data to retail stores in Seremban retailers, the volume of the impact of big data and find out retailer's realization towards technology. Researchers collected information deliberately to earn more in depth knowledge about impact of big data. Quantitative Research Method is acquiring an evaluated and generalized result from the sample of population. Researchers distributed questionnaires to get feedback from respondents to assess the variables which is factors that influencing the positive or negative impact of big data and information gathered will be translated in diagrams and tables in the following chapter.

#### 3.2 Data Collection Method

The questionnaire was used as the primary data collecting method to get more accurate result for the study. Moreover, this method is easy to handle since it will only take few minutes to answer the needed question and it will not burden the respondent much. There was 306 questionnaires were distributed to the retailers of retail stores in Seremban.

Survey questionnaires used as a measurement tool by the researchers to obtain data in this study. Questionnaire used to ask respondent to give their opinions by answering the questionnaires. Researchers had distributed 100 questionnaires to the respondents in order to help researchers to get results about the relationship between factors and impact of big data among retailers in Seremban. The questionnaires printed in English and Bahasa Malaysia language since these two languages are usually used by most of peoples.

The secondary data is including Internet sources. The previous journals, articles, case study and more valid information were collected from the Internet. The material was used to deliver the information during theory analysis and variables finding. The researcher collects the data from Google Scholar, My Athens and Research Gate and Pro Quest.

### 3.3 Study Population

For this research the population is the retailers from retail stores in Seremban which has many regions. This is because they have a strong establishment regarding big data and them currently in the highest stage in implementing new technology in their retail stores. Every region in Seremban, there are approximately 31,885 retailers according to current year so we will pick 100 people by random for retail stores. So that we can provides the result for the other people in different way.

### 3.5 Sample size

According Krejcie and Morgan (1970) have introduced a table for determine the sample size. They did this in response of an article called "Small Sample Technique" issued by the research division of the National Education Association (Hill, 1998). According to the enrolment of retailers in Seremban, Negeri Sembilan, there are 31,885 of retailers in current year. Referring to the table below, we took 100 retailers randomly as the total population of 31,885.

A sampling method is a technique that will take the sample of members in a population. Sampling methods can be divided as either probability or non-probability. Probability sampling is called as random sampling technique this is a sampling which allow each and every things for universe to have an equal chance of presence in the sample. Non-probability sampling is a sampling technique that won't offer a person for any feeling of probability that elements in the universe will have an opportunity to be incorporates into the examination sample (Etikan, Musa, & Alkassim, 2016).

Due to the huge number of population, there are total of 100 from 31,885 of retailers in Seremban as respondents, there were chosen randomly and taken to contribute their opinion in answered the questionnaire which has distributed by the researchers. Respondents' opinion will be collected and recorded through questionnaire as primary data to complete this research.

### 4 Data Analysis And Findings

### 4.1 Preliminary Analysis

Table 4.1 Reliability Test for Pilot Test<sup>1</sup>

Variables	Cronbach's Alpha	No. of Items	N (sample size)	
Sales Profit	.936	4	10	
Buying Pattern	.950	4	10	
Operations Impact of Big Data	.954 .983	5 5	10 10	

Based on the table above, (Hair et.al, 2012) stated that Cronbach's Alpha coefficient according independent variables of the study, Sales Profit is 0.936 followed by Buying Pattern at 0.950 and Operations at 0.954. Cronbach's Alpha coefficient for my dependent variable which is for The Impact of Big Data at 0.983 classified as best reliability. To be conclude, the range of Cronbach's Alpha is between 0.936 and 0.983 for all constructs in this study. In a nutshell, all of the items in this study are understood by target respondents because of the value of Cronbach Alpha value for each construct must exceed 0.7 which reflects the target respondents understand the items of each variables (Hair et al, 2012). According to the results above, all variables are accepted and the highest coefficient value the Impact of Big Data while the lowest coefficient value is the Sales Profit.

### 4.2 Normality Test

Table 4.2 Normality Test for all variables<sup>2</sup>

		Te	sts of Normal	ity		
	Kolm	ogorov-Smir	nov <sup>a</sup>	S	hapiro-Wilk	
	Statistic	df	Sig.	Statistic	Df	Sig.
Sales profit	.150	100	.000	.903	100	.000
Buying pattern	.157	100	.000	.908	100	.000
Operations	.140	100	.000	.916	100	.000
Impact of Big Data	.131	100	.000		100	.000

Table 4.2 shows the normality test for the all the variables. There are two types of tests were used to run this normality test which known as Kolmogorov-Smirnov and Shapiro-Wilk, with the significant value, p-value which is less than 0.05, indicates as normal data. A shown in the table above, the significant value, p-value is 0.000 for all the variables that have been stated, which is less than 0.05. Therefore, it indicates as a normal distribution.

<sup>&</sup>lt;sup>1</sup> Data from SPSS version 26.0

<sup>&</sup>lt;sup>2</sup> Data from SPSS version 26.0

### 4.3 Validity and Reliability Test

Table 4.3 Reliability Statistics<sup>3</sup>

Variables	Items	Cronbach's Alpha
Sales profit	4	.890
Buying pattern	4	.881
Operation	5	.891
Impact of Big Data	5	.914

Based on reliability analysis in Table 4.3, it can be concluded that the coefficient alpha for reliability of independent variable buying pattern is 0.881. This means the consistency and stability of 0.881 is very good. Hence, it indicated the test is very reliable in carry on the further analysis. The coefficient alpha for reliability of independent variable buying pattern is 0.891. This means the consistency and stability of 0.891 is very good. The coefficient alpha for reliability of independent variable buying pattern is 0.914. This means the consistency and stability of 0.914 is very good according to the rules of thumb about Cronbach's Alpha Coefficient (Hair et al., 2010). From this, it can be summarize that all items from independent variable are strong and stable result.

### 4.4 Demographic Profile of Respondents

Table 4.3 Numbers of respondents<sup>4</sup>

Demographic Profile	Valid	Frequency	Percentage %
Gender	Male	47	47.0
Gender	Female	53	53.0
Age	18-20 years old	9	9.0
	21-30 years old	23	23.0
	31-40 years old	27	27.0
	41-50 years old	23	23.0
	51 years old and above	18	18.0
Race	Malay	32	3.0
	Chinese	26	26.0
	Indian	25	25.0
	Others	17	17.0
Distribution area	Ampangan	11	11.0
in Seremban	Labu	10	10.0
	Lenggeng	11	11.0
	Pantai	13	13.0
	Rantau	9	9.0
	Rasah	12	12.0
	Seremban	24	24.0

<sup>&</sup>lt;sup>3</sup> Data from SPSS version 26.0

<sup>&</sup>lt;sup>4</sup> Data from SPSS version 26.0

10.0

10

Setul

From the table 4.3, the female students are dominating from the retailers in Seremban. This statement is supported by data from the responses from the respondents, which defines 53.0 percentage of them are female. While the total respondents here are 100 retailers, the percentage of female retailers on the Seremban based on respondents 'feedback is 53 female retailers. However, the male makes up 47.0 percentage of the Seremban retailers to answer this questionnaire which is to 47 retailers out of 100 samples feedback from the respondents.

The age groups of retailers that having retail stores in Seremban are categorized into five different age groups. The majority of the retailers' age is within range from 31 to 40 years old, with the domination of 27.0 percentage which is equivalent to 27 retailers. The second highest domination comes from age range of 21 to 30 years old with 23 retailers or similar to 23.0 percentage and 41 to 50 years old with also 23 retailers which is 23.0 percentage. The retailers' age group from 51 years old and above has been only ranked with 18 respondents or accounted for 18.0 percentage from 100 retailers collected for sampling. The lowest age range for retailers are from 18 to 20 years old which equals to 18.0 percentage from overall respondents in Seremban.

By looking at the retailers' that having retail store distribution table based on the race, the majority of the retailers are Malay. It is explained by the data above with highest respondents which is Malay retailers, 32.0 percentage from 100 retailers or consisted of 32 retailers. The second highest frequency for race will be Chinese, with 26 retailers (26.0 percentage). Then it followed by the Indian students which ranked as third with 25 responses or can accounted for 25.0 percentage. Retailers that having retail store from other races had been recorded as the least race as respondents. It is explained by the data above that only 17.0 percentage from 100 or consisted of 17 retailers has been responded to the questionnaire.

The majority of retail stores in Seremban are from Seremban. They compromise 24.0 percentage of the sample that has been taken from the survey. It means that 24 retailers are majority from Seremban area. The second highest frequency for the retail stores will be retailers who are at area Pantai with 13 retailers which are contributing to the total respondents with the percentage amount of 13.0 percentage. Then, retail stores in area Rasah in Seremban had ranked as third highest frequency as it made up to 12.0 percentage or equal to 12 retailers. Next, retailers who are at Rantau area have lower contribution which can be said as just 9.0 percentage or consisted of 9 retailers from the overall sampling of 100 respondents. Next, the second least retail stores area are at Setul and Labu which is only 10 retailers with 10.0 percentage. Those retailers, who are at Ampangan and Lenggeng area in Seremban, have recorded the least, which are only 11 retailers (11.0 percentage).

### 4.5 Descriptive Analysis

Table 4.4 Descriptive Statistics<sup>5</sup>

Descriptive Statistics			
	Mean	Std. Deviation	
Sales profit	3.7150	1.12143	
Buying pattern	3.7375	1.07154	
Operations	3.7220	1.04674	
Impact of Big Data	3.7780	1.08130	

Table 4.4 shows the mean and the standard deviation of both dependent variable and independent variables. Mean for dependent variable which is the impact of big data of this research is 3.78. For independent variables, the highest mean is Buying Pattern which is 3.74, this shows that most of the retailers agreed that buying pattern are influenced by the big data and followed by the Operations which is 3.72. Sales Profit have the lowest mean as the independent variable which is 3.72, this shows that retailers less agree that sales profit can be influenced by big data in retail stores.

### 4.6 Hypotheses Testing

Table 4.5 Correlation Coefficient<sup>6</sup>

Hypothesis	Result	Findings
H1: The sales profit had significant relationship with impact of big data towards retail stores in Seremban.	r = 0.682** p = 0.000 strong positive	H1: Accepted
H2: The buying pattern had significant relationship with impact of big data towards retail stores in Seremban.	r = 0.755** p= 0.000 strong positive	H2: Accepted
H3: The operations had significant relationship with impact of big data towards retail stores in Seremban.	r = 0.746** p = 0.000 strong positive	H3: Accepted

Table 4.5 shows, that the significant value and the number of the respondents which are 100 retailers. There is 2-tailed significant between sales profit and impact of big data is 0.000 with p-value of 0.000<0.05. Therefore, the p-value for sales profit is less than 0.05 level of significant which is provide enough to conclude that there are positive effect in sales profit that exist in population of Seremban retailers. The result of Pearson Correlation Coefficient shows is small but definite positive relationship between sales profit and impact of big data. The stronger sales profit gained the more impact of big data that will be given to retail stores in Seremban. The result explains that sales profit had significant relationship with impact of big data towards retailers that are having retail stores in Seremban.

<sup>&</sup>lt;sup>5</sup> Data from SPSS version 26.0

<sup>&</sup>lt;sup>6</sup> Data from SPSS version 26.0

The 2-tailed significant between buying pattern and impact of big data is 0.000 with p-value of 0.000 < 0.05. Therefore, the p-value for buying pattern is less than 0.05 level of significant which is provide enough to conclude that there are positive effect in buying pattern that exist in population of Seremban retailers. The result of Pearson Correlation Coefficient shows is small but definite positive relationship between buying pattern and impact of big data. The stronger buying pattern have the more impact of big data that will be given to retail stores in Seremban. The result explains that buying pattern had significant relationship with impact of big data towards retailers that are having retail stores in Seremban.

There is 2-tailed significant between operation and impact of big data is 0.000 with p-value of 0.000 < 0.05. Therefore, the p-value for operation is less than 0.05 level of significant which is provide enough to conclude that there are positive effect in operation that exist in population of Seremban retailers. The result of Pearson Correlation Coefficient shows is small but definite positive relationship between operation and impact of big data. The stronger operation have the more impact of big data that will be given to retail stores in Seremban. The result explains that operation had significant relationship with impact of big data towards retailers that are having retail stores in Seremban.

### 5 Discussion And Conclusion

### 5.1 Key Findings

The highest Cronbach's Alpha value among all variables is impact of big data with 0.914 which is the consistency and stability is equal to internal consistency of excellent. Meanwhile, the lowest Cronbach's Alpha value is buying pattern with 0.881 which is the consistency and stability is equal to internal consistency of acceptable. All the variables can considered as acceptable because all the variables score more than 0.7.

According to descriptive analysis, major respondents are female with 53.0 percentage compare to male with 47.0 percentage in this survey. Besides that, the majority respondents are from the age group of between 31 to 40 years old with 27.0 percentage while the respondents with age group between 18 to 20 years old are the minority. Apart from that, in this survey Malay respondents are the majority with 32.0 percentage. In term of category of areas in Seremban, Seremban are the highest with 24.0 percentage while Rantau are the lowest with 9.0 percentage.

Based on result of Pearson Correlation Analysis, there is a relationship among three independent variables which is sales profit, buying pattern and operation with the dependent variable the impact of big data. Buying pattern has high correlation relationship with impact of big data which is 0.755. Besides that, operation has high correlation relationship with impact of big data which is 0.746. Meanwhile, sales profit has moderate correlation relationship with impact of big data which is 0.682.

#### 5.2 Discussion

There is a moderate correlation relationship between sales profit and impact of big data. In the result, the p value is 0.000, which is lower than 0.01 (p<0.01). It can be concluded that, sales profit has playing role towards the impact of big data to retail stores in Seremban. Therefore, this hypothesis are also supported by (Verma & Singh, 2017) that stated a retail store need to have big data technology so that they would able to increase their sales and profits of the store.

There is a moderate correlation relationship between sales profit and impact of big data. In the

result, the p value is 0.000, which is lower than 0.01 (p<0.01). It can be concluded that, sales profit has playing role towards the impact of big data to retail stores in Seremban. Therefore, this hypothesis are also supported by (Cheung & To, 2019) that buying pattern could be observed with the technology penetration in retail stores.

There is a moderate correlation relationship between operation and impact of big data. In the result, the p value is 0.000, which is lower than 0.01 (p<0.01). It can be concluded that, operation has playing role towards the impact of big data to retail stores in Seremban. Therefore, this hypothesis are also supported by (Müller & Birkel, 2020) explained that big data are needed in retail stores that are with existing operations otherwise the store will be considered having shallow management.

### 5.3 Implications of the Study

In this study, the hypothesis help the researcher to gain more specific evidence of some specific area regarding their retail process in the retail industries. From, this research, researcher also could able to adjust the quota that they preferred to have all the data statistics. This research could bring benefits to retail stores because those retail stores could get to access profits and loss information of their goods and services easily and also could keep the data for stores' references in retail market.

Other than that, retailers will be able to get a detailed information about their sales and the profits in order to identify what are the goods and services that would giving them the best sales and which are not giving them profits through this research. The hypothesis in this research also very helpful to for retailers for them to get to know about their sales statistics of the goods and services. Not only that this research could make retailers to analyse on a database system that allows retailer in designing and implementing their Business Process Management (BPM) to maximize their profits in the store.

For government, the efficiency of retail stores' technology will help in increase of the Gross Domestic Product (GDP) in Malaysia. This is because retailers are able to manage a large volume of data in the market. This could be very helpful in retail stores to analyse the data that they obtain specifically in retail stores for them to improve the economy.

### 5.4 Limitations of the Study

This study only conducted on a small size of population who are retailers that are having retail stores in Seremban area only. The study should involve many participants to get accurate results. But due to the time limit, researcher have no unlimited time to research and collect such a large data, so this studies only able to conduct by the small population. Since the respondents are focus on number of retailers, to catch retailers' time are one of the limitations. This is because most of retailers doesn't have much time to answers researcher's questions or give their opinions about this study. This questionnaire on this the research have been used were closed ended question with the Likert scale such as scale 1 until scale 5 which made the retailers to choose answer randomly. However, it common to have some respondents who just answer the questionnaire without read and understand the questions very well. This can affect the data that we need to calculate and this can also affect the variables and retailers that tick the lowest scale also can make the result getting worse which made the researcher hard to find actual result.

#### 5.5 Recommendations

The researcher recommend for retail stores to get and upgrade more advanced technology system in their business because the technology would affect the entire business improve their business strategies and making much easier. retail stores needs to have knowledge to transfer in the environment of big data technology so that they can increase their sales and profits of the stores (Verma & Singh, 2017). The researcher recommend to get more used to advance technology and get more knowledge about current high technology system. Operations of retail stores might mitigate the implementation of big data technology procedures be lack (Fettermann et al., 2018).

### 6 Conclusion

In literature review, the factors that contribute the impact of big data to retail stores in Seremban were sales profit, buying pattern and operation. These three factors is a most important elements that closely relevant to the impact of big data to retail store to get new technology. Hence, a framework was created to show the factors that influencing impact of big data to retail store in Seremban. The factors that influencing were the independent variables in this research, which involved of sales profit, buying pattern and meanwhile the dependent variable for this research is impact of big data.

In the findings, researcher explore more about the Big Data, the definition of every independent variables and dependent variables. It has a positive relationship between independent variables and dependent variable. Based on the framework, researcher can make a few hypothesis about relationship between independent variables and dependent variable.

Few methods were used in this survey in order to analyse the result of data that surveyed. Researcher used descriptive analysis, reliability test, normality test and correlation analysis method based on Pearson's Correlation Coefficient to analyse the data collected. By using simple random technique, process of data collection were carried out by selecting random retailers in Seremban as respondents.

The result of the reliability and validity are found to be moderate and acceptable. The result from SPSS software indicates the relationship between independent variables and dependent variable. Based on the results, all factors are shown as factors that influence the impact of big data with the most significant factors which is sales profit, buying pattern and operation.

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### THE IMPACT OF VISUAL MERCHANDISING ON CONSUMER IMPULSE BUYING BEHAVIOUR AMONG SEREMBAN AREA CONSUMERS

### Durga Dewi Udhiavell and Yusrinadini Zahirah Md. Isa@Yusuff

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: durga.a17a0078@siswa.umk.edu.my; yusrinadini@umk.edu.my

#### Abstract:

The purpose of this study is to define which visual merchandising influence consumer impulse buying behaviour among Seremban area consumers. The total number of respondents that involve in this study is 384 respondents. This study uses quantitative which questionnaire in a form of Google Form distributed to the respondents. And the data collected will through the test in Software Package for Social Sciences (SPSS). Three visual merchandising be as the independent variables which is window display, floor merchandising and shop brand names in this study. The results and finding show that convenience was the highest level of positive significant relationship between consumer impulse buying behaviour that be as dependent variable.

**Keywords**: Visual merchandising, Impulse buying, Window display, Floor merchandising, Shop brand names.

### 1 Introduction

Visual merchandising is one of those profiting techniques that is considered as one of the determinants of achievement for a retail location. In visual merchandising the management ensures that both the inside and outside of their store is sufficiently engaging to pull in the shoppers. Both the inside and outside regard to majorly affect buyers purchasing conduct and is observed to stimulate and want to buy among them. This technique also helps in the selling of the right kind of the product to the right kind of consumers by developing products accordingly (Wanninayake & Randiwela, 2007). Visual merchandising ranges from window display to floor merchandising along with shop brand name. Presentation of goods is often the most crucial factor in decision making. Four dimensions of store atmosphere i.e. visual (sight), aural (sound), olfactory (smell) and tactile (touch) are significant in consumer's choice of products (McGoldrick, 2002).

The visual merchandising is a marketing based phrasing which speaks to the most significant marketing tools and furthermore speaks to the most immediate mean of an expose an item. Visual merchandising isn't just about what is expressed before however it additionally incorporates the layout of stores which includes racking style, sections, environment the store have and the brands accessible. It is visual item identification, brand idea and the means for building up connection between a consumer and the item to produce deals. Among the many marketing strategies visual merchandising is the one which builds up an immediate association

and closer correspondence with a purchaser. The primary reason behind conducting this research is to analyze the impact of visual merchandising on consumer impulse buying behavior. Window display, floor merchandising and shop brand name are some elements of visual merchandising whose role in gaining consumer's impulse buying would be specifically discussed in this research.

### 1.1 Research Objectives

The main objective of this research process is to reveal what visual merchandising elements makes the highest impact on consumer impulse buying behavior. The various objectives of this problem are as follow:

- •To discover the relationship between window display and consumer impulse buying behavior among Seremban area consumer.
- •To study the relationship between floor merchandising and consumer impulse buying behavior among Seremban area consumer.
- •To examine the relationship of shop brand name and consumer impulse buying behavior among Seremban area consumer.

### 1.2 Significance Study

The use of visual merchandise consistently improves the picture and offer of a retail outlet. However, there are only few researches done in this aspect. This research attempts to identify the impact of preferred visual merchandise and consumer buying behavior. With expanding rivalry, retailers are endeavoring to make their store appealing to their objective market. The product offered by retailers are discovered to be comparable. As the merchandise offered can't be separated, the retailers attempt to separate and deal with the opposition by visual merchandise. However, there are only few researches done in this aspect. Along these lines, this study will give data on why visual merchandising should be considered as a significant part of a key advertising plan on the side of income increment and making positive store/company image. This study will likewise give comprehension to retailers about best sorts of visual marketing methods that may impact customers' impulse buying behaviors.

#### 2 Literature Review

Visual merchandising is a tool used by companies or shopkeepers to attract the customers for unplanned buying. In this the marketers and the shopkeepers arrange their shops or carryout promotional activities which attract the attention of shoppers by just having a look at the shop, their promotions, sign boards, atmosphere inside, shelf arrangements, section divisions, cleanliness and other factors which influence impulse or unplanned buying.

As stated by (HUBRECHTS & Koktürk, 2012) motivators for impulse purchases are classified into two categories: internal motivators and external motivators. Internal motivators include hedonic needs, autistic stimuli, social status and subjective well-being. External motivators include visual stimuli, shopping format discounts, display, ambient factors and perceived crowding. They found that store layout, promotional signage, in-store display and product shelf

presentation had a strong positive impact on the customer's impulse purchase behavior.

(Husnain & Akhtar, 2016) investigated the paper titled "Impact of branding on impulse buying behavior". The objectives of the study are to detect the impact of branding on impulse buying in FMCG area Pakistan. A survey has been utilized to learn around 180 understudies occupied with buying. Convenience testing has-been utilized to gather the information. The research finds that branding has significant impact on impulse buying behavior of consumers.

(Minal, Sanjay, & Urvashi, 2012) investigated a paper named "Effect of Emerging Trends in

Retail Sector on Impulse Buying Behavior". The fundamental point of this paper was to know the impact of later patterns in retail without much forethought buy i.e. the effect of window show limited time signage and floor stock. For this examination they gathered information from 200 respondents, Durg, Chattisgarh. The information investigation apparatuses like ANNOVA has been utilized. They anticipated that there is a positive connection between drive purchasing and window display, special signage and floor merchandising.

(Sujata, 2012) have shown impulse buying as a predecessor to impulse buying. He has taken window display, forum display, floor merchandising as independent variable. He has taken example involving both male and females old enough 18-45 and applied Pearson connection. His concludes by tolerating a strong correlation between window display, impulse buying and forum display. Low correlation is found between impulse buying and floor merchandising.

(PEREIRA et al., 2010) have considered the effect of visual merchandising on fashion stores in shopping centers. His reliant variable was visual merchandising and free factor was shopping store window as per sex. Elements esteemed by buyer on going into a store characteristic that impact on buy choices as indicated by sex. He used sample of 334 respondents and applied mean standard deviation as a factual device. His discoveries are that critical contrasts in the mall window show impacts over purchaser purchasing conduct as indicated by sex and minimal huge contrasts in the components esteemed by shoppers on going into a mall as per sexual orientation.

(N. P. Mehta & Chugan, 2013) directed an investigation on impulse buying behavior with a paper named," impact of visual merchandise on impulse buying behavior. The fundamental reason for study is to discover the effect of visual merchandise without really thinking acquisition of customers in focal shopping center of Ahmadabad and India. They utilized factual bundle SPSS to examine information assembled from 73 respondents the outcome expressed that components of visual merchandise influence impulse buying behavior of shoppers in Ahmadabad.

### 2.1 Hypothesis

- H1: There is a positive relationship between window display and consumer impulse buying behavior.
- H2: There is a positive relationship between floor merchandising and consumer impulse buying behavior.
- H3: There is a positive relationship between shop brand names and consumer impulse buying behavior.

### 2.2 Conceptual Framework

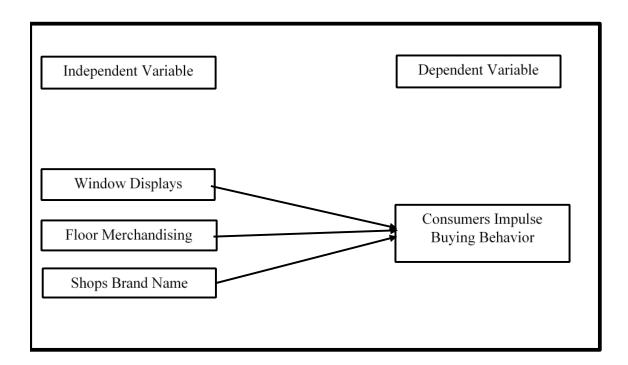


Figure 1: The Relationship of Independent Variable and Dependent Variable

#### 3 Research Method

#### 3.1 Method of Data Collection

This study used quantitative methods which questionnaire in order to study about the impact of visual merchandising on consumer impulse buying behaviour among Seremban area consumers. These data will be gathered from survey questionnaires. For the purpose of this research project, a quantitative research approach will be applied so that large amounts of data can be obtained within a short period of time.

### 3.2 Sample Size & Sampling Technique

384 respondents were selected as sample size for this research. The questionnaire included close ended questions and instrument was distributed randomly. The ethical use of respondents' data and information was also ensured. The sampling technique used for the research was non-probability and the respondents were chosen on the basis of convenience. The respondents were general consumers at different retail markets.

#### 3.3 Instrument of Data Collection

In order to gather data for this research the instrument of questionnaire was used. The

questionnaire has been developed using Likert scale of 1 to 5 starting from strongly disagree (1) to strongly Agree (5). The target population for this survey was general consumers.

# 4 Analysis And Result

# 4.1 Descriptive Analysis

20 items had tested the descriptive analysis according to their variable and listed on the summary of the mean and standard deviation of computed items in Table 1, 2, 3 and 4.

# 4.1.1 Dependent variable: Consumer impulse buying behaviour

Table 1: Consumer impulse buying behaviour

Description	Mean	Std. Deviation
I shop based on my mood.	4.24	.780
I plan my purchase before shopping for it.	4.25	.752
When I see a good deal, I tend to buy more than that I intended to	4.12	.867
buy.		
I have difficulty controlling my urge to buy when I see a good offer.	4.16	.907
After I make an impulse purchase I feel regret.	4.01	1.092

## 4.1.2 Independent variable: Window display

Table 2: Window display

Description	Mean	Std. Deviation
		600
I tend to enter the store when I am attracted by an	4.35	.680
eye-catching window display.		
I feel compelled to enter the store when I see an	4.16	.877
interesting window display.		
I tend to choose which store to shop in depending	4.23	.760
on eye-catching window display		
I tend to look at the display of products only at	4.16	.783
eye level.		
Window displays help to show variety of	4.31	.655
products in the store.		

# 4.1.3 Independent variable: Floor merchandising

Table 3: Floor merchandising

Description	Mean	Std. Deviation
I choose to shop in store with good layout, moving/browsing space and ambiance.	4.31	.631
I am more inclined for product purchase when I see a pleasant counter display.	4.26	.689
I buy products based only after looking around completely.	4.34	.652
A good space and proper layout inside the store make a comfortable environment to purchase.	4.33	.631
Store communications elements like tent cards, banner, floor vinyl, graphics enhance merchandise display affect customer purchase decision.	4.31	.679

# 4.1.4 Independent variable: Shop brand names

Table 4: Shop brand names

Description	Mean	Std. Deviation
Shop brand name influence on purchasing decision.	4.25	.761
Branded products are better than unbranded products.	4.17	.811
Brand name and image attract me to purchase.	4.18	.824
Brand often dominates my thoughts.	4.13	.893
Brand is very important to define my choice of purchase.	4.16	.854

# 4.1.5 Reliability Analysis

Table 5: Result Test of Reliability Coefficient Alpha for the Independent and Dependent Variable

Variables	Number of items	Cronbach's Alpha
Consumer impulse buying behavior.	5	0.809

Window display	5	0.845
Floor merchandising	5	0.794
Shop brand names	5	0.910

The Cronbach's Alpha is designed to measure a "goodness" reliability criterion in each group item and internal consistency. De Vaus, (2002) suggests that in order to measure the reliability of the scale, whether the internal consistency is unacceptable, poor, questionable, acceptable, good and excellent, the Alpha value of Cronbach should be between  $0.5 > \alpha$  and  $\alpha$  0.9. Table 5 summarizes the findings of the reliability test of each variable in this study. According to table 5, the range of Cronbach's Alpha is from 0.794 to 0.910 which indicates that each item for each variable as acceptable, good and excellent based on rule of thumb of Cronbach's Alpha Coefficient. According to the rule of thumb of Cronbach's Alpha coefficient, all the items of each variables represents as good as it exceeded 0.6. Hence, the reliability shows that all the items from each variable are easily understood by the respondents. This questionnaire is also accepted for data collection in this study.

### 4.1.6 Hypothesis Testing

Hypothesis to Address Research Question 1:

H0: There is no significant relationship between window display and consumer impulse buying behavior among Seremban area consumers.

H1: There is significant relationship between window display and consumer impulse buying behaviour among Seremban area consumers.

Table 6: The relationship between window display and consumer impulse buying behaviour among Seremban area consumer.

		Consumer impulse buying behavior	Window display
Consumer impulse buying behavior	Pearson Correlation	1	.644**
	Sig. (2-tailed)		.000
	N	384	384
Window display	Pearson Correlation	.644**	1
	Sig. (2-tailed)	.000	
	N	384	384

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed).

Table 6 above shows the relationship between window display and consumer impulse buying behaviour among Seremban area consumers. According to the result of The Pearson Correlation, this research is accepting H1 and rejected H0 because with the result 0.644 with significant value p<0.05, it proved that there is a significant relationship exists between window display and consumer impulse buying behaviour among Seremban area consumers. From the result, H0 is rejected because the p-value is 0.00 which is the value is less than 0.05 and it shows there is no significant relationship that exists between both independent and dependent variables. Other than that, H1 shows the level of correlation between window display and consumer impulse buying behaviour is strong positive linear correlation.

Hypothesis to Address Research Question 2:

H0: There is no significant relationship between floor merchandising and consumer impulse buying behaviour among Seremban area consumer.

H2: There is significant relationship between floor merchandising and consumer impulse buying behavior among Seremban area consumer.

Table 7: The relationship between floor merchandising and consumer impulse buying behaviour among Seremban area consumer.

		Consumer impulse buying behavior	Floor merchandising
Consumer	Pearson Correlation	1	.505**
impulse buying	Sig. (2-tailed)		.000
behavior	N	384	384
Floor	Pearson Correlation	.505**	1
merchandising	Sig. (2-tailed)	.000	
	N	384	384

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

Table 7 shows there is relationship between floor merchandising and consumer impulse buying behaviour among Seremban area consumers. According to the result of The Pearson Correlation, this research is accepting H2 because with the result 0.505 with significant value p<0.05, it means that there is a significant relationship exists between floor merchandising and consumer impulse buying behaviour among Seremban area consumers. From the result, H0 is rejected because the p-value is 0.00 which is less than 0.05 and that's means there is no significant relationship that exists between both independent and dependent variables. From the result also prove that the level of correlation between consumer impulse buying behaviour and floor merchandising for H2 is strong positive linear correlation.

Hypothesis to Address Research Question 3:

H0: There is no significant relationship between shop brand names and consumer impulse buying behaviour among Seremban area consumers

H3: There is significant relationship between shop brand names and consumer impulse buying behavior among Seremban area consumers.

Table 8: The relationship between shop brand names and consumer impulse buying behaviour among Seremban area consumers

		Consumer impulse buying behavior	Shop brand names
Consumer impulse buying	Pearson Correlation	1	.675**
behavior Sig. (2-tailed)			.000
	N	384	384

Shop brand names	Pearson Correlation	.675**	1
	Sig. (2-tailed)	.000	
	N	384	384

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Table 8 shows there is relationship between shop brand names and consumer impulse buying behavior among Seremban area consumers. According to the result of The Pearson Correlation, this research is accepting H3 because with the result 0.675 with significant value p<0.05, it means that there is a significant relationship exists between shop brand names and consumer impulse buying behavior among Seremban area consumers. From the result, H0 is rejected because the p-value is 0.00 which is less than 0.05 and that's means there is no significant relationship that exists between both independent and dependent variables. From the result also prove that the level of correlation between consumer impulse buying behavior and shop brand names for H3 is strong positive linear correlation.

## 5 Discussion & Recommendation

The study was conducted to identify which visual merchandising giving most impact on consumer impulse buying behaviour among Seremban area consumers. In this research, primary data was undertaken by the online questionnaires through Goggle Form to collect feedback from respondent and secondary data from the journal and article.

The dependent variable in this study was important to identify the consumer impulse buying behavior. Whereas, a set of independent variables which window display, floor merchandising and shop brand names was used. The researcher was identified 384 responses to perform data collection by the online questionnaires.

The analysis of data includes descriptive analysis, reliability analysis and Pearson Correlation Coefficient. The reliability test was conducted in this study to measure consistency, precision, repeatability and trustworthiness of this research. The Pearson Correlation also used in this research to denote relationship between two or more quantitative variables. Based on the result that researcher gained from chapter 4, the impact of visual merchandising (window display, floor merchandising, shop brand names) between consumer impulse buying behavior among consumers of Seremban area It shows that there were similarities that occur between previous study and current study which were supporting the hypothesis that has been stated in previous study.

This research has three objectives which are to discover the relationship between window display and consumer impulse buying, to study the relationship between floor merchandising and consumer impulse buying and to examine the relationship of shop brand names and consumer impulse buying among Seremban area consumers.

The future researcher can manage to conduct the research in different area of Malaysia to enrich the local context. Different state of Malaysia will have different impact in the visual merchandising. Future researcher can find out more information about the impact of visual merchandising on consumer impulse buying behaviour. Future researcher can know which visual merchandising influence consumer impulse buying behaviour.

Next, the future researcher is recommended to expand the sample size and the population in order to get more accurate and diverse outcome of the study. The study was conducted only at

Seremban area. It is recommended that future researchers perform similar research in different areas, states or even in Malaysia as it will lead to a different outcome. In addition, in order to improve the quality of the data obtained, the number of respondents can be expanded for future studies. To get an accurate result from larger amount of responses, future researchers must take a longer duration for data collection and analysis.

Furthermore, future researcher should consider to use qualitative method for research. Future researcher may gain deeper understanding about the impact of visual merchandising on consumer impulse buying behaviour. Interview with the respondents enables researcher to know how the respondents think of visual merchandising. Therefore, using qualitative method may get different perspectives of the visual merchandising.

### 6 Conclusion

This study focuses on the impact of visual merchandising on consumer impulse buying behavior among Seremban area consumer. Organizations can use the outcome of this study to determine the effectiveness and impact of visual merchandising on consumer impulse buying behavior. This is because it will help retailers to make a strategic plan in order to use the visual merchandising techniques because it plays a very critical role to directly influence customer impulse buying. Many firms/retailers feel visual merchandising as highest unnecessary cost and retailers feel it as an unnecessary burden but visual merchandising has lot of advantages over than its cost. So retailers and firms needs to realize the long term strategy of visual merchandising.

The minimum requirement for reliability analysis has been met from the study of the overall variable since the value of the Cronbach's Alpha coefficients is above 0.6. The independent variables identified as the window display, floor merchandising and shop brand names indicate the significant relationship to the dependent variable known as the consumer impulse buying behavior. Based on the hypothesis result, all the H0 have been rejected while H1, H2, and H3 have been accepted in this study. Most notably, this study has established that Seremban area consumer's impulse buying behavior are influenced by window display, floor merchandising and shop brand names. Finally, this research was successfully completed.

# 7 Acknowledgment

I would like to take this opportunity to express my appreciation to all the people who have contributed their time and efforts that greatly helped me in this research study and made the research process easier to achieve. First of all, I would like to express my gratitude towards University Malaysia Kelantan for the opportunity to work on this research.

Secondly, I would like to say thank you to my supervisor, Dr.Yusrinadini Zahirah Binti MD Isa @ Yusuff. For guidance to complete this research study. She is always generous throughout the whole process of completing this project. Without her guidance and support, I would not have completed it within the time frame. Nevertheless, I grateful towards my family, and friend for their understanding and assistance during the writing phase.

Lastly, I would like to thank to the management of University Malaysia Kelantan because willing to give the cooperation with me which provides a way to access the material for writing the research project such as online library.

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# SERVICE QUALITY OF SUPERMARKETS INFLUENCE TOWARDS CUSTOMER SATISFACTION IN SIBU, SARAWAK

### **Emily Teng Wei Chee and Tahirah Abdullah**

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: emily.a17a0081@siswa.umk.edu.my; tahirah@umk.edu.my

#### Abstract:

Service quality typically applies to a customer's assessment of service standards as it relates to the performance of the company. This study examined the relationship between service quality (tangibility, reliability, responsiveness, assurance and empathy on customer satisfaction in Sibu, Sarawak. The data were collected from 384 respondents who really visit supermarkets in Sibu, Sarawak through questionnaire distribution. The collected data were analyzed through Statistical Package for Social Sciences (SPSS) Version 26 and the results of data were analysed using descriptive analysis, reliability analysis, Spearman correlation, and multiple regression. The results showed that tangibility, reliability, responsiveness, assurance, and empathy had a significant relationship to customer satisfaction in Sibu's supermarkets. In this study, assurance is the most influential dimension of service quality towards customer satisfaction. The findings of study should assist all supermarkets in Sibu, Sarawak to enhance their service quality and improve their customer satisfaction.

**Keywords:** Assurance, Customer Satisfaction, Empathy, Reliability, Responsiveness, Service Quality, Tangibility.

### 1 Introduction

## 1.1 Background of Study

Service quality was among the most significant competitive reasons in today's market environment. Therefore, the service quality will bring the different industries a great opportunity for organisations to generate competitive differentiation. The service quality reflects the core of the economy today, not just in developed countries, as well as in developing countries in the global (Mmutle, 2017). However, issues such as poor conditions of jobs, poor work standards and inefficient structures and procedures in place negatively affect the service quality by public organizations (Hennayake, 2017). In addition, due to unsatisfactory goods and poor service quality in different industries, Malaysian customers had to suffer a big loss of ever more than RM360 million (Malay Mail, 2019). The e-commerce (online buying) sector reported the highest number of complaints, followed by retail and telecommunications and mobile networks.

Supermarket is one of the retail service sectors. Nowadays, the supermarket performs a critical role in Malaysia's economy. Good service quality contributes to more customer satisfaction, sales and improved business performance (Sirohi & Kumar, 2018). Service quality is generally

specified as customer evaluation. Consequently, Supermarkets should enhance the quality of service in order to satisfy their customers with the services provided.

Customer satisfaction emerges which means that it determines the customer's expectation as to how goods and services are provided by businesses (Khadka & Maharjan, 2017). When the customer satisfaction is high in the business, the business will get high profit because the customer revisit and repurchase in this business. Hence, supermarkets can boost their profit quickly and efficiently by increasing customer satisfaction.

A successful service provider is providing consumers outstanding quality service. If the service quality is not good enough, the service provider is likely to deceive its customers and also lower their satisfaction. The service quality serves as a defining factor of customer satisfaction. Customer satisfaction and the service quality are related. The better the quality of the service, the customer satisfaction will be greater.

# 1.2 Research Objectives

- 1. What is the relationship between tangibility and customer satisfaction in Sibu's supermarkets?
- 2. What is the relationship between reliability and customer satisfaction in Sibu's supermarkets?
- 3. What is the relationship between responsiveness and customer satisfaction in Sibu's supermarkets?
- 4. What is the relationship between assurance and customer satisfaction in Sibu's supermarkets?
- 5. What is the relationship between empathy and customer satisfaction in Sibu's supermarkets?
- 6. What is the most influential dimension of service quality towards customer satisfaction in Sibu's supermarkets?

## 1.3 Significance of Study

This study primarily focuses on the relationship between service quality of supermarkets and customer satisfaction in Sibu, Sarawak. The findings of this study may help the management of supermarkets in Sibu to know the customer's opinion on the level of service quality. The result of this study would probably give references to the management of Sibu's supermarket to enhance their service quality to satisfy their customer. Service quality is an important factor contributing to customer satisfaction and thus service providers should boost their overall quality of service from each aspect which is used in this study.

It also brings priority to future researchers and other students who are involved in conducting research in this field. It helps those who are interested to lead the discovery in the related field to explore the relations between each aspect in detail at a later stage in the study. It also provides statistical and sentence support for further research from each aspect.

#### 2 Literature Review

# 2.1 Independent Variables

# 2.1.1 Tangibility

It relates to anything that is tangible and influences the quality of service to the customers. It is a company's ability to display its presence to other individuals in tangible bodies, such as infrastructures available, equipment, and the physical appearance of the company (Andrianto & Santoso, 2019). Tangibility will influence customers because failure in providing tangible things will make customers feel the company did not pay attention to the company image. Physical appearance will influence customers whether proper or improper service is provided by the company. Organizations spontaneously arrange physical items and combine them to deliver services to their customers who after its utilize access it (Othman, Harun, Rashid, & Ali, 2019).

### 2.1.2 Reliability

It relates to the willingness to fulfill the promise of service accurately and regularly (Felix, 2017). It involves right service and accurate record and prompt response to customers. Precise information involves precise product prices, and also right and reliable product information (Beneke, Hayworth, Hobson, & Mia, 2012). Reliability is a result evaluated when the customer evaluates the service after the service has been experienced. Reliability is the ability to assess the customer experience and as an aspect of the supplier's accreditation (Sakarji et al., 2020).

### 2.1.3 Responsiveness

It relates to the company's ability to serve customers and give quick service (Andrianto & Santoso, 2019). This dimension focuses attention and focus and pace in interacting with inquiries, questions, complaints and concerns from the customer. Responsivity is interacted to customers as long as they have to ask for help, responses to questions or attention to issues (Linh & Anh, 2018). It also relates to the capacity for employees to build customised solutions (Penceliah, Noel, & Adat, 2015).

#### 2.1.4 Assurance

Assurance is the understanding and friendliness of staff and their ability to build faith and trust. It also defines the capacity of the company to foster trust in the eyes of the customer through the friendliness and understanding of the workforce in operation (Haming, Murdifin, Syaiful, & Putra, 2019). This dimension concerns how professional and courteous workers are to encourage confidence and trust from their users (Auka, Bosire, & Matern, 2013). If customers did not feel assured by the service provider, it meant that the company betrayed customer trust to them. Customers based their evaluation of a service provider 's ability on how effective or confident the necessary services were to be delivered (Sakarji et al., 2020).

# 2.1.5 *Empathy*

Empathy involves the willingness of the service provider to provide each customer with caring and personalised attention (Parasuraman et al., 1988). The key factors included in the measurement of empathy were individual attention, convenient working hours, awareness of the employees when an issue arises and the knowledge that employees have of the needs of the

customers (Auka et al., 2013). Customers want to feel valued and essential to businesses that give them access service (Hennayake, 2017).

### 2.2 Dependent Variable

## 2.2.1 Customer Satisfaction

The customer concept is the person or business that purchases the items or service from a corporation (Hamzah et al., 2017). Satisfaction can influence the company whether customers would repurchase, buying more goods, positive word of mouth and the willingness of the consumer to spend more for the specific brand (Hanif, Hafeez, & Riaz, 2010). Satisfaction is an expression to identify a feeling for an individual for something. Customer satisfaction with a company's goods and services is recognised as the most significant factor contributing to competition and growth.

In the corporate sector, customer satisfaction is critical because it will not have a market without loyal and satisfied customers. The more to concentrate on customer satisfaction and retention, the more long-term business to have (Mohsan, Nawaz, Khan, Shaukat, & Aslam, 2011). Customer satisfaction tests how well a customer's needs have been met for a product or service offered by a business. According to Beneke et al. (2012). high ratings for customer satisfaction are commonly assumed to be the main predictor of the financial performance of a company. As criteria for identifying product or service performance, many companies use customer satisfaction and even refer customer satisfaction ratings to management and employee pay ratings. The service quality is an essential tool to evaluate customer satisfaction and a criterion for maintaining satisfactory customer relations.

# 2.3 Research Hypothesis

- H1: There is a significant relationship between tangibility and customer satisfaction in Sibu's supermarkets
- H2: There is a significant relationship between reliability and customer satisfaction in Sibu's supermarkets.
- H3: There is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets
- H4: There is a significant relationship between assurance and customer satisfaction in Sibu's supermarkets
- H5: There is a significant relationship between empathy and customer satisfaction in Sibu's supermarkets

#### 2.4 Theoretical Framework

The conceptual framework shows the relationship between independent variable and dependent variables. There are five independent variables selected which are tangibility, responsiveness, assurance and empathy. The dependent variable is customer satisfaction.

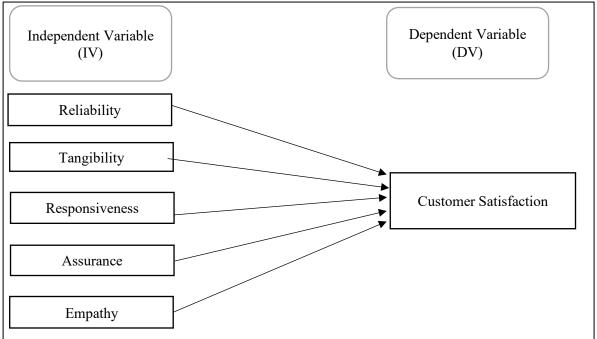


Figure 2.1 Conceptual Framework of Research

# 3 Methodology

# 3.1 Research Design

The research design that the researcher selected is descriptive research which used a quantitative research method in this study. In quantitative research method, the researcher uses standardised questionnaires to obtain data. Descriptive study in this research can be categorized as cross-sectional. Cross-sectional is the data only collected just once.

#### 3.2 Data Collection Methods

This study will be conducted on a quantitative research method. Both the primary data and secondary data will be used in this study. Primary data is data that was collected by first hand by researcher for the purpose of this study. The researcher uses primary data in this study because it can get the latest information from the respondents. The secondary sources of data usually collected from journals articles, official websites, newspapers and others. The researcher uses secondary data which is existing data in this study because it will be conducted such as in literature reviews to explain definition and other information.

### 3.3 Study Population

The study will proceed in the Sibu which is a town in the central zone in Sarawak. The population for this study includes the customers who really visit the supermarkets in Sibu. Hence, the population of this study is the total number of residents in Sibu. Based on the statistics from the websites, the population of Sibu is approximately 198,239 (World Population Review, 2020).

### 3.4 Sample Size

All the respondents are the people who visit supermarkets at least one time in their life. The total number of residents in Sibu is the population in this study. A sample size will be carried out from the population in Sibu based on Krejcie and Morgan (1970) table, therefore the researcher decides the sample size that is 384 respondents.

Table 3.1: Table for Determining Sample Size of a Known Population Sources: Krejcie and Morgan (1970)

Table for Determining Sample Size of a Known Population									
N	s	N	s	N	s	N	s	N	s
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
Note: N	is Popul	ation Size	S is Sam	iple Size		Sou	rce: Krejo	ie & Morgan	1, 1970

## 3.5 Sampling Techniques

Present study decided to select convenience sampling in non-probability sampling. A convenience sample comprising 384 respondents who convenient access was selected. In this case, the survey questionnaire will be distributed by using non probability sampling method who have fulfilled the functional requirements of convenience sampling.

### 3.6 Research Instrument Development

The questionnaire was categorized into 3 sections. Section A is about personal information. Section B is the questions that related with the independent variables, which included tangibility, reliability, responsiveness, assurance and empathy of Sibu's supermarkets. Section C is related to the dependent variable which is Sibu's supermarkets customer satisfaction.

Table 3.2: Sources of Questionnaire

	( )
Items	Adopted Sources
Tangibility	(Goranczewski & Puciato, 2011; Kitapci et
	al., 2013; Slack, Singh, & Sharma, 2020)
Reliability	Goranczewski & Puciato, 2011; Loke et al.,
	2011)
Responsiveness	(Goranczewski & Puciato, 2011; Kitapci et

	al., 2013; Eshetie, Seyoum, & Ali, 2016)
Assurance	(Goranczewski & Puciato, 2011; Slack,
	Singh, & Sharma, 2020; Handrinos et al.,)
Empathy	(Goranczewski & Puciato, 2011; Loke et al.,
	2011
Customer Satisfaction	(Kitapci et al., 2013; Slack, Singh, &
	Sharma, 2020; Peng & Moghavvemi, 2015)

#### 3.7 Measurement of the Variables

Nominal scale, ordinal scale and interval scale will be implemented in the questionnaire. In addition, the researcher will use a 5 point likert scale of scaling technique at section B and section C in the questionnaire.

### 3.8 Procedure for Data Analysis

Before doing data analysis, present study will design questionnaire and distribute to respondents to fill. After all data collected from the respondents, the researcher would transfer all data collected into SPSS. In this study, the researcher used Statistical Package for Social Sciences (SPSS) 26 in order to make the data analysis which included descriptive analysis, reliability test, Pearson's correlation analysis and multiple regression Analysis.

# 4 Data Analysis and Findings

# 4.1 Demographic Profile of Respondents

The personal information includes gender, age, race, education level, occupation and frequency of the respondents visiting Sibu's supermarkets in a month.

For gender, the majority of the respondents are female. It can be explained that about 222 (57.8%) respondents who participated in this study were female, meanwhile 162 (42.2%) were male. Therefore, the most active participant in this study was female rather than the male. It means that females visit supermarkets more than male.

For age, it states that the age of participants consists of people around below 20 until above 50. The majority of the respondents are from age 31-40. The percentage about 2.9%, which was 11 respondents of age below than 20, 26.0% or 100 respondents of age 21 to 30, 32.3% or 124 respondents from age 31 to 40, 28.1% or 108 respondents from age 41 to 50, and age 50 to above was about 10.7% which was 41 respondents. The most participated respondents were in age between 31 to 40 because they could give their time to answer questionnaire.

For race, it states the races of participants consists of races which are Malay, Chinese, Indian and Bumiputera Sarawak. The majority of the respondents are Chinese which represent 168 respondents (43.8%). Meanwhile Malay respondents represent 75 out of 384 respondents. The number of Bumiputera Sarawak respondents show an impressive feedback which are 139 respondents or 36.2%. 2 Indian respondents also contribute into this study. It could indicate that the most respondents that participated in this study were Chinese which are more often went to supermarkets.

For education, the majority of respondents are having SPM level as their highest education. For no education level, it was about 1 respondent with 0.3%, PMR about 9 respondents with 2.3%, SPM level about 124 respondents with 32.3%, STPM/A level about 61respondents with 15.9% and Diploma level about 64 respondents with 16.7%, Bachelor Degree about 114 respondents with 29.7% and last Master Degree about 11 respondents with 2.9%. It could indicate that the most respondents that participated in this study had at least SPM level as their education.

For occupation, it provides selection for the respondents to choose their occupation which related to government sector, private sector, student and others. The majority of respondents are from the private sector. Government sector was about 121 respondents with 31.5%, private sector about 184 respondents with 47.9%, students about 59 respondents with 15.4 % and others about 20 respondents with 5.2%. It could be concluded that the respondents from the private sector participated the most in this study and the least participated were involved in others.

For frequent visit Sibu's supermarkets in a month, the selection of the question was 1 to 5 times, 6 to 10 times, 11 to 15 times and more than 15 times. The majority of respondents visited supermarkets in a month were 1 to 5 times. The respondents that using the Sibu's supermarkets for 1 to 5 times in a month was about 216 with 56.3%, 6 to 10 times was about 126 respondents with 32.8%, 11 to 15 times was about 26 respondents with 6.8% and more than 15 times was about 16 respondents with 4.2%. This could conclude that the most participating respondents in this study were the respondents that visit Sibu's supermarkets in 1 to 5 times a month.

Table 4. 1 Personal information of Respondents

	Frequency	Percentage (%)
Gender:	-	
Male	162	42.2
Female	222	57.8
Age:		
20 years old and below	11	2.9
21-30 years old	100	26.0
31-40 years old	124	32.3
41-50 years old	108	28.1
51 years old and above	41	10.7
Race		
Malay	75	19.5
Chinese	168	43.8
Indian	2	0.5
Bumiputera Sarawak	139	36.2
Education		
No Education	1	0.3
PMR	9	2.3
SPM	124	32.3
STPM/ A-Level	61	15.9
Diploma	64	16.7
Bachelor Degree	114	29.7

DUSTILES		12021
Master Degree	11	2.9
Occupation		
Government sector	121	31.5
Private sector	184	47.9
Student	59	15.4
others	20	5.2
How frequent did you visit		
Sibu's supermarkets in a		
month?		
1-5 times	216	56.3
6-10 times	126	32.8
11-15 times	26	6.8
More than 15 times	16	4.2

## 4.2 Descriptive Analysis

Based on the result, customer satisfaction (DV) obtained the highest mean with 4.24, whereas tangibility (IV1) recorded the lowest mean with 4.10.

Table 4.2: Summary of the Means and Standard Deviation of Computed Items according to Variable

Variables	Mean	Std. Deviation
Tangibility (IV1)	4.10	.846
Reliability(IV2)	4.14	.742
Responsiveness (IV3)	4.16	.702
Assurance(IV4)	4.21	.679
Empathy (IV5)	4.11	.745
Customer Satisfaction (DV)	4.24	.674

### 4.3 Reliability Analysis

Reliability analysis played a vital role in the process of analysing the data. Reliability test was a technique for checking a scale's internal regularity. Reliability test was also concerned about repeatability with obtaining the same result.

Based on the table 4.3, the highest Cronbach's Alpha is Tangibility. It indicated the consistency and reliability of this items. The second highest of Cronbach's Alpha was customer satisfaction which was 0.923 and followed by 0.922 which was belong to reliability. Cronbach's Alpha of empathy was 0.906 which was higher than assurance which was 0.905. Lastly, the lowest Cronbach's Alpha belongs to responsiveness which was 0.903. The overall result on above was shown to be good consistency and reliability for all of the independent variables and dependent variables as all of the Cronbach's Alpha results were above 0.7.

Table 4.3: Reliability Statistics Results

Variables	Number of Items	Cronbach's Alpha Value
IV 1- Tangibility	5	.941
IV 2- Reliability	5	.922
IV 3- Responsiveness	5	.903
IV 4- Assurance	5	.905
IV 5- Empathy	5	.906
DV- Customer satisfaction	5	.923

### 4.4 Normality test

According to Kolmogorov-Smirnova test and Shapiro-Wilk test, normal is p>0.05 while p<0.05 is abnormal. For sig. value(p=.000) of Kolmogorov-Smirnova test and Shapiro-Wilk test of all variable are considered as abnormal. Thus, the distribution was abnormal and the researchers were suggested to use Spearman correlation analysis.

Table 4.4: Normality Test Results

	Kolmogorov Smirnova	V-		Shapiro- Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig
Customer satisfaction	.145	384	.000	.886	384	.000
tangibility	.170	384	.000	.869	384	.000
reliability	.157	384	.000	.910	384	.000
responsiveness	.129	384	.000	.914	384	.000
assurance	.126	384	.000	.912	384	.000
empathy	.130	384	.000	.918	384	.000

# 4.5 Spearman Correlation Analysis

This study has applied the Spearman correlation coefficient analysis as the guide in measuring the strength of the linear relationship between all of the independent variables which are tangibility (IV1), reliability (IV2), responsiveness (IV3), assurance (IV4), and empathy (IV5) with the dependent variable, which is customer satisfaction (DV). The result in this study shown that all of the independent variable had a strong relationship with dependent variables. The correlation between assurance (IV4) and customer satisfaction (DV) which was 0.866 is the most positive and strong relationship compared to other independent variables that has been tested during this study.

Table 4.5: Spearman Correlations

orrelations		DV	IV1	IV2	IV3	IV4	IV5
pearm DV	Correlation Coefficient	1.000	.838**	.843**	.829**	.866**	.851**
n's rho	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	384	384	384	384	384	384
IV1	Correlation Coefficient	.838**	1.000	.868**	.827**	.809**	.870**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	384	384	384	384	384	384
IV2	Correlation Coefficient	.843**	.868**	1.000	.857**	.831**	.879**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	384	384	384	384	384	384
IV3	Correlation Coefficient	.829**	.827**	.857**	1.000	.886**	.882**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	384	384	384	384	384	384
IV4	Correlation Coefficient	.866**	.809**	.831**	.886**	1.000	.824**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	384	384	384	384	384	384
IV5	Correlation Coefficient	.851**	.870**	.879**	.882**	.824**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	384	384	384	384	384	384

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

# 4.6 Multiple Linear Regression Analysis

A metric of dependent variable that is affected by one or more independent variables can be measured by using regression analysis. Thus, in order to achieve the research objective, multiple regression analysis is used to measure the relationship between five dimensions of service quality towards customer satisfaction at Sibu's supermarkets.

Assurance is the most influential for customer satisfaction compared to other four independent variables, which are reliability, responsiveness, assurance and empathy. This is because its unstandardized coefficient beta is the highest, which is 0.507. Hence, the main predictor of customer satisfaction is assurance. This was followed by empathy, tangibility, reliability and responsiveness, which are 0.234,0.194, 0.130 and -0.172 respectively.

Table 4.6: Coefficient Table of Independent Variables towards the Customer Satisfaction in Sibu's supermarkets

	Coefficients <sup>a</sup>					
	_	Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	.525	.088		5.998	.000
	Tangibility	.194	.035	.244	5.491	.000
	Reliability	.130	.053	.143	2.446	.015
	Responsiveness	172	.060	179	-2.862	.004
	Assurance	.507	.054	.511	9.455	.000
	Empathy	.234	.046	.258	5.047	.000

a. Dependent Variable: (Customer Satisfaction) DV

### 5 Discussion and Recommendations

#### 5.1 Discussion

The relationship between tangibility of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 1. Based on the results of Spearman Correlation Coefficient, it showed that p-value of tangibility is 0.000. It means that there is a significant relationship between tangibility and customer satisfaction in Sibu's supermarkets (r = 0.838, p < 0.05). Hence, hypothesis 1 is accepted.

The relationship between reliability of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 2. Based on the results of Spearman Correlation Coefficient, it showed that p-value of reliability is 0.000. It means that there is a significant relationship between reliability and customer satisfaction in Sibu's supermarkets (r = 0.843, p < 0.05). Hence, hypothesis 2 is accepted.

The relationship between responsiveness of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 3. Based on the results of Spearman Correlation Coefficient, it showed that p-value of responsiveness is 0.000. It means that there is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets (r = 0.829, p < 0.05). Hence, hypothesis 3 is accepted.

The relationship between assurance of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 4. Based on the results of Spearman Correlation Coefficient, it showed that p-value of assurance is 0.000. It means that there is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets (r = 0.866, p < 0.05). Hence, hypothesis 4 is accepted.

The relationship between empathy of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 5. Based on the results of Spearman Correlation Coefficient, it showed that p-value of assurance is 0.000. It means that there is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets (r = 0.851, p < 0.05). Hence, hypothesis 5 is accepted.

Table 5.1: Summary of Hypotheses Testing

Hypotheses	Data Analysis Method	Results
H1: There is a significant relationship between tangibility and customer satisfaction in Sibu's supermarkets	Spearman Correlation Coefficient	Accepted (p = 0.000, r = 0.838) p < 0.05
H2: There is a significant relationship between reliability and customer satisfaction in Sibu's	Spearman Correlation	Accepted (p = 0.000, r =

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supermarkets	Coefficient	0.843) p <
		0.05
H3: There is a significant relationship between	Spearman	Accepted
responsiveness and customer satisfaction in Sibu's		(p =
supermarkets	Coefficient	0.000, r =
		0.829) p <
		0.05
H4: There is a significant relationship between	Spearman	Accepted
assurance and customer satisfaction in Sibu's	Correlation	(p =
supermarkets	Coefficient	0.000, r =
		0.866) p <
		0.05
H5: There is a significant relationship between	Spearman	Accepted
empathy and customer satisfaction in Sibu's	Correlation	(p =
supermarkets	Coefficient	0.000, r =
		0.851) p <
		0.05

#### 5.2 Recommendations

The future researchers are suggested to increase the sample size so that more people can involve in this study. This is because there are only 384 respondents in the present study. When there are more respondents involved in this study, the more the result can represent the opinion of the people. Hence, the future researchers are recommended to conduct similar research in other places and enlarge the sample size to generate more information from a different and larger population.

Second recommendation that suggested by the researcher of this study is the future researchers can add on other factors that might be influenced on customer satisfaction. The other factors might be also important to involved in the research in order to examine the level of customer satisfaction who visited the supermarkets. Hence, the future researchers who want to carry out the same field can add other factors not only service quality so that it can ensure different factors are also important to customer satisfaction.

Lastly, future research also recommended conducting mixed collection method. This is because in quantitative method, the questions were already fixed. Through qualitative research, researcher can get more perspective and more detail information about what they really felt at supermarkets from the respondents.

#### 6 Conclusion

The main objective of this study is to investigate the relationship between service quality of supermarkets and customer satisfaction in Sibu, Sarawak. The finding showed that each

dimension of service quality which is reliability, tangibility, empathy, assurance and responsiveness had a significant relationship with the customer satisfaction in Sibu's supermarkets. The most important is assurance plays a vital role in influencing service quality of supermarkets towards customer satisfaction in Sibu, Sarawak. While responsiveness was the least significant dimension of service quality that caused to give an influence towards the supermarkets customer satisfaction. Hence, the findings of the study will be helpful to all supermarkets in Sibu, Sarawak to enhance their service quality and improve their customer satisfaction.

# 7 Acknowledgment

I would like to take this chance to record my deepest thanks for those who supported me in this research. The research would not be done without their great encouragement and supportive contributions.

Firstly, I would like to thank my supervisor Dr. Tahirah Binti Abdullah for her guidance and supervision of this research and correcting mistakes and guiding me.

I indebted to all of them, who did their best to bring their suggestions to us. Furthermore, I would like to express our gratitude towards my parents and members of my families for their understanding while in completion of this research.

Finally, I would like to thank the people who directly or indirectly helped me do the research. Thank you.

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# FACTORS AFFECTING CONSUMER BUYING DECISION DURING COVID-19 AT THE MOST AFFECTED AREA IN MALAYSIA

#### Endah Sofia Bt Abd Sani and Wan Farha Wan Zulkiffli

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: endahsofia97@gmail.com; farha@umk.edu.my

#### Abstract:

The purpose of this research is to examine the factors that influence consumer purchasing decisions during Covid-19 in the most affected areas in Malaysia. Since the outbreak of the Covid-19 virus worldwide, consumer spending behavior has changed dramatically. This is because consumers should limit their shopping activities because they want to reduce expenses in preparation for future crises. Many are impressed with the changes that are taking place, especially in business or commerce. Therefore, this research aims to examine the relationship between consumer purchasing decisions with four main factors namely product, price, location or channel, and promotion. This study collected data using a questionnaire distributed and conducted on 384 respondents with a population scope that includes all residents in the area affected by the Covid-19 epidemic. Pearson correlation coefficient analysis and regression analysis were used to test the relationship between these four factors and consumer purchasing decisions. Based on the results of the study, there is a significant relationship between product, price, location or channel, and promotion. Finally, the results of this study can increase the knowledge of the community, government, traders, and other researchers to better understand consumer purchasing decisions, especially in the event of a crisis in the future.

Keywords: Covid-19, Place, Price, Product, Promotion.

# 1 Introduction

On March 11, 2020, the Covid-19 pandemic has spread worldwide in more than 114 countries before the WHO being formally declared as an outbreak <sup>7</sup>(Anjorin, 2020). The virus surging dramatically since March 2020 across the world involved many regions and countries. As social distancing becomes the new normal by cause of the Covid-19 pandemic, consumer habits are acclimated in real-time to the new environment and circumstances <sup>8</sup>(Tam, 2020). Dinozo (2020) found that shopping behaviour is beginning to evolve during the Covid-19 pandemic outbreak. <sup>9</sup> They will likely be purchasing a low price product and decided on expensive

<sup>&</sup>lt;sup>7</sup> Anjorin, A. (2020). The coronavirus disease 2019 (COVID-19) pandemic: A review and an update on cases in Africa. *Asian Pacific Journal of Tropical Medicine*, 13(5), 199. http://doi.org/10.4103/1995-7645.281612

<sup>&</sup>lt;sup>8</sup> Tam, B. (2020, April 27). How COVID-19 Will Change Consumer Behaviour + Purchase Patterns. Hill+Knowlton Strategies. https://www.hkstrategies.com/how-covid-19-will-change-consumer-behavior-purchase-patterns/

<sup>&</sup>lt;sup>9</sup> Dinozo, C. (2020, April 12). Survey: How is COVID-19 Changing Consumer & eCommerce Trends? Yotpo. https://www.yotpo.com/blog/survey-how-is-covid-19-changing consumer-ecommerce-trends/

products. They will make a purchase only to fulfil their basic needs and will decrease their intentions to buy products that not fulfil their needs. In Malaysia, consumers prefer to spend more money on a product that lasting for a long time. They also prefer to purchase essentials items rather than luxury items. This change in buying behaviour shows that Malaysians are adapting to the new living situations. (Kong, 2020).<sup>10</sup>

The research objective was to identify the relationship between factors affecting consumer buying decisions during Covid-19 at most affected area in Malaysia. So, consumers need to know more about their purchasing habits and the factors that influence their buying decisions such as price, product, place, and promotion during this pandemic outbreak. This research will be explored and focusing more on consumer buying decisions during the outbreak of the Covid-19 pandemic. This research focuses only on four factors that influenced consumer buying decisions in Malaysia. This research will explain in detail whether factors such as product, place, price, and promotion are influenced by the consumer buying decisions especially during Movement Control Order (MCO) or Conditional Movement Control Order (CMCO). During MCO or CMCO, the government has allowed only certain economic sectors can be operated with government permission. So, it gives a great impact on buying decisions because consumer buying patterns have changed significantly by this situation.

## 2 Literature Review

## 2.1 Underpinning Theory

The underpinning model of the study is known as Hawkins Stern's Impulse Buying Theory (1962). Stern (1962) introduced the concept of a suggestion impulse purchase as the purchase of a new product on the basis of self-suggestion but without any prior experience. Stern (1962) defined impulse buying behaviour by classifying it as planned, unplanned, or impulse, also suggested that some product-related factors might predict impulse buying. Factors that stimulate consumers have six components included marketing stimuli (4Ps) need or motivation and so on. In this study, the researcher focuses on the external factor that influencing consumer buying decisions which is marketing stimuli. Marketing stimuli consist of four components which include product, price, place, and promotion (Kotler et al., 2008). This stimulus represents external circumstances that help create consumer choice. Figure 2.1 given below to illustrate Hawkins Stern's Impulse Buying Behaviour.

<sup>&</sup>lt;sup>10</sup> Kong, S. (2020, April 25). *Covid-19 changes consumer buying behaviours*. Borneo Post Online. https://www.theborneopost.com/2020/04/26/covid-19-changes-consumer-buying behaviours/

<sup>&</sup>lt;sup>11</sup> Stern, H. (1962). The Significance of Impulse Buying Today. Journal of Marketing, April, 59-62. http://dx.doi.org/10.2307/1248439

<sup>&</sup>lt;sup>12</sup> Kotler, P., Armstrong, G. M., Wong, V., & D., Saunders, J. A. (2008). *Principles of marketing*. Pearson Education, Prentice

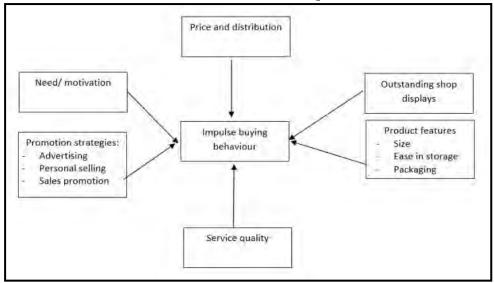


Figure 2.1: Hawkins Stern's Impulse Buying Behaviour<sup>13</sup>

(Source: Stern, 1962, p59)

Marketing stimuli also refers to the marketing mix or the 4P's presented by the marketer. According to the theory, the buyer's decisions influenced by marketing activities. Marketers can influence consumers by marketing stimuli in order to meet the specific needs of customers and yield profits. 4P's of marketing stimuli stands for product, price, place, or distribution, and promotion are the factors coordinate by a marketer that influence people's consumption choices <sup>14</sup>(Gbadamosi, 2016). Marketing stimuli or external stimuli described as shopping and marketing environment. The buyer's decision is considered an output phase that explains consumer behavior during the purchase or post-purchase evaluation experience. In this study, the researcher used marketing stimuli as a factor affecting consumer buying decisions because there are many previous researchers who used it.

#### 2.2 Previous Studies

Based on the previous study, consumers frequently display consistent decision-making styles to direct their decision-making when they shop <sup>15</sup>(Durvasula et al., 1993). Besides that, consumers commonly demonstrate different shopping patterns. This is because consumers have different needs and want including their habits, personalities, attitudes, and economic situations. For example, some consumers preferred branded products or high-quality products for themselves but some consumers preferred affordable products. For these reasons, many factors such as brand, quality, price, habit, recreation, confusion, impulse, and fashion combine

<sup>&</sup>lt;sup>13</sup> Stern, H. (1962). The Significance of Impulse Buying Today. Journal of Marketing, April, 59-62. http://dx.doi.org/10.2307/1248439

<sup>&</sup>lt;sup>14</sup> Gbadamosi, A. (2016). Handbook of research on consumerism and buying behaviour I developing nations. IGI Global.

<sup>&</sup>lt;sup>15</sup> Durvasula, S., Lysonski, S., & Andrews, J. C. (1993). Cross-cultural generalizability of a scale for profiling consumers' decision-making styles. The Journal of Consumer Affairs.

to determine an Individual's unique shopping habits <sup>16</sup>(Sproles & Kendall, 1986). Malaysian's buying behavior gave changed during the Covid-19 pandemic outbreak <sup>17</sup>(Leong, 2020).

### 2.3 Conceptual Framework

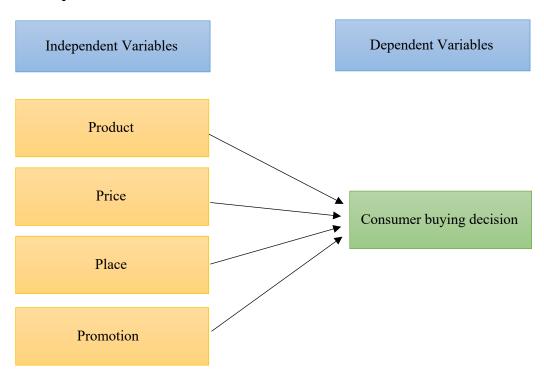


Figure 2.2: Theoretical framework of the factors affecting on consumer buying decision during Covid-19 at most affected area in Malaysia

## 2.3.1 The relationship between product and consumer buying decision

Product factors greatly influence consumer decisions when buying goods. Consumers tend to determine the type of product, product quality, and product functionality they like before making a purchase. This is because consumers will choose products that can meet their needs and wants. Consumers are more interested in product features that are attractive and beneficial to them. For example, consumers who like to drink coffee will buy coffee that has a good taste and aroma and has a large quantity.

# 2.3.2 The relationship between price and consumer buying decision

The price factor greatly influences the consumer's decision to buy a product. Price perception explains information about a product and gives deep meaning to the consumer <sup>18</sup>(Kotler and Keller, 2016). Consumers will make purchases based on product prices because they want to make purchases that benefit them. For example, consumers will not buy a product whose price is not worth the quality of the product. Therefore, they will make expenses that will give benefit to them. Price is an important element to a product because it gives value to them.

<sup>&</sup>lt;sup>16</sup> Sproles, G. B., & Kendall, E. (1986). A methodology for profiling consumers' decision-making styles. *The Journal of Consumer Affairs*. 20. 267 - 279. 10.1111/j.1745-6606.1986.tb00382.x.

<sup>&</sup>lt;sup>17</sup> Leong, B. (2020, June 1). *COVID-19's Impact on Malaysia's eCommerce Market*. Janio. https://janio.asia/articles/ecommerce-online-shopping-malaysia-covid-19/

<sup>&</sup>lt;sup>18</sup> Kotler, P. & Keller, K.L. (2016). Marketing Management (15th ed.). New Jersey: Pearson. Prentice Hall

### 2.3.3 The relationship between place and consumer buying decision

Place refers to the process and methods used to bring the product or service to the consumer <sup>19</sup>(Luenendonk, 2019). The place factor also influences consumer buying decisions because consumers should decide concerning the place of purchasing before making a purchase. For example, busy business users prefer to place orders online for food delivery because they do not have enough time to stop by the restaurant. Correct placement is a vital activity that is focused on reaching the right target audience at the right time <sup>20</sup>(Luenendonk, 2019).

# 2.3.4 The relationship between promotion and consumer buying decision

The promotion factor also greatly influences the consumer's decision to buy a product. Promotion refers to the marketing communication used to make the offer known to potential customers and persuade them to investigate it further <sup>21</sup>(Blythe & Jim, 2009). According to Wikipedia (2020), in marketing, promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand, or issue.<sup>22</sup> It helps marketers to create a distinctive place in customers' mind.

### 3 Research Methods

#### 3.1 Data Collection Methods

The researcher used primary and secondary data collection methods. The researcher used quantitative data collection methods for this study. The researcher chooses this method because it is easy to make comparisons of findings and they can be applied within a shorter duration of time. So basically, the questionnaire would be distributed to the respondents to test the dependent variable and independent variables. The research is conduct by the researchers by distributing the questionnaire to respondents in the most affected areas of Covid-19 in Malaysia such as Kuala Lumpur, Selangor, Negeri Sembilan, and Kedah. For secondary data collection methods, the researcher used it because it is helpful to save time for collecting data because this type of data has collected by a previous researcher. A common source for this type of data include books, journal, internet searches, and so on.

#### 3.2 Sample size

According to Fraenkel and Wallen (1993), a sample can be defined as the group where the information can be obtained.<sup>23</sup> The sample of this research was the population of the most affected area of Covid-19 in Malaysia. Each member of the sample is known as the subject <sup>24</sup>(Kumar et al., 2013). So respondents in the most affected area of Covid-19 would become the sample size in this research when the population number is 11.63 million people. Considering the formula used by Krejcie & Morgan (1970) in determining the sample size of the research, the suitable sample size for this research is 384.<sup>25</sup> However, in term of the low return rate of a questionnaire distributed, we would distribute four hundreds of copies of the questionnaire to ensure the data collection was sufficient.

<sup>&</sup>lt;sup>19</sup> Luenendonk, M. (2019, September 18). *Marketing Mix: Place in Four P's*. Cleverism. https://www.cleverism.com/place-four-ps-marketing-mix/

<sup>&</sup>lt;sup>21</sup> Blythe, Jim (2009). Key Concepts in Marketing. Los Angeles: SAGE Publications Ltd.

Wikimedia Foundation. (2020, November 23). *Promotion (marketing)*. Wikipedia. https://en.wikipedia.org/wiki/Promotion\_(marketing)

<sup>&</sup>lt;sup>23</sup> Fraenkel, J. R., & Wallen, N. E. (1993). *How to Design and Evaluate Research in Education* (2nd ed.). Mc. Grow Hill. Inc., United States of America

<sup>&</sup>lt;sup>24</sup> Kumar, M., Talib, S. A., & Ramayah, T. (2013). *Business research methods*. Oxford Fajar/Oxford University Press.

<sup>&</sup>lt;sup>25</sup> Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities, 30(3), 607–610. https://doi.org/10.1177%2F001316447003000308

#### 3.3 Sampling technique

The sampling techniques used by the researcher is probability sampling methods were chosen from the respondents in the most affected areas of Covid-19 in Malaysia such as Kuala Lumpur, Selangor, Negeri Sembilan, and Kedah. In this sampling plan, a simple random sample is used which is each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process <sup>26</sup>(Wikipedia Foundation, 2020). Sampling is an alternative used by the researcher to know and get the conclusion of the factors affecting pandemic on consumer buying decision during Covid-19 at the most affected area in Malaysia. An individual will be chosen entirely by chance and each member of the population has an equal chance, or probability, of being selected as a sample.

#### 3.4 **Research Instrument Development**

The research instrument used by the researchers in this study is a structured questionnaire. Researchers have used questionnaires as the main source of data collection in conducting the entire research study. Questionnaire validation is one type of source of obtaining and collecting data in each research proposal <sup>27</sup>(Richards and Schmidt, 2013). The researchers used questionnaires because the distance and number of respondents were large, simple, efficient, and could spend less time compared to interviews and observations. The questionnaire would be divided into few parts which were Section A, B, and C. Basically, Section A would be the part of the demographic of respondents in terms of age, gender, race, mutual status, and so on. For Section B and Section C, questions would focus on the independent variables and dependent variables. Independent variables were product, price, place, and promotion. For the dependent variable which was the consumer buying decision.

#### 3.5 Measurements of the Variables

Understanding the level of measurement of variables used in research is important because the level of measurement determines the types of statistical analyses that can be conducted. In this study, the researchers had chosen respondents at the most affected area of Covid-19 in Malaysia as the respondents. All the respondents were individual and the entire questionnaire was given individually. The Likert scale had been applied in the research study due to the ease of analysis which was a 5-point Likert scale that typically based on strongly agree, agree, neutral, disagree, and strongly disagree type of rage. The researcher chooses the 5-point Likert scale because there are many researchers who used this type of Likert scale.

Table 3.1: Likert Scale Value

Options	Degree
Strongly disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly agree	5

(2020,October 23). Wikimedia Foundation. Simple random sample. Wikipedia. https://en.wikipedia.org/wiki/Simple\_random\_sample

<sup>&</sup>lt;sup>27</sup> Richards, J. C., & Schmidt, R. W. (2013). Longman dictionary of language teaching and applied linguistics: Routledge.

### 3.6 Procedure for Data Analysis

The researcher used quantitative data analysis because it involves critical analysis and interpretation of figures and numbers. The researcher used Statistical Package for the Social Science (Version 21.0 SPSS) as a device for analyzing and interpreting the data. This software could do manipulation and analyze sophisticated information with a very easy method <sup>28</sup>(Foley, 2020). For the reliability test, the researcher used Cronbach's alpha coefficient for estimating the consistency and stability of the result obtained. The researcher chooses Cronbach's alpha coefficient because it can be used or retest and if the result shows the same or almost the same it means it stands for very reliable.

Table 3.2 Cronbach's Alpha Coefficient

Alpha Coefficient Range	Strength of Association
<0.60	Poor
0.60 to < 0.70	Moderate
0.70  to < 0.80	Good
0.80 to < 0.90	Very Good
>0.90	Excellent

The researchers had used Pearson's correlation coefficients in order to analyzed, collected, and identified the collection of data analysis. Pearson's correlation coefficient was used to see the strength of the linear relationship between the independent and dependent variables. The researchers would get the positive and negative correlation coefficient and it was always between the ranges of scale for -1.00 to +1.00. It was considered a perfect positive correlation if the correlation shown was +1.00 and perfect negative correlation if it showed -1.00 while there would be no relationship if it showed 0.00 which as neutral.

Table 3.3 Pearson's Correlation Coefficient

Size of Coefficient	Strength
0.90 – 1.00 (-0.90 to -1.00)	Very high positive / Negative correlation
0.70 – 0.90 (-0.70 to -0.90)	High positive / Negative correlation
0.50 – 0.70 (-0.50 to -0.70)	Moderate positive / Negative correlation

<sup>&</sup>lt;sup>28</sup> Foley, B. (2020, October 12). What is SPSS and How Does it Benefit Survey Data Analysis? Alchemer. https://www.alchemer.com/resources/blog/what-is-spss/.

0.30 – 0.50 (-0.30 to -0.50)	Low positive / Negative correlation
0.00 – 0.30 (0.00 to -0.30)	Negligible positive / Negative correlation

# 4 Data Analysis

## 4.1 Demographic Profile of Respondents

### 4.1.1 Age of the respondents

Table 4.1 showed that the majority of the respondent's average age between 20 to 29 years old which was 166 respondents (42.00%). Then, followed by the respondent's ages between 30 to 39 years old which was 92 respondents (25.10%). For the respondent's age below 20 years old, it recorded 72 respondents (18.80%) and the minority of the respondent's age was 40 years old and above which was 54 respondents (14.10%).

Age (years old)	Frequencies	Percentage (%)
Below 20	72	18.80
20-29	166	42.00
30-39	92	25.10
40 and above	54	14.10
Total	384	100.00

Table 4.1 Age of the respondents

# 4.1.2 Gender of the respondents

From Table 4.2, it showed that the majority of the respondent's gender that participate in the survey question was females which were 224 respondents (58.30%). The remaining belongs to males which were 160 respondents (41.70%).

Gender	Frequencies	Percentage (%)
Female	224	58.30
Male	160	41.70
Total	384	100.00

Table 4.2 Gender of the respondents

# 4.1.3 Race of the respondents

From Table 4.3, it showed that the majority of the respondent's race was Malay which was 312 respondents (81.30%). Then, followed by Chinese respondents that participate in the survey question which was 44 respondents (42.00%). For the remaining respondents, Indian belongs to the minority of the respondents which was 28 respondents (25.10%). For other races, there was zero number of respondents.

Table 4.3 Race of the respondents

Race	Frequencies	Percentage (%)
Malay	312	18.80
Chinese	44	42.00
Indian	28	25.10
Others	0	0.00
Total	384	100.00

### 4.1.4 Mutual status of the respondents

Table 4.4 showed that the most number of respondent's mutual status was single which was 198 respondents (51.60%) and the least number of respondent's mutual status was married which was 186 respondents (48.40%). There is no respondent choose others option on the questionnaire.

Table 4.4 Mutual status of the respondents

Mutual status	Frequencies	Percentage (%)
Single	198	51.60
Married	186	48.40
Others	0	0.00
Total	384	100.00

### 4.1.5 Occupation of the respondents

From Table 4.5, it showed that the most number of respondent's occupation was students which were 151 respondents (38.30%). Then, followed by self-employed which was 95 respondents (24.70%). The number of respondent's occupations from the private sector belongs to third place which was 59 respondents (15.40%). Respondents from the government sector belong to fourth place which was 45 respondents (11.70%) and the number of unemployed respondents belongs to fifth place which was 34 respondents (8.90%).

Table 4.5 Occupation of the respondents

Race Frequencies Percentage (%)
---------------------------------

Student	151	38.30
Government	45	11.70
Private	59	15.40
Self-employed	95	24.70
Unemployed	34	8.90
Total	384	100.00

### 4.2 Descriptive Analysis

### 4.2.1 Descriptive statistics for product

Table 4.6 as below showed the descriptive statistics for the product. The result showed most respondents that participated in the survey question were only buy products when they feel it necessary needed and once they find a product they like, they buy it regularly especially during Covid-19 (4.56). Next, followed by the respondents make a special effort to choose the very best quality products especially during Covid-19 (4.53). The least respondents prefer buying the best-selling products especially during Covid-19 (4.45).

Table 4.6 Descriptive statistics for product

Statements	Mean
1. I only buy products when I feel its necessary needed especially during Covid-19	4.56
2. I prefer buying the best-selling products especially during Covid-19	4.45
3. Once I find a product I like, I buy it regularly especially during Covid-19	4.56
4. I make a special effort to choose the very best quality products especially during Covid-19	4.53

#### 4.2.2 Descriptive statistics for price

Table 4.7 below showed the descriptive statistics for price. From the result, it showed the majority of respondents that participated in survey question affected by low prices of product because it increases their willingness to buy them especially during Covid-19 (4.57). Next, followed by the respondents who prefer to buy their needs during sales seasons and will compare item prices between different stores especially during Covid-19 (4.50). The minority respondents always drive a bargain when buying a product especially during Covid-19 (4.45).

Table 4.7 Descriptive statistics for price

Statements	Mean
1. Low prices of products increase my willingness to buy them especially during Covid-19	4.57

2. I prefer to buy my needs during sales seasons especially during Covid-19	4.50
3. I always drive a bargain when buying a product especially during Covid-19	4.45
4. I compare item prices between different stores especially during Covid-19	4.50

## 4.2.3 Descriptive statistics for place

Table 4.8 showed the descriptive statistics for the place. From the result, it showed the majority respondents that participated in survey question prefer store location is not far away from their house and they preferred store locations are easy to access since it is located in malls and big streets especially during Covid-19 (4.56). Next, followed by the respondents that usually look for an online item especially during Covid-19 (4.33). The minority respondents will look for it on online platforms if the goods aren't available in stores especially during Covid-19 (4.32).

Table 4.8 Descriptive statistics for place

Statements	Mean
1. I prefer store location is not far away from my house especially during Covid-19	4.56
2. I prefer store locations are easy to access since it is located in malls and big streets especially during Covid-19	4.56
3. I usually look for an online item especially during Covid-19	4.33
4. If the goods isn't available in stores, I look for it on online platforms especially during Covid-19	4.32

## 4.2.4 Descriptive statistics for promotion

Table 4.9 showed descriptive statistics for promotion. From the result, it showed most respondents that participated in the survey question preferred the store gives information when they have a promotion especially during Covid-19 (4.50). Secondly, the respondents preferred the store to give some coupons to be changed with merchandise especially during Covid-19 (4.44). Thirdly, respondents do not buy unnecessary items unless it's on discount especially during Covid-19 (4.43). The least respondents will look forward to receiving free samples when they did grocery shopping especially during Covid-19 (4.34).

Table 4.9 Descriptive statistics for promotion

Statements	Mean
1. I don't buy unnecessary items unless it's on discount, especially during Covid-19	4.43
2. I prefer the store gives information when they have a promotion, especially during Covid-19	4.50
3. I prefer the store to give some coupons to be changed with merchandise	4.44

especially during Covid-19	
4. I look forward to receiving free samples when I do grocery shopping especially during Covid-19	4.34

#### 4.2.5 Descriptive statistics for consumer buying decisions

Table 4.10 showed descriptive statistics for a consumer buying decision. The result showed most respondents that participated in the survey question were purchased items that are readily available especially during Covid-19 (4.49). Secondly, the respondents used the prices to determine which products to purchase especially during Covid-19 (4.46). The least respondents purchased items because of the advertisement run in the media especially during Covid-19 and the packaging of the products influences their decision to purchase (4.41).

Table 4.10 Descriptive statistics for consumer buying decisions

Statements	Mean
1. I purchase items because of the advertisement run in the media especially during Covid-19	4.41
2. I purchase items that are readily available especially during Covid-19	4.49
3. I used the prices to determine which products to purchase especially during Covid-19	4.46
4. The packaging of the products influences my decision to purchase	4.41

### 4.2.6 Descriptive statistics for product, price, place, promotion and consumer buying decisions

Table 4.11 as below showed the average mean for all independent variables includes the product, price, place, promotion, and dependent variables which were consumer buying decisions. Product recorded the highest level of mean that indicated 4.53 followed by the level of the mean for the price which was 4.51. The level of the mean for the place was 4.44 while the lowest level of mean was 4.43. Then, the level of the mean for consumer buying decisions was 4.44. However, all these five variables indicated that they gained a high level of means score.

Table 4.11 Descriptive statistics for product, price, place, promotion and consumer buying decisions

Measures	Total Means
Product	4.53
Price	4.51
Place	4.44
Promotion	4.43
Consumer buying decisions	4.44

#### 4.3 Validity and Reliability Test

#### 4.3.1 The Cronbach's Alpha

Table 4.12 showed Cronbach's alpha values for the variables that were used in the measurement instrument. Four questions were used to measure the product by using a 5-point Likert scale. The Cronbach's Alpha result for this independent variable was 0.865 which was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the product was reliable. This is because  $\alpha$  of 0.800 shows a very good acceptable level of reliability.

Next, four questions were used to measure price by using a 5-point Likert scale. The Cronbach's Alpha result for this independent variable was 0.852 which was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the price was reliable. Besides that, four questions were used to measure place by using a 5-point Likert scale. The Cronbach's Alpha result for this independent variable was 0.812 which was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the place was reliable. This is because  $\alpha$  of 0.800 shows a very good acceptable level of reliability.

Four questions were used to measure promotion by using a 5-point Likert scale. The Cronbach's Alpha result for this independent variable was 0.883 which was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for promotion was reliable. Lastly, four questions were used to measure consumer buying decisions by using a 5-point Likert scale. The Cronbach's Alpha result for this dependent variable was 0.861 which was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for consumer buying decisions was reliable. This is because  $\alpha$  of 0.800 shows a very good acceptable level of reliability.

Table 4.12 The Cronbach's Alpha result

Reliability Statistic							
Variables	No. of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items				
Product	4	0.865	0.869				
Price	4	0.852	0.857				
Place	4	0.812	0.820				
Promotion	4	0.883	0.888				
Consumer buying decisions	4	0.861	0.863				

#### 4.4 Normality Test

Kolmogorov-Smirnov test and Shapiro-Wilk test was used to test examines if scores are likely to follow some distribution in some population. A variable is not normally distributed if "Sig." more than 0.05.

From Table 4.13, statistics of the product for both Kolmogorov-Smirnov and Shapiro-Wilk test were 0.269 and 0.816 respectively. Product variables for both tests were normally distributed because Sig. is 0.000 which is not more than 0.005. Next, statistics of the price for both tests were 0.256 and 0.815 respectively. Price variables for both tests were normally distributed because Sig. is 0.000 which is not more than 0.005. The third variable which is the place recorded statistics for both tests were 0.210 and 0.852 respectively. Place variable for both tests was normally distributed because Sig. is 0.00.

Besides that, statistics of promotion for both Kolmogorov-Smirnov and Shapiro-Wilk were 0.209 and 0.832 respectively. Promotion variables were normally distributed for both tests. This is because Sig. is 0.000 which is not more than 0.005. Lastly, statistics of the consumer buying decisions for both tests were 0.224 and 0.845 respectively. This variable was normally distributed because Sig. is 0.000.

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk			
Variables	Statistic	df	Sig.	Statistic	Df	Sig.	
Product	0.269	403	0.000	0.816	403	0.000	
Price	0.256	403	0.000	0.815	403	0.000	
Place	0.210	403	0.000	0.852	403	0.000	
Promotion	0.209	403	0.000	0.832	403	0.000	
Consumer buying decisions	0.224	403	0.000	0.845	403	0.000	

Table 4.13: Test of normality

#### 4.5 Hypothesis Testing

#### 4.5.1 The relationship between product and consumer buying decision

From Table 4.14, it demonstrates the relationship between product and consumer buying decision. Null hypothesis was rejected after Pearson Correlation testing was conducted. It means that this study accepted alternate hypothesis ( $H_1$ ). From the result of the significant value p < 0.01, this indicated that there was a positively relationship between product and consumer buying decision. Based on the Figure of 4.1: Guilford's Rule of Thumb, the positive value of Pearson Correlation 0.575 indicated that the moderate correlation or substantial of relationship between product and consumer buying decision.

H1: There is a significant relationship between product and consumer buying decision.

#### 4.5.2 The relationship between price and consumer buying decision

From Table 4.14, it demonstrates the relationship between price and consumer buying decision. Null hypothesis was rejected after Pearson Correlation testing was conducted. It means that this study accepted alternate hypothesis ( $H_2$ ). From the result of the significant value p < 0.01, this indicated that there was a positively relationship between price and consumer buying decision. Based on the Figure of 4.1: Guilford's Rule of Thumb, the positive value of Pearson

Correlation 0.586 indicated that the moderate correlation or substantial of relationship between price and consumer buying decision

H2: There is a significant relationship between price and consumer buying decision.

4.5.3 The relationship between place and consumer buying decision

From Table 4.14, it demonstrates the relationship between price and consumer buying decision. Null hypothesis was rejected after Pearson Correlation testing was conducted. It means that this study accepted alternate hypothesis ( $H_3$ ). From the result of the significant value p < 0.01, this indicated that there was a positively relationship between place and consumer buying decision. Based on the Figure of 4.1: Guilford's Rule of Thumb, the positive value of Pearson Correlation 0.563 indicated that the moderate correlation or substantial of relationship between place and consumer buying decision

H3: There is a significant relationship between place and consumer buying decision.

#### 4.5.4 The relationship between promotion and consumer buying decision

From Table 4.14, it demonstrates the relationship between price and consumer buying decision. Null hypothesis was rejected after Pearson Correlation testing was conducted. It means that this study accepted alternate hypothesis (H<sub>4</sub>). From the result of the significant value p < 0.01, this indicated that there was a positively relationship between promotion and consumer buying decision. Based on the Figure of 4.1: Guilford's Rule of Thumb, the positive value of Pearson Correlation 0.647 indicated that the moderate correlation or substantial of relationship between promotion and consumer buying decision

H4: There is a significant relationship between promotion and consumer buying decision.

Table 4.14: Pearson Correlation for product, price, place, promotion and consumer buying decision

	Correlations						
		Product	Price	Place	Promotio n	Consumer buying decision	
Product	Pearson Correlation	1	0.601**	0.525**	0.582**	0.575**	
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	
	N	403	403	403	403	403	
Price	Pearson Correlation	0.601**	1	0.565**	0.610**	0.586**	
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	
	N	403	403	403	403	403	
Place	Pearson Correlation	0.525**	0.565**	1	0.558**	0.563**	
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	
	N	403	403	403	403	403	
Promotio	Pearson	0.582**	0.610**	0.558**	1	0.647**	

n	Correlation					
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	403	403	403	403	403
Consume r buying decision	Pearson Correlation	0.575**	0.586**	0.563**	0.647**	1
uccision	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	403	403	403	403	403
**. Correlation is significant at the 0.01 level (2-tailed).						

R	Strength of Relationship			
<0.2	Slight relationship			
0.2-0.4	Low correlation, definite but small			
0 .4-0.7	Moderate correlation, substantial relationship			
0.7-0.9	High correlation, marked relationship			
>0.9	Very high correlation, very dependable relationship			
Source: Guildford Rule of Thumb (1973)[24]				

Figure 4.1: Guildford Rule of Thumb <sup>29</sup>(1973) (Source: Guildford Rule of Thumb, 1973, p24)

Table 4.15: Summary of Hypothesis Testing

Hypothesis	Statement	Result
1	There is significant relationship between product and consumer buying decision	Supported
2	There is significant relationship between price and consumer buying decision	Supported
3	There is significant relationship between place and consumer buying decision	Supported
4	There is significant relationship between promotion and consumer buying decision	Supported

#### 4.6 Regression Analysis

Based on Table 4.16, the value of R<sup>2</sup> of multiple linear regressions for consumer buying decision at the most affected area of Covid-19 in Malaysia was 0.524. This indicated that the

<sup>&</sup>lt;sup>29</sup> Guilford, J. P. (1973). Fundamental statistics in psychology and education. New York, NY: McGraw-Hill

independent variables comprised of product, price, place and promotion explained most of the variation in the consumer buying decision.

Table 4.16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	0.724 <sup>a</sup>	0.524	0.520	0.30178			
a. Predictors: (Constant), Promotion, Place, Product, Price							
b. Depende	b. Dependent Variable: Consumer buying decision						

Table 4.17 showed that the unstandardized beta value for promotion was 0.307, p < 0.05 which was the largest among the four independent variables. Thus, 30.7% of promotion was the most dominant factor affecting consumer buying decisions. The place was also a significant predictor that consumer buying decisions with unstandardized beta values of 0.183 and followed by product with unstandardized beta values of 0.182. It showed that 18.3% of places and 18.2% of products contributed to a consumer buying decision. Lastly, the unstandardized beta value for the price was 0.159, p < 0.05 which was the smallest among the four independent variables that contributed 15.9%.

Table 4.17 Coefficient

	Unstandardized Coefficients						Standardize d Coefficients	t	Sig.	95.0% Co Interva	
	В	Std. Error	Beta			Lower Bound	Upper Bound				
(Constant)	.722	.178		4.053	.000	.372	1.073				
Product	.182	.047	.181	3.859	.000	.089	.275				
Price	.159	.046	.168	3.434	.001	.068	.250				
Place	.183	.044	.185	4.105	.000	.095	.270				
Promotion	.307	.044	.336	7.014	.000	.221	.392				
a. Dependent Variable: Consumer buying decision											

#### 5 Discussion and conclusion

#### 5.1 Key Findings

From this study, there were four factors affecting consumer buying decisions during Covid-19 in the most affected area in Malaysia. The four factors which refer to 4Ps included product, price, place, and promotion. Quantitative techniques were used to obtain the best result of the findings in this study. This technique required the researcher to distribute questionnaires for

consumers in the most affected area of Covid-19 in Malaysia to involve in this study. The questionnaire will be conducted for data collection. The questionnaire must be reliable before the researcher started to distribute it. So, it is really important to ensure the questioners did not have any errors or problems.

Researchers create questionnaires from Google form because it is such an easy way to create a survey and collected data. The researcher started to distribute the survey questions at an online platform such as Whatsapp, Telegram, E-mail, and also media social. It is an easy method to interact with people especially during Covid-19. Besides that, the researcher also used the coefficient alpha to test the reliability and used the Pearson correlation coefficient to analyze the hypothesis test of the relationship between each independent variable and the dependent variable. For demographic data, respondents involved in this study were 384 respondents. The results for age category, the most respondent's average age between 20 to 29 years old and the last respondent's age between 40 years old and above. For the gender category, the female percentage was higher than the male.

Most of the respondent's race was Malay, followed by Chinese and Indian. Next, the most number of respondent's mutual status was single and the least number of respondent's mutual status was married. For occupation, the most number of respondent's occupation was students and the number of unemployed respondents belongs to the last place. The study implied and tested four variables identifying the factors affecting consumer buying decision which were a product, price, place, and promotion. Based on the data analysis, the results were supported all of the underlying hypotheses (H1, H2, H3, and H4). Regression analysis was conducted to see if every independent variable affects the dependent variable. The result showed that all independent variables could be the factors that influence consumer buying decisions. The promotion was the most dominant factor that affecting consumer buying decision followed by place, product, and price.

#### 5.2 Discussion

5.2.1 The relationship between product and consumer buying decision.

H1: There is a significant relationship between product and consumer buying decision

From the result of analysis in Chapter 4, the mean score for the question "I only buy products when I feel its necessary needed especially during Covid-19 and Once I find a product I like, I buy it regularly especially during Covid-19 " was the highest while other questions also in good terms. The reliability test for the product was a very good level which indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the product was reliable. This means that the overall question for these variables in the questionnaires could be accepted in this study. As for the coefficient correlation, it showed there was a significant relationship between product and consumer buying decision. The regression analysis also showed that the product was one of the factors affecting consumer buying decisions. Therefore, the product had become the most factor affecting consumer buying decision. The consumer always cultivates impressions towards the product that they like. So, the product becomes a great influence on the buying decision. The product can attract consumer attention by making a stand-out product.

5.2.2 The relationship between price and consumer buying decision

H2: There is a significant relationship between price and consumer buying decision

From the result of analysis in Chapter 4, the mean score for the question "Low prices of products increase my willingness to buy them especially during Covid-19" was the highest among other questions but the rest of the questions also in good terms. The reliability test for the price was also a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the product was reliable. This means that the overall question for these variables in the questionnaires could be accepted in this study. As for the coefficient correlation, it showed there was a significant relationship between price and consumer buying decisions. The regression analysis also showed that price was one of the factors affecting consumer buying decisions. Therefore, pricing is really important for consumer buying decisions. The affordable price will attract consumers to buy products from retailers. Price relates to the quality of the product because if the price of the product is high, the consumer assumes that the quality of the product was also high.

#### 5.2.3 The relationship between place and consumer buying decision

#### H3: There is a significant relationship between place and consumer buying decision

From the result of the analysis in Chapter 4, the mean score for the question ".I prefer store location is not far away from my house especially during Covid-19 and I prefer store locations are easy to access since it is located in malls and big streets especially during Covid-19" was the highest among other questions but the rest of the questions also in good terms. The reliability test for the place was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the product was reliable. This means that the overall question for these variables in the questionnaires could be accepted in this study. As for the coefficient correlation, it showed there was a substantial relationship between place and consumer buying decision. The regression analysis also showed that the place was one of the factors affecting consumer buying decisions. Therefore, place or channel also has an important role in consumer buying decisions. This is because the retailer must decide about the distribution of their product for the consumer to reach them easily.

#### 5.2.4 The relationship between promotion and consumer buying decision

#### H3: There is a significant relationship between place and consumer buying decision

From the result of analysis in Chapter 4, the mean score for the question "I prefer the store gives information when they have a promotion, especially during Covid-19" was the highest among other questions but the rest of the questions also in good terms. The reliability test for promotion also was a very good level that indicates an acceptable level of reliability. It considered a good strength of association and thus the items coefficient for the product was reliable. This means that the overall question for these variables in the questionnaires could be accepted in this study. As for the coefficient correlation, it showed there was a substantial relationship between promotion and consumer buying decisions. The regression analysis also showed that promotion was one of the factors affecting consumer buying decisions. Therefore, promotion really important strategies to use for introducing products or services to the customer. Promotion can influence and encourage the customer to buy products. The retailer can persuade the customer by doing marketing activities like sale promotion and so on.

#### **6** Conclusion and Future Research

There were several recommendations or suggestions for future research. Future researchers who wanted to research in this field can test more factors besides the factors that had been outlined in this research. The current study, as mentioned earlier, is focused on the four factors only which were a product, price, place, and promotion. So, the future researcher can choose other variables and expand the result of the analysis. The future researcher can analyse using similar types of analysis methods. Expanding about other aspects that influence consumer buying decisions can be a good opportunity to discover new results that still relevant in the future. Since the data of this research was only collected during Covid-19 at the most affected area in Malaysia, the finding of this research could not be generalized to all situations or events. Therefore, for future researchers who make similar studies, they could research by increasing the range of respondents that are not involved in critical situations or crises, so that the results could be more valuable and increased generalizability.

In conclusion, this study was conducted to have a better understanding of the factors affecting consumer buying decisions during Covid-19 in the most affected area in Malaysia by analysing variables such as product, price, place, and promotion. Besides that, this research had fulfilled all of its objectives which were to examine the relationship between all of the independent variables with the dependable variable. As to provide the answer for research objectives, this research computes the hypotheses as explained in Chapter 4: Data Analysis. The data were tested by using a reliability test to analyse the reliability of the item and the Pearson coefficient correlation was tested to determine the relationship between independent variables and dependent variables. In conclusion, all variables showed a positive relationship with a highly significant result. Therefore, all the objectives were successfully achieved in this study.

#### 7 Acknowledgements

First and foremost, praise and grateful, this research project has been done. Researchers want to thank University Malaysia Kelantan (UMK) for giving us this opportunity to involve in this research project. This project would not possibly done without support and helps from many people. Then, researchers would like to take this golden opportunity to extend our gratitude towards our supervisor who is Dr. Wan Farha Binti Wan Zulkiffli for valuable guidance and advices. Researchers would like to thanks for his guidance, taught and in helping us to start, collect data, process and analyse the result. Without his effort and guidance our study will not be completed. Researchers really feel thanks for his tremendous support and help. Last but not least, an appreciation also to our family members for their understanding, endless patient and encouragement when it was at most required. Researchers also would like to thank our respondents for their cooperation. Thank you.

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## 3rd MULTIDISCIPLINARY RESEARCH ON THE ENTREPRENEURSHIP AND BUSINESS COLLOQUIUM 2020/2021 THE FACTORS THAT AFFECTING THE CLOSING DOWN OF POPULAR FASHION BRAND OUTLET IN MALAYSIA

#### Ezatul Hanani Zawawi and Tahirah Abdullah

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hanani.a17b0090@siswa.umk.edu.my; tahirah.a@umk.edu.my

#### Abstract:

This research is examining the factors that influencing the closing down of popular fashion brand outlet in Malaysia. In addition, this study discussed about the cause that lead the closing down on factors such as pandemic COVID-19, online competition, too many store and retail victims. The factors are developed from business failure theory. The quantitative methodology is adopted for this study and the result shows that all the variables are supported by the carried analysis.

**Keywords:** business failure, COVID-19, closing down, fast fashion, online competition, pandemic, retail victim, too many store.

#### 1 Introduction

The term product life cycle refers to the length of time a product is introduced to consumers into the market until it is removed from the shelves. The life cycle of a product is divided into four stages, which are introduction, growth, maturity, and decline. These stages is used by management and by marketing professionals as a measurement tool in deciding an appropriate time to launch an advertisement, reduction of prices, expanding to new markets, or redesign packaging. The process of strategizing ways to continuously support and maintain a product is called product life cycle management. Most of the popular fashion brand are included in the declining stage (Levvit, 2014). Running a business is a dynamic process in which they should be fine-tuning and adapting to the financial environment, customer needs and market trends to be able to stand the test of time and be profitable. The product or service, can always be improved or revised and new markets to discover. Every stage of a business brings new or pre-existing challenges.

According to The New York Times (2020) more and more branded companies will close down their stores because of the "the unprecedented and ever-changing nature of the situation" and "the need for social distancing". most of the company able to withstand the costs of a temporary shutdown announced their plans quickly. Leading the charge outside the fashion industry was Apple, which was one of the first and most influential companies to announce closures most of its stores outside mainland China, Hong Kong and Taiwan are closed until March 27.

The closing down of popular fashion brand is a shocking news to retail industry. The number of store which decide to close down some of their branch are getting higher and most of them are the most popular clothing brand around the globe. Their label can be seeing everywhere. People are proudly wear the brand on the street or make it as a prop in social media platform. Therefore, four factors which are the covid-19 pandemic, online competition, too many store and retail victim are taken out as the independent variables that lead to the closing down of the

popular fashion brand outlet. The study is design to prove the relationship between independent variables with dependent variable. In order to explore the factors that influencing the closing down of the popular fashion brand globally, data will be collect and measure to determine which factor have the strong relationship.

#### 2 Literature Review

#### Business Failure Theory

According to Ucbasaran, business failure (BF) is a constant in today's business world, being considered an essential and significant part of new business ventures. (Walsh and Cunningham,2016). Business failure (BF) is a not a simple concept to define. (Chen and Williams, 1999) do not feel the need to define the concept, while others (e.g.,Dimitras, Zanakis and Zopounidis, 1996; Everett and Watson, 1998; Bell and Taylor, 2011), present a wide array of definitions in order to be as comprehensive as possible. Business failure (BF) occurs over several distinct phases, usually contiguous to a significant event that is considered the tipping point of 'failure'. The process includes the analysis of the conditions and series of events that lead to BF. It also considers the post-failure situation, focusing on the consequences of going through such a stressful situation.

Figure 1 explained Business failure may stem from the mismatch between the organization and its business environment (Drazin &Van de Ven,1985;Sabherwal, Hirschheim,&Goles, 2001), that is internal and external misfits. Internal misfit stems from mismatch between the firm's resources, structure, practices, and strategy, whereas external misfit refers to the mismatch between the firm specific factors, and the home, host, or global environment (Gammeltoft, Filatotchev &Hobdari, 2012). This suggests that, overtime, a chain of events can turn a firm's competitive advantage into liabilities and a source of errors and failure. As Thompson (1967, p.234) recognized decades ago, alignment is "a moving target". This requires continuous upgrading and updating of resources and capabilities in a timely manner to avert environmental shift, rendering the current strategy obsolete

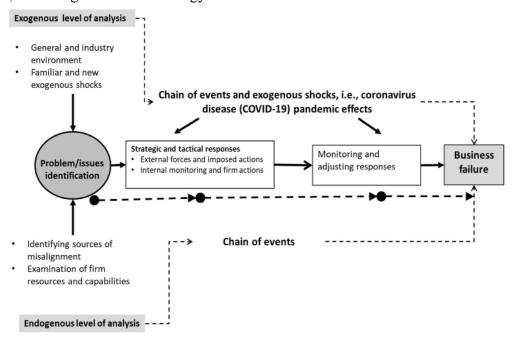


Figure 1

Based on the model in figure 1, it is crucial for researcher to understand the problem or issues identification that leading to business failure. According to this research there are four factors which is the independent variables that influence the closing down of famous fashion brand outlet globally including Malaysia. There are, the pandemic Covid – 19, the online competition, too many store open rapidly and last but not least the retail victim.

The model in figure 2 using pandemic Covid-19 effect as the example and based on my study, it is also relatable with other three factors as well. The processes shown in the model will provide a deeper insight into how a business loss can result from the independent variable used in this analysis. The exogenous degree of analysis is explored with respect to the general and industrial environment included in the retail victim's research and also addresses the familiar and exogenous shocks associated with the Covid-19 pandemic and online competition . For this kind of research, apart from the exogenous level of analysis, this model also discusses the endogenous level of analysis. The identification of sources of misalignment and the examination of firm resources and capabilities are part of this. Too many stores and retail victims are therefore the best examples of an endogenous level of analysis. Last but not least, the researcher can identify issues based on the chain of event and can relate the process in between that led to business failure. Thus, in aligning with the discussion above, the following propositions are suggested:

H1: There is a significant relationship between Covid-19 and the closing down of popular fashion brand outlet.

H2: There is a significant relationship between online competition and the closing down of popular fashion brand outlet.

H3: There is a significant relationship between too many store and the closing down of popular fashion brand outlet.

H4: There is a significant relationship between retail victim and the closing down of popular fashion brand outlet.

#### 2.1 Popular fashion brand

According to the editorial policy of Fashion Theory: The Journal of Dress, Body & Culture, fashion is defined as "the cultural construction of the embodied identity." As such, it encompasses all forms of self-fashioning, including street styles, as well as so-called high fashion created by designers and couturiers. Fashion also alludes to the way in which things are made to fashion something is to make it in a particular form. Most commonly, fashion is defined as the prevailing style of dress or behavior at any given time, with the strong implication that fashion is characterized by change (Valerie Steele, 2012)

#### 2.2 Covid-19

According to the Organization for Economic Co-operation and Development (2020), the COVID-19 pandemic is regarded as one of the largest concurrent public health and economic crises in modern times, culminating in sharp decline in consumption and consumer confidence. Indeed, the COVID-19 pandemic has been recognized as a major exogenous shock that has altered the competitive land-scape for both small and large firms (Wenzel et al., 2020). In many instances, it has led to a collapse in demand, and disruption of supply of many products. In respond to the crisis, governments around the globe have embraced border closures, instituted social distancing measures, and issued directives and guidelines to small and large businesses.

According to openaccessgovernment.org (2020), The fashion industry has been negatively affected by the COVID-19 outbreak on every level from retailers to supply chains to vendors. High-street stores have been massively affected by store closures, H&M has recently announced it will be closing around 70% of its stores worldwide. However online fast fashion brands have not felt the sting, in fact, things are quite the opposite.

According to Joseph Amankwah-Amoah, Zaheer Khan and Geoffrey Wood (2020), around the world, many SMEs in 2020 have faced increased exposure stemming from the ongoing epidemic outbreak. According to the European Investment Bank (2020), the pandemic has created a demand and supply shock leading to such businesses being unable to raise revenue and pay rent, SMEs are the backbone of the European economy, accounting for around twothirds of overall employment and over 55% of the value added in the non-financial business sector (European Investment Bank, 2020). This is partly due to the containment measures introduced by governments around Europe and beyond that placed a limit on travel and thus halted or curtailed demand in several sectors such as air transport, tourism, and automotive, and of course the direct effects of the pandemic (Dunn, 2020). The sudden "environmental shock" triggered by COVID-19 has exponentially depleted firms' financial resources and increased insolvencies, creating financial distress in organizations and weakening the financial position of many large and small businesses, and thereby forcing many to seek government support in the form of subsidies, tax relief, and other financial and non-financial support (Cook & Barrett, 2020). To a large extent, many sectors have been forced to "compete on sanitation" in marking their premises and settings to minimize potential for viral transmission.

#### 2.3 Online competition

Today, shopping through the Internet has ended up being one of the most quickly developing methods of purchasing, with expanding deals development rates outperforming the conventional apparel retail settings (Geissler, 2001). A report of the Direct Marketing Association (1990-1992) investigated that clothing is the most bought items on the planet somewhere in the range of 1988 and 1991. The deals of clothing multiple times expanded somewhere in the range of 1982 and 1987 (Jones and Jones, 2006). Because of developing utilization of web and its commitment in business and shopping, enormous number of deals in a wide range of items saw during a decade ago. Internet shopping and online business has given more occasions to brokers and organizations to spread their business over the world (Rosen, Jaffe and Perez-Lopez, 1997).

Online shopping not only affected consumer perceptions and their shopping attitudes, but also influenced the industries and business sectors (Jones & Jones, 2006). However, one of the most purchased shopping items on the internet is the clothing product, seemingly enjoying magnificent rewards, including improvements in its range of practices. It is obvious that online shopping is effective in preventing real estate costs and retaining low inventories for industries and the clothing business. Clothing companies today find it easier to target future internet and retail customers and now seem to follow a variety of online marketer-built shopping strategies to retain a consumer base from which the maximum number of customers can be drawn (Geissler, 2001).

#### 2.4 Too many stores

Franchise systems constitute one form of entrepreneurial ventures that have contributed significantly to economic development results in the United States and other countries. Franchising has also been seen as an alternative to individual self-employment decisions to

start an independent small business (Kaufmann,1999 and Williams, 1998). Central to these new venture alternative decisions is the likelihood of success or failure. Industry category turnover rates are impacted by franchisor, franchisee, and competitive influences. Various other factors influence industry category turnover rates. fluctuating business cycles, industry life cycles, and other environmental factors can affect a unit's profitability and its chance of survival or failure. In Malaysia itself, we can see how many fashion brand outlets are open at different location due to many developers build an exclusive mall in the region for the sake of domestic and international tourist attraction, the only different about the outlet is, the location which the service and product still the same almost at every location. Thus, most of the sale are not going well and the outlet need to end its operation at a very early period.

#### 2.5 Retail victim

According to Dugyur Turker and Ceren Altuntas, the author for Sustainable supply chain management in the fast fashion industry: An analysis of corporate reports, quick fashion is characterised by the transformation of trendy fashion. Design of articles that can be purchased by the masses (Sull & Turconi, 2008). The goal of this industry is to draw customers to stores in order to raise the frequency as often as possible. They're buying trendy models (Barnes & Lea-Greenwood, 2006). This is done by low cost and low cost clothing that stays on the shelf for a shorter period of time than that traditional clothing sector (Bhardwaj & Fairhurst, 2010). This leads to shorter business cycles, more seasons and more organizational purchasing criteria, such as extremely versatile manufacturing and design capacities, blending up-to - date raw clothing materials and resources at very short lead times (Barnes & Lea-Greenwood, 2006). Therefore, with a fast fashion trend seem nowhere to stop, the retailers need to keep up with all the trend in very short period and it can lead to negative impact. In depth, this trend is not being welcomed within the retail sector, as it presents major challenges to operations and the environment, the quick fashion trend is changing the way companies and customers perceive clothing according to the article the impact of fast fashion on the retail industry by buxtonco.com. The retail victim over fashion industry are facing by the designer and retailers all over the world including Malaysia. The fast fashion trend also seems to be huge in Malaysia plus in Malaysia, we have so many festive seasons to celebrate and it is important to keep it with trend and dress well for each of the festival. In addition, Malaysian are very interested with fashion movement from overseas, thus the situation that happening in overseas are more likely the same with Malaysia.

#### 3 Research Methodology

This study highlighted the factors influencing the closing down of popular fashion brand outlet in Malaysia. Therefore, a quantitative methodology was adopted for the present study. The sample are withdrawn from student in Universiti Malaysia Kelantan. To collect the data for this study, a convenience sampling technique was used. Convenience sampling involves selecting sample elements that are most readily available to participate in the present study and can provide the information requires (Heir, 2011). Besides that, this study also utilized questionnaires as a survey to the targeted respondents. In overall, the number of respondent who participated in this study was 246 students. This data was analysed using Statistical Packages for the Social Sciences (SPSS).

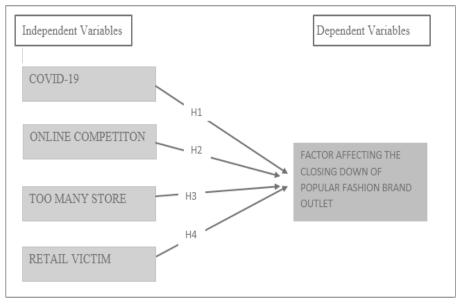


Figure 2

#### 4 Finding and Discussion

Demographic Profiles of Respondent

The demographic information is included age, gender, ethnicity, nationality and fashion trend. The demographic information will showing the frequency and percentage of UMK's. Table 1 will summarised the respondent profile. There were 31.7% for male and 68.3 % for female. Most of the respondents were in the aged category of between 19-23 year old, followed by the respondent in the aged category of between 24-28 year old and lastly from respondent aged between 29-33 year old. Among the 246 respondent, there were 52.8% respondents are Malay, 24.0 respondents are Chinese and 23.2 respondent are Indian. Next, 100% of respondents are Malaysian. For the fashion style, 11.4% respondent choose sporty, 13.0% of respondents choose bohemian, for grunge, 18.7% respondents, 2.4 % respondent choose preppy, for streetwear, 20.7% respondent choose that style and 3.7% choose classic. Most of the respondents choose casual which is equal to 30.1%.

Table 1

	UMK'S RESPONDENT			
	FREQUENCY	%		
Gender				
Male	78	31.7		
Female	168	68.3		
Age				
19 - 23	125	50.8		
24 - 28	81	32.9		
29 - 33	40	16.3		
Ethnicity				
Malay	130	52.8		
Chinese	59	24.0		

Indian	57	23.2
Nationality	246	100.0
Fashion Style		
Sporty	28	11.4
Bohemian	32	13.0
Grunge	46	18.7
Preppy	6	2.4
Streetwear	51	20.7
Classic	9	3.7
Classic	74	30.1

#### 4.1 Reliability Analysis

Reliability analysis for the independent variable of pandemic Covid-19 and dependent variable using the method of Cronbach's Alpha analysis. The total of 5 items were used to test the reliabilities of the data. The value of Cronbach's Alpha was 0.701. the value means that the questionnaire is valid because its showing an acceptable of association. Reliability analysis for the independent variable of pandemic retail victim and dependent variable using the method of Cronbach's Alpha analysis. The total of 5 items were used to test the reliabilities of the data. The value of Cronbach's Alpha was 0.900. The value means that the questionnaire is valid because its showing an excellent of association.

#### 4.2 Correlation analysis

According to the result shown in the table 3, factor of too many store had the lowest ranked Beta value among the independent variable which was .005. Meanwhile, pandemic COVID-19 was ranked at third where the beta value was .011, followed by retail victim, raked at second where Beta values was .035. The online competition was ranked at first where the Beta value .195 which mean the online competition had the strongest positive effect on the closing down of the popular fashion brand outlet. It is also can be said that it was the most important independent variable in measuring the factors that effecting the closing down of popular fashion brand outlet in Malaysia.

Table 3

Coefficients <sup>a</sup>						
Factors		Unstandardized		Standardize	t	Sig.
		Coefficients		d		
				Coefficients		
		В	Std. Error	Beta		
1	(Constant)	1.394	.147		9.454	.000
	covid_19	.011	.018	.039	.630	.530
	online_competiti	.195	.075	.163	2.592	.010
	on					
	many_stores	.005	.035	.010	.140	.889
	retail_victim	.035	.014	.182	2.600	.010
a. Dependent Variable: DV						

#### 4.3 Testing of Hypothesized Model

Table 4

No of	Statement of hypothesis	Result
Hypothesis		
H1	There is a positive relationship between Pandemic Covid-19 and the factors effecting the closing down of popular fashion brand outlet	Supported
H2	There is a positive relationship between online competition and the factors effecting the closing down of popular fashion brand outlet	Supported
Н3	There is a positive relationship between too many stores and the factors effecting the closing down of popular fashion brand outlet	Supported
H4	There is a positive relationship between retail victim and the factors effecting the closing down of popular fashion brand outlet	Supported

#### 5 Discussion and Conclusion

The findings showed all 4 hypotheses were supported. The relationship between Pandemic COVID-19 and dependent variable showed the strongest relationship ( $\beta$ =.264), retail victim ( $\beta$ =.161), online competition ( $\beta$ =.163) and lastly too many store ( $\beta$ =.040). Each hypothesis was analysed based on the regression results and confirmed or denied. Four of the predictors were significant. This research has shown an increased explanatory of the factors that effecting the closing down of popular fashion brand outlet compared to previous research. It also provides guideline for future research to concentrate on the strengths and terminate the weaknesses. As with any studies, there are some drawback in this research such as sample chosen was limited to university student with higher education background. Thus, future study is suggested to select working adults and other variable that related to the factors that affecting the closing down of popular fashion brand outlet in Malaysia or globally.

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### THE FACTOR OF INFLUENCING H&M STORE IMAGE IN AEON MALL KOTA BHARU

#### Farah Wahida Yacob and Nik Noorhazila Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: wahida.a16b0159@siswa.umk.edu.my;noorhazila.nm@umk.edu.my

#### Abstract:

This thesis is investigating the Influencing factors of H&M store image in Aeon Mall Kota Bharu. The purpose of this study is to determine the Influencing factors of H&M store image in Aeon Mall Kota Bharu. The Data is collected by means of questionnaires obtained from 379 respondents in Kota Bharu. Non-probability sampling which is a Convenience Sampling method has been implemented in this study in order to allow researchers to collect the respondents quickly and efficiently, as the target respondent's population is large. This study used Descriptive Analysis and Pearson's Correlation Coefficient Analysis. From the result, all the Independent Variables are significant with the Dependent Variable with the value of (p<0.05) and the most dominant variable of the study is store atmosphere with the value of (r=0.239). Factors of affect the store image will be the store atmosphere, merchandise quality and customer service while the most effective factor is store atmosphere.

Keywords: Factors, Store Atmosphere, Merchandise Quality, Customer Service, Store Image

#### 1 Introduction

Today, fashion is the most significant part of our lifestyle. The definition of fashion varies from that of each person. For too many citizens, fashion is the latest trend in apparel, accourtements, shoes, but for many of us, it might be the current foods, lifestyle, and so forth. The style gives another good perception throughout a moment that we are wearing the latest trends (josbd, 2017).

In previous studies, the store image consists of eight different dimensions of the retail marketing mix: venue, product, store environment, customer service, price, advertisement, sales staff, and sales reward programs Lindquist(1974). Then, store the identity as the reputation for the company and the aspect that influences an initial purchasing customer's initial decisions North El (2003). According, to (Berman and Evans,2007), a store's image is described as how customers and others view a retailer. In this research study, the researcher had conducted a research in examining and identifying the relationship between the store atmosphere, the merchandise quality, and the customer service that effect on store image. The results of this study shows the importance of factor that influencing the store image.

#### 2 Literature Review

#### 2.1 Theoretical Model

This article proposes two theoretical models showing the mechanism whereby store image helps increase the equity of a specific type of distributor brand (the store brand). The approach used in this analysis is based, on the one hand, on defining brand equity through its components, using the model in (Aaker, 1991), and on the other, on including (social and strategic) corporate dimensions in measuring store image.

The theoretical models presented in the past research have been developed under the research objectives and the aforementioned conceptual framework and with the literature on the relationships under study. The first of the proposed models relate store image to each of the components of store brand equity to determine, which are the main components through which store image contributes to increasing store brand equity.

The second model centers on store image, relating its different dimensions to the store brand equity. This allows us to identify the most relevant dimensions of store image in terms of impact on store brand equity. Note that price perception has also been included as an antecedent of equity in the proposed models, although this variable does not fall within the objectives of the research. The researcher seeks to avoid the problem that would be caused by an error in the specification of the model, such as want avoid the possibility that an omission of price, a key antecedent of store brand equity, might distort the measure of the relationship between store image and store brand equity (Hair et al., 1998).

#### 2.2 Previous Study

#### **Store Image**

The store's image is made up of a series of purchase intentions attached to the store throughout the customer's mind. According to (Beristain and Zorrilla,2011), company collaborations are associated together by recognizing the features for retailers and consumers' presumed benefits. Then, the dimension of store image depends on variables: the quality and range of the products sold, the price of the goods, the physical facilities of the shop, and the services provided by the sales staff (Beristain and Zorrilla, 2011). Thus, value services performance helps to preserve brand reputation and customer loyalty and is very critical for profitability (Torres et al. 2001). Customer satisfaction represents consumer judgments about the overall superiority and excellence of brands. The dominant goods or solutions offered by the company or brands can, in the main, depend on the consumer's level of satisfaction that can lead to the recurring buying behaviour of satisfied customers. (Das, 2014). When determining the nature of the product or store, consumers consider some factors and characteristics. Also, (Mendez, 2008) the information inputs used in the evaluation refer to situational and personal variables. All these attributes, together, lead to the concept of perceived or subjective quality, which is related to the ability to control the wishes of the consumer.

#### 2.3 Store Atmosphere

Customer experience greatly affected by the atmosphere of the store. "Atmospherics" is a term used to describe the art of constructing a store in such a way as to enhance the sensory feeling of the consumer. Atmospherics optimizes the spatial aesthetic characteristics of the store and is a subtle and quiet background language that affects customers (Kotler, 1973–1974). This aesthetic context affects the emotions of the customers and can lead them to assess the products differently. Koo (2003) suggested that customers with a positive experience would be highly satisfied, which in turn, would induce them to increasingly frequent the store, thus boosting store sales. Several researchers who examined store atmosphere indicated that the ambiance and design of the store are critical factors that influence customer preference, service, and product quality, price perception, and cost of the shopping experience (Baker et al., 2002; Thang & Tan, 2003).

H<sub>1</sub>: There is a relationship between store atmosphere and store image.

#### 2.4 Merchandise Quality

(Zeithaml,1988) stated that quality is an intrinsic and extrinsic attribute added to a brand or product centered on the consumer's experience. Intrinsic value includes the product's success and durability, while extrinsic value includes brand name and product warranties. Then, (Verbeke, 2000) argued the brand name is a key quality criterion, and brands of the worlds leading include the notion of high quality. Consumers use inherent consistency in valuing international brands as better quality goods.

For an established strong brand, a perceived quality further increases its popularity; meanwhile, perceived quality reduces its chances of success for a low or new brand, (Aaker, 2000). (Laroche and Tffoli, 1999) have found that price and consistency are key factors influencing purchasing decisions. They made it clear that the price of popular brands is associated with quality. Typically customers who perceive quality and price favorably believe that high prices are of high quality, whereas low prices are of low quality.

H<sub>2</sub>: There is a relationship between merchandise quality and store image.

#### 2.5 Customer Service

(Newman and Patel, 2004), a significant brand criterion is the service element, which integrates the relationship between a company's staff and its customers. Members of the sales team communicate with customers directly. They concluded that consumers judge the service provided good service, allowing customers to share their positive experience with others through word-of-mouth marketing and increasing consumer loyalty to the store. This variable may also be the first experiences of all the H&M outlets also include the retailers. Customer service is the relationship between the company's vendors and that retailer's buyer or customer. The service delivered by sales workers directly affects the desired store of target customers; in particular, the organization involved in the distribution of services (Teller, Kotzab and Grant, 2006). The positive service rendered by the worker improves the store image, according to (Miranda et al.2005). Good service will persuade customers to be loyal to a shop.

H<sub>3</sub>: There is a relationship between customer service and store image.

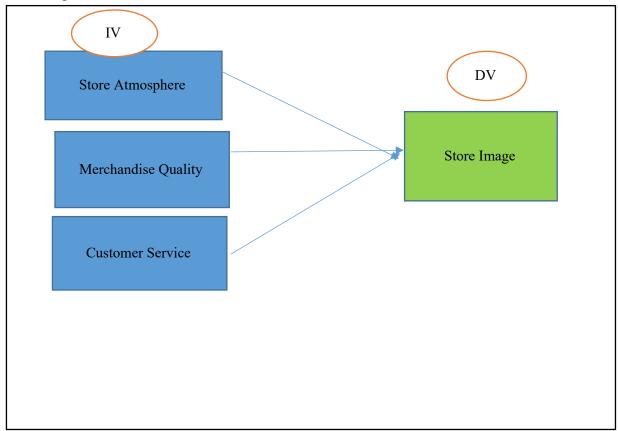
#### 2.6 Dominant Factor

Ghosh (1994), store image is composed of eight different elements of the retail marketing mix: location, merchandise, store atmosphere, customer service, price, advertising, personal selling, and sales incentive programs. Consequently, for each retail store, a distinct image may exist within consumers' minds. Others have defined store image as the "summation of all attributes of a store as perceived by the shoppers through their experience with that store" (Omar, 1999). In particular, store image represents an important component in consumers' store patronage (Darden and Erden, 1983) and store choice decisions.

H<sub>4</sub>: There is a direct effect of factors (store atmosphere, merchandise quality, and customer service) and H&M store image.

#### 2.7 Conceptual Framework

The research model has been stated in Figure 2.1, it was developed based on the literature review above. This research model is to study the significant factor that influences the H&M store image.



#### 3 Research Methodology

#### 3.1 Data Collection and Sample Selection

In this research design, Quantitative research had been implemented which involves primary data gathering by collecting quantifiable data and carrying out statistical analytical or computational techniques of the 379 respondents in Kota Bharu via google form. Quantitative

analysis produces data by means of large-scale quantitative research using techniques such as questionnaires while for the Descriptive Analysis, this analysis had been used in this research to collect the sample size of the research and measure with simple graphic analysis such as for the demographic section of this research questionnaire (Library, 2020).

The sampling selection that had been used in this research is the methodology of Non-Probability Sampling Techniques. In Non-Probability Sampling, the extent of bias in selecting the sample of respondents is not known. In this research, Convenience Sampling had been implemented in order to collect the data of the population of 7997 000 million The Department of Statistics (1949), which consists of 34.3 thousand citizens into 379 respondents as the sample size<sup>30</sup>. The researcher tends to select any available respondents information quickly and efficiently without any obstacles. Hence, the researcher had then shared the questionnaire through online (Google Form) to all the respondents by approaching the respondents at the shopping malls, distributed on social media platform and requesting the respondents to answer the questionnaires. Thus, the reason this sampling had been implemented in this research is because it is quick and easy for picking up the available respondents in Kota Bharu in order to collect the information (Gravetter, Wallnau, Forzano, & Witnauer, 2020).

#### 3.2 Measurement and Scales

In this research study, the researcher had used two versions for the questionnaire in this analysis that is scaled response and close-ended questions. The questionnaires contained English and Malay languages to utilize in the paper-based form questionnaire. These questionnaires were divided into three which are Section A, Section B and Section C. Nominal and Ordinal scales are used for all the three sections of questionnaire of this study. Besides that, the researcher had implemented the Likert Scale scores for the questionnaire such as Scale 1 to Scale 6. The Likert scale would encourage respondents to quickly pick and address the problem without wasting more time answering the study questionnaires.

#### 3.3 Data Analysis Method

The answered questionnaire be collected from the respondents and be converted into numerical form to key in the Statistics Package for the Social Sciences (SPSS) version 26.0. From the SPSS all the data will be derived. Pilot Study, which is the Reliability Analysis, Descriptive Analysis, Cronbach Correlation Analysis and Pearson's Correlation Coefficient Analysis, were used to test the research objectives and hypothesis.

#### 4 Data Analysis

#### 4.1 Descriptive Analysis

The study was conducted to determine the Influencing factors of store image that affect the store image of H&M in Aeon Mall Kota Bharu. In this case, primary data was undertaken which is a set of questionnaires used to get feedback from respondents. According to (Krejcie & Morgan, 1970), based on the table rule of thumb that was developed, the number of the sample is 379 respondents were selected and for independent variable was developed.

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Table 4.1: Descriptive Analysis of Independent and Dependent Variable

Descriptive Statistics					
	N	Mean	Std. Deviation		
Store Atmosphere	379	4.9135	.77467		
Merchandise	379	4.6053	.82268		
Quality					
Customer Service	379	4.6987	.92036		
Store Image	379	5.0572	.94091		
Valid N (listwise)	379				

Source: SPSS Data Analysis

Table 4.1shows the mean and standard deviation of independent variables on respondents selected. The table shows independent variables of store atmosphere has the highest mean value which is 4.9135 and for standard deviation is 0.77467. That was meant the respondent tended to agree with the statement that store atmosphere provides more information which can influence store image at H&M. The respondent tended to agree with store atmosphere.

Next, customer service shows the value of mean is 4.6987 and the value of standard deviation is 0.92036. The respondent tended to agree with the statement of customer service based on their knowledge about that. Then, merchandise quality shows the lowest value of mean is 4.6053 with 0.82268 of standard deviation. The respondent tended to agree with the statement of merchandise quality based on their experience about that.

#### 4.2 Reliability Analysis

#### Result of Reliability Cronbach's Alpha for Variable

Table 4.2: Result of Reliability Cronbach's Alpha for Variable

Source: SPSS Data Analysis

Variable	No. of Cases	No.of Item	Reliability Cronbach's Alpha
Store Atmosphere	379	5	0.890
Merchandise Quality	379	5	0.788
Customer Service	379	5	0.868
Store Image	379	3	0.769

Based on table 4.2 above, shows the value of the reliability test for the dependent variable and

each of the independent variables. Based on the result of the analysis, the highest reliability analysis value is from the independent variable is store atmosphere with a value of 0.890 and that was good. It shows that the store atmosphere was effective and gave a positive effect to the store image.

Besides, the second-highest value from the table of reliability test is from an independent variable is customer service which is 0.868 and it was good. It has a good strength of association, which means the customer service gave a positive effect to this study.

Then, the third-highest value from the table of reliability test is also from an independent variable is merchandise quality which is 0.788 and it was acceptable. It means that merchandise quality was also gave a positive effect in influencing the store image of H&M.

Lastly, the lowest value between all of the variables is the dependent variable is store image with the value 0.769. That shows the store image was acceptable. It means that the store image given a positive effect on this study.

#### 4.3 Pearson's Correlation Coefficient Analysis

Table 4.3: Result for Correlation of Store Image

Correlations						
		Store Atmosphere	Merchandise Quality	Customer Service	Store Image	
	Pearson Correlation	1	.216**	.149**	.239**	
Atmospher	Sig. (2-tailed)		.000	.004	.000	
e	N	379	379	379	379	
Merchandis	Pearson Correlation	.216**	1	.519**	033	
e Quality	Sig. (2-tailed)	.000		.000	.522	
	N	379	379	379	379	
Service	Pearson Correlation	.149**	.519**	1	.038	
	Sig. (2-tailed)	.004	.000		.462	
	N	379	379	379	379	
Image	Pearson Correlation	.239**	033	.038	1	
	Sig. (2-tailed)	.000	.522	.462		
	N	379	379	379	379	
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: SPSS Data Analysis

Table 4.3 shows that the value of Pearson's Correlation (r) is 0.239, which indicates a weak positive linear correlation. Therefore, it concluded that store atmosphere give a good impact on the store image of H&M. Hence, H<sub>1</sub> is accepted.

Result for merchandise quality is -0.033 that indicates a weak negative correlation. Therefore, it concluded that merchandise quality give a good impact on the store image of H&M. Hence, H<sub>2</sub> is accepted

Then, customer service is 0.038, which indicates a weak positive linear correlation. Therefore, it can be concluded that customer service give a good impact on the store image of H&M. Hence, H<sub>3</sub> is accepted.

The value of store atmosphere is 0.239 a higher value compared with another factor, which is value -0.33 and 0.038. Therefore, can concluded that store atmosphere give a good impact on the store image of H&M. Hence, H<sub>4</sub> is accepted.

#### 5 Discussions and Recommendations

#### 5.1 Discussion

#### H1: There is A Relationship Between Store Atmosphere and Store Image

It can be seen from Pearson's Correlation Coefficient Analysis that there is a significant result between the store atmosphere and store image. It is indicated that the store atmosphere gives a positive effect store image of H&M. It is a significant p-value which is (p = 0.239 > 0.00) that shows there is a weak positive linear correlation between two variables. Hence, it can be concluded that store image gives a positive effect to the store image.

#### H2: There is A Relationship Between Merchandise Quality and Store Image

It can be seen from Pearson's Correlation Coefficient Analysis that there is a significant result between the merchandise quality and store image. It is indicated that the merchandise quality a good effect on the store image of H&M. It is a significant p-value which is (p = -0.033 < 0.00) that shows there is a weak negative linear correlation between the two variables. Hence, it can be concluded that merchandise quality can influence store image.

#### **H3:** There is A Relationship Between Customer Service and Store Image

It can be seen from Pearson's Correlation Coefficient Analysis that there is a significant result between customer service and store image. It is indicated that the customer service gives a positive effect store image of H&M. It is a significant p-value which is (p = 0.038 > 0.00) that shows there is a weak positive linear correlation between two variables. Hence, it can be concluded that customer service gives a positive effect on the store image.

### H4: There is A Direct Effect of Factors (Store Atmosphere, Merchandise Quality, And Customer Service) And H&M Store Image

It can be seen from Pearson's Correlation Coefficient Analysis that there is a significant result between the store atmosphere and store image. It is indicated that the store atmosphere gives a positive effect store image of H&M. It is a significant p-value which is (p = 0.239 > 0.00) that shows there is a weak positive linear correlation between two variables. Hence, it can be concluded that store atmosphere gives a direct effect to store image compare with two other factors.

#### 5.2 Recommendation

The first recommendation is the researcher can carry out this study of factors that influencing store image at another state and outlet such as H&M Kuala Lumpur outlets because it had many

group people in that state. The researchers also could increase the amount of the respondents and also perhaps add more independent variables. This research limits the number of respondents where the questionnaires were distributed only for a group of people at Kota Bharu. The researcher could expand the target respondents to another state so that the research can be done evenly throughout the whole of Malaysia. This is to have a larger scope so that the research is more reliable.

The second recommendation is the researcher should be continuing to analyze and conducting more research related to this aspect of the study. Researchers should produce better research and upgrade the version of this research with a more updated citation by scholars to make it relevant to the current issue. As for the students at the degree level, I suggest that they use this research as their reference of study. Whether it this research for research purposes or merely for notes in a lecture class, this research will be a benefit to the students to develop more understandings regarding the issue.

Lastly, for the apparel sector. I suggest this research can be used as a boost and provide for the manager of store or entrepreneur in upgrading strategies for the store image has been explained in detail.

#### 6 Conclusion

In a conclusion, this research has been carried out to examine the factor influencing of H&M store image. Besides, this study helps other researchers to do the research about the store image and can be used as one of their references. The result that has been obtained in chapter 4 through Statistical Package for the Social Sciences (SPSS), version 26.0 was discussed further—and at the same time conclusion were made based on the results. As a result, it can be concluded that there is a significant relationship between the store atmosphere, merchandise quality, and customer service with store image. Their store atmosphere gives a direct effect on the store image of H&M at Aeon Mall, Kota—Bharu outlet. Thus, it is hoped that all the information provided throughout this research will help the other parties to do the next research.

#### 7 Acknowledgements

First and foremost, I am grateful and would like to show my gratitude to our supervisor, for her excellent guidance, and patience to provide me with valuable knowledge and guiding us from the beginning till end. Next, I would like to appreciate the supports from all parties including our family members, friends, and all my fellow group members. Without their mental and financial support, this research may be harder for me to complete it. Last but not least, I would like to thank the respondents, who were willing to sacrifice their precious time to answer the questionnaires. Their sincerity provided me with detailed insight and paved the way for us to conduct all forms of data analysis and research findings smoothly.

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# THE FACTORS THAT INFLUENCING CUSTOMER SATISFACTION TOWARDS ONLINE BUYING DURING MOVEMENT CONTROL ORDER (MCO) IN KUALA TERENGGANU

#### Fatin Nurfazliza Jaamin and Nadia Hanum Amiruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: fazliza.a17a0104@siswa.umk.edu.my; nhanum@umk.edu.my

#### Abstract:

Online buying is a common thing in Malaysia. People nowadays who work hard tends to buy something through internet because of the convenience, affordable and save their time. Especially during COVID-19 outbreak, the restriction movement makes people more choosing buying goods and products they needed through online. This paper aimed to study the factors influencing customer satisfaction on online buying during Movement Control Orders (MCO). The study discussed about the product quality, customer trust and price fairness during MCO. Three main factors that used in this study to analyses customer satisfaction are product quality, customer trust and price fairness. The online buyer that currently living in Kuala Terengganu is selected as the subject of the analysis.

**Keywords**: Product Quality, Customer Trust, Price Fairness, Customer Satisfaction, Movement Control Order, Online Buying and Kuala Terengganu.

#### 1 Introduction

During the Industrial Revolution 4.0 era, the increasingly hectic lifestyle made the internet an effective social necessity. Many people connect with the Internet in today's everyday life as a way of coping not only with employment and school, but also with industry and commercial partnerships. Although they are low in risk and less time intensive, online commercial and business systems have become a common option among the public. Customer satisfaction has been the of the most critical priorities that every firm pursuing a long-term partnership with the customer finds to be a top priority. A few of the key factors determining customer satisfaction is the customer's view of service efficiency. Customer satisfaction is defined as the product of a comparison of the perceptions of the customer and his or her actual performance of the quality of the service. Perceived service efficiency is one of the antecedents of this conceptualization of total customer satisfaction<sup>31</sup>. Previous studies have shown evidence to support this association between consumer loyalty and quality of service (Ngo & Nguyen, 2016).

Next, in this study also related about the implementation of Movement Control Order (MCO) due to COVID-19 outbreak has also led to an increase in online activity including buying and

<sup>&</sup>lt;sup>31</sup>. Ngo, V. M., & Nguyen, H. H. (2016). The relationship between service quality, customer satisfaction and customer loyalty: An investigation in Vietnamese retail banking sector. *Journal of Competitiveness*.

selling of goods. According to Isa and Latiff (2018), as a consequence of the implementation, most traders start expanding their marketing strategy by selling their goods online.<sup>32</sup> Moreover, the online medium has also made consumers feel more comfortable to make purchases because it enables them to access different services easily and efficiently.

According to Isa (2020), the results of her study indicate that Shopee, Lazada and Food Panda were the top three shopping websites visited by customers, selling general everyday necessities wanted by customers. The results also revealed that the elements of the comfortable website that relate to the appealing interface, the polite user, the choice of native language, the amount of information posted and the upgrading of the product descriptions were the factors that lead to the attractiveness of customers to be interested in online shopping.<sup>33</sup>

Therefore, with the expectation of online shopping industry especially through e-commerce platform are in rapid speed in increasing usage in Malaysia, the researcher is investigating the influencing of these three factors which are product quality, customer trust and price fairness of customer satisfaction on online buying for further understanding the customers need and expectation.

Recognizing customer satisfaction with Internet shopping is especially important as a high degree of satisfaction is correlated with a variety of main outcomes such as repeat purchase and positive word-of-mouth.<sup>34</sup> In the current analysis, the measurements discussed will significantly assist researchers in determining how consumers are happy with shopping on the Internet (Cheung & Lee, 2005). Customer satisfaction is dependent variables where being tested and measured in this study.

Product quality related problem somehow affect the preference of consumer either they will buy the product through online or not. Online customer satisfaction has gained significant interest in recent years, partially because it acts as a way to achieve competitive advantage. If a customer is happy with a single internet store, they are more likely to buy there again <sup>35</sup> (Lin, Wu, & Chang, 2011).

Next, trust is characterized as one party's trust in the reliability and honesty of an exchange partner. That is the party's assumption that the other party has the skills to do a task, while the latter applies to the one party's belief that the other party has intentions that are helpful to the goal as new circumstances emerge without a promise<sup>36</sup> (Dang, Pham, & Wang, 2019). Customer satisfaction may be defined as the expectations of customers that manufacturers are trustworthy and reliable in delivering on their commitments.

After that, price discrimination helps companies to separate consumers in regard to their ability to pay by setting varying rates on the same good or service. Multi-channel retailers can distinguish prices by means of different instruments, such as product price differential, such as base price, without discounts and fees or price promotions. In addition, they have to determine whether to charge delivery charges electronically and if so, understand the interplay between

 <sup>&</sup>lt;sup>32</sup> Isa, K., & Latiff, A. A. (2018). Internet Browsing Trends among Malaysians during Movement Control Order (MCO) Period
 <sup>33</sup> Isa, K. (2020). Malaysians' Popular Online Shopping Websites during Movement Control Order (MCO). *International Journal of Advanced Trends in Computer Science and Engineering*.

<sup>&</sup>lt;sup>34</sup> Cheung, C., & Lee, M. (2005). Consumer satisfaction with internet shopping: A research framework and propositions for future research (Vol. 113).

Cheung, C., & Lee, M. (2005). Consumer satisfaction with internet shopping: A research framework and propositions for future research (Vol. 113)

<sup>&</sup>lt;sup>36</sup> Dang, V. T., Pham, T. L., & Wang, J. (2019). Influence tactics, customer trust and buyer–supplier long-term relationships: evidence from B2B companies in an emerging economy. *Total Quality Management & Business Excellence*.

lower online rates and shipping charges on price differentiation. According to Bertrandie and Zielke (2019), price unfairness may be described as the price determination as unacceptable, unreasonable or unjustifiable. Consumers interpret market injustice when presented with differing pricing for the same commodity.<sup>37</sup>

In online buying, the selection of marketing outlets is growing with the passing of time, as is the sophistication of the buying behaviour of customers. Pappas (2016) stated that when purchasing goods, shoppers prefer to migrate between e-channels largely due to the dramatically improved financial, protection and efficiency threats that the Internet poses relative to offline shopping.<sup>38</sup> During the pandemic, peoples tend to purchase product through online rather than go to the store.

The main problem in satisfaction of customer is the standard of customer ratings for good and services. The customer rates it in terms of whether the product or service can fulfil requirement of customer or the product performance can fulfil the expectations of customers. If one aspect of products and services do not satisfy customer, thus they cannot be satisfied with the overall performance of the online buying.

The objectives of this research will be to determine the influencing customer satisfaction on online buying during MCO in Kuala Terengganu. In order to achieve the aim of the study, the succeeding supporting objectives are established:

- 1) To investigate the relationship between product quality and customer satisfaction on online buying during MCO.
- 2) To define the consumer trust and customer satisfaction on online buying.
- 3) To determine the product price and customer satisfaction on online buying during MCO.
- 4) To find the strongest factors that affect customer satisfaction on online buying during MCO

<sup>&</sup>lt;sup>37</sup> Bertrandie, L., & Zielke, S. (2019). The influence of multi-channel pricing strategy on price fairness and customer confusion. *The International Review of Retail, Distribution and Consumer Research.* 

<sup>&</sup>lt;sup>38</sup> Pappas, N. (2016). Marketing strategies, perceived risks, and consumer trust in online buying behaviour. *Journal of Retailing and Consumer Services*.

#### 2 Research Methodology

#### 2.1 Underpinning Theory

2.1.1 Theory of Consumer Satisfaction With Internet Shopping

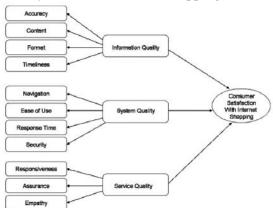


Figure 2.1: Research Framework of Consumer Satisfaction with Internet Shopping

This report combines end-user computer literature with literature on service efficiency and proposes a methodology for the study of customer interaction with internet shopping. For information quality, high information content has long been established in relation to device use, customer retention and net benefits.<sup>39</sup> He urged that the quality of web content should decide whether potential customers would be drawn to or pushed away from the website (Cheung & Lee, 2005). It can be related to the price influencing customer satisfaction with the information quality. Next, system quality relates to customer trust which can affecting the customer satisfaction. And the last one is service quality where relate to the product quality for this study.

The researcher uses this theory to study the customer satisfaction on online buying during MCO. The researcher uses this principle to analyze consumer loyalty during MCO for online shopping. It is especially important to consider customer satisfaction with internet shopping since a high degree of satisfaction is correlated with many main findings. For example, repeat buying, good word-of-mouth, and so on. The aspects discussed in the current study will significantly aid researchers to explain how customers create satisfaction with Internet shopping. This paradigm basically attempts to clarify three fundamental questions like what determines user satisfaction with internet shopping, how it is produced, and what characteristics are relatively relevant to its creation.

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<sup>&</sup>lt;sup>39</sup> Cheung, C., & Lee, M. (2005). Consumer satisfaction with internet shopping: A research framework and propositions for future research (Vol. 113).

#### 2.2 Conceptual Framework

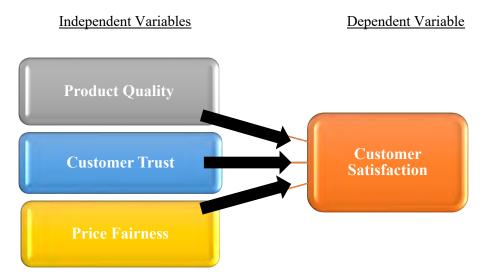


Figure 2.2: Conceptual Framework of the Study

There are three hypotheses to assume that there is relationship of each influential factors that effect customer satisfaction on online buying during MCO to associate in the Figure 2.2.

Hypothesis 1: There is a relationship between product quality and customer satisfaction during MCO.

Hypothesis 2: There is a relationship between customer trust and customer satisfaction during MCO.

Hypothesis 3: There is a relationship between price fairness and customer satisfaction during MCO.

#### 2.3 Data Collection Methods

This study uses descriptive research which will be taken to investigate the factors influencing customer satisfaction on online buying during MCO with the independent variables which are product quality, customer trust and price fairness. Descriptive assisted with reliability and correlation in order to accomplish research objectives. Moreover, it also consists of a research framework design and plan of action for the research.

The research uses quantitative approach. A quantitative method and its explanations can be defined in the positivist model. In line with the issue of big populations and data processing, this approach focuses on new data collection, but lacks the emotions and thoughts of a person or the environmental context <sup>40</sup>(Rahi, 2017). Primary data is data originated for the first time by the researcher through direct efforts and experience, specifically for the purpose of addressing their research problem. Also known as the first hand or raw data. Primary data collection is quite expensive, as the research is conducted by the organization or agency itself, which requires resources like investment and manpower.

The objective of this research design is maintaining validity of this study, where research need to collect information about the customer satisfaction on online buying during MCO. Thus, a collection of constructed questionnaires distributed to the respondents to collect data directly

<sup>&</sup>lt;sup>40</sup> Rahi, S. (2017). Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economics & Management Sciences*, 6(2), 1-5

from different internet users who brought products via the internet, in which the questionnaire helps the research to obtain accurate and reliable information, even though it is a main method of collecting data used for this quantitative approach. This study will use primary data collection method for quantitative research. Quantitative data collection methods are based in mathematical calculations in various formats.

### 2.4 Sample Size, Sampling Techniques and Measurement of the Variables

Table 3.1: The Table of Statistical Power Analysis for Multiple Regression Models

	Significance Level											
		1	%			5	%			10	)%	
Maximum Number of Arrows Pointing at a	Minimum R <sup>2</sup>			Minimum R <sup>2</sup>			Minimum R <sup>2</sup>					
Construct	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.75
2	158	75	47	38	110	52	33	26	88	41	26	21
3	176	84	53	42	124	59	38	30	100	48	30	25
4	191	91	58	46	137	65	42	33	111	53	34	27
5	205	98	62	50	147	70	45	36	120	58	37	30
6	217	103	66	53	157	75	48	39	128	62	40	32
7	228	109	69	56	166	80	51	41	136	66	42	35
8	238	114	73	59	174	84	54	44	143	69	45	37
9	247	119	76	62	181	88	57	46	150	73	47	39
10	256	123	79	64	189	-91	59	48	156	76.	49	41

Source: Cohen, J. A power primer. Psychological Bulletin, 112, 155-519.

As for this research, the researcher uses the sample size provided by Cohen 1992. The sample size presents the table of statistical power analysis for multiple regression models. The sample size refers the number of independent variables to take the number of respondents. Based on the table, the maximum arrows pointing at a construct in framework of this study is 3 factors which are product quality, customer trust and price fairness pointed to dependent variable which is customer satisfaction. Hence, on the basis of this sample, the analysis needs a minimum number of 124 surveys to obtain a statistical power of 80 percent for the identification of R3 values of at least 0.10 with a 5 percent error probability.

In this study, the researcher will be using non probability sampling is often associated with case study research design and qualitative research. Sampling of convenience chooses participants so they are most conveniently and widely accessible. Generally, convenience sampling among students tends to be a favorite sampling method, since it is inexpensive and simple to choose from compared to other sampling techniques. Convenience sampling also tends to overcome many of the research-related pitfalls. For instance, using friends or family as part of the sample is easier than contacting random individuals<sup>41</sup> (Taherdoost, 2016). Convenience sampling also can help the researcher easy to collect the data. Before proceeding the survey, questionnaire begins by asking whether respondents have ever made a purchase online.

For the question survey, the researcher used Likert scales. The 5 points were usually used in the scale of calculation to assess whether respondents agree or disagree on the questions

<sup>&</sup>lt;sup>41</sup> Taherdoost, H. (2016). Sampling Methods in Research Methodology; How to Choose a Sampling Technique for Research. *International Journal of Academic Research in Management (IJARM)*.

considered. The scale used with 5 points, however is insufficient to evaluate the characteristics of the purpose of the respondent, especially when the researchers decide to attempt a statistical inference parametric test.<sup>42</sup> The influence of parametric strategies is weakened by 5 points of Likert scales representing 5 options (Awang, Afthanorhan, & Mamat, 2016).

After that, data collection is the process of collecting and evaluating information in a defined systematic manner on targeted variables, which enables one to answer research questions, test hypotheses, and analyze the findings. For data management and interpretation, the Statistical Package for Social Sciences (SPSS) will be used in this research. It is powerful software that makes statistical analysis of the most frequently used forms simpler. The researcher uses this technique in this study.

This section explains the methodology used in this research includes research design, data collection methods, study population, sample size, sampling technique, research instrument development, measurement of the variables and procedure of data analysis. The respondents of this study are all gender which age range is 18 years old and above up to 45 years old. The data and constructs used in this study meet the requirements of research methodology.

### 3 Analysis and Discussion

### 3.1 Demographic Profiles of Respondents

Table 3.1: Gender

Gender Cumulative Frequency Percent Valid Percent Percent Valid Female 98 79.0 79.0 79.0 Male 26 21.0 21.0 100.0 Total 124 100.0 100.0

Table 3.2: Age

#### Age

		* <del>* *</del> *	~		
				Valid	Cumulative
		Frequency	Percent	Percent	Percent
Valid	less than 18 years old	8	6.5	6.5	6.5
	19 – 24 years old	76	61.3	61.3	67.7
	25 – 29 years old	27	21.8	21.8	89.5
	30 – 34 years old	4	3.2	3.2	92.7
	35 – 39 years old	5	4.0	4.0	96.8
	40 – 44 years old	3	2.4	2.4	99.2
	more than 45 years old	1	0.8	0.8	100.0
	Total	124	100.0	100.0	

Table 3.3: Status

Status

<sup>&</sup>lt;sup>42</sup> Awang, Z., Afthanorhan, A., & Mamat, M. (2016). The Likert scale analysis using parametric based Structural Equation Modeling (SEM). Computational Methods in Social Sciences, 4(1), 13.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Single	103	83.1	83.1	83.1
	Married	21	16.9	16.9	100.0
	Total	124	100.0	100.0	

Table 3.4: Ethnicity

### Ethnicity

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Malay	103	83.1	83.1	83.1
	Chinese	12	9.7	9.7	92.7
	Indian	3	2.4	2.4	95.2
	Others	6	4.8	4.8	100.0
	Total	124	100.0	100.0	

Table 3.5: Education Level

#### **Education Level**

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	SPM	9	7.3	7.3	7.3
	Matriculation / STPM	30	24.2	24.2	31.5
	Diploma	1	.8	.8	32.3
	Degree	77	62.1	62.1	94.4
	Master	2	1.6	1.6	96.0
	6	4	3.2	3.2	99.2
	PhD	1	.8	.8	100.0
	Total	124	100.0	100.0	

Table 3.6: Monthly Income

### **Monthly Income**

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Less than RM 1000	67	54.0	54.0	54.0
	RM 1001 – RM 3000	27	21.8	21.8	75.8
	RM 3001 – RM 5000	22	17.7	17.7	93.5
	More than RM 5000	8	6.5	6.5	100.0
	Total	124	100.0	100.0	

For the present study, the analysis shows that the table 3.1 shown the demographic respondents about gender of the respondents. The highest score for the data of gender for female with the score 79.0% follow by the lowest data of gender are gender male which is 21.0%. Based on the

survey, majority of the respondents is 19 years old to 24 years old, which are 76 respondents (61.3%). Besides that, respondents in the range of 45 years old and above is the minority in the survey with only one respondent from 124 respondents (0.8%). Based on the Table 3.3, the table shown the demographic respondents about status of the respondents. There are 103 respondents out of 124 respondents are single. The percentage of single respondents are 83.1%. For the married respondents, there are 21 male respondents out of total 124 respondents. The percentage for male respondents are 16.9%. Next, the highest score for the race data is Malay with the score 83.1% and the lowest score for the race data is Indian which is 2.4%. After that, there are 9 respondents that were level SPM. The percentage of level SPM respondents are 7.3%. Next, in the results stated that there are 77 respondents are degree level. The percentage of the respondents that are degree level are 62.1%. For the Diploma and other education level, both are only one respondent and the percentage is 0.8%, which are the lowest score from the total 7 classes. For the results of matriculation and STPM level are 30 respondents from 124 respondents with 24.2%. Besides that, based on the data, there are 2 respondents and 4 respondents out of 400 total respondents are from master degree and PhD. The both percentages are 1.6% and 3.2%. Based on Table 3.6 shown that the data analysis for the demographic respondents for Monthly Income. Based on the results, the percentage of the respondents who have their monthly income below than RM1,000 are 54% which is the highest score for this data analysis. There are 8 respondents which is 6.5% of the total respondents who have their monthly income more than RM 5,000. This class also recorded the lowest score for this question.

### 3.2 Descriptive Analysis

### 3.2.1 Dependent Variable and Independent Variable

Table 3.7 Descriptive Statistics (Develop for the Research)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Product quality (IV)	124	3.20	5.00	4.5032	0.45082
Customer trust (IV)	124	3.00	5.00	4.2887	0.43602
Price fairness (IV)	124	2.80	5.00	4.2500	0.51427
Customer satisfaction (DV)	124	3.00	5.00	4.4581	0.52870
Valid N (listwise)	124				

Based on the summary, the highest mean value was from product quality which was 4.5032 where respondents agreed more on this variable while the lowest mean value is on price fairness which is 4.2500 where shows the respondents agree lower for that variable in this analysis. The data set from 124 respondents with the standard deviation which lower than 1, shows the values were more reliable.

### 3.3 Validity And Reliability Test

In this research, the researcher had used Cronbach's Alpha to test the reliability of the data, or whether the data fits the common measurement for internal consistency<sup>43</sup>. Internal consistency reliability can be defined as a test for respondents' responses whether is consistency at all sections (Sekaran & Bougie, 2009). Cronbach's Alpha can be defined as the statistics or tool in measuring the consistency of respondents' responses from a set of questions that had been

<sup>&</sup>lt;sup>43</sup> Sekaran, U., & Bougie, R. (2009). Research Methods for Business: A Skill Building Approach (5th Edition). *International Journal of Information Technology and Management - IJITM*.

designed together to measure the ultimate aim for the research<sup>44</sup> (Gliem & Gliem, 2003).

Table 3.8: Cronbach's Alpha Reliability Test Result (Develop from the Research)

Variables	Cronbach's Alpha Value	No. of item	Strength
Product quality (IV)	0.668	5	Moderate
Customer trust (IV)	0.588	5	Poor
Price fairness (IV)	0.779	5	Good
Customer satisfaction (DV)	0.819	5	Very Good

Table 3.8 above shows the results of the reliability test through the value of Cronbach's Alpha Coefficient for dependent and independent variables in this study based on our survey of 124 respondents in the area of Kuala Terengganu. According to Table 4.1, the strength of the association value of Cronbach's Alpha coefficient of more than 0.70 is good for the reliability test. In measuring the customer satisfaction on online buying during MCO in Kuala Terengganu, five questions were used and the Cronbach's Alpha result for this section's questions was 0.819 which resulted as very good. Thus, the coefficient obtained for these questions in the product quality variable was very good. After that, to measure the product quality that influenced the customer satisfaction on online buying during MCO in Kuala Terengganu, the five questions were also used and the value for the Cronbach's Alpha result for this section's question was 0.668 which is moderate. Thus, the coefficient obtained for this question in the order processing variable was moderate. Next, to measure the customer trust that influenced the customer satisfaction on online buying durinf MCO, there were five questions were used and the Cronbach's Alpha result for this section question was 0.588 which a bit low resulted as poor. Therefore, the coefficient obtained for the questions in the customer trust variable was poor. Lastly, in measuring the price fairness variable which influenced the customer satisfaction on online buying during MCO in Kuala Terengganu, there were five questions were used and the Cronbach's Alpha result for this section question was 0.779 which also resulted as good. Therefore, the coefficient obtained for the questions in the price fairness variable was good.

### 3.4 Hypotheses Testing

#### 3.4.1 Pearson's Correlation Analysis

In this part, the Pearson's Correlation Analysis will examine that whether the independent variable, which is product quality, customer trust and price fairness are statistically significant with the customer satisfaction on online buying, the dependent variable. In this case, the researcher had used the Pearson Correlation Analysis (two-tailed test) to investigate the relationship of the factors that influencing customer satisfaction on online buying during MCO in Kuala Terengganu. The table below showed the interpretation of the strength of the coefficient with variables.

Table 3.9: Rule of Thumb of Correlation and Coefficient

<sup>&</sup>lt;sup>44</sup> Gliem, J. A., & Gliem, R. R. (2003). Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales.

Coefficient (r)	Strength
0.91 - 1.00	Very high relationship
0.71 - 0.90	High relationship
0.41 - 0.70	Moderate relationship
0.21 - 0.40	Slightly weak but definite relationship
0.01 - 0.40	Weak almost negligible relationship

Source: Guilford and Fruchter (1973)

Table 3.10: Pearson's Correlation Analysis (Develop from the Research)

		Product	Customer	Price	Customer
Variables		quality	trust	fairness	satisfaction
Product quality	Pearson Correlation	1	0.516**	0.372**	0.602**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	124	124	124	124
Customer trust	Pearson Correlation	0.516**	1	0.594**	0.597**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	124	124	124	124
Price fairness	Pearson Correlation	0.372**	0.594**	1	0.622**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	124	124	124	124
Customer	Pearson Correlation	0.602**	0.597**	0.622**	1
satisfaction	Sig. (2-tailed)	0.000	0.000	0.000	
	N	124	124	124	124
**. Correlation	is significant at the 0.0	1 level (2-tai	led).		

According to Table 3.10, correlation is significant at 0.01 level, which means there are less than one in a hundred chances to be wrong when it comes to test the hypothesis. Price fairness achieved the highest correlation at 0.622, followed by product quality at 0.602 and lastly customer trust at 0.597.

### 3.4.2 Hypothesis 1: Product Quality

H1: There is a significant relationship between product quality and customer satisfaction during MCO.

As shown in the Table 4.15, the hypothesis is accepted because there is a significant, moderate and positive correlation between Product Quality and Customer Satisfaction as the p-value is 0.00 and less than 0.01. Therefore, there is a connection between security and customer satisfaction as the correlation coefficient is 0.602. It can be concluded that customer satisfaction is influenced by product quality. Therefore, there is a connection among product quality and customer satisfaction.

### 3.4.3 Hypothesis 2: Customer Trust

H2: There is a significant relationship between customer trust and customer satisfaction during MCO.

As shown in the Table 4.15, the hypothesis is accepted because there is a significant, moderate and positive correlation between Customer Trust and Customer Satisfaction as the p-value is

0.00 and less than 0.01. Therefore, there is a connection between customer trust and customer satisfaction as the correlation coefficient is 0.597. It can be concluded that customer satisfaction is influenced by customer trust. Therefore, there is a connection among customer trust and customer satisfaction.

#### 3.4.4 Hypothesis 3: Price Fairness

H3: There is a significant relationship between price fairness and customer satisfaction during MCO.

As shown in the Table 4.15, the hypothesis is accepted because there is a significant, moderate and positive correlation between Price Fairness and Customer Satisfaction as the p-value is 0.00 and less than 0.01. Therefore, there is a connection between price fairness and customer satisfaction as the correlation coefficient is 0.602. It can be concluded that customer satisfaction is influenced by price fairness. Therefore, there is a connection among price fairness and customer satisfaction.

This chapter has discussed on the reliability, frequency distribution, regression and correlation of the instruments used in order to complete this research. This chapter also has examined the hypothesis that were developed in this study. The results showed all independent variables (product quality, customer trust and price fairness) have positive relationships with dependent variable (customer satisfaction on online buying during MCO in Kuala Terengganu). The most important factor that influence the customer satisfaction on online buying during MCO is price fairness.

### 5 Conclusion and Future Research

### 5.1 Recommendations/ Suggestion for Future Research

The result of this study highlighted about the factors that influenced customer satisfaction on online buying during MCO. This study only focused on people in Kuala Terengganu. As a recommendation, there are few future opportunities for future research. Firstly, the future studies need to get extend their sample size to get better result for this study because this study only focusing on people in Kuala Terengganu area. For example, in order to get more result, they can add their sample size by enlarging it. Therefore, future researcher could extend the study population by targeting people in the state of Terengganu. In addition, from that, the research could be expanding if the study also conducted in the industrial sector either in government or private sector. The knowledge, experience and expectation towards customer satisfaction could be varied from different group of population. Thus, a more accurate research could be conducted when studying different groups of respondents. The larger population can help to generalize the result to a wider scope and helps the results to be more exact. Lastly, the future researcher should do more methodology work to make independent variable more acceptable and getting the outcome to be more precise. Therefore, the future researcher can explore others independent variable or adding other variables in this study to know the level of satisfaction of customers. As for benefit to others marketers, the future research about the product quality should be done and studied detail and widely so the online marketers could understand the online food ordering concepts in order to boosts their sales by knowing what factors that influence customer satisfactions towards online food ordering among student.

### **5.2** Overall Conclusion of the Study

In conclusion, the research objectives had been achieved and the research question has successfully answered. This research concludes that the independent variables Product Quality, Customer Trust and Price Fairness that influence the satisfaction of the customer towards online buying during MCO in Kuala Terengganu. And, the major factor that most influence customer satisfaction has been identified which is price fairness with the highest results shown as the correlation coefficient is 0.602. Highest compared to other independent variables analysed to be the factor influences customer's satisfaction of online buying during MCO in Kuala Terengganu. Customer satisfaction is a domain element in determining the sustainability of such business. Customer satisfaction would also lead to future repeats on purchase which refers to loyalties and prolongs revenues. Hence, it is crucial in ensuring that every need of the customers is fulfil to achieve total satisfaction on each penny spent on the products purchased. This research has beneficially highlighted the results on every element that is counted in as well as pointing out the major item that needs to be taken into improvements. This research would also help peoples, as a user, in analysing the product quality itself that is offered, the best services that they can get throughout every feature offered in the services either the trust on the seller and the extent to which the price fairness features owned by the platform. However, there are still some parts to be improve in this research. Therefore, the researcher must continuously conduct the future research that will be added to the new dimensions of customer satisfaction on online buying.

### 6 Acknowledgement

This research project was successfully done. I would like to express great gratitude to those individuals who have guided, assisted and helped me in completing this research. My deep gratitude first goes to University Malaysia Kelantan (UMK) for giving me this opportunity to do this research. Through this research, I have gained a lot of experience, knowledge and expose to situation, which cannot be found in books, and certainly going to benefit us in the future especially through online distance learning. The appreciation also extends to my supervisor, Madam Nadia Hanum Binti Amiruddin who guides me to complete the proposal by sacrificing her time through the entire project. Her patient and advices ensure this research can proceed very well. Finally, I acknowledge my family members, colleagues and course mates for encouraging and loving me before this research project finishes.

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# THE IMPACT OF DIGITAL MARKETING IN RETAIL INDUSTRY IN MALAYSIA

### Fatin Sheba Nurhuda Zulkifli and Yusrinadini Zahirah Md. Isa@Yusuff

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: fatin.a17b0969@siswa.umk.edu.my; yusrinadini@umk.edu.my

#### Abstract:

Digital marketing is transforming the way retail industry to interact with their clients and build connections. Potential customers are at the edge of deciding how they want to engage with retail industry. The means of establishing and sustaining connections with consumers, as well as achieving goals, have increased because of these developments. This encouraged retail industry to digitally communicate with customers, figure out which digital marketing campaigns are going to get a positive response, and use digital technology to attract over customers. For the conclusion, the main purpose of this research is to know the impact of the digital marketing in retail industry in Malaysia

**Keywords**: Digital Marketing, Retail Industry, Technology Factor, Consumer Factor, Job Opportunity.

### 1 Introduction

Digital marketing is the mean of the marketing element that incorporates digital technologies such as desktop computers, personal computer, laptop, tablet, mobile phones and other digital media and platforms to advertise merchandise and services on the internet and online. Its creation in the 1990s and 2000s changed the way brands and retailers use marketing technology.

Digital marketing is not just a marketing contact channel that is faster or newest. It's a modern brand engagement strategy. As the focus of digital marketing shifts towards a customer-driven world, in order to strengthen customer interactions and achieve goals, customers have taken charge of the way retail businesses can interact with them.

### 1.1 Research Objectives

The objectives of this research are:

- i. To study the impact of digital marketing in retail industry in Malaysia between the technologies that we have in Malaysia.
- ii. To discover the impact of digital marketing in retail industry in Malaysia between the consumer psychology in Malaysia.
- iii. To identify the impact of digital marketing in retail industry in Malaysia between the job opportunity in Malaysia.

### **2** Literature Review

The introduction of digital marketing has drastically transformed and improved the way businesses interact with their targeted customers in the retail sector. Today, in the modern world, digital marketing is used to define, predict and meet consumer desires profitably and effectively (Chaffey & Smith, 2017). Even though it is a requirement to effectively interact in today's dynamic marketing communication environment to apply an integrated marketing communication (IMC) basis for the implementation and execution of a content marketing strategy. This is achieved through a systematic process that starts with extensive target audience analysis, the correct selection of (digital) communication platforms for marketing and successful customer messaging (Key & Czaplewski, 2017)

#### 2.1 Variable

### 2.1.1 Technology

The technology and factors that contributed were described in a comprehensive literature review. Required marketing instruments that are used in. So, a method variety is created, including such quality or digital marketing. The technological environment also consists of innovation, research and development in technology, technological alternatives and technological barriers to smooth operation. By using focusing on digital transformation can bring a new feel to business procedures of that business such as an adoption of technology that may using smartphone. Besides, it can reduce the cost of labour or staff issues if they might make mistakes during taking the commands from customers. Therefore, technology will give the best opinion to the digital marketing in retail industry. So, it may make a consideration in using the technology that have in Malaysia.

#### 2.1.2 Consumer

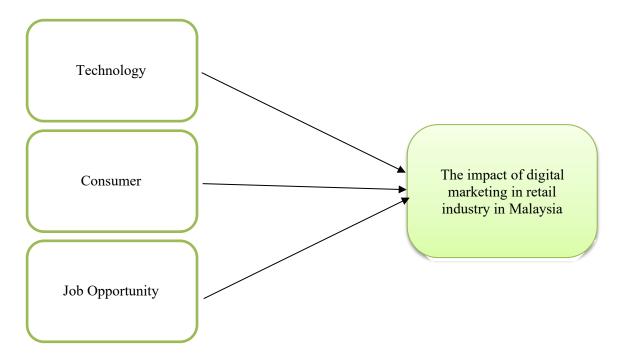
Consumer buying behavior has been identified as purchase intention from its beginning developmental stages, suggesting an emphasis on contact through retailers and manufacturers at the end of the investment period. Retailers should recognize its developing stage of consumer preferences in the advertisements. Noteworthy, businesses use advertisement to develop trust for consumers and develop good connections among customers in hopes to obtain loyalty from consumers in effect (Keefe, 2004)

### 2.1.3 Job Opportunity

The positive benefits of using digital marketing are that mostly Malaysians will have so many job opportunities and people can work from home without having to go out. The Government of Malaysia also urges people not to go outside as before the COVID 19 pandemic. So, people must obey what the government is asking for. Therefore, so many individuals can lose their jobs. But it can offer people always have a job to do with digital marketing and can boost the country's greater economic growth.

For certain individuals who make a side income for their needs, it may even be a side work. So, it was a smart way to use digital marketing to get more money. People will want this job because it can still make them do their job as normal without anything having to alter.

### 2.2 Conceptual Framework



Independent Variable

Dependent Variable

## 3 Research Methodology

Research methodology is important in gathering data on financial planning amongst respondents, as seen in the preceding paragraph, and this chapter is committed to reflections on sampling techniques. The methodology that has been used in data analysis procedure would be the purpose of the data analysis. Analysis techniques include data collection materials such as questionnaires, interviews or observations, as well as sampling methods and statistical techniques for organizing and analyzing unstructured data. Certain techniques have been used to ensure the study's precision and effectiveness. The methodology of science should be focused on empirical procedures to minimize research inequality.

In order to include objectivity, reliability, and clarity, the research methodology in this study is focused on quantitative analysis. It has become important to select this approach as it uses statistics and it is possible to statistically evaluate these numbers. This approach is all about gathering and running accurate documentation that can be verified without problems. This methodology would have the correct findings and thus have stronger conclusions, but it also has its problems, like different testing techniques. (Burns & Burns, 2008) (Matthews & Ross, 2014)

### 3.1 Research Design

The research design, study population, sample, and data resources and processing and presentation are included in chapter third. According to (Sutrisna, 2009), the overall techniques used to achieve research goals and objectives are research methods. The key factors to consider are results, research philosophy, and research decisions. The outcomes of research will be

affected by the establishment of the philosophy of science. Study and data analysis informed by the research role and research results include data.

In this study, it is possible to use each number one and secondary studies. Primary research is a good way to locate direct information about the subject matter of a study and can be assumed to be accurate since the answers can be obtained from the intended target institution. It offers new statistics and is collected in order to obtain the expectations and goals of the subject matter of the studies. Secondary research is also considered useful because it gives a deeper knowledge of what is already known about the subject and enables the issue to be discussed more thoroughly (Walliman, 2017).

### 3.2 Population

The population covers all groups of people, events or objects with common factors whereas the target population is related to the population in which the research wants the results to be transmitted to the absolute population of the study (Mugenda & Mugenda) The population is a unit of education and subjects that are currently being measured (Cooper & Schindler, 2006). A target population is characterized as the totality of cases that agree to a few specifications. (Churchill & Iacobucci, 2005). It consists of all objects of interest in an investigation (Evans, 2007). The population of this study is estimated at one hundred and ten thousand. A body of trends is a master list of all sample units within a population (Tustin, 2005)

Year		Number (*00	0)	Annual population growth rate (%)		
rear	Total	Citizens	Non-Citizens	Total	Citizens	Non-Citizens
2010	28,588.6	26,264.1	2,324.5	1.8	1.6	4.0
2011	29,062.0	26,616.9	2,445.1	1,6	1.3	5.1
2012	29,510.0	26,961.7	2,548.3	1.5	1.3	4.1
2013	30,213.7	27,325.6	2,888.0	2.4	1.3	12.5
2014	30,708.5	27,696.2	3,012.3	1.6	1.3	4.2
2015	31,186.1	28,060.0	3,126.1	1.5	1.3	3.0
2016	31,633.5	28,403.5	3,230.0	1.4	1.2	3.3
2017	32,022.6	28,735.1	3,287.5	1.2	1.2	1.8
2018	32,382.3	29,059.6	3,322.7	1.1	1.1	1.1
2019	32,523.0	29,382.7	3,140.4	0.4	1.1	(5.6)
2020°	32,657.3	29,696.9	2,960.4	0.4	1.1	(5.9)

Table 3.1 Total population and annual population growth rate, Malaysia 2010-2020

### 3.3 Procedure for Data Analysis

Data analysis is the procedure of analysing information to determine each portion of the data presented using logical and analytical inference. Using the Statistical Package for Social Sciences (SPSS) 23, the evidence reported in this research will be analysed and examined. The analysis data collection in this study involved the descriptive analysis, frequency analysis, reliability analysis, normality test and Pearson's correlation.

### 4 Data Analysis and Findings

The study of data that requires descriptive analysis. Also, describe the demographic data from respondents, reliability analysis centered on the importance of Cronbach's Alpha, correlation study consisting of the Pearson correlation.

By emphasizing on the probability of statistics, I analyzed each demographic profile information. In order to determine whether the data collected are compatible using the Cronbach of alpha technique, I analyzed the reliability analysis. That will further evaluate and figure out, correlation analysis and regression analysis will be used.

### 4.1 Preliminary Analysis

#### 4.1.2 Pilot Test

A pilot test can be described as the preparation for a greater and project will mainly from a small research. By doing a questionnaire, this research would conduct the entire testing, but the result from this pilot test was poor estimation since they had no statistical basis and only based on a limited number of studies.

Without gathering information for data sets, the trial research is to research the reasonableness and feasibility of the study. The aim of the analysis is to determine the reliability of the questionnaire and recommend that it be revised as necessary, while this research is to ensure that respondents understand the questions and the meaning of each questionnaire.

Before the actual survey began implemented to measure the questionnaire's viability, a pilot test was conducted. The pilot test has been used to ensure that the survey did not contain any mistakes or flaws. The sample size with this research was 269. The responses to the questionnaire would cause the 20 respondents to be chosen at random. The analysis on the quality of the data on how to construct the questionnaire was collected after the collection of 20 sets of questionnaires was completed. If the survey contains errors or malfunctions, it is necessary to reconstruct it immediately.

#### 4.2 Demographic

269 people are the overall number of respondents participating in the research. As per the descriptive statistical analysis were used to examine the demographic component, the distributions of respondents in terms of their context and preferences and showed the frequency and percentage for each segment of the respondents' demographic profile.

### 4.3 Descriptive Analysis

The descriptive research is used to identify the statistics of the population which is the percentages of respondents. Until performing the statistical examination, researchers would be able to analyze the data using descriptive analysis. Statistical analysis and processing of the findings can also be carried out thereafter. Furthermore, to calculate and describe the descriptive summary statistics, the mean, standard deviation, and percentage were used.

### 4.4 Reliability test

### 4.4.1 Technology Factor

Table 4.1 :Reliability Statistics

Cronbach's Alpha	N of Items	
.696	0.7000000000000000000000000000000000000	5

The reliability assessment in the table above is consistent. If the independent variable (IV) for the technology component is 0.696, the coefficient alpha for reliability can be inferred. This means that the accuracy and balance of 0.696 based on the thumb rules on the Cronbach of alpha coefficient is acceptable.

#### 4.4.2 Consumer Factor

Table 4.2: Reliability Statistics

	J	
Cronbach's		
Alpha	N of Items	
.802		5

The reliability assessment in the table above is consistent. If the independent variable (IV) for the consumer factor is 0.802, the coefficient alpha for reliability can be inferred. This means that the accuracy and balance of 0.802 based on the thumb rules on the Cronbach of alpha coefficient is good.

#### 4.4.3 Job Opportunity

Table 4.3:Reliability Statistics

Cronbach's Alpha	N of Items
.769	4

The reliability assessment in the table above is consistent. If the independent variable (IV) for the job opportunity is 0.96, the coefficient alpha for reliability can be inferred. This means that the accuracy and balance of 0.96 based on the thumb rules on the Cronbach of alpha coefficient is acceptable.

### 5 Discussion and Conclusion

For the conclusion, the main purpose of this research is to know the impact of the digital marketing in retail industry in Malaysia. Following are the part that have in this research, in Chapter 1, the research context, problem statement, study importance and study scope were highlighted. In addition, the first part of Chapter 2 defined all the conceptions of dependent variable and independent variables in order to explain the problem and to evaluate the relationship between these variables. The main aim of Chapter 3 is to expand on research methodological details such as pilot analysis, research design, estimation of research and approach to science. However, Chapter 4 is important for researchers to review the reliability test for all these variables and to ensure that there is a connection between the dependent

variable and the independent variable in the linearity test. Finally, the content of Chapter 5 was on general findings, implications of the study, shortcomings of the study, and recommendations for future research.

The most important research indicates that the more technologically sophisticated a retail department store becomes, the more marketing strategies can be created. It can be observed that modern digital marketing technologies expand the reach of marketers during a consumer journey in a powerful way. Tech devices such as signposts, therefore, enable customers to be detected from the very beginning of a shopping trip and communicate with them during the entire shopping journey.

### 6 Acknowledgement

Firstly, I would like to express the deepest appreciation gratitude for giving me the opportunity to do research and provide invaluable guidance during this research to my research supervisor Dr Yusrinadini Zahirah binti Md Isa@ Yusuff. I was influenced overpoweringly by her dynamism, vision, honesty and inspiration. She taught me the methods for conducting the analysis and presenting the test work as simply as possible. Working and learning under her guidance was a great pleasure and honor. For what she has given me, I am extremely grateful. In addition, I am incredibly truly grateful for my parents because of their devotion, their prayers, their care and their sacrifices in order to educate and prepare me for my future. To complete this research work, I am grateful for their love, understanding, prayers and continuing support. I would like to say thanks to my friends during my research work for their sincere support.

Finally, thanks to all the individuals who helped me to directly or indirectly complete the research work.

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# ONLINE PURCHASING INTENTION ON COSMETIC PRODUCT AMONG YOUNG WOMEN

#### Hanis Radhiah Chik and Nadia Hanum Amiruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hanis.a17a0115@siswa.umk.edu.my; nhanum@umk.edu.my

#### Abstract:

This study examines online purchasing intention on cosmetics among young women in Malaysia. Cosmetics is one of the top important needs for women in Malaysia because it will make them more confident and attractive. By pandemic Covid-19, many consumers were purchasing cosmetics online and there are many factors that influenced them to buy it. The aim of this research is to investigate factors influencing consumer purchase intention on cosmetics. Based on this study, there are four factors that influence online purchasing intention among young women which is product quality, brand image, promotion and electronic word-of-mouth. In this research, the researcher used an online questionnaire to get the data about factors influencing online purchasing intention on cosmetics. The total number of respondents was 137 respondents who had been distributed with questionnaires. The limitation of this research is only focused on young women that have intention and have experience purchasing cosmetics online. The data were analyzed and interpreted using SPSS software which involved reliability analysis, descriptive analysis, normality test and correlation analysis. After analysing the data, the finding reveals that the factors influencing are correlated with online purchasing intention on cosmetics.

**Keywords**: Online Purchasing Intention, Product Quality, Brand Image, Promotion, Electronic word-of mouth.

### 1 Introduction

In both advanced and developing nations, the cosmetic industry is rapidly developing. In Asia, the cosmetic market is becoming visible to be the fastest-growing-market. It is because people have more choice to spend their money on cosmetic products as long as the product will make them perform beauty and confidence. Cosmetics is one of the top important needs for most women, especially young people. Nowadays, the desire for beauty is constantly evolving as one of the basic needs of human beings. By using the cosmetic products, women will feel more attractive and positive images on their appearance. People are already aware of cosmetic products because when they hear about that, they tend to consider women. According to Hidayah (2019), cosmetic products not only refer to lipstick, face powder, mascara but it also includes other personal care products such as shampoo, fragrance, body soap and dental care products.

This study aims to investigate whether the factors regarding online purchasing intention on cosmetics will attract young women. According to Haque et al. (2015), purchasing intention is a precedent that promotes and drives the purchase by the consumer of products or services. The intention will arise after the person feels they need the product to solve their problems. Purchasing intention is the possibility that consumers in a certain purchasing situation choose

a certain brand or product category. It also can be defined as a process in which young women have information and awareness about the products. So, it will enhance them to have the intention to buy cosmetic products by choosing a certain brand. The consumer purchase intention can be influenced by many factors which depend on product quality, brand image, promotion, and e-WOM.

### 1.1 Research Objective

The objective for this research is:

- i. To determine the relationship between product quality and the online purchase intention of cosmetic products among young women.
- ii. To determine the relationship between brand image and the online purchase intention of cosmetic products among young women.
- iii. To determine the relationship between promotion and the online purchase intention of cosmetic products among young women
- iv. To determine the relationship between e-WOM and the online purchase intention of cosmetic products among young women.

### 1.2 Significant of the Study

#### Consumer

This study would expose the determinants of consumer purchase intention towards cosmetic products in Malaysia. This research will provide some information to the consumers that have the intention to purchase cosmetic products online. By this research, consumers can know what kind of factor they need to implement to purchase cosmetics online. Besides that, it will give more information to consumers that can help them to make the right decision when buying cosmetic products online.

#### Retailer

This research will help the retailers to understand the cognition of the customers better. The retailers can know what kind of factors that consumers recognize to purchase online. Besides that, the online retailer can improve the weakness possessed by the company. They also can improve the knowledge of the products, feedback, and any information at e-commerce. It will help to convince customers to make purchases of cosmetic products online. As mentioned in this research, product quality, brand image, promotions, and e-WOM are important in order to influence consumers to buy our products. So the retailers could identify the strategy to market the products by e-commerce.

### 2 Literature Review

Perception of research on the relationship between product quality, brand image, promotion and electronic word-of-mouth (e-WOM) in order to know the factors that influence online purchasing intention on cosmetics among young women.

### 2.1 Dependent Variable

#### 2.1.1 Online Purchasing Intention

Consumer purchase intention according to Haque et al. (2015) concludes that purchase intention is a precedent that encourages and drives the purchasing of goods or services by customers to buy the product through the internet. According to Lu, Chang, and Chang (2014), online buying intention is the ability and willingness of customers to purchase a product at a particular time and specific situation through an online transaction network. People will use any social media to purchase products that they want. Besides that, they are also willing to search for any trusted seller to buy the products online.

### 2.2 Independent Variable

### 2.2.1 Product Quality

Product quality is the capability of the product to perform its purpose correctly, including the efficiency and precision of the product. According to previous research, it revealed an important moderate relationship between perceived quality and emotional value to purchase intention, Asshidin, Abidin, and Borhan (2016). The high quality of the products will make consumers have the intention to purchase cosmetics online. It is because they already know from other feedback that the products will give more benefit to them. Thus, Priyanga and Krishnaveni (2016) noted that it is due to the quality of the beauty care products, the customer becomes brand loyal. High-quality of products cosmetics help create and retain the trust of targeted consumers and convince them to purchase the product.

#### 2.2.2 Brand Image

The brand of the product is regarded as a name and a symbol of an undertaking. Brands play an important role in the creation of a positive image among consumers. According to a previous study, Khan, Ghauri, and Majeed (2012), as a customer's ability to spend a significant amount on their preferred brand over its alternatives, notes brand loyalty. Besides that, according to Mohammadzadeh (2015), a brand image is the expectation of customers regarding products or the overall views that are created in their minds about products. That means when consumers are aware of cosmetic brands, the cosmetic product will be considered on their purchase list. It can be concluded there is a positive relationship between brand image and online purchasing intention in cosmetic products. Brand image is also important for businesses, they aim to enhance marketing activity and communicate with strategies to position and sustain a positive brand. If consumers have a positive image towards brands, the brand is more influential relative to other brands.

#### 2.2.3 Promotion

According to Xinhe (2019), sales promotion is a short-term demand derivation strategy and also a special marketing offer that provides more profits than what customers get from a product's sales position and also has a sharper impact on sales. Sales promotion online can influence consumers to purchase because the price of the products might be lower than usual.

Besides, price promotion or price discount make consumers buy unplanned when the price suddenly low than before. The research found that there is a positive relationship between promotion and online purchasing intention on cosmetics among young women in Malaysia. In the same previous article, Xinhe (2019)the researchers also mentioned that price promotions are popular strategies to attract customers and increase business profits. This strategy is often used in the short term and intended to promote and facilitate further purchases of individual goods by consumers. Consumers are more attracted to promotions by buying 1 free 1, coupon or gift. Not all people think that sales promotion can cause consumers to pay attention to the promotion compared to products and services.

### 2.2.4 Electronic word-of-mouth

Electronic word of mouth (E-WOM) is a message about the product or service of the organization or about the organization itself through the internet. According to Du, Ruan, Gu, Bitzer, and Mueck (2016), the information delivered by the internet can be positive, negative, or complete. Previous studies have shown that the key factors that could affect e-WOM are trustworthiness, expertise, informative influence, and high fashion participation. The finding of the study will benefit the businesses that use social media to market their goods by targeting factors that have a major effect on their purchasing intention, Saleem and Ellahi (2017). Based on the 2017 Local Consumer Review Survey, the findings revealed that 97 percent of customers read online reviews for local businesses, while 54 percent of customers were affected by valence review, 46 percent of customers were affected by quantity review, and 38 percent of customers were affected by timeliness review, Local (2017). Many research has found that online reviews have a big impact on the intention of online buying on social media and website shopping.

### 2.3 Research Hypothesis

From the research, the researcher have studied factors influencing online purchasing intention on cosmetic products among youth women, there are four hypotheses that can be concluded from the previous study.

- i. There is a significant relationship between product quality and online purchasing intention among young women.
- ii. There is a significant relationship between brand image and online purchasing intention among young women.
- iii. There is a significant relationship between promotion and online purchasing intention among young women
- iv. There is a significant relationship between e-WOM and online purchasing intention among young women.

### 2.4 Conceptual Framework

A research framework has been conducted to a connection between the factor influence which is product quality, brand image, promotion and e-WOM with online purchasing intentions on cosmetics products.

### Independent variable

#### **Dependent Variable**

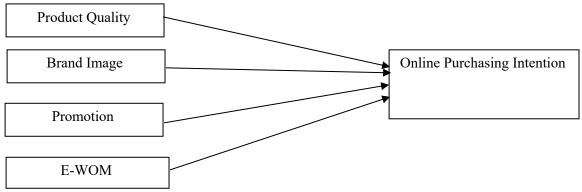


FIGURE 1: Conceptual Framework for factors influencing online purchasing intention on cosmetics among youth women in Malaysia.

### 3 Methodology

### 3.1 Research Design

The correlational research design is carried out in that seeks to determine the relationship between purchase intention and factors influencing online purchase intention among young women in Malaysia. In this study, online questionnaires will be used as a method for data collection. Besides that, this study was also conducted using the descriptive design.

#### 3.2 Data Collection Method

The data collection method of the research is by primary data and secondary data. A typical case is a survey that asks questions to gather answers that shed light on patterns, preferences, behaviour, and so on. Each respondent was asked to answer the questionnaires online. The researcher also acquires the data from secondary data which is from books, journals, and articles. Secondary data is knowledge gained and is information commonly accessible in derivative or electronic form.

### 3.3 Population

The population of the study involved young women who have the intention to purchase cosmetic products online. To carry out this study, the researcher will take a female respondents ages from 18-34 in Malaysia to answer the online questionnaire. According to webpage Insights (2018), Social networks and influencers also play an important role in product research and evaluation, particularly among people between the ages of 18 and 34. They found that 49 per cent of facial skin care shoppers aged 18–34 and 53 per cent of makeup shoppers in the same age bracket are likely to make a purchase on the basis of a social media message.

### 3.4 Sampling

The respondent to the questionnaire will be chosen convenience and judgmental from the population of young women in Malaysia. The sampling technique of the research is a convenience sample. A convenience sample is the people who happen to be most available to the researcher are simply included in a convenience sample.

### 3.5 Data Analysis

In this report, primary data collection is used directly and precisely to gather information and feedback from the respondent who uses the online platform to purchase cosmetic products. Besides that, in this research, the Statistical Package for the Social Sciences (SPSS) will be used. The data that we collected will enter into SPSS which helps to provide material for analysis. The techniques were used to analyze the information gathered by descriptive analysis, normality analysis and correlation analysis.

### 4 Data Analysis and Findings

### 4.1 Demographic Profile

Respondents	Frequency	Percentage
<b>A</b>		
Age		20.40/
18-23 years old	54	39.4%
24-29 years old	51	37.2%
30-34 years old	32	23.4%
Marital Status		
Single	90	65.7%
Married	47	34.3%
Monthly Income		
Less than RM1,000	61	44.5%
RM1,001-RM3,000	35	25.5%
RM3,001-RM4,000	28	20.4%
More than RM4,001	13	9.5%
Occupation		
Student	53	38.7%
Private Sector	35	25.5%
Self Employed	37	27.0%
Public Sector	12	8.8%
Monthly Expenditure on		
Cosmetics		
RM0-RM100	60	43.8%
RM101-RM200	46	33.6%
RM201-RM300	23	16.8%
RM500 and above	8	5.8%

Out of 137 respondents, the highest number of age is 18-23 years old which is 39.4% and the lowest percentage is 23.4% were 30-34 years old. Meanwhile, in terms of marital status, only 34.3% were married and the rest 65.7% are single. It shows most of the respondents which is single marital status comprised the majority group of the study. In terms of monthly income, the result shows that the highest income level of the respondent is from income level less than RM1000 were 44.5% and the lowest is 9.5% have monthly income more than RM4001. Out of 137 respondents, 38.7% were students and it is the highest of the respondents. Besides that, and 8.8% from the public sector which is the lowest. Lastly, in terms of monthly spending on cosmetics is the result shows that the highest money spend of respondents 43.8% was RM0-RM100, the second highest money were spend is 33.6% was RM101-RM200 and 16.8% were spend the money is RM201-RM300. Nevertheless, only 5.8% of respondents spent money for the amount RM500 and above.

### 4.2 Descriptive Analysis

Table 4.1: Descriptive Analysis on Online Purchasing Intention on Cosmetics

Descriptive Statistics					
	Mean	Std. Deviation			
Online Purchasing Intention	4.3504	.88842			
Product Quality	4.5314	.73662			
Brand Image	4.3839	.86910			
Promotion	4.3080	.86399			
E-Wom	4.4277	.80629			

Table 1 shows the result of all dependent variables and independent variables including online purchasing intention, product quality, brand image, promotion and e Wom. The highest mean is product quality with 4.53 whereas the lowest mean is promotion with 4.31. Moreover, the highest standard deviation is online purchasing intention with 0.89 while product quality has the lowest standard deviation which is 0.74. Thus, online retailers need to focus more on the highest value variables in order to influence consumers' intention to purchase cosmetics online.

### 4.3 Reliability Analysis

Table 4.2: Actual Reliability Analysis

Variable	Number of Item	Cronbach's Alpha	Strength of Association
Online	5	0.932	Excellent
Purchasing			
Intention			
Product Quality	5	0.904	Excellent
Brand Image	5	0.942	Excellent
Promotion	5	0.925	Excellent
E-Wom	5	0.948	Excellent
All	25	0.982	Excellent

Table 4.2 shows Cronbach's Alpha of both dependent and independent variables. The Cronbach's Alpha for both independent and dependent variables shows 0.982 which is considered as excellent, which means that this variable is reliable. The result shows a high positive relationship. Besides that, crobanch's alpha for e-Wom shows the highest value which is 0.948 and the lowest value is product quality with 0.902. For other variables which are online purchasing intention, brand image and promotion, the value of cronbach's alpha is 0.932, 0.942 and 0.925. That means all the variables in this research are reliable.

### 4.4 Normality Test

Table 4.3 Shapiro-Wilk of Normality

	10010	~ ~ 11.0 P 11 0				
Tests of Normality						
	Kolmogo	Kolmogorov-Smirnov <sup>a</sup> Shapiro-Wilk				
	Statistic	df	Sig.	Statistic	Df	Sig.
Product Quality	.262	137	.509	.635	137	.609
Brand Image	.239	137	.196	.720	137	.742
Promotion	.212	137	.149	.789	137	.899
e-Wom	.239	137	.222	.718	137	.688

a. Lilliefors Significance Correction

The result that was shown in the normality test using SPSS was normal data. The value of significance in Shapiro-Wilk's test and Kolmogorov-Smirnov's test that shown in the table is more than 0.05. Table 4.6.1 shows that the significance of product quality is .609 and brand image is .742. Besides that, the other two variables also shown the significant is more than 0.05 which is promotion for .899 and e-Wom for .688. It means the data was counted as normally data.

### 4.5 Hypothesis Testing

Table 4.4 Pearson Correlation Coefficient

Variables	Pearson Correlation	Sig. (2-tailed)
Product Quality	0.817**	.000
Brand Image	0.871**	.000
Promotion	0.856**	.000
E-Wom	0.878**	.000

The table 4.4 shows the result of Pearson correlation or hypothesis testing of the research. The highest r value is electronic word-of-mouth (e-wom) with 0.878 while the lowest is product quality with 0.817 r value. Moreover, brand image and promotion also shows a high r value with 0.871 and 0.856. However, the p-value is significant for all variables with the value of 0.000. That means all independent variables have a significant relationship between dependent variables in this study.

#### 5 Discussion and Conclusion

#### 5.1 Overall Conclusion

As a conclusion, based on the findings of this research, all independent variables have a significant relationship towards the factors that influence online purchasing intention on cosmetics among young women. It also shows the sources from literature supported and all the data are reliable. The researcher concludes that all the independent variables have a great factors to influence young women have intention to purchase cosmetics online. It means all variables play an important role when consumers make decisions to purchase cosmetics online. Moreover, the finding of Pearson's Correlation Analysis shows that there was a positive and significant relationship between product quality, brand image, promotion, electronic word-of-mouth and factors online purchasing intention on cosmetics among young women. Thus, the result of P-value to all independent variables is less than 0.05 and the hypothesis result show a high figure between 0.878 to 0.817.

As the respondents were young women and the data collected on this research, it is shown when they have engaged online shopping on cosmetics they mostly choose based on product quality. This is because consumers are more concerned about the quality of the product when buying cosmetics especially online. Apart from that, through this research the researcher discovered that online purchasing intention on cosmetics was impacted by brand image factors. This is because the result shows that there is a positive relationship. When buying products online, the customers will have intention to purchase the product that they already have a good expectation on the brand image. Besides that, promotion is also another factor that can

influence young customers to have online purchasing intentions. When they are already aware about the quality and brand image of the products, they can simply purchase cosmetics when the company offers a promotion. Electronic word-of-mouth (e-WOM) also can be factors that young women attract to have online purchasing intentions. Electronic word-of-mouth is the feedback of the customers by social media such as Instagram, Whatsapp and so on. It can be the respondent asked their friend preferences about the certain products before making the decision to purchase it.

#### 5.2 Recommendation

Researcher may recommend and suggest some of the opinions to further research with all alternative hypothesis supported. During this pandemic Covid-19, all businesses were transformed to online business. So, this research can give an idea to retailers or founders of cosmetics to develop their business by knowing factors that make consumers attracted to purchase cosmetics online, especially young women. Retailers can improve their online business strategies to attract more customers and be a trusted seller. Moreover, further research is recommended to use other many methods to collect data from respondents. The researcher was using an online questionnaire method to collect data from respondents in this study. Thus, the other method recommended is interviews and observation or called a qualitative method. Different methods used to implement the study will increase the accurateness of the final result.

#### 5.3 Implication

By conducting this research which is online purchasing intention on cosmetics, the researcher can be defined that several factors can influence young women to make purchases on cosmetics online. The implication of the study is young women that have intention purchase cosmetics online will more understand about the factors that affect them to purchase online. It also makes them be aware of the factors to make online purchasing in the future. Besides that, it also can give additional knowledge to young women considering that cosmetics are very important to them nowadays. Retailers can get the information from this research in order to improve their business online. It is because the data that researcher got is from consumers so that it will be a good idea to them in order to fulfill customer's wants.

# 6 Acknowledgement

First and foremost, I would like to convey our deepest gratitude to my supervisor, Puan Nadia Hanum binti Amiruddin for her excellent guidance for our research project. She has spent lots of effort and valuable time in guiding us to complete this research project. Furthermore, I would like to give thanks to University Malaysia Kelantan for giving me the opportunity to conduct our research in order to fulfil the subject requirement for Bachelor of Entrepreneurship (Retailing).

Throughout this research project, I gain a lot of information and it gives extra knowledge to myself whether by books, source of the internet or lecturers. Even though these research outcomes may not be the best among students nevertheless, I strongly believe that my research will give benefits for another researcher, academician or retailer for their future references. This research project may give clear understanding in different perspectives for them. Last but not least, I would like to confess my deepest appreciation to my beloved friends who assist me in completing this research.

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# A STUDY OF CORPORATE IMAGE, CUSTOMER SATISFACTION AND BRAND LOYALTY IN GUARDIAN, CAMERON HIGHLANDS, PAHANG

### Heng Yong Ling and Mardhiah Kamaruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hyling.a17a0121@siswa.umk.edu.my; mardhiah.k@umk.edu.my

#### Abstract:

The aim of this research was a study of corporate image, customer satiafction and brand loyalty in Guardian, Cameron Highlands, Pahang. Retail store is located all around the world. In Malaysia economu, retail is one of the most active sub-sectors and second largest conyributor to national GDP. As the market become more agreesive, it is important to have a good brand loyalty to maintining existing customers. Therefore, a study of corporate image and customer satisfaction towards brand loyalty was determined. The independent variable in this study was corporate image and customer satisafction while dependent variables was brand loyalty. A quantitative method was used and 380 respondents were being evealuted in this study. Questionnaire were distribute through Google Form that used to collect primary data and all the information that wanted in this study. All the collected data was anlyzed used SPSS version 26. Descriptive analysis, Pearson Coefficient Correlation and multiple regression analysis was being anlyze through SPSS. As a result, all of the independent variables which are corporate image and customer satisfaction have a significant relationship between dependent variables which is brand loyalty in Guardian Cameron Highlands, Pahang. After done with this study, it will be have a better understanding of the two criteira that will affect the brand loyalty in Guardian.

Keywords: Brand Loyalty, Cameron Highlands, Corporate Image, Customer Satisfaction, Guardian.

### 1 Introduction

Nowadays, retail shop can be seen at anywhere. There are a lot of retail shop all around the world. In the year of 1990s and 2000s, with new shopping streets and centres joining the market, the retail industry entered a more vibrant revolution. This has become a new system as chain stores merge with franchising, hypermarkets and malls, with the rise of organized retailers that prepare, structured corporate structure management that tracks everything. (Ene & Özkaya, 2014). The retailer shall take the largest single slice of the cost of distribution. That is 53% of the estimated total of \$170 billion in retail sales thereafter. This is the most conservative guess when it comes to distributing goods and services to the public (Lebow, 1955).

In the Malaysian economy, Retail is one of the most active sub-sectors and the second largest

contributor to national GDP, contributing RM31,081 million in the year 2000.(Mui, Badarulzaman, & Ahmad, 2003). There are many retail outlets, ranging from department stores, supermarkets, mini markets, specialty stores, convenience stores, pharmacies, direct sales, wet market stalls to pavement stores and petrol. This variety of retail stores reflects the changing needs and the desire of consumers to have a good quality of products and services. (Mui et al., 2003).

Guardian Malaysia has start the business since 1967 until now that selling health and beauty products. They're just selling pharmaceutical and quality personal care products when they start. Then, by having the concept of providing specialized health and beauty products in a professional environment, popularity has increased and Guardian has begun to expand its store. Guardian start their business at The Weld, Kuala Lumpur and now they have more than 440 stores and have average 33million of customers in a month that visit Guardian (Guardian, n.d.).

Now that the market is becoming more aggressive and competitive, many organizations realize that the importance of remaining existing customers and some retailers have come out with a number of activities to build long-term relationships with their customers. (Abdullah et al., 2012). All of these developments and in the competitive retail sector, brand loyalty needs to be established in order to create a sustainable competitive edge, which will keep current customers in the retail store. (Ene & Özkaya, 2014). Businesses point out that maintaining existing customers is more profitable when compared to finding and gaining new customers.

By creating brand loyalty, there are some elements that will affect the brand loyalty which are corporate image and customer satisfaction. This will decide customer want to enter the shop or no. Businesses points out that maintaining existing customers is more profitable than finding and gaining new customers (Zhang, Zhuang, Yang, & Zhang, 2017).

A study of corporate image, customer satisfaction and brand loyalty in Guardian, Cameron Highlands, Pahang will be investigate and determine in this study. This study will find out the views of customer that visit Guardian store.

#### 1.1 Research Objectives

- 1. To determine the relationship between corporate image and brand loyalty in Guardian.
- 2. To determine the relationship between customer satisfaction and brand loyalty in Guardian.

#### 1.2 Significance of the Study

#### 1.2.1 Government

Retail sectors are being apart of big income for Malaysia. By doing this study, government will get to know on how to improve the retail sectors by providing a good environment or places to retail sectors run their business. Government also can give some financial aid for retail store to improve the quality of retail store to make sure they have enough money to improve their retail store.

### 1.2.2 Guardian Malaysia

This research will focus on corporate image, customer satisfaction and brand loyalty. This will help Guardian to know more about their customer's needs and wants. They can improve their store to serve their customers in a better service and products. This will give a benefits to Guardian to increase their brand loyalty of company.

#### 1.2.3 Customers

Customer can get to know more about the retail store that they always visit. They can know how the retailer serve them and they can know more about the retail store. When customer know more about the retail store, they will stick to a brand to buy the product more often.

### 1.2.4 Researcher

This research will help the other researcher to use as a reference in future when doing a similar research. Researchers believe that this research will give other researcher a good reference on this study and they can explore more about this study in other ways.

### 2 Literature Review

### 2.1 Underpinning Theory

#### **Brand Loyalty**

Brand loyalty defined as consumer willing to pay with a higher price for a certain brand for a product and they will suggest the product to others as well. Customer will always stick on the brand and will not change their product brand to the other brand (Saif, Ahmed, Shareef, & Khalid, 2018). When there is having a brand loyalty from customers, company will no need to advertise more on their products because customers themselves will promote the product that sell by that company to the other people. This will help to attract more customers to visit the company and buy their products and services (Ingemansson, Nilsson, & Vllasalija, 2015). Other than that, loyalty is related with different factors and one of the main factor is the experience of using the product and service. A good experience will let the customers satisfy and want to continue to shop in the store (Salim Khraim, 2011). Brand loyalty is recognize as a min construct in market and the researcher agree that brand loyalty produce company benefits which are reduce the marketing cost, bring profit to a company and increase their market share. Therefore, researcher determine brand loyalty as customer's unconditional loyalty and have a big relationship with a brand, which is they will not easy to be affect by others(Maheshwari, Lodorfos, & Jacobsen, 2014).

#### 2.2 Previous Studies

### 2.2.1 Corporate Image

Corporate image is a valuable and a things that is hard to be simulate by others. This can help a company to gain a good financial performance (Ene & Özkaya, 2014). As an employer, employee, consumers, suppliers, community and corporate citizen, corporate image has include the information and inference about the company. An organization's corporate image will affects stockholders' behavior, the reason for the company to maintain and develop their image are:

- i. Enhance the corporate competitive advantage to bring to a higher profit in company.
- ii. Create a good identity of employees thereby guiding to their satisfaction.
- iii. Influence financial institution and investor.
- iv. Promoting a good relationship with government and various interest group.

Therefore, when a company want to have a good corporate image, a company need to know the expectations and needs of various interest groups especially customers. This is important because the needs and expectation will be different (Adeniji, Osibanjo, Abiodun, & Oni-Ojo, 2014).

Based on previous study, the researcher explored the relationship between corporate image and customer brand loyalty. The result shown that when the corporate image in one company is high, the loyalty of customers towards their product also will be high. The researcher has

identified the relationship of corporate image and brand loyalty is positive (Lee, 2019). In the other research, the researcher found out that corporate image has support their hypothesis which is brand loyalty is positively influence by corporate image. This can be see that by having a good corporate image in a company could increase their brand loyalty (Ashraf, Ilyas, Imtiaz, & Ahmad, 2018).

### 2.2.2 Customer Satisfaction

Customer satisfaction is a perception and evaluation from a consumer based on total purchase and experience in one store. A good service and product information will give a good satisfaction to consumers. To have a good customer satisfaction, companies need to have a good sell ideas and methods after refer to the needs and wants from their customers. Company can find out what is the needs and wants of their consumer in that location and sell more on the products that always need by consumer at the place (Konečnik Ruzzier et al., 2014).

Other than that, customer satisfaction is mean an individual's feeling of the performance of products or services provide by the seller either it is reach to his or her expectation. Customer satisfaction will be hard to measure because that is difficult to know human feelings on that time. Therefore, there will be some ways to measure customer satisfaction which are:

- i. Company doing a survey to know the level of satisfaction.
- ii. Doing a page or provide paper for customers to left their feeling when visit the store.
- iii. Direct ask the feeling from customers.

By doing these, company can easily know the satisfaction of consumers towards their company services and products (Eriksson, 2009).

In the other studies, researcher found out that customer satisfaction is the key factor that will improve the intention of repurchase and brand loyalty. By producing a good customer satisfaction, company should considerate their customer is satisfy to their services and products is good enough (Ji & He, 2013).

On the other hand, after the researcher done with the results, there is a positive relationship between customer satisfaction and brand loyalty. Researcher found out that customer satisfaction will helps more for a company to build brand loyalty. Therefore, company always need to make sure the customer satisfaction is good (Ahmed, Rizwan, Ahmad, & Haq, 2014).

### 2.2.3 Brand Loyalty

The study show there is 5% increase of customers purchase for products can increase company profits up to 25%. Therefore, to determine customer loyalty and satisfaction levels on products, company have to observe and know customers' needs and wants. When there is customer do not satisfy with the company, they will not loyal to the brand again (Ene & Özkaya, 2014).

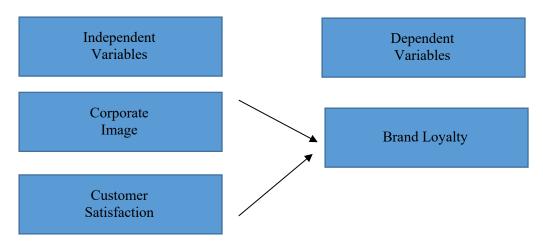
The other study researcher found out that a loyal customer will less sensitive to the price. Even when the price of products is increase, customer will still buying the products in same brand and the quantity of buying the products will not decrease (Mao, 2010).

### 2.3 Hypothesis Statement

H<sub>1</sub>: There is a significant relationship between corporate image and brand loyalty.

H<sub>2</sub>: There is a significant relationship between customer satisfaction and brand loyalty.

### 2.4 Conceptual Framework



igure 1: The Conceptual Framework of Study

### 3 Methodology

### 3.1 Research Design

In this study, researcher will use cross-sectional study design. Cross-sectional study involves looking at data from a population at one specific point in time. In the other word, cross-sectional is the data only collected just once. The reason for researcher choose to use cross-sectional study is because this method can use to make reasoning about possible relationships or preliminary data to support further study. It can also let researcher to look at numerous characteristics in one time (Cherry, 2019). A quantitative method will be use in this research. A questionnaire will be distribute in google form at one time to respondent to fill up the survey.

#### 3.2 Data Collection Method

The method used for this study is quantitative research method. A survey is being conduct to collect all the data required. A primary data will be use in this study. Primary data source is an original data source which is the data collect in a first hand from researcher. The data generated from the survey is categorise as primary source for this study. The questionnaire will be distributed to respondent in google form at Cameron Highlands.

### 3.3 Study Population

By referring to district council in Cameron Highlands, the latest population in Cameron Highlands is 35,075 people (MDCH, 2020). The population usually has varying characteristics and it is also known as the theoretical population. The population to be chosen because there will be people in Cameron Highlands will visit Guardian.

#### 3.4 Sample Size

This research will be conduct by taking data from respondents who are able to fill up the questionnaire in google form at Cameron Highlands area. All the respondents are the customer that are visit Guardian before. The population is taken from the data from district council in Cameron Highlands. A sample size will be carry out from population based on Krejcie and

Morgan (1970) table, therefore the researcher will take the sample size that is 380 peoples.

### 3.5 Sampling Technique

In this research, researcher will use non- probability sampling. Non-probability sampling is a sampling technique which is the researcher select sample base on the subjective judgement rather than random selection. In non-probability sampling, it is not all members of population will participate in the study. Under non-probability sampling, researcher will use convenience sampling. Convenience sampling is researcher will send the Google form to respondent to fill up the questionnaire when they are available.

### 3.6 Research Instrument Development

Researcher will use questionnaire in google form to gather all the information that will be need in this research. This is a systematic structure form with a set of question will be design to get answer from respondents for the purpose of collecting data. The sample of questionnaire will be use from a population of people in Cameron Highlands. The respondents will be ask for structure or closed question which is the guidance of answering those question will be provide in the questionnaire. The questionnaire method will use to collect the data in this study.

Researcher will use two format in the questionnaire which are multiple choice and Likert scale. In multiple choice format, there is only section A that is using this format which is respondent will choose to fill up their demographic profile.

On the other hand, Likert scale will be use in part B, C and D. Part B is about corporate image, part C will be customer satisfaction and part D is about brand loyalty. There will be 5 scales to measure the level of agreement about the question provided in the questionnaire. Respondent will be ask to choose one of the scales that they feel is suit for them. The point of Likert scale is 1- strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree. Below will provide the table of Likert scale.

Table 1 Likert Scale Table

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

#### 3.7 Measurement of the Variables

In this study, researcher will use face validity to test the validity of instruments. Validity is a test is valid if it measure what it claims to measure (McLeod, 2013). For face validity, the draft of questionnaire will be submit to lecture before give to the respondent to answer.

Next, researcher will use reliability. According to Colin Phelan and Julie Wren, 2005, Reliability is the degree to which and assessment tool produces stable and consistent results. This will be used because our questionnaire having ranging stage which is from agree to disagree. This was a test on the consistency of raw data collected and if there was transparency in how the data made up. When the reliability coefficient close to value 1, the reliability measures will be better.

### 3.8 Procedure for Data Analysis

In this study, researcher will publish the questionnaire in google form to people in Cameron Highlands. Researcher will randomly send the questionnaire to respondent for them to answer

when they are available. Before that, researcher will do the Pilot Test by using 30 respondents to test the reliability of the questionnaire. This is to make sure the questionnaire is reliable before distribute the questionnaire.

Statistical Package for the Social Sciences (SPSS) will be use in this research. After collect all the data, data will enter into SPSS that can help to provide material for analysis. Descriptive statistic will used in this research since there are some empirical researchers that using this research design.

Cronbach's alpha will used to measure the reliability of questionnaire. Normally, the ranging for Cronbach's alpha from 0 to 1. According to the table can clearly see that the value nearer to one is excellent ("Cronbach's Alpha," 2020). Below will provide the table of Cronbach's Alpha table.

Table 2 Cronbach's Alpha Table				
Cronbach's alpha	Internal consistency			
$0.9 \le \alpha$	Excellent			
$0.8 \leq \alpha \leq 0.9$	Good			
$0.7 \leq \alpha \leq 0.8$	Acceptable			
$0.6 \leq \alpha \leq 0.7$	Questionable			
$0.5 \le \alpha < 0.6$	Poor			
$\alpha < 0.5$	Unacceptable			

Other than that, Pearson's correlation coefficient will used to test the hypothesis. The positive value means that there is a positive relationship between the variables on the other hand, the negative value means that there is a negative relationship between the variables.

## 4 Data Analysis and Findings

### 4.1 Preliminary Analysis

Preliminary analysis also call as reliability analysis. This is to test either the questionnaire is suitable to distribute for respondent or no. Therefore, pilot study was conducted by distribute the questionnaire to 30 respondents. The most common measure that used in internal consistency measure is Cronbach Alpha Coefficient. There are no exactly rules appear for internal consistencies, but the most agree on a minimum internal consistency coefficient is 0.70 (Taherdoost, 2018). The outcome of the pilot test is shown below:

Table 3 Pilot Test

Variables	N Terms	Cronbach Alpha	Strength
Corporate Image (IV 1)	13	0.839	Good
<b>Customer Satisfaction(IV2)</b>	5	0.846	Good
Brand Loyalty(DV)	4	0.740	Acceptable

Based on Table 4.1, the dependent variable which is brand loyalty shows a value of 0.740 with acceptable strength. Independent one is corporate image has the value of 0.839 which is a good strength. The second independent variable is customer satisfaction which shows the value of 0.846 with good strength. Therefore, all the variables are reliable and can be used for the research.

### 4.2 Demographic Profile of Respondents

Based on the findings that has been carried out, this section will provide the information of gender, race, age, marital status and occupation. From the collected data, there are 47% respondent is male with the amount of 177 respondents. Female respondent is 53% with the amount of 203 respondents.

Next in term of race, there are 33% respondent is Malay with the number of 126 respondents. While Chinese is 39% with the number of 148 respondent and Indian have 28% with the number of 106 respondent. While in age group, there is 26% of respondent with the amount of 97 respondents is 20 years old to 29 years old. 30 years old to 39 years old is 28% with the amount of 107 respondents out of 380 respondents. For 40 years old to 49 years old is 26% with the amount of 99 respondents and for 50 years old and above is 20% with the amount of 77 respondents.

Moreover, for marital status there is 42% with the amount of 159 respondents is single. While 58% with the amount of 221 respondents was married. In occupation, there is 27% of respondent with the amount of 101 respondents is a businessman. Private sector employee is 30% with the amount of 114 respondents out of 380 respondents. For government sector employee is 25% with the amount of 97 respondents and for student is 18% with the amount of 68 respondents.

### 4.3 Descriptive Analysis

Table 4 Descriptive Statistics on Variables

No	Variables	N	Mean	Standard Deviation	Ranking
1	Brand Loyalty (DV)	380	4.2559	0.72720	3
2	Corporate Image (IV1)	380	4.2715	0.56646	2
3	Customer Satisfaction (IV2)	380	4.2932	0.61215	1

Table 4.2 shows the descriptive statistics of brand loyalty, corporate image and customer satisfaction. Customer satisfaction has the highest mean which is 0.61215. Second is corporate image which is 4.2715 and follow by brand loyalty which is 4.2559. Therefore, from the table can clearly see that there are majority of respondents agree that customer satisfaction is important.

Other than that, table 4.2 also shows the standard deviation for three variables. In this situation,

brand loyalty is the highest standard deviation among three variables which is 0.72720. Second is follow by customer satisfaction which is 0.61215 and the last is corporate image which is 0.56646.

### 4.4 Pearson Correlation Analysis

Table 5 Pearson Correlation Analysis

Variable	Mean(SD)	Corporate	Customer	Brand
		Image	Satisfaction	Loyalty
Corporate	4.27(0.57)	1	0.879	0.801
Image				
Customer	4.29(0.61)	0.879	1	0.816
Satisfaction				
<b>Brand Loyalty</b>	4.26(0.73)	0.801	0.816	1

<sup>\*</sup>p-value<0.05, Pearson Correlation analysis applied

Based on table 4.3, the correlation of every independent variable which are corporate image and customer satisfaction is significant at 0.01 levels, two tailed towards brand loyalty. Furthermore, the result shows that there are positive perfect significant relationship in all independent variables with brand loyalty. The value between corporate image and brand loyalty is 0.801 and customer satisfaction is 0.816. As a result, customer satisfaction shown a strongest positive relationship with brand loyalty (r=0.816) and follow by corporate image (r=0.801). Other than that, the correlation between independent variable (customer satisfaction) and dependent variable (brand loyalty) is positively related with r=0.816 at 0.01 levels.

### 4.5 Multiple Linear Regression Analysis

#### 4.5.1 Simple Linear Regression

Table 6 Simple Linear Regression Table

Variable	Simple Linear Regression				
	β	t-stat (95% confidence interval)	p - value		
Corporate Image	1.03	25.97(0.95, 1.11)	< 0.001		
<b>Customer Satisfaction</b>	0.97	27.43(0.90,1.04)	< 0.001		

<sup>\*</sup> Normality assumption was fulfilled/met

### 4.5.2 Multiple Linear Regression

Table 7 Multiple Linear Regression Table

Variable	Multiple Linear Regression			
	β	t-stat (95% confidence interval)	p - value	
Corporate Image	0.47	6.16 (0.32, 0.62)	< 0.001	
<b>Customer Satisfaction</b>	0.59	8.28 (0.45, 0.73)	< 0.001	

<sup>\*</sup> Normality assumption was fulfilled/met

### 4.5.3 Checking the Normality Assumption for Multiple Linear Regression

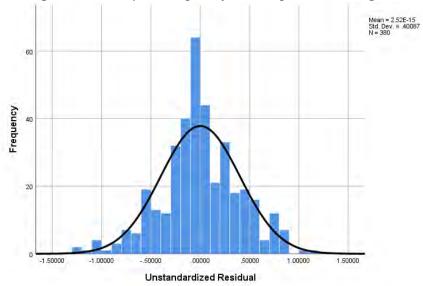


Figure 2 Unstandardized Residual

Figure 4.8 is the histogram of unstandardized residual of a study of corporate image, customer satisfaction and brand loyalty of Guardian, Cameron Highlands, Pahang.

Based on the figure above, there is a normal bell shape distribution of the unstandardized residual of a study of corporate image, customer satisfaction and brand loyalty of Guardian, Cameron Highlands, Pahang.

#### 4.5.4 Interpretation, Tabulation and Conclusion

Variable	Simple	<b>Linear Regression</b>		Multipl	le Linear Regression
	β	t-stat (95% confidence interval)	p - value	β	t-stat (95% p - value confidence interval)
Corporate Image	1.03	25.97(0.95, 1.11)	< 0.001	0.47	6.16 (0.32, <0.001 0.62)
Customer Satisfaction	0.97	27.43(0.90,1.04)	< 0.001	0.59	8.28 (0.45, <0.001 0.73)

<sup>\*</sup> Normality assumption was fulfilled/met

There is a significant effect of corporate image and customer satisfaction (p<0.05). In every unit increase of corporate image, brand loyalty will be increase by 0.47( $\beta$ ). Other than that, every unit increase of customer satisfaction, brand loyalty will be increase by 0.59 ( $\beta$ ).

### 5 Discussion and Conclusion

### 5.1 Key Findings

Based on this study, there are two independent variables which are corporate image and customer satisfaction and dependent variable is brand loyalty. By getting the result in this

study, researcher use quantitative method by distribute questionnaire to respondent for collect data. After done with the pilot test that the questionnaire is reliable, researcher start to collect data by distribute questionnaire in Google Form randomly to 380 respondents in Cameron Highlands, Pahang.

First, based on demographic data, the total sample size for this study was 380 respondents and female respondents is more than male respondent with the amount of 203 female respondents out from 380 respondents. While in race group, Chinese was the majority race, minority respondents was Indian with 106 respondents and last follow by Malay. For age group, 30 years old to 39 years old was majority age and minority respondents were from 50 years old and above. There are also 221 respondent are married out of 380 respondents and most of their occupation is private sector employee that have the amount of 114 respondents out of 380.

Furthermore, this study has provide two independent variables and one dependent variable. Based on the data analysis that done in chapter 4, the result shows that there are positive perfect significant relationship in all independent variables with brand loyalty. This is mean by  $H_1$  and  $H_2$  are supported.

Descriptive analysis has given the researcher an idea of the distribution of the data, and this can help researcher to identify the associations among the variables. Pearson's Correlation Coefficients are used in this study to measure how strong the relationship between two variables.

#### 5.2 Discussion

### 5.2.1 Relationship between Corporate Image and Brand Loyalty

H<sub>1</sub>: There is a significant relationship between corporate image and brand loyalty.

Based in this study, there was a significant relationship between corporate image and brand loyalty in Guardian Cameron Highlands, Pahang at a strong positive level (r=0.801, N=380, p<0.01). This can be see the first hypothesis statement is accepted. From the analysis data in Chapter 4, the data shows that the reliability score was consistency and good. This is means by the all the questions for this variable can be accept in this study. Then, in every unit increase of corporate image, brand loyalty will be increase by  $0.47(\beta)$ .

### 5.2.2 Relationship between Customer Satisfaction and Brand Loyalty

H<sub>2</sub>: There is a significant relationship between customer satisfaction and brand loyalty.

Based in this study, there was a significant relationship between customer satisfaction and brand loyalty in Guardian Cameron Highlands, Pahang at a strong positive level (r=0,816, N=380, p<0.01). Therefore, second hypothesis statement is accepted in this study. From the analysis data in Chapter 4, the data shows that the reliability score was consistency and good. This can be mean that the overall question for this variables in the questionnaire can be accept in this study. Other than that, every unit increase of customer satisfaction, brand loyalty will be increase by 0.59 ( $\beta$ ). Therefore, researcher found out that customer satisfaction is the most important criteria that have a stronger relationship with brand loyalty compare to corporate image.

### 5.3 Recommendation/ Suggestion for Future Research

This study can be used by many parties such as organization, society and business because this proved that how the residents in Cameron Highlands were being affected the brand loyalty by corporate image and customer satisfaction in this research. Therefore, there are some

suggestion for future research.

First of all, researcher would like to suggest the sample size may be more to highlight the study of brand loyalty in Guardian. This is because the data of this study is only focus on residents in Cameron Highlands, Pahang. This data will be very limit because Guardian will not get the data for whole Malaysia. Therefore, for the researcher that want to conduct this field of study can increase the range of respondents to whole Malaysia.

Other than that, the two criteria which are corporate image and customer satisfaction were not the only factors that influence the brand loyalty in Guardian in Cameron Highlands, Pahang. Therefore, researcher who will conduct this field of study, the other researcher need to test more criteria other than these two in this study. This will help the other researcher to get more information after this.

Lastly, researcher would like to suggest to future researcher that can do this field of study by doing qualitative method also. This is because in this study only using quantitative method. This has made the result cannot get the most accurate because there are some respondent will not give full commitment in answering questionnaire. Therefore, by doing quantitative method can get the answer by asking question to respondent directly and can get the answer on the spot.

#### 5.4 Overall Conclusion of the Study

This study was conducted to know more about the study of corporate image, customer satisfaction and brand loyalty in Guardian, Cameron Highlands, Pahang by explain the criteria of corporate image and customer satisfaction. In this research has go through all the objectives and examine the relationship between all the independents variables and dependent variables. By getting the results in this study, this research has analyse the assumptions and discuss in Chapter 4. The research data was test by using reliability test and Pearson Coefficient Correlation to test the relationship between all the independent variables and dependent variable. In overall, all of the variables has shown a positive correlation with the significant results. Therefore, all the objectives were successfully achieved in this study.

### 6 Acknowledgement

Firstly, this study experiment was completed with praise and humility. The researchers would like to thank University Malaysia Kelantan (UMK) for the opportunity to engage in this research project. Without funding and assistance from several individuals, this project will not likely be completed. Researchers would like to use this golden opportunity to demonstrate our appreciation to the individuals who have been influential in the successful execution of this mission.

Apart from that, researcher would like to take this golden opportunity to expand the appreciation of the researcher to Madam Mardhiah binti Kamaruddin, the supervisor, for useful guidance and advice. Researcher would like to thank her for her support, teaching and encouraging every researcher to start, gather knowledge, process and evaluate the outcome. Our analysis is not going to be done without her effort and direction. Researcher also admire her immense help and assistance.

Finally, researchers would like to convey their appreciation to family members for their understanding, countless patients, and support when it was needed at most. The researcher

would also like to thank all the participants for their support. Thank you.

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## EXPLORING THE EFFECTIVENESS OF ONLINE MARKETING ON FACEBOOK AND INSTAGRAM AMONG UMK STUDENTS IN MAKING DECISIONS TO BUY

#### Intan Najiha Omar and Md Zaki Muhamad Hasan

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: najiha.a17a0126@siswa.umk.edu.my; zaki.mh@umk.edu.my

#### Abstract:

It is well-known that traditional (offline) marketing strategies are already widely used by the companies around the world and there are almost no new options for fostering competition. And here comes online marketing with almost unlimited possibilities and options. Therefore, businesses must learn how to use social media in a way that is consistent with their business plan (Mangold and Faulds 2099). This paper focuses on the effectiveness of online marketing on Facebook and Instagram platform including research of the state of the art through analysis of the data provided by numerous surveys. It also contains brief description of the online marketing itself, basic strategies on the internet nowadays. The literature review covered the trust, perceived value and purchase intention in conceptual framework. I presented three research hypothesis to test the independent variable toward dependent variable. At the same time researcher provided questionnaire in order to measure student innovative behaviour. 300 respondents will be collected among UMK students. Trust, perceived value and purchase intention will be a factor that influence the effectiveness of online marketing on Facebook and Instagram among UMK students in making decisions to buy.

**Keywords**: social media, online marketing, trust, perceived value, purchase intention

### 1 Introduction

Online Marketing is the process of creating, conveying the value of a product or service and making it relevant to customers so that they may consider to buy products or services when they saw the brand products online. A new world where there are increasingly connected users, according to research & research, in 2012, there were 17.5 million active internet users in Malaysia. The top activities performed by online users are preparing product notification or advertisements, reading or sending emails, using search engines to find items and of course interacting with the community with shared interests on social networks such as Facebook and Instagram. This is a great opportunity for companies to reach a technologically savvy audience that continues to interact with the world wide web for a variety of interests.

Facebook and Instagram are one of the increasingly used social media platforms. These social marketing and communication online channels are important for businesses, organizations and institutions, including those in politics. Both platforms have opened the door for businesses to communicate with millions of people about products and services and have opened new

marketing opportunities in the market. This can only be done if managers are fully aware of the use of communication strategies to engage customers and improve their experience (Mangold, 2009).

Online marketing can also be crowded and competitive. While opportunities to provide good goods and services in local and far-flung markets, competition can be significant. Companies that invest in online marketing may find that visitors' attention is difficult to capture due to the number of businesses that also market their products and services online. Marketers must develop a balance of developing unique value propositions (UVP) and brand voices as they test and build marketing campaigns across multiple channels. This research aims to study about exploring the effectiveness of online social marketing on Instagram and Facebook among UMK Kota Campus students. We want to determine what are the highest factors UMK students is influenced online marketing on Instagram and Facebook. The study will focus on trust, perceived value and purchase intention.

### 1.1 Objective

There are three research objectives of this study:

To identify the relationship between trust and online marketing Facebook and Instagram among UMK students.

To identify the relationship between perceived value and online marketing on Facebook and Instagram among UMK students.

To identify the relationship between purchase intention and online marketing on Facebook and Instagram among UMK students.

#### 2. Literature review

The chapter presents the research framework of the study, followed by the discussion of multiple concepts that serve as the backbone on the study on conceptually, theoretically and empirically way. It's also presents the literature reviews of the effectiveness of online marketing on Facebook and Instagram among UMK Kampus Kota students. Some prior research conducted on the concept and the issue raised is also discussed in this research. Lastly, this research concludes the discussion by proposing the relationship among the variables used in the research framework. This section ends with hypotheses development.

Nowadays, the concept of internet marketing has evolved and brings more opportunities for companies to reach out to their customers. In the past, the internet was only used as a tool to contact customers, which was part of direct marketing. Nowadays, the internet especially websites have become a popular medium for any company to introduce their products and services. The Internet is considered an independent and effective marketing tool. Over the past eight years, from 2000 to 2008, the number of Internet users has increased 4-fold from about 361 million to more than 1, 46 billion (internetworldstats, 2008) where, Asia, the continent with the largest population accounts for 39.5% of World Internet Users.

As we all know, online marketing is a hot topic in every business sector, and is gradually playing a very important role in multi-channel marketing strategies. It uses the internet to deliver promotional marketing messages to consumers. These include email marketing, search engine marketing, social media marketing, many types of display ads, and mobile advertising.

Online marketing is now seen by many practitioners as a new arena for market communication and at the top of the list of users of various media are Facebook, Blog, Twitter, YouTube and LinkedIn (Steltzner, 2009). Kaplan and Haenlein (2010) define social media as a group of internet-based applications that build on the ideology and technology of Web 2.0, which facilitates the creation and exchange of user-generated content. It consists of different Internet applications such as blogs, social networking sites, content communities, collaboration projects, virtual gaming worlds and social worlds. Russell S. Winer (2009) points out that many companies today use some or all of the new media to develop targeted campaigns that reach specific segments and engage their customers to a much greater extent than traditional media. There are several social media platforms that are the concern of users at the moment. The time spent on a particular social media platform depends on the demographic group. Ebrand (2015) reports that the most popular social media platforms among young people are YouTube, Facebook, WhatsApp and Instagram. Comparing the most popular social media sites of people aged 13 to 17 and 18 to 29 years, it can be seen that nowadays young people prefer various messaging applications such as WhatsApp, Messenger, Kik messenger and Snapchat than Pinterst, Twitter or LinkedIn. However, there is no significant difference in the time spent on social media between these age groups. (Ebrand 2015; Goldman 2013, 45).

### 2.1 Underpinning theory

According to Pseudo-theories, social media landscape is fast changing due to the low cost of innovation in the era of open-source movement. The disconnect of academia from the industry and the slow process of formal publishing cycle poses a challenge for researchers in academic institutions. Many social media and online marketing agencies actually are more innovative and ahead of the curve of social media for marketing purposes. This section views two frameworks trying to make sense of social media landscape. Carlene Li and Jeremiah Owyang from Altimeter Group are the major contributors to the social graphics framework (JOwyang 2010).

They argued that instead of studying the demographic, geographic, or psychographic profiles of your customers, businesses also need to develop social strategy termed social graphics. Marketers and managers needs to ask the following questions: which websites are my customers on? What are my customers' social behaviours online? What social information or people do my customers rely on? What is my customers' social influence? The answers to these questions could separate your customers into layers of engagements from curating, producing, commenting, sharing, to watching. The businesses then need to separate their customers into these layers and provide tools and platforms to facilitate their social interaction.

Today, as technology has improved and with the advent of faster and better internet services, the number of users online has boomed. Due to rise in all such technologies like faster internet which is easily available and cheap, access to this fast internet on our LTE enabled handsets has not just only affected our lives but has opened new ways for marketers to sell and promote their products amongst their target audience. Brands and businesses are making sure to make the most of this social media boom is the core of it.

### 2.2 Hypothesis

A variable in research refers only to a person, place, thing, or phenomenon that we try to

measure in a certain way. An independent variable causes a change in the dependent variable and it is not possible for the dependent variable to cause a change in the independent variable. Independent Variables are variables that come first and then the dependent variables. This is because; independent variables form and affect dependent variables. This research is about the effectiveness of online marketing through Facebook and Instagram. Therefore, this independent variable is a factor that causes the Facebook and Instagram platforms to be the focus in terms of trust, perceived value and purchase intention. In this study, these changes affect the public especially students who easily influence marketing on Facebook and Instagram. This is how independent variables correlate with dependent variables.

H1: There is a significant relationship between trust and the effectiveness of online marketing H2: There is a significant relationship between perceived value and effectiveness of online marketing

H3: There is a significant relationship between purchase intention and the effectiveness of online marketing

### 3 Methodology

Sample size is actually a count of selected elements such as individual or object chosen for observations in any statistical setting, such as scientific experiment or a public opinion survey. More ever, according to Jon Zamboni (2010), sample size measures the number of individual samples measured or observations used in a survey or experiment. Then, to determine the sample size needed for an experiment or survey, researches take a number of desired factors into account. Therefore, from this study, the total population of UMK Kampus Kota students is 3482 students. The number of respondents selected is 300 based on courses and semesters. Whereas, gender according to the ratio as a whole. In order for the research to conclude this study will be represented by the sample selected in this study while generalisation of the sample statistics to the population. This study used a random sampling technique to ensure that all sample categories were represented.

In this study, researchers prefer using the Likert scale method. The Likert scale method uses a fixed-range reaction format and is designed to measure attitudes or opinions (Bowling 2005). The Likert-scale will be used in Section B and Section C which is consisting of questionnaires for the dependent variable and independent variables. Three factors that have influenced effectiveness of online marketing on Facebook and Instagram, which are trust, perceived value and purchase intention are measured using the scales used in the questionnaire was based on a 5 Likert-scale with (1= strongly disagree, 2= disagree, 3= Neither Agree nor Disagree, 4= Agree, 5= Strongly Agree) for each question for the variable part. Therefore, the quantitative research method will generate statistics through the use of large-scale survey research, and this research will use methods such as questionnaires. In this study, the data were collected through structured data created from Google Form. According to Mirreile Djenno, Glenda M.Insua, Annie Pho (2015), Google Form provides an easy and inexpensive way to incorporate both active learning and collecting data.

### 4 Findings/Results and Discussion

### 4.1 Reliability test

Reliability analysis were performed in order to determine whether these sets of items have strong of stability in measuring variables. Based on table 1, all the variables are met the

minimum accepted reliability as suggested by (Canvas, 2001). The result showed the Cronbach' Alpha practises ranges between 0.859 till 0.942. According to Hair, 2015 suggested that Cronbach's Alpha value that above 0.60 or greater can be accepted in research.

Table 4.1.1: Reliability test of the independent variable and dependent variables

Variables	Cronbach's Alpha	N of item
Online marketing	0.859	5
Trust	0.942	5
Perceived value	0.899	5
Purchase intention	0.940	5

### 4.2 Hypothesis testing

### 4.2.1 Hypothesis 1 – Trust

 $H_0$  = There is no significant relationship between trust and the effectiveness of online marketing on Facebook and Instagram

 $H_1$  = There is a significant relationship between trust and the effectiveness of online marketing on Facebook and Instagram Reject  $H_0$  if p<0.01

Table 4.2.1: Relationship between the effectiveness of online marketing on Facebook and Instagram and trust

Variable	Mean(SD)	Online Marketing	Trust
Online Marketing	4.20 (0.53)	1	0.435**
Trust	4.09 (0.54)	0.435**	1

<sup>\*</sup>p-value<0.05, Spearman's rho Correlation Analysis applied

Based on the table 4.2.1, the correlation between self-efficacy with innovative behaviour showed r-value = 0.435\*\* and p-value = 0.273 (p > 0.05). There is weak relationship between trust and online marketing.

#### 4.2.2 Hypothesis 2 – Perceived Value

 $H_0$  = There is no significant relationship between perceived value and the effectiveness of online marketing on Facebook and Instagram

H<sub>1</sub> = There is a significant relationship between perceived value and the effectiveness of online marketing on Facebook and Instagram

Reject H<sub>0</sub> if p<0.01

Table 4.2.2: Relationship between perceived value and effectiveness of online marketing on Facebook and Instagram

Variable	Mean(SD)	Online Marketing	Perceived Value
Online Marketing			
	4.20 (0.53)	1	0.583**
Perceived Value	4.20 (0.77)	0.583**	1

<sup>\*</sup>p-value<0.05, Spearman's rho Correlation Analysis applied

Based on the table 4.2.2, the correlation between perceived value and effectiveness of online marketing showed r-value = 0.583\*\* and p-value = 0.108 (p > 0.05). There has no or negligible relationship between perceived value and effectiveness of online marketing. No reject H<sub>0</sub> because p-value = 0.108 are bigger than 0.05.

#### 4.2.3 Hypothesis 3 – Purchase Intention

 $H_0$  = There is no significant relationship between purchase intention and the effectiveness of online marketing on Facebook and Instagram

 $H_1$  = There is a significant relationship between purchase intention and the effectiveness of online marketing on Facebook and Instagram Reject  $H_0$  if p<0.01

Table 4.2.3: Relationship between purchase intention and the effectiveness of the online marketing

Variable	Mean(SD)	Online Marketing	Purchase Intention
Online Marketing	4.20 (0.53)	1	0.566**
Purchase intention	4.13 (0.75)	0.566**	1

<sup>\*</sup>p-value<0.05, Spearman's rho Correlation Analysis applied

Based on table 4.2.3, the correlation between purchase intention and effectiveness of online marketing showed r-value 0.566\*\*, where p-value 0.756 (p > 0.05). Hence, it indicates that the value of the result is significant. There is a very strong relationship between purchase intention and effectiveness of online marketing. No reject Ho because p-value = 0.566 are bigger than 0.05.

#### 5 Conclusion/Contribution/Recommendation

Based on the findings result, there are several opportunities for future studies emerged. First, for future research the number of respondents should be more and if possible, including all the online shopping platform in Malaysia from various backgrounds. This research is limited to respondents UMK students only. Malaysian nowadays are interested in buying online products and people who shop online are increasing day by day as consumers are becoming more and more technically literate with more use of gadgets and devices.

Second, this research also can be used for a future study purpose. The research findings are valuable for the next research regarding to this topic. In the future, this research data can be used as a reference by the future researcher. This is because those independent variables had already been tested to be continued with more factors as variables in this research topic. Last but not least, those factors that have been used in this study which are trust, perceived value and purchase intention are not only the factors that develop the dependent variable which is effectiveness of online marketing on Facebook and Instagram among UMK students in making decisions to buy. Thus, future researchers who want to continue conducting future research in this topic should come out with other factors that have not been tested yet in previous research.

After this research was completed, all of the independent variables were proven to be the factors that influence effectiveness of online marketing on Facebook and Instagram among UMK students in making decisions to buy. The three independent variables which are trust, perceived value and purchase intention showed significant relationship with the dependent variables. Although there are only limited related past research about this study, this is just a beginning for future researchers to get a better understanding regarding this study. This research also can give encouragement to the future researcher in exploring deeper about this topic and finding more relevant independent variables for the study.

### 6 Acknowledgements

This research project was successfully done with assistance and co-operation of variety authorities. I wish to express my ultimate appreciation to those people who guided, helped and supported me in completing this research. First off all, I would like to thank University Malaysia Kelantan (UMK) for giving me the opportunity to involve in the research. Throughout this research, I gain a lot of experience, knowledge and exposure to a situation which cannot be found in the textbook and certainly going to benefit me in the future.

Secondly, I would like to thank my supervisor, Encik Md Zaki bin Muhamad Hasan, who had led me by sacrificing his time to guide me throughout the whole project. His patient and advices ensure this thesis proceeds well. I thoroughly appreciate what he had done to assist me. Thirdly, I would also like to express my gratitude to my examiner Encik Mahathir bin Muhamad for coordinating and provide me with the relevant information regarding our research project.

Last but not least, we would like to express my ultimate appreciation to those respondents who willing to help by spending their precious time to respond to the questionnaire of the research project. Besides that, I would like to thank my family members, friends, course mates and group supervisor mates for helping and supporting me till the research project end.

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# FACTORS THAT INFLUENCES FINANCIAL CHALLENGES TOWARDS ACADEMIC PERFORMANCE AMONG FACULTY OF ENTREPRENEURSHIP AND BUSINESS STUDENTS IN UNIVERSITI MALAYSIA KELANTAN, CITY CAMPUS

### Jee vatha A/P Sudrasamy and Nur Ain Ayunni Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: vatha.a17a0916@siswa.umk.edu.my; ayunni.s@umk.edu.m

#### Abstract:

Finance is a term for the matters that relating to the money and investment management, development, and the research. In particular, it manages the inquiries of how and why an individual, organization or government obtains the cash that require and how they spend or invest that money. Finance is intended to help the individuals to save, manage, and collect the funds. So, this study is to investigate the factors that influences financial challenges towards academic performance among Faculty of Entrepreneurship and Business students in University Malaysia Kelantan. A conceptual framework comprising of different variables like financial knowledge, family income, rising cost of education were studied which it influences the academic performance. This study was conducted by using a quantitative research approach and the total number of 140 respondents participated in the study. The data that collected were analyze by using the Statistical Package for the Social Science (SPSS). Thus, the data collected through the online questionnaire survey uses different method of data analyses such as descriptive, reliability and normality analysis were carried out from the study. The findings reveal that all the H0 have been rejected while the H1, H2 and H3 have been accepted in this study. It could be concluded from the results that there is significant relationship between the independent variables and dependent variable.

**Keywords**: Financial Knowledge, Family Income, Rising Cost of Education, Academic Performance, Finance

### 1 Introduction

First and foremost, finance is a term for the matters that relating to the money and investment management, development, and the research. In particular, it manages the inquiries of how and why an individual, organization or government obtains the cash that require and how they spend or invest that money. Finance is intended to help the individuals to save, manage, and collect the funds. The objective of the finance needs to be enunciated and embraced. It should be studied in their business education by the students for their knowledge.

Besides, the studies that related to the finance had been done by the previous researchers. For example, according to Daud, Mat Norwani, and Yusof (2018), higher education students need more funds to cover the cost of studying and working in universities as the cost of higher education is rising in both public and private educational institutions. There could be students

who struggling with the financial issues in their daily lives as a result of limited financial resources and rising cost of education where this might can affect their academic performance.

In addition, higher education institutions can usually be divided into public and private universities which are the undergraduate, postgraduate and diploma programmes that are offered by the universities in Malaysia. Thus, public universities are those who completely regulates and funded by the federal government and indirectly by the public sector as well as stated by Arokiasamy, Ismail, Ahmad, and OTHMAN (2009).

Moreover, in order to support the position of tertiary education, there are growing number of universities have been set up in Malaysia as one aspect of an ideal educational goal that continues to aim for the quality teaching in the different sectors of the development to prepare for the human capital needs of the country. While this goal needs to be in line with Malaysia's current growth. Meanwhile, the tertiary education should also be able to continue contributing to Malaysia's development continues by Arokiasamy et al. (2009).

Furthermore, in the 21st century, with the rapid growth of socio-economic shifts, the higher education faces some serious obstacles in its administration such as in their systems, curriculum, emphasize of project, external partnerships, research and finance. Although these obstacles can be seen as the both risks and possibilities which are diagnosing on what is happening in contemporary higher education that can provide the foundation for the future design as mentioned by Shin and Harman (2009). Undoubtedly, education is the greatest weapon for an individual where they invented for their own development. Therefore, all communities have one form of education or another, but it differs in its use. It is also considered to be the only way in Malaysia to get to the top, and so where the failure can brings the person an untold misery and anger as indicate by Ayodele and Adebiyi (2013).

#### 1.2 Research Question

Is there any relationship between the financial knowledge and the academic performance among the FEB students in UMK, City Campus?

Is there any relationship between the family income and the academic performance among the FEB students in UMK, City Campus?

Is there any relationship between the rising cost of the education and the academic performance among the FEB students in UMK, City Campus?

### 1.3 Research Objective

To identify the relationship between the financial knowledge and the academic performance among the FEB students in UMK, City Campus.

To identify the relationship between the family income and the academic performance among the FEB students in UMK, City Campus.

To examine the relationship between the rising cost of the education and the academic performance among the FEB students in UMK, City Campus.

### 2 LITERATURE REVIEW

There are three independent variables that will be determine by definition under this research which are financial knowledge, family income and rising cost of education.

#### 2.1 FINANCIAL KNOWLEDGE

According to Setiawan (2020), financial knowledge is a fundamental knowledge of finance that encompasses a variety of areas including numeracy, compound interest, inflation and diversification of risks. For individuals and nations, an awareness of financial knowledge is important. Besides, in the terms of the understanding of financial concepts and risks that would provide the skills and encouragement to make a successful financial decisions the financial awareness was described.

### 2.2 Family Income

Family is the first atmosphere of any individual human being. "A child becomes a good reader when people at home read to him and read often." When family members communicate with him, a child learns to speak. However, the fact that the family has a higher income would not necessarily mean that a better study atmosphere will be provided to the student, but at least it means that it has the conditions to do so and to improve the student's academic performance. Thus, in this part, the family wealth is attributable to the income inequalities and the achievement gaps as stated by Okioga (2013).

### 2.3 Rising Cost Of Education

Rising cost of education refers to a general and increase in the education that rise high in prices. In recent years, they know that the price tag of higher education for students has really been "rising up like a spaceship." It is true that the cost of higher education has risen steadily as part of the general inflationary trend. Based on the Thackrey (1971), the study had revealed that the price paid for higher education to students and their families has risen much faster than the increase in higher education. Thus, to increase the cost of the higher education, students and their families had been forced to pay a higher rate of education costs.

### 2.4 Research Hypothesis

In this study the hypothesis are as below:

#### **Hypothesis 1:**

There is positive significant relationship between the financial knowledge and the academic performance among the FEB students in UMK, City Campus.

#### **Hypothesis 2:**

There is positive significant relationship between the family income and the academic performance among the FEB students in UMK, City Campus.

### **Hypothesis 3:**

There is positive significant relationship between the rising cost of education and the academic performance among the FEB students in UMK, City Campus.

### 2.5 Conceptual Framework

A propose conceptual framework is going to build on the basis of the literature review below to determine the relationship between the factors that influences the financial challenges towards academic performance among FEB students in UMK City Campus. The independent variables for this study are the financial knowledge, family income and rising cost of education. Meanwhile, the dependent variable of this study is the academic performance.

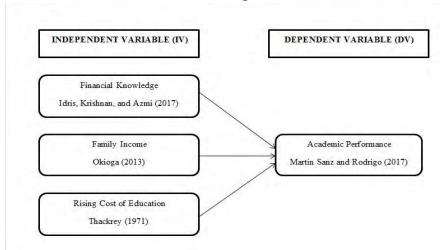


Figure 2.1: Conceptual Framework on the factors that influences financial challenges towards academic performance among FEB students in UMK City Campus.

Based on the figure 2.1 above, it is the conceptual framework that creates by the researcher on the factors that influences financial challenges towards academic performance among FEB students in UMK City Campus to conduct the study using the independent variables such as the financial knowledge (Idris et al., 2017), family income (Okioga, 2013) and the rising cost of education (Thackrey, 1971) along with the dependent variable such as academic performance (Martin Sanz & Rodrigo, 2017). Moreover, figure above had stated the previous researchers under all the variables. It strongly shows that all the variables have the supporting journals from the previous studies to conduct this research in further.

### 3 Methodology

#### 3.1 Research Design

A research design is basically the plan for a study that provides the specification of procedures to be follows by the researchers in order to accomplish their research objectives or test the hypotheses that formulated for their studies. For the purpose of this research project, quantitative research approach will be applied so that large amounts of data can be obtained within a short period of time. Therefore, exploratory research is adopted to find out the relationship between the factors that influences financial challenges towards academic performance among Faculty of Entrepreneurship and Business in University Malaysia Kelantan. Therefore, the researcher has to collect more information that relates to these objectives to gain more knowledge. Subsequently, the statistical analysis of the data is based on the formulated hypotheses which provide evidence for arriving at the conclusion.

#### 3.2 Data Collection Methods

Data collection method can be divided into two categories which are known as primary data collection methods and secondary data collection methods. In this study, both of the primary and secondary data collection methods had been used for the study. Besides, the quantitative data collecting method are cheaper to apply compares to the qualitative data collecting methods that can be implemented during a shorter period of time. In addition, it is easy to compare the results due to a high level of standardization of quantitative methods approach. In this research, the researcher uses the quantitative data collection method.

Secondary data is a form of data that has already been published in books, newspapers, magazines, journals and web portals. There are ample of sources that provide an abundance of data about this field

of research in business studies, almost regardless of the existence of the field of research. Besides, the implementation of the appropriate set of criteria to classify the secondary data that to be uses in the study therefore plays an important role in the accuracy and reliability of the test results. For secondary data collection method, the researcher collected the data and the previous study from journal using google scholar.

### 3.3 Sample Size

A sample size is a component of the population that selected for an experiment or survey. A significant aspect of any analytical analysis in which the aim is to draw the conclusions from a survey about a consumer segment is the sample size. Based on the data, the information that collected from the Faculty of Entrepreneurship and Business, there are total of 3482 of undergraduate entrepreneurship students in UMK City Campus. The researcher has used the G\*Power Sample Size to determine the total number of respondents that needs for the research. The sample size showed a total of 140 respondents were taken to collect the data through the google form as online survey.

### 4 Data Analysis And Findings

### 4.1 Demographic Profile of Respondents

In this study, there were seven questions asked under the demographic section such as gender, age, marital status, race, religion, year of study and programme of the FEB students in UMK, City Campus. The total amount of the questionnaire that was distributed through the google form to the respondents is 140 sample sizes which are 36 male (25.7%) and 104 female (74.3%) that involved in fill up the questionnaire.

The age was split into three groups from the questionnaire that distributed to the respondents through the Google form, which were 18-21 years old, 22-25 years old and 26-30 years old. In addition, the majority of respondents aged 22-25 years, with the highest frequency around 114 respondents and the highest percentage around (81.4%), were within the category. The second highest frequency comes from the 18-21 years age group, led by 19 respondents with a percentage of around (13.6%). Meanwhile, the lowest frequency comes from the age range of 26-30 years old that followed by the 7 respondents with the lowest percentage around (5%) out of the total respondents of 140 that the researcher collected for the sampling.

The marital status was divided into 3 groups that were single, married and others. According to the survey, there were no respondents that stated as others. Thus, the figure shows that the single status has the highest frequency that involved in this questionnaire around 135 respondents with the highest percentage of (96.4%). Besides, the lowest frequency that involved in this questionnaire were from 5 respondents with the percentage of (3.6%).

The respondents by race were divided into 4 categories which were Malay, Indian, Chinese and Others. According to the survey, the majority of the respondents that were involved in this questionnaire are from Indian which is 62 respondents with the highest percentage of (44.3%) followed by Malay with the second highest frequency which is 50 respondents with the percentage of (35.7%). Meanwhile, the involvement of the Chinese is 24 respondents with the third highest percentage of (17.1%). Last but not least, there were 2 Telugu respondents with the percentage of (1.4%), 1 Siamese respondent with the percentage of (0.7%) and 1 Orang Asli respondent with the percentage of (0.7%) for the others.

The religion of the respondents from this questionnaire was divided into 4 categories which were Muslim, Hinduism, Buddhism and Christian. According to the survey, the majority of respondents that participated in this questionnaire were from Hinduism, with 61 respondents with the highest percentage of (43.6%), followed by Muslims with 50 respondents with the second highest percentage of (35.7%). Meanwhile for the Buddhism, there were 21 respondents that involved in this questionnaire with the third highest percentage of (15%) followed by Christian, there were 8 respondents with the percentage of (5.7%).

The programme from this questionnaire was divided into 5 categories which were SAR (Retailing), SAL (Logistic), SAK (Commerce), SAB (Islamic Banking) and SAE (Entrepreneurship) from the Faculty of Entrepreneurship and Business in Universiti Malaysia Kelantan, City Campus. Therefore, the majority of the respondents by programme were involved by the SAR with the highest frequency around 59 respondents with the highest percentage of (42.1%) out of 140 respondents. The second highest frequency was from the SAL programme which is 32 respondents with the percentage of (22.9%) followed by the third highest frequency among the other programme was from the SAK programme which is 23 respondents with the percentage of (16.4%). Lastly, the lowest frequency was from the SAE programme which is 12 respondents with the percentage of (8.6%) followed by the SAB programme which is 14 respondents with the percentage of (10%).

### 4.2 Descriptive Analysis

### 4.2.1 Independent Variables and Dependent Variable

	Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation		
Academic	140	8.00	25.00	18.7429	4.33054		
Performance (DV)							
Financial	140	13.00	25.00	20.8143	3.45284		
Knowledge (IV 1)							
Family Income (IV	140	9.00	25.00	18.9857	4.24262		
2)							
Rising Cost of	140	15.00	25.00	21.3143	3.14879		
Education (IV 3)							
Valid N (listwise)	140						

The Mean and the Standard Deviation for both dependent variable and the independent variables is shown by the Table 4.9 above. The Mean for the dependent variable of this research is 18.7429. For the independent variables, the highest mean is Rising Cost of Education (IV 3) which is 21.3143 and followed by the Financial Knowledge (IV 1) which is 8.1961. The Family Income (IV 2) has the lowest mean of the independent variables which is 18.9857

### 4.3 Validity and Reliability Test

The data that collected from the survey were used to evaluate the reliability for both independent and dependent variables in the reliability analysis. Cronbach's Alpha is a research method for evaluating and estimating the accuracy of the questionnaire given. The Cronbach's Alpha can be value from 0 to 1. In general, a score of more than 0.7 is considered to be acceptable and below 0.5 is unacceptable. Table 4.14 below shows the common acceptable thumb for explaining the internal consistency reliability.

Table 4.15: Result Test of Reliability Coefficient Alpha for the Independent and Dependent Variables

Variables	Cronbach's Alpha	Number of Items
Financial Knowledge	0.840	5
Family Income	0.762	5
Rising Cost of Education	0.793	5
Academic Performance	0.748	5
Total	0.888	20

The Table 4.15 above summarizes the findings of the reliability test of each variable in this study. The Cronbach's Alpha was designed to measure a "goodness" reliability criterion in each group item and internal consistency. Next, Vaus (2002) suggested that in order to measure the reliability of the scale to ensure whether the internal consistency is unacceptable, poor, questionable, acceptable, good and excellent. The Alpha value of Cronbach should be between  $0.5 > \alpha$  and  $\alpha$  0.9. According to the table 4.15, the range of Cronbach's Alpha is from 0.748 to 0.840 which indicates that each item for each variable as acceptable based on the rule of thumb of Cronbach's Alpha Coefficient. Next, according to the rule of thumb Cronbach's Alpha of Coefficient, all the items of each variable that represents as acceptable as it had exceeded 0.7. Hence, the reliability analysis showed that the all items from each variable were clear and easily understood by the respondents.

#### 4.4 Normality Test

Table 4.16: Normality Test for All Variables

Tests of Normality						
	Kolm	ogorov-Smirn	iov <sup>a</sup>	Sha	apiro-Wilk	
	Statistic	df	Sig.	Statistic	df	Sig.
Financial Knowledge	.137	140	.000	.920	140	.000
Family Income	.094	140	.004	.952	140	.000
Rising Cost of Education	.158	140	.000	.904	140	.000
Academic Performance	.099	140	.002	.947	140	.000
a. Lilliefors Significance Correction						

The Table 4.16 above shows the normality test for all the variables. There are two types of tests were used to run this normality test which known as Kolmogorov-Smirnov<sup>a</sup> and Shapiro-Wilk. As shown in the table above, the Kolmogorov-Smirnov<sup>a</sup> with the significant value showed the p-value for all the variables indicates as not a normal data which is less than 0.05.

Besides, the Shapiro-Wilk with the significant value showed the p-value is 0.000 for all the variables that have been stated above which is less than 0.05. Therefore, the normality test for all the variables had indicated as not a normal distribution.

### 4.5 Hypothesis Testing

Summary of Pearson Correlation Coefficient Analysis

Hypothesis	Correlation Value	Significant Value (2-tailed)	Conclusion
H1	0.395	0.00	Accepted
H2	0.584	0.00	Accepted
Н3	0.331	0.00	Accepted

According to the result of The Pearson Correlation Coefficient, this research is accepting the H1 and rejected the H0 because with the result of 0.395 with the significant value p<0.05, it proved that there is significant relationship between the financial knowledge and the academic performance among the FEB students in UMK, City Campus. Other than that, H1 shows the level of correlation between the academic performance and financial knowledge is weak positive linear correlation.

In addition, this research is accepting the H2 and rejected H0 because with the result of 0.584 with the significant value p<0.05, it means that there is significant relationship between the family income and the academic performance among the FEB students in UMK, City Campus. Other than that, H2 shows the level of correlation between the academic performance and family income is strong positive linear correlation.

Nevertheless, this research is accepting the H3 and rejected the H0 because with the result 0.331 with the significant value p<0.05, it means that there is significant relationship between the rising cost of education and the academic performance among the FEB students in UMK, City Campus. From the result also prove that the level of correlation between the academic performance and rising cost of education for H3 is weak positive linear correlation.

### 5 Discussion And Conclusion

#### 5.1 Introduction

The overview of the results and the discussions of the research findings are outlined in this chapter. Based on the results and recommendations, the chapter also presents the conclusions of the report. The objective of the study were to develop the relationship between the Financial Knowledge, Family Income, Rising Cost of Education and Academic Performance among Faculty of Entrepreneurship and Business (FEB) students in Universiti Malaysia Kelantan (UMK), City Campus. Besides, the implication of the study, limitation of the study and the recommendations and suggestion for the future research study also included in this chapter.

### 5.2 Key Findings

This study was conducted by the researcher to identify the factors that influences financial challenges towards academic performance among FEB students in UMK, City Campus. In this research, primary data was collected from the respondents by the researcher through the google form by created the online questionnaires and the secondary data from the journal and article. According to the G\*Power Sample

Size, the sample size that the researcher was needed in this study were around 140 respondents. Based on the survey, the data that were collected through the google form showed 104 female and 36 male respondents. This finding presented that the students in UMK, City Campus are more dominant by the female students compared to male students.

Besides, the reliability test was conducted in this study to measure consistency, precision, repeatability and trustworthiness of this research. The Pearson Correlation Coefficient also used in this research to denote the relationship between two or more quantitative variables. Based on the findings from the previous chapter 4, it shows that there were similarities that occur between the previous study and current study.

#### 5.3 Recommendations/ Suggestion for Future Research

The first recommendations as the current researcher are focusing on the students from FEB in UMK Campus City. So, for the future research, the researcher can conduct a research that includes all the three campuses faculties in Bachok and Jeli. Thus, by including the other campus and faculty, the researcher can increase the number of the sample size since the population involve are the highest. The current research involves 140 respondents of sample size because the population of FEB student are 3482, the sample size for the future research could be large up than the current respondents. This is because, the larger the sample size of population, the more accurate the data can be.

Second recommendation for future research is suggesting to use different research method by using a qualitative approach. This is because, the qualitative approach serve with supporting word or action that handling insight into the factors that influences financial challenges towards academic performance among FEB students in UMK, City Campus. Moreover, the primary data that collected for the research should compromise not only quantitative method but also the qualitative method such as interview. Qualitative data obtain from interview session can generate high reliability since there are two way communication between the researchers and respondents. This can make sure the respondents will clearly understand regarding the research in further.

Next recommendation for future research is to identify the other challenges that the students might face during the period of their studies apart from the financial challenges. This is because, I believe the more expand the scope of the study, the more the future researcher can identify the other challenges that the students are facing apart in their academic performance. Through this, the researcher can obtain a new scope of research.

#### 5.4 Overall Conclusion of the Study

The FEB students have a bit of a reputation when it comes to financial resources, including the variables that influences the financial challenges towards academic performance in UMK, City Campus. Thus, the student's financial knowledge, family income and the rising cost of education are all affected by an expansive list of variables. Students with different parental backgrounds begin their financial journeys from widely differing starting points.

The minimum requirement of the reliability analysis has been fulfilled from the analysis of the entire variables since the value of the Cronbach Alpha coefficients is above 0.7. The independent variables such as financial knowledge, family income and rising cost of education showed the significant relationship to the dependent variable where it known as academic performance.

Based on the findings of the hypothesis, all the H0 were rejected while the H1, H2 and H3 were successfully accepted in this study. Therefore, the researcher is able to know the relationship between all the independent and dependent variables among the FEB students in UMK, City

Campus. Overall, all the factors indicates that there is a relationship between the financial challenges towards academic performance among FEB students in UMK, City Campus.

### 6 Acknowledgement

First and foremost, praises and thanks to the God, the Almighty, for the showers of blessings throughout my research process to complete the research proposal successfully.

Next, I would like to my deep and sincere gratitude to my research supervisor, Dr Nur Ain Ayunni Binti Sabri for giving me the opportunity to do the research and providing the invaluable guidance throughout the research. Without her assistance and dedicated involvement in every step throughout the process, this paper would have never been accomplished. I would like to thank you very much for your support and understanding throughout the research. It was a great privilege and honor to work and study under her guidance.

Besides that, I am highly indebted to Universiti Malaysia Kelantan for providing the great facilities and platform to search for related resources to complete my research and I would like to take this opportunity to thank the Faculty of Entrepreneurship and Business in providing the latest format and information regarding this research.

Most importantly, none of this could have happened without the support, sacrifices, love and care of my family in completing the research project with the constant motivation. Besides, I would like to take this opportunity to express my appreciation to all my friends, seniors and to the people whoever that have contributed their time and efforts that greatly had helped me in this research study to complete within the time frame.

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### PURCHASE INTENTION TOWARDS FASHION APPAREL AMONG YOUTHS IN MALAYSIA

### Kirupa Darshini a/p M.S.K Pragalathan and Nurul Azwa Mohamed Khadri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: kirupa.a17a0158@siswa.umk.edu.my; azwa.mk@umk.edu.my

#### Abstract:

Fashion companies locally whom have not utilized or budgeted social media platform to advertise their apparel turns in raising a question whether this method is a feasible one to increase the purchase intention. Next, there's abundent advantage in the event that including customer in product improvement which customer-brand relationship can be cemented by proactively including customers in product or service innovation, however there are scarce literature available on the effectiveness of this method to increase purchase intent among youths in Malaysia. It is believed that sales promotion has a positive influence on the purchase intention. These marketing strategies are incorporated by global fashion apparel industries and local fashion apparel industries, however, there is a need to shed light if this methods are effective in generating or increasing purchase intention among youths. Thus, this study aims to highlight the purchase intention towards fashion apparel among youths in Malaysia. A total of 384 respondents whom are youths in Malaysia were collected via a google form questionnaire which has utilised the purposive sampling and snowball sampling. The data was analysed and tested via descriptive analysis, Multiple Regression and Simple Linear Regression by using IBM SPSS statistics. The main findings have confirmed that social media marketing, sales promotion, fashion involvement, and international brand are significant and positively related to the purchase intention of youths towards fashion apparel among youths in Malaysia. Results also shows that the most influential factor on purchase intention towards fashion apparel among youths in Malaysia is social media marketing

**Keywords**: Fashion, Apparel, Youths, Social Media Marketing, Sales Promotion, Fashion Involvement, International Brand.

### 1 Introduction

### **Fashion Apparel**

Apparel refers to what you wear in where it can be portrayed as clothes or attire. Whereas, fashion is known as a drift where it often changes according to (Barnard, 2002), it is possible to change the consumer's desire or choice to fashion and it will change from one time to another time. Thus, fashion apparel is best used to portray clothes or other items that shift to drift or slant clothes, clothing products or attires. Other than that, shoes, shoe care products, leather pieces such as calfskin sacks and handbags can be referred to as fashion apparel. In addition, footwear, outdoor and sports clothing and open air and sports shoes were also included (Statista Showcase Estimate,n.d). As in other words, apparel is wore to ensure, create recognition and boost the outward appearance of one, thereby present to the world outside, leading to the introduction of images (Faust & Carrier, 2009). Clothing and fashionable clothing are generally expended products that reflect the personality and character of the person wearing it (Dodd,

Clarke, Noble, Houston, et al., 2000).

### **Fashion Apparel Globally**

Fashion apparel plays an imperative part, agreeing to the (Trade of Fashion and McKinsey & Company, 2016), because it is one of the most businesses driving the worldwide economy. In economic and social terms, fashion apparel contributes, because it offers work openings and financial development for nations. Companies and markets (2015), one of the world's biggest advertise inquire about database, assessed that with roughly \$1.2 trillion in income, the worldwide apparel industry is ceaselessly appearing promising growth (Bhardwaj, Fairhust, et al., 2010). Around 60-75 million workers within the apparel, material, sportswear, and clothing businesses around the world support this industry. The worldwide apparel industry has been rising at a 4.78 percent annually pace since 2011, agreeing to Showcase Line, a commerce insights firm. The division, presently evaluated at nearly \$1.4 trillion in 2017 income, appears no sign of slowing as the showcase is anticipated to involvement 5.91 percent yearly development for the another three year. By 2020, the clothing industry's advertise esteem is anticipated to hit a mind boggling \$1.65 trillion in income around the world in US dollars (Gereffi, Memedovic, et al., 2003).

### Youth Involvement in Fashion Apparel in Malaysia

Changes within the structure of Malaysian society have enormously expanded the utilization control of the youth advertise and in Malaysia this showcase comprises of college and university students. Students are profitable fragment and this bunch makes up approximately a strong 30 percent of the population in Malaysia (Insights Malaysia, 2011) and investing on clothing in Malaysia had appeared an increment of 25% over the past 2 years (Insights Malaysia, 2011). Zafar, Ghingold and Dahari (2005) evaluated that college students in Malaysia spend more than 10 percent of their month to month wage on clothing. Changing way of life, financial advancement and rising salary makes the youth showcase and alluring advertise for design retailers.

### 2 Literature Review

#### Theory of Planned Behavior (TPB)

The underpinning theory that will be utilized in this study is the Theory of Planned Behavior (TPB). The Theory of Planned Behavior (TPB) maybe a broadly inquired about model for predicting behavioral intentions by social psychologists (Ajzen, 2011) (Solomon, 2018). TPB proposes that beliefs and their comparing attitudes, subjective norms, and perceived behavioral control impact eagerly, which drive genuine behavior (Ajzen & Fishbein, 2005). Numerous, studies have inspected this well run process of shopper behavior in different social and situational settings (Ajzen, 2011). In any case, it is occasional that studies explore and emphasize the antecedents and triggers that shape and set up consumer's attitude, subjective norms and perceived behavioral control (Chaudhuri, 2006) (Solomon, 2018). Ideas are adopted from the model because this conceptual framework is seen as a base model. The variables that are focused in this study are (1) Social Media Marketing, (2) Sales promotion, (3) Fashion Involvement, and (4) International Brand.

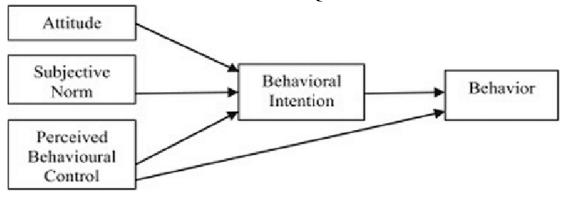


Figure 2.1: Theory of Planned Behaviour (TPB) (Ajzen, 1991).

#### **Purchase Intention**

Purchase intention is kind of decision -making that thinks about the reason to buy a specific brand by customer (Shah, 2012). Purchase intention could be in situation where buyer will likely to purchase the specific product in a definite state (Egorova, Grudieva, Morinez, Kube, et al., 2007). In the meantime the customer's buying choice is complicated, which requires a good connection with both internal and external inspirations in the buying process (Gogoi, 2013). In accordance with (Assael, 2004), when the consumer have the intention to repurchase it also can be known as the intention to purchase.

### The relationship between Social Media Marketing and Purchase Intention

Social Media Marketing is often used to recognize online customer behaviour. Social media advertising is now taking over the news media, TV advertisement, and radio since it is a campaign promoting the present day. People want to connect through social networking networks these days to share the information they know. Customers are preferred via Facebook, Instagram and others to look for web journal comments, ratings and follow their friends (Ahmad, Ashiq & Salman, 2010).

In the previous studies by (Bamini KPD Balakrishnan, Mohd Irwan Dahnil, Wong Jiunn Yi, 2014) they have stated that the purchase intention of generation Y has been impacted positively through Social Media Marketing. The result below shows the postitive impact of Social Media Marketing on purchase intentions is 3.2422. This result from the findings showed that shows that generation Y have optimistic perceptions, but are almost neutral in that social media advertising and marketing will generate purchasing behavior.

H1: Social media marketing has significant influence towards purchase intention of fashion apparel among youth's in Malaysia.

#### The relationship between Sales Promotion and Purchase Intention

Sales promotion is described as a major aspect of marketing communication activities and also a special offer within a particular time span (Alvarez & Casielles, 2005). Some studies have

presented sales promotion as either an offer or a reward that allows manufacturers and distributors to achieve the desired sales result (Gilbert & Jackaria, 2002). Sales promotion may also be attributed to any incentive that suppliers or sellers use to cause exchange with other retailers or channel members, or to buy brands with consumers, other than to enable the sales force to actively promote the product (Shimp, 2003).

A study by (Weng, J.T, Run, et al., 2013) (Weng, 2013) stated that sales promotion strategies perform a more influential role in impacting customer loyalty and behavioural intent rather than on the basis of personal value for all forms of consumer goods researched. There were few internal reasons or factors causes such findings as from the customer's point of view. Factors such as consumer product features, the collectivist essence of Malaysian buyers, the preference given for tangibility-based sales promotion strategies and the preference offered for monetary- based sales promotion advantages.

H2: Sales promotion has significant influence towards purchase intention of fashion apparel among youths in Malaysia.

### The relationship between Fashion Involvement and Purchase Intention

Customers or consumer's interest in the fashion apparel can be defined as fashion involvement (O'cass & Choy, 2008). According to (Kim, 2005), The participation of customers in such goods will inspire consumers to obtain more knowledge and may influence their selection. Fashion involvement appears primarily to buy impulsive products by shopping (Jones, Reynolds, Weun & Beatty et al., 2003) (Seo, et al., 2001) as it merges close connections and relationships with the type of products.

Previous research by (Prof, M. D, 2014) resulted with regard to fashion involvement. Important predictive relationships with impulse purchases have also been found, indicating that buyers with high fashion participation are more likely to participate in fashion-oriented impulse purchases. (Park, et al., 2006) study of university students further lend motivation to revealed that the students with great and high fashion involvement were mostly likes to experience great and positive outcome during shopping. This means a positive

H3: Fashion involvement has significant influence towards purchase intention of fashion apparel among youths in Malaysia.

relationship between fashion involvement and impulsive purchasing behavior.

### The relationship between International brand and Purchase Intention

International brand could be described as an important role playing choice in customers routine. The feeling of connecting among other nations would be born in these brands (Holt, Quelch, et al., 2004). International brands are also identified, controlled and perceived internally from the point of view of an organisation seeking to harmonise its portfolio across markets (Schuiling & Kapferer, 2003).

In the prior research by (Kiong, T.P, Yin-Fah, B.C, et al., 2013) found out that the strongest variable or predictor towards international brand preference is country-of-origin. If the country-of-origin is not suitable, then the consumers will not look further to another cause or factor. Furthermore, this study's findings showed that

quality is also considered as one of the significant impact on consumer preferences towards an

international brand of product with  $\beta$ =0. 253. As a reason, quality is the value of the good, which gives customers more satisfaction.

H4: International brand does affect the purchase intention of fashion apparel among youths in Malaysia.

#### **Proposed Conceptual Framework**

The available review on theories and literature's, there are many factors that may influence the purchase intentions towards fashion apparel among youth's in Malaysia which vary in various circumstances. Hence, in this study it has decided to use four predictors to determine the purchase intention towards fashion apparel among youth's in Malaysia and researcher also determines to know whether international brand affects the purchase intention towards fashion apparel among youth's in Malaysia. Therefore, researcher decided to combine these variables into a single proposed research framework.

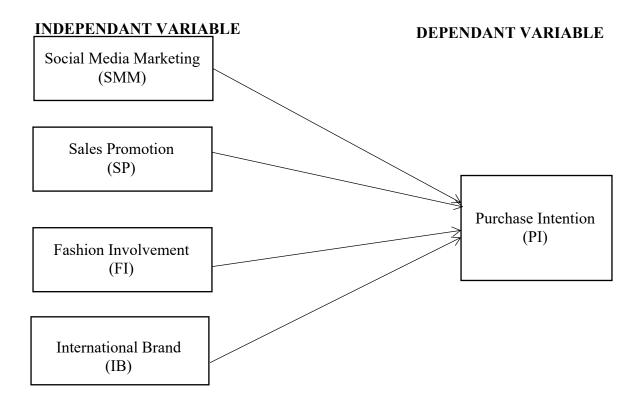


Figure 2.2: Proposed Research Framework

#### 3 Research Method

In this research, quantitative research method has been applied. The cross-sectional is defined as numerical description of demographic trends, attitudes or choices. It includes the use of questionnaires or structured interviews by examining the sample of the population. According (Campbell, Machin, Walters, 2007), cross-sectional study describes as a group of subjects at one particular point in time. The questionnaire will be distributed by the researcher to the respondent. Questionnaire used in this study is develop by (F Coster, V.Hwang, J Svensson,

2015) and (Lam, Lee, S.L, Ong, J.J et al., 2017) and is used as alternative to collect primary data. For the primary data, questionnaire will be distributed through social media platform which is Facebook, Instagram and Whatsapp since it can't be distributed face to face due to the Covid situation. Questionnaire will be send to qualified respondents separately within the age 15 to 30 years old. Such targeted samples are directed at individuals who are far more conscious of fashion trends and their presence and others who plan to buy some fashion clothes in the future. In this study, youths in Malaysia were the target demographic and no particular locations were set up to perform the survey. Purposive sampling involves a researcher's conscious choice on the basis of the characteristics shown by the subject. Respondents are to be selected according to predetermined criteria that are relevant to the research objectives. Inclusion criteria includes respondents aged between 15 to 30 years old and does respondents buys or own any fashion apparel. For this sampling technique, the help of any theory is not necessary and the researcher chooses the type of data needed and the individual's ability to provide data (Dornyei, 2007). On the basis of the study findings, the online survey is distributed to qualified respondents via social media channels such as Facebook, Instagram and Whatsapp. In this way, snowball sampling is implemented in order to select and philtre the study participants. Snowball sampling refers to a qualified respondent who invites other qualified respondents similar to them to meet the target survey criteria (Berg, 2006). The survey will be shared with their close relations, such as colleagues, relatives and friends, by the selected respondents who are eligible to answer the survey. There are several types of analytical techniques that are used to check the accuracy of the data collected throughout the research such as descriptive analysis, Spearman Correlation coefficient analysis, Multiple Regression Analysis and Simple Linear Regression

### 4 Analysis And Discussion

### 4.1 Descriptive Analysis

Table 4.1: Demographic Background

Variable	Frequency	Percentage	Variable Variable	Frequency	Percentage
Gender			Highest Academic	Qualification	
Female	220	62.1	SPM	47	13.3
Male	134	37.9	STPM	64	18.1
			Foundation	6	1.7
<u>Age</u>			Diploma	20	5.6
15-18	39	11.0	Degree	214	60.5
19-22	100	28.2	Others	3	0.8
23-26	149	42.1			
27-30	66	18.6	Personal Monthly	Income	
			0-999	242	68.4
Marital Status			1000-1999	27	7.6
Single	313	88.4	2000-2999	56	15.8
Married	41	11.6	3000 and above	29	8.2
<u>Ethnicity</u>			Employment Statu	<u>1S</u>	
Malay	93	26.3	Student	243	68.6
Chinese	123	34.7	Employed	102	28.8
Indian	136	38.4	Unemployed	9	2.5
Others	2	0.6			
			<u>State</u>		
			Negeri Sembilan	98	27.7
			Malacca	9	2.5

Kedah	2	0.6
Terengganu	11	3.1
Penang	19	5.4
Johor	42	11.9
Selangor	111	31.4
Pahang	33	9.3
Perak	29	8.2

According to the table above, there are 134 male respondents and 220 female respondents to be tested in this study. Female whom have participated 62.1% while male whom participated are 37.9% of the sample.

The respondents age between 23 to 26 years old have participated for the highest proportion among 354 respondents which is 42.1% or 149 respondents. 39 respondents or 11.0% are at the age group 15 to 18 years old. The 19 to 22 age group in this study are 100 respondents or 28.2% while in age group between 27 to 30 years old has 66 respondents or 18.6%.

According to the table above, respondents who are single participated the highest percentage that is 88.4% or 313 respondents out of 354 respondents. Next, it is followed by married respondents which made up to 11.6% or 14 respondents among 354 respondents.

The table above stated that Indians have contributed the highest proportion among 354 respondents which is 136 respondents or 38.4%. Next, it follows by 34.7% or 123 Chinese respondents and 26.3% or 93 Malay respondents. Lastly, the lowest percentage is respondents which came from different races, which are 2 respondents or 0.6%.

According to the table above, most of the respondents participated are degree holder which consists of 214 respondents or 60.5% among 354 respondents and it follows by STPM holders which consists of 64 respondents or 18.1%. There are 47 respondents or 13.3% are SPM holders and 20 diploma holders or 5.6%. Lastly, there are 6 respondents or 1.7% are foundation holders and there are 3 respondents or 0.8% comes from other education level.

Most of the respondents have a low monthly income (below RM1,000) which has 242 respondents or 68.4% followed by monthly income in the range RM2,000 to RM2,999 which has 56 respondents or 15.8%. There are 29 respondents or 8.2% in the range of RM3,000 and above monthly income. Lastly, 27 respondents or 7.6% personal monthly income level at range RM1,000 to RM1,999.

According to the table above, 243 respondents or 68.6% are students out of 354 respondents. Next, respondents who are employed consists of 102 respondents or 28.8% and there are only 9 respondents or 2.5% are unemployed.

Respondents from the state of Selangor contributed the highest to answer the survey which is 111 respondents or 31.4% followed by respondents from the state of Negeri Sembilan which is 98 respondents or 27.7%. Next, 42 respondents or 11.9% are from the state Johor and 33 respondents or 9.3% are from the state Pahang. 29 respondents or 8.2% are from Perak contribute to answer this survey and 19 respondents or 5.4% are from the state of Penang. Lastly, least amount of respondents who answered this survey was from Terengganu which is 11 respondents or 3.11%, Malacca consists of 9 respondents or 2.5% and Kedah which is 2 respondents or 0.6%.

### 4.2 Reliability Analysis

### 4.2.1 Pilot Reliability Test

Table 4.2: Pilot Reliability Test

Variable	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Social Media Marketing	.827	.822	7
Sales Promotion	.763	.782	6
Fashion Involvement	.748	.809	6
International Brand	.940	.941	7
Purchase Intention	.763	.766	3

<sup>\*</sup>N = 30

During the initial stage of testing the Cronbach's Alpha of the purchase intention questionnaire consisting five items, the reliability value obtaines was ( $\alpha$ =0.604). Hence, to achieve higher Cronbach's Alpha value, and item total statistics was run in which the outcome of Cronbach Alpha value if item deleted increased to ( $\alpha$ =0.763), after removing item 4 and item 5.

Table above shows the purchase intention is adequate with ( $\alpha$ =0.763) alpha values. The Cronbach's Alpha value for independent variables for this study, social media marketing is ( $\alpha$ =0.827), sales promotion is ( $\alpha$ =0.763), fashion involvement is ( $\alpha$ =0.748) and international brand is 0.940. This table conclude independent variables alpha value are larger than ( $\alpha$ =0.7), so this is reliable and consistent.

### 4.2.2 Actual Data Reliability Test

Table 4.3: Actual Data Reliability Test

Variable	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Social Media Marketing	.887	.888	7
Sales Promotion	.901	.902	6
Fashion Involvement	.830	.843	6
International Brand	.953	.953	7
Purchase Intention	.839	.840	3

<sup>\*</sup>N=354

The satisfactory level of reliability with coeffecient alpha exceeding the cutoff value of  $(\alpha=0.70)$  (Hair et al., 2014). The results in the table above shows that all the independant variable which is (social media marketing, sales promotion, fashion involvement, international brand) and dependant variable which is (purchase intention) have an excellent reliability where it is above the cutoffs value which is in between  $(\alpha=0.8 \text{ to } 0.90)$  respectively.

### 4.3 Correlation Analysis

### 4.3.1 Normality Test for Correlation Analysis

Table 4.4: Normality Test for Correlation Analysis

Variable	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistics	df	Sig.	Statistics	df	Sig.
SMM	0.195	354	0.000	0.817	354	0.000
SP	0.204	354	0.000	0.798	354	0.000
FI	0.199	354	0.000	0.813	354	0.000
PI	0.217	354	0.000	0.764	354	0.000

Note: SMM: Social Media Marketing

SP: Sales Promotion FI: Fashion Involvement PI: Purchase Intention

According to Kolmogorov-Smirnov test and Shapiro-Wilk test, if (p>0.05), thus it is considered as a normal result, while if the (p<0.05), thus it is considered as an abnormal result. For a significant value, the p-value should be (p=0.000) of Kolmogorov-Smirnov which is test for all the independant variable and dependant variable. While, for Shapiro-Wilk test all the significant value is (p=0.000), which is less than 0.05 thus in the both test of this study all the independant variables and dependant variable are abnormal for the correlation analysis. Thus, Spearmen Correlation Analysis should be implemented in order to identify the relationship of two variables of this study.

As result from normality test concluded that the data was not normally distributed, Spearman correlation analysis was used to measure the direction and strength of the relationship between the variables. The results is shown in the Table 4.4

Table 4.5: Result of Spearman Correlation Analysis

Variable	Mean(SD)	SMM	SP	FI	IB	PI
SMM	4.33(0.69)	1	0.457	0.502	0.394	0.514*
SP	4.30(0.71)	0.457	1	0.446	0.337	0.375*
FI	4.37(0.61)	0.502	0.446	1	0.376	0.470*
PI	4.44(0.72)	0.514	0.375	0.470	0.277	1

<sup>\*</sup>p-value<0.05, spearmen correlation analysis applied

Note: SMM: Social Media Marketing

SP: Sales Promotion FI: Fashion Involvement PI: Purchase Intention

When the range is below 0.2 it means there is no relationship, when the range is between 0.2 to 0.4 that is known low degree of relationship. Next, range between 0.4 to 0.6 is known as moderate relationship and 0.7 to 0.8 means there is high correlation. Based on the table above, there is a positive strong significant relationship between social media marketing and purchase intention (p<0.05, r=0.514). Social media marketing and purchase intention has the most

significant correlation as it has the highest correlation among other variables showed by the results. It is proven to have significant influence towards the purchase intention yet confirm the findings from (Bamini KPD Balakrishnan, Mohd Irwan Dahnil, Wong Jiunn Yi, 2014). The result shows how significant data and opinions sharing between customers on social media contributes while these causal interactions among users with others appear to create higher purchase intention.

Next, there is a positive moderate significant relationship between sales promotion and purchase intention (p<0.05, r=0.375). Sales promotion and purchase intention has a positive yet significant influence while the youths are inclined and attracted towards sales promotion. According to (Weng, J.T, Run, et al., 2013) stated that sales promotion strategies has a positive correlation towards purchase intention. The purchase intention of customers tends to be influenced by the sales promotion in spite of the fact that they have no prior intention to buy the particular products (Akhtar,et al., 2014). The statement has been proved by other researchers who expressed that sales promotion has significantly influenced the preplanned purchase of the customers and gaining more purchase intention among customers (DelVecchio, Henard & Freling, 2006) (Dib & Alnazer 2013).

Whereas, there is positive moderate significant relationship between fashion involvement and purchase intention (p<0.05, r=0.470). Fashion involvement is the second most significant correlation according to the results. Therefore, fashion involvement was proven to be inevitable towards the purchase intention as (O'Cass, 2000) expressed, personal characteristics of the customer which reflects about an individual's subjective knowledge on fashion was closely related to fashion involvement, resulting in helping them to develop their intentions to adopt new fashion. An individual would continue to trial and adoption once he or she perceived fashion positively.

# 4.4 Regression

# 4.4.1 Normality Test for Multiple Linear Regression Analysis

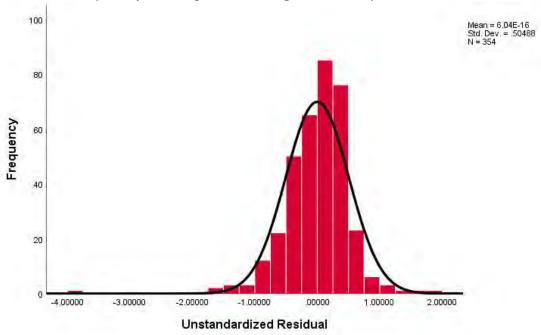


Figure 2: Normality test of Unstandardized Residual of

Multiple Linear Regression

Based on Figure 2 it is shown that there is a normal shape distribution of the unstandarized residual of the Multiple Linear Regression. Thus, this study can be proceeded further in order to analyse the Multiple Linear Regression to test the dominant variable of this study.

# 4.4.2 Multiple Linear Regression Analysis

Table 4.6: Multiple Linear Regression Analysis

Variable	Simple Linear Regression			Multiple Linear Regression		
	β	t-stat(95%CI)	p-value	β	t-stat(95%CI)	p-value
SMM	0.69	16.44(0.61,0.77)	< 0.001	0.37	6.11(0.25,0.47)	<0.001
SP	0.61	13.96(0.52,0.69)	< 0.001	0.23	4.35(0.13,0.33)	< 0.001
FI	0.74	14.96(0.64,0.83)	< 0.001	0.27	4.01(0.14,0.40)	< 0.001

# \*Normality assumption was fulfilled

Note: SMM: Social Media Marketing

SP: Sales Promotion FI: Fashion Involvement

There is a significant effect of social media marketing, sales promotion, and fashion involvement towards purchase intention (p<0.05). In every unit increase of social media marketing, purchase intention will increase by 0.37. Whereas, in every unit increase of sales promotion, purchase intention will increase by 0.23. Next, in every unit increase of fashion involvement, purchase intention will increase by 0.27. The degree of impact of these independant variable on purchase intention could be depicted through the following multiple regression equation:

PI= 0.37\*SMM+0.23\*SP+0.27\*FI

The equation above shows that the most influential factor on purchase intention towards fashion apparel among youths in Malaysia is social media marketing with a standardized  $\beta$  coefficient of 0.37.

# Mean = -2.54E-15 Std Dev. = .69067 Mean = .69067 Mea

# Figure 3: Normality test of Unstandardized Residual of Simple Linear Regression

Based on Figure 3 it is shown that there is a normal shape distribution of the unstandarized residual of the Simple Linear Regression. Thus, this study can be proceeded further in order to analyse the Simple Linear Regression to test whether international brand does affect the purchase intention towards fashion apparel among youths in Malaysia.

# 4.4.4 Simple Linear Regression Analysis

Table 4.7: Simple Linear Regression Analysis

Variable	Simple Linear Regression				
	β	t-stat(95%CI)	p-value		
IB	0.17	5.50(0.11,0.24)	< 0.001		

\*Normality assumption was fulfilled

Note: IB: International Brand

There is a significant effect of international brand towards purchase intention towards fashion apparel among youths in Malaysia (p<0.05). In every unit of increase of international brand, purchase intention will increase by 0.17. This concludes that international brand does affects the purchase intention towards fashion apparel among youths in Malaysia. According to the analysis results, it is proven that international brand does affect the purchase intention of fashion apparel among youths in Malaysia. Hence, it is proven to inevitable towards the purchase intention as stated by (Kiong, T.P, Yin-Fah, Gharleghi, et al., 2013), quality is also

considered as one of the significant impact on consumer preferences towards an international brand of product and quality is the value of the good, which gives customers more satisfaction to purchase the products.

Table 4.8: Summary for Hypotheses Testing

Hypotheses	Spearman Correlation	Results
HI= Social media marketing has significant influence towards purchase intention of fashion apparel among youth's in Malaysia.	r=0.514, p<0.05	Supported
H2= Sales promotion has significant influence towards purchase intention of fashion apparel among youths in Malaysia.	r=0.375, p<0.05	Supported
H3= Fashion involvement has significant influence towards purchase intention of fashion apparel among youths in Malaysia.	r=0.470, p<0.05	Supported
Hypotheses	Simple Linear Regression	Results
H4= International brand does affect the purchase intention of fashion apparel among youths in Malaysia.	β=0.17, p<0.05	Supported

# 5 Conclusion And Future Research

Firstly, for the future research it is suggested that to provide more detailed fashion studies information in Malaysia it is vital for the future studies to investigate more on the internal and external variables in order to have more comprehensive data. In addition, besides the variables that have been suggested in this study, future researchers should expand the research framework for development by adding other independant variables in influencing the purchase intention. For example, for future research the display of store can be applied in to the variables. Fashion involved is bigger in context so future researcher might explore even more in advance and narrow down to fast fashion, green fashion and much more. From the proposed framework, additional factors can be expanded to prompt the actual selection of fashion attire.

Secondly, future researcher in every other location can carry out fashion related studies as the consumer behavior, background, culture, preference and others are different. The constructions of questions needs to be informative, straight-forward and easy to understand to overcome the unclear comprehensions of respondents. In addition, it would be way better to provide face-to-face interviews with respondents in which the researcher would give guidance to respondents

to participate within the study to prompt accurate data collection. Besides, will have a clear view and understanding on the respondents background as they can filter respondents who don't meet the criteria to participate in this study. However, it is suggested that future researcher before giving out the survey to concentrate and filter the age range of respondents. This will ensure and resolve the unreliable information gotten from out-of-target respondents. It could moreover fasten the time of information collection however accomplish more detailed results.

Overall, this study has successfully achieve the research objectives which have been set earlier in the beginning of this study which is to identify whether social media marketing, sales promotion, and fashion involvement are significant relationship of purchase intention towards fashion apparel among youth in Malaysia, to identify the most influence factors of purchase intention towards fashion apparel among youth in Malaysia and to examine if international brand affects the purchase intention towards fashion apparel among youth in Malaysia. All the four independent variables have been proved to have significant impact towards the dependant variable which is purchase intention. Social media marketing have strongest impact towards the purchase intention. This study is useful for businesses, marketer, and future researcher in multiple perspectives.

# 6 Acknowledgements

Throughout the research process, we have meet people who have contributed their efforts, time and commitment that greatly assisted the research. Therefore, I would like to grab this opportunity to express our deeply appreciation to all of them. First and foremost, I would like to show my gratitude and special thanks to my respective supervisor, Cik Nurul Azwa binti Mohamed Khadri. She showed her generous support, coaching and companionship during our research. She played an important role in our research by valuable our research both practically and theoretically. Moreover, I thank to University Malaysia Kelantan (UMK) for giving a great opportunity to me for conducting this research. Also, I express our deepest thank to the respondents who spent their valuable time to contribute in the questionnaire section. Without their effort, I would have never been collected accurate data to further my research. Last but not least, a sincere thank among the group members as it is a precious opportunity to work together. Throughout the research process, we have learn, grow up and gained knowledge together within this period.

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# THE FACTORS THAT AFFECTS CONSUMER SATISFACTION TO REPURCHASE INTENTION IN SOCIAL COMMERCE MALAYSIA AMONG UMK STUDENTS

# Lin Soong Kim and Md Zaki Muhamad Hasan

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: lskim.a17a0176@siswa.umk.edu.my; zaki.mh@umk.edu.my

### Abstract

Social commerce is a subset of electronic commerce that involves social media, online media that supports social interaction, and user contributions to assist online buying and selling of products and services. Social commerce is a subset of electronic commerce that supports social interaction between seller and buyer. This has led to the decision to choose the consumer satisfaction to repurchase intention in social commerce as the main topic for this thesis. To fulfil the consumer satisfaction is vital and want to maintain consumer loyalty had to face major challenge. Consumer satisfaction to repurchase intention is a crucial element of long-term profitability and competitive advantage. The purpose of this research to measure the factor that affect consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students. The respondents of this research were students who studying in University Malaysia Kelantan, campus Kota, by using questionnaire. It was discovered the perceived usefulness of product which were included quality, suitable of use, and product characteristics which were the major factor affecting the consumer satisfaction to repurchase intention in social commerce Malaysia. The findings show that quality, suitable of use, and product characteristics have significant influenced on consumer satisfaction to repurchase intention in social commerce.

**Keywords:** Consumer Satisfaction, Repurchase Intention, Social Commerce, Quality, Suitable of Use, Product Characteristics

# 1 Introduction

# 1.1 Research Background

The quantity of netizen, as known as internet user, which included the mobile phone user and social media user, they have increased every year. In Malaysia with year 2020, in the light of the Global Digital Report 2020, the total number of those internet users is 26.69 million, and it was increased 3.6% every year. On the other hand, the total amount of social media users is 26 million, and it was increase 4.1% every year. Furthermore, the total amount of mobile phone users is 40.69 million, which is up 0.4% year-on-year (Kemp, 2020).

According to Smart Insights, with the continuous development of social media, the number and scope of platforms to connect with people will also continue to expand. Consumers will be expected to view and purchase items in the space where they spend their time. In addition, companies that want to stand out in social commerce are seeking to use new and existing relationships with influencers to enhance their brand's influence, relevance and affinity (Llewellyn, 2019).

Other than that, the grow in social commerce is partly caused by young consumers, especially the Generation Z and Millennials. It's because they always looking for new and convenient ways to online purchase. In the line with e Marketer, it stated there were more than 55% of the Generation Z internet users in United State spend most of the time on online shopping due to inspired by social media browsing (Kats, 2019).

Lastly, with the continuous development of social media, social commerce is also forced to grow in order to provide consumers with more choices and methods to browse and purchase in different social channels. According to (Llewellyn, 2019), more and more consumers frequently use multiple channels when making online purchases. Therefore, social channels should be used in conjunction with other commercial channels and complement them to provide a consistent consumer experience at every stage of the buying process.

# 1.2 Research Objectives

- 1. To investigate the effect of quality of a product towards the consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students.
- 2. To study the effect of suitable of use by a product towards the consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students.
- 3. To examine the effect of product characteristics towards the consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students.

# 2 Literature Review

### 2.1 Social Commerce

The term "social commerce" is a new derivative model of e-commerce. Which means that it uses the communication channels of social networking sites to assist the purchase and sale of goods through social interaction and user-generated content. Social commerce is a subset of e-commerce that supports social interaction between buyers and sellers (Mohd et al., 2013). It is assisting the user contributions in the online buying and selling of products and services. Besides that, David Beisel proposed the concept of social commerce to represent the advertising content generated by users on e-commerce sites (Beisel, 2013), and by Steve Rubel to includes collaborative e-commerce tools that allow shoppers to "get advice from trusted individuals, find goods and services, and then buy". It has been found that social networks that spread this recommendation can increase customers' trust in one retailer, not another (S. Guo, Wang, & Leskovec, 2011).

Social commerce is a constantly evolving field in the field of online marketing, which is closely integrated with the growth of social media and online shopping. Blogs related to fashion and shopping use social commerce and media to attract shoppers to buy linked products online. For example, many popular fashion blogs have Instagram accounts, allowing followers to like, share and comment on the products offered. Labelled items are often directly linked to the shopping cart or check-out counter of the store (DOLLARHIDE, 2020).

### 2.2 Consumer Satisfaction

(Kotler, 2000) believes that consumer satisfaction "refers to a person's state of feeling of pleasure or disappointment formed by comparing the perceivable effects of a product with expectations." It is also believed that when the actual consumption effect of the product meets the consumer's expectation, it will lead to satisfaction, if not will make the consumer

dissatisfied. From the above definition, satisfaction is a function of the difference between perceived effect and expected value. If the effect is lower than the expectation, the consumer will dissatisfied; if the perceivable effect matches the expectation, consumer is satisfied; if the perceivable effect more than the expectation, the consumer will highly satisfied.

Generally, consumer satisfaction is the direct and comprehensive evaluation of the products and services provided by the company and employees, and approbate of the company, products, services and employees. Consumers based on their value judgments to evaluate products and services. Therefore, Philip Kotler believes that "satisfaction is the level of a person's feeling state, which comes from the comparison of the product's expected performance or output with people's expectations." From the perspective of a business, the customer service goal not just to satisfy customers. In marketing management, it is only the first step. Between companies and consumers, in the process of establishing long-term partnerships, companies giving consumers with "customer value" that exceeds their expectations, so that consumers can be in high satisfaction in every purchase process and after-purchase experience. Every time satisfaction will enhance consumers' trust in the company, so that the company can obtain long-term benefits and development.

# 2.3 Repurchase Intention

Repurchase refers to the actual behaviour of consumers buying the same product or service in multiple times (Ibzan, Balarabe, & Jakada, 2016). According to (Ibzan et al., 2016), Consumers repeatedly purchase similar products from similar sellers, and most purchases represent a series of events rather than a single isolated event. Meanwhile, according to Cambridge English Dictionary, intention refers to a thing intended; an aim or plan. In the other hand, the other common term for repurchase is retention (Hennig-Thurau, 2004), which is considered one of the most important variables in relationship marketing (Fullerton, 2005).

Therefore, repurchase intention refers to someone was willing to buy again from the same company based on their previous purchase experience (Hellier et al., 2003). The customer loyalty and repeat purchase rate are the competitive advantage of online business (Tsai & Huang, 2007). By this, Consumer satisfaction and repurchase intentions are one of the most studied concepts in academia, and they are also one of the most important concepts in practice today.

### 2.4 Quality

The first factor is product quality. Nowadays, people will concern about the product that offered by the retailers. Product quality refer to the collection of product features and characteristics that help meet specific requirements (Pass, 2005). Some consumers consider quality as their primary consideration when shopping online. Although online shopping cannot make consumers directly touch or feel the quality of the product, the reviews on the website can indicate the quality of the product to some extent. As we know, a good comment for a product will affect to the confidence of consumers increase, thus the sales of the product will also increase. In addition, studies like (Alam & Yasin, 2010) and (X. Guo, Ling, & Liu, 2012) have found product quality to be important factor influencing e-satisfaction.

### 2.5 Suitable of Use

Every product or service that consumers buy has its purpose. For example, the purpose of an oven is to bake raw food, but not all ovens have the same functions and advantages. Benefits are the reasons that consumers buy products or services (FastTrac, 2007). For example, the

benefits of certain ovens to buyers include practicality, ease of use, or affordable prices. It is important to remember that consumers buy products and services because they want to solve problems or satisfy needs. Therefore, the product and service offerings in social commerce Malaysia must provide solutions and meet their needs, thus increase the consumer satisfaction to repurchase intention. Then, the benefits are ultimately more important to the consumers in social commerce, it is imperative that retailers to understand the benefits product's benefits provided, emphasize these benefits in sales efforts, and renew products when consumers want new or additional benefits.

### 2.6 Product Characteristics

According to (Team, 2018), product characteristics refers to characterize the meaning of the completed project. Product characteristics are attributes that can be added to the project definition to extend each product description. Examples of characteristics are size, colour, quality, shape and weight. For example, normally, ladies customers were more satisfied by buying a clothes which incorporate with elegant, luxury, fancy colour, and etc. In the other hand, from the analysis of (Wang, Lu, & Tan, 2018), the survey showed that the type, colour, the drainage method, display and loading type, frequency conversion, capacity of the product have a statistically significant impact on satisfaction. Therefore, clearly defining consumer product characteristics for each product is the key to success in the market. Retailers must understand their products as much as possible from different angles. So that it can be affect to the consumer satisfaction thus to cause the consumers to repurchase in social commerce.

# 2.7 Research Hypothesis

A series of testable hypotheses were developed from the proposed research model, as shown below:

Hypothesis 1: There is a significant positive relationship between product quality and consumer satisfaction to repurchase intention.

Hypothesis 2: There is a significant positive relationship between suitable of use and consumer satisfaction to repurchase intention.

Hypothesis 3: There is a significant positive relationship between product characteristics and consumer satisfaction to repurchase intention.

# 3 Methodology

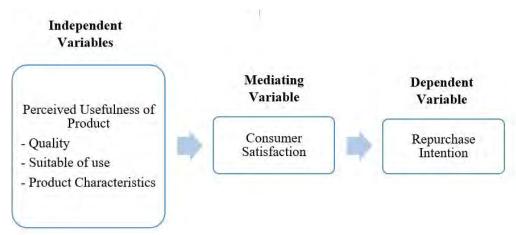


Figure 3.1 Research Conceptual Framework

This study using quantitative research methodology. It could gain deep understanding on the factors that affects consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students and to establish the factors of customer satisfaction from the perspective of UMK students. In addition, this method was focusing on collecting data. In this study, questionnaires by using the Google form was conducted to recruit the respondents which were the UMK students. The questionnaire consists of three sections, which are namely section A, section B, and section C.

The target population of this study were the students who study in University Malaysia Kelantan, which was the campus located in Kota Bharu. There was total 5631 students in UMK campus Kota, which were 3482 students in Faculty of Entrepreneurship and Business (FKP), and 2149 students in Faculty of Hospitality, Tourism and Wellness (FHPK). Then, a total of 300 students from different program in UMK campus Kota have been conducted. The sample were selected from every program and semester according to the proportion.

In this study the chosen sampling technique is Judgmental Sampling. Judgemental sampling is a selection process where the auditor decides which items should be audited (Jokovich, 2013). After the data collection process was done, SPSS software is used to conduct the analysis. SPSS is a predictive software to enable accurate analysis of result for better decision making and problem solving in academic research.

# 4 Findings

# 4.1 Reliability, Mean and Standard Deviation

Table 4.1 Reliability, Mean and Standard Deviation

Questionnaire	Number of	Cronbach's	Mean	S.D	
	Items	Alpha			
Dependent Variable					
Consumer Satisfaction to	4	0.817	4.0300	0.68392	
Repurchase Intention					
Independent Variable					
Quality	5	0.846	4.5073	0.49810	
Suitable of Use	5	0.826	4.3087	0.55475	
Product Characteristics	5	0.817	4.1987	0.62222	

No of respondent (N) = 300

Construct's reliability has been measured by Cronbach's alpha, above Table 4.1 shows the reliability of all construct is more than 81% which is more than acceptable. Table 1 also shows the mean and standard deviation for consumer satisfaction to repurchase intention, quality, suitable of use, and product characteristics. Mean of all above variables was more than the scale of 4.0 mostly which lies between agree and strongly agree responses.

### 4.2 Correlation

Table 4.2 Pearson Correlations

		CSTRI	Q	SOF	PC
CSTRI	Pearson Correlation	1	.408**	.546**	.511**
	Sig (2-tailed)		.000	.000	.000
	N	300	300	300	300
Q	Pearson Correlation		1	.723**	.452**
	Sig (2-tailed)			.000	.000
	N		300	300	300
SOF	Pearson Correlation			1	.626**
	Sig (2-tailed)				.000
	N			300	300
PC	Pearson Correlation				1
	Sig (2-tailed)				
	N				300

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

**Hypothesis 1:** There is a significant relationship between quality and consumer satisfaction to repurchase intention. The results showed that a significant positive correlation coefficient between quality and consumer satisfaction to repurchase intention (r = .408, p < .01). The result demonstrated that the strength of association between quality and consumer satisfaction to repurchase intention was moderate.

**Hypothesis 2:** There is a significant relationship between suitable of use and consumer satisfaction to repurchase intention. A significant positive correlation coefficient showed between suitable of use and consumer satisfaction to repurchase intention with the value of .546 (p < .01). The strength of relationship between suitable of use and consumer satisfaction to repurchase intention was moderate.

**Hypothesis 3:** There is a significant relationship between product characteristics and consumer satisfaction to repurchase intention. The final findings indicated that there is a significant positive correlation coefficient between product characteristics and consumer satisfaction to repurchase intention (r = .511, p < .01). The correlation coefficient gained shows a moderate relationship.

# 5 Discussion

The purpose of this study is to measure the factor affect consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students. There were three independent variables (quality, suitable of use, product characteristics) that can affect consumer satisfaction to repurchase intention in social commerce Malaysia. The researcher has chosen students who study in University Malaysia Kelantan campus Kota as respondent for this study. Respondent has been chosen from Year 1 to Year 4 and have shown data in the descriptive analysis that include gender, year of study, marital status, ethic, monthly income, and experience purchase in social commerce.

Based on 300 respondents of UMK students, the Cronbach's Alpha for reliability analysis shows all variables consistency and stability are good which is quality is 0.846, followed by 0.826 that represent for suitable of use and product characteristics is 0.817. Next, dependent variables (consumer satisfaction to repurchase intention) is 0.817 are recorded.

Based on result generate, for Pearson analysis quality from UMK students has a significant

impact on consumer satisfaction to repurchase intention in social commerce. The significant level of customer satisfaction is at 0.000 which lower than alpha value 0.01. Besides,  $\beta$ -value is which express that the relationship between quality and consumer satisfaction to repurchase intention are positive.

According to the finding, suitable of use has a significant impact on the consumer satisfaction to repurchase intention in social commerce among UMK students. The significant level of suitable of use is at 0.000 which lower than alpha value 0.01. Besides,  $\beta$ -value is which express that the relationship between suitable of use with consumer satisfaction to repurchase intention are positive.

Furthermore, the study reveals that product characteristics also has a significant impact on consumer satisfaction to repurchase intention in social commerce among UMK students. The significant level of product characteristics is at 0.000 which lower than alpha value 0.01. Besides,  $\beta$ -value is which express that the relationship between product characteristics with consumer satisfaction to repurchase intention are positive. From the results, researcher can describe that all independent variables have significant relationship with dependent variable.

### 6 Recommendation

Researcher hereby propose some recommendation and alternative to beat those restrictions. Since this study had only focused on students who study in University Malaysia campus Kota, Kelantan, it is recommended that further studies can be carried out to other generation and place in Malaysia, not only focused in Kota Bharu, Kelantan. Secondly, researcher suggests that one-to-one communication can abstain from misconception of the respondents while noting the survey. Next recommendation, in further studies also can concentrate on particular retailers, so it can help retailers to improve their product with features, thereby retailers are able to full fill consumers' needs and wants.

# 7 Conclusion

This study was focus on the factors affect the consumer satisfaction to repurchase intention in social commerce Malaysia among UMK students. From the analysis of the entire variable, it has been satisfied the minimum requirement of reliability since all the Cronbach's Alpha coefficients shows greater than 0.8 which is all the independent variable (quality, suitable of use, product characteristics) had the significant relationship to the dependent variable (consumer satisfaction to repurchase intention). Regarding the result of analysis performed in order to determine whether or not quality, suitable of use, and product characteristics has an impact on consumer satisfaction to repurchase intention, it was found out that all independent variables has significant relationship with consumer satisfaction to repurchase intention in this study. Based on the relationship, UMK students will repurchase in social commerce if those factor meets their needs and wants. The most important part, retailers can acknowledge these factors before produce a product in the future to increase the consumer satisfaction, thereby increase the repurchase intention between young consumer. The results show factors that affect consumer satisfaction to repurchase intention were really play important role among UMK students. This research had been complete successfully.

# 8 Acknowledgement

This research was supported by Universiti Malaysia Kelantan. I would like to express our

deepest gratitude to Sir Md Zaki Bin Muhamad Hasan for his guidance and mentorship throughout this dissertation. It is a life-long honour to be his students and he helped me a lot whenever I came across difficulties in this research study. His tolerance and expertise also helped and supported me all the way through proposing initial ideas to the completion of this research study. I would like to thank everyone who are involved in this research directly or indirectly that may have helped me a lot in finalizing this project within the limited time frame. So, with a lot of guidance and assistance from many people, I extremely fortune to have this all along the completion of assignment work.

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# FACTOR THAT INFLUENCE CONSUMER BEHAVIOUR IN CHOOSING BETWEEN TRADITIONAL AND MODERN RETAIL STORE AMONG FKP STUDENT AT UNIVERSITY MALAYSIA KELANTAN, CITY CAMPUS

### Majdah Mhd Rahim and Md Zaki Muhamad Hasan

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia.

Email: majdah.a17a0188@siswa.edu.my; zaki.mh@umk.edu.my

### Abstract:

Retail has emerged as one of the fastest- growing that considered as one of the most important players in the business industry. In nowadays a new of retail landscape has changing from traditional store format to the modern retail store format. It has given new experience to buyers who are familiarize to the traditional retail format. The purpose of this study is to identify the factor that influence consumer behaviour in choosing the retail store format among FKP student at UMK City Campus. This study is help the researcher to understand the factor that influence consumer in choosing the retail store format. This study analysed between three factor which is store image, store atmosphere and product variety that influenced the consumer behaviour in choosing the retail store format. This research was performed by distributed the questionnaire by using the Google form to FKP student by using the simple random sampling techniques. Then, the respond measured by using a descriptive analysis to know the mean and standard deviation. Spearman Correlation was applied to know the relationship between the independent variable and dependent variable. The result show that, there was a fair positive relationship between store image and consumer behaviour (p-value <0.05, r=0.46), positive relationship between store atmosphere and consumer behaviour (p-value < 0.05, r=0.62), and a positive relationship between product variety and consumer behaviour (p-value < 0.05, r=0.72). It is important for all retailer either they managed their business in traditional or modern retail store that need know the factor that influence the consumer behaviour in choosing their retail store. It is because all these factor give a positive impact to their business where can increase the revenue for the business and the future to expand more their business.

**Keywords:** Store image, Store Atmosphere, Product Variety, Consumer Behaviour, Traditional Retail Store, Modern Retail Store.

# 1 Introduction

This study is to investigate the customer behaviour in choosing the retail store format. Retail is the sale of the good or the services from individual to the end of user or known as the consumer. Retailer is being a part of an integrated system that called as supply chain which is purchasing the good in the large of quantities from wholesale or directly from the manufacturer. In nowadays the retailing business in Malaysia has grown rapidly along with the new era of the development of social economic condition of the community. Retail is one of the most popular sector that can generate income compared to other sector. So the marketer has their own strategies to influences the consumer to choose their store by offering them with the variety of the product in different ways, at a several of location and services.

Retail has emerged as one of the fastest- growing industries and can compete with the other

sector such as tourism, hospitality and many more. It can be considered as one of the most important players in the business industry nowadays especially in Malaysia. In nowadays a new of retail landscape has been taking place to the traditional format that change to the modern retail format. It has given new experience to buyers who are familiarize to the traditional retail format. In Malaysia, there are a lot of choices that can make by a consumer in choosing the retail store format to meet their need and want. As we can see there is many retail stores open around the City or the village like mushrooms after the rain. In 2018, the number of establishment for the wholesale &retail trade sector is recorded 469,024 that compared to 370,725 establishments in 2013 with an annual growth rate of 4.8 per cent. Determining the factor that influence the consumer behaviour in choosing between traditional and modern retail store is important for the business owner in Malaysia because of it will help to boost more sale and attract more people to visit their store. There is three factor that influence the consumer behaviour which is store image, store atmosphere and product variety. In the next section of literature review all the factor are be discussed in detail.

# 1.1 Research Questions

The problem that is addressed in the study is to know the factor that influences the consumer behaviour in choosing between traditional and modern store retailing among FKP students at UMK City Campus.

What is the relationship between store image and consumer behaviour in choosing the retail store format among FKP student at UMK City Campus.

What is the relationship between store atmosphere and consumer behaviour in choosing the retail store format among FKP student at UMK City Campus.

What is the relationship between product variety and consumer behaviour in choosing the retail store format among FKP student at UMK City Campus.

# 1.2 Research Objectives

This study aims to determine the factor that influences consumer behaviour in choosing the retail store format. The specific objective of this paper is shown below.

- •To examine the relationship between store image and consumer behaviour in choosing retail store format among FKP student at UMK City Campus.
- •To examine the relationship between product variety and consumer behaviour in choosing retail store format among FKP student at UMK City Campus.
- •To examine the relationship between store atmosphere and consumer behaviour in choosing retail store format among FKP student at UMK City Campus.

# 1.3 Significant of the study

The priority of Malaysian consumer behaviour towards making a good decision in choosing retail store format is very important for this study. This research will provide a better understanding of the factors that influence consumer behaviour in making the right choice according to their suitability. Therefore, the result can give some important information to a few groups which include the business owner, consumer, and future research.

# **2** Literature Review

According to Jinfeng and Zhilong (2009) the retail sector has been a a powerful switch over the last decades with the rapid growth supermarket as a dominant form of organized retailing The phenomenon of modern retail store are emerged throughout Asia, South Africa, Eastern Europe and the Middle East. Meanwhile food retailing still dominated by the traditional format

to run the food store. It is been a trend in expansion of the modern retail store as hypermarket and also a supermarket. They are becoming the most popular store because of they has providing more convenience facilities to the consumer compared to the traditional store. Traditional retail store that also known as mom and pop store still dominate much of the region modern retail format and operated in urban areas of the most Asian countries like village and the small town.

Regarding to the department of statistic Malaysia shown that the retail sector is grown rapidly with the number of establishments for Wholesale & retail trade sector in Malaysia are recorded 469,024 in 2018 as compared to 370,725 establishments in 2013 with an annual growth of 4.8 per cent. Total of establishment of Small & Medium Enterprises (SMEs) has increase to 98.5 per cent compared to 98.9 per cent in 2013. Meanwhile, total sales value of goods & services increased to RM1, 270.8 billion as compared to RM841.6 billion in 2013 with an annual growth of 9.4 per cent. In other word, the retail business has high potential because of it is very well be seen through a hearty development of retail sector, with normal yearly development pace to compete resources and commitment expanded over the time of 2013 to 2018.

# **Store Image**

The concept of the store image, considered as the way consumers see the store in his minds based on tangible or intangible attributes. Store image can be define as the different store attributed or characteristic that focus on the marketing activities of a store to influence customer perceptions of the store choice, Jinfeng and Zhilong (2009). Regarding to Grewal et. al., (2004), store image has built up as a combine evaluation regarding the store and the brand that influenced customer's store choice.

Jantan and Kamaruddin (1999) evaluated significant store image features which are important in departmental store choice behaviour of Malaysian shoppers. There are seven store image features in store choice behaviour and the most significant one was location after which it was service, merchandise, promotion and advertising. According Steenkamp and Wedel (1991) store image as one of the retailer's most valuable asset because it is one of the strategic tool in the highly competitive retailing environment.

### **Store Atmosphere**

Store atmosphere plays a vital role in the consumer's experience. It is involve to a conscious designing of space to affect customer's sensory experience. According to Ryu & Jang (2007) and Ryu & Han (2009) store atmosphere have a tremendous effect on customer behaviour in choosing the store which reflects the quality that giving to the customer. For examples it provide an attractive decor or design, music, lighting, colour to attract the customer. Other than that, making some of investing in the operation of physical environment also important because it will directly increase sales and purchase intention dramatically.

### **Product variety**

According to Fisher et al. (1999) product variety referrer in two of dimension which is the rate at which the firm replaces existing products with new products and the breadth of the products that a firm offers at a given time. Martin (1999) also mention that there are two types of variety which is generational variety that refer to the variety across the future generation of the product and spatial varietythat indicates the variety that a company offers the marketplace at a point in time.

Ulrich and Randall (2001) has mention that product variety as the number of different versions of a product offered by a firm at a single point in time. Regarding to Ho and Tang (1998) consumers are the ultimate source for demand for product variety, as each individual has preference for different product variants. Retailers try to satisfy these demands by offering a

wide range of products. Multi product firms offer a variety of choices in a single product category to capture the surplus of consumers who may have heterogeneous quality valuations, tastes or budget constraints, Hui, (2003).

# 2.1 Research Hypothesis

This study is expected to have three independent variable which are store image, store atmosphere and product variety. Meanwhile, consumer behaviour in choosing the retail store format (traditional/modern) is a dependent variable

# Store image

H0: There is no significant relationship between store image and consumer behaviour in choosing the retail store format.

H1: There is a positive significant relationship between store image and consumer behaviour in choosing the retail store format.

### Store atmosphere

H0: There is no significant relationship between store atmosphere and consumer behaviour in choosing the retail store format.

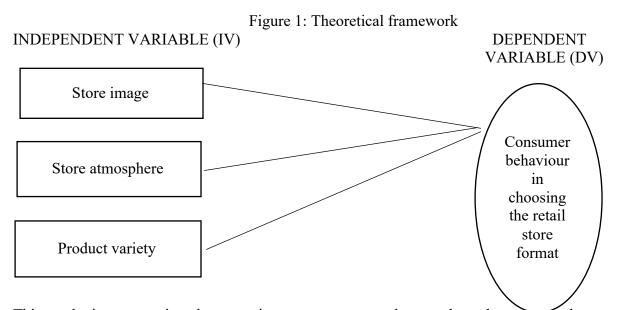
H1: There is a positive significant relationship between store atmosphere and consumer behaviour in choosing the retail store format.

# Product variety

H0: There is no significant relationship between product variety and consumer behaviour in choosing the retail store format.

H1: There is a positive significant relationship between product variety and consumer behaviour in choosing the retail store format.

# 2.2 Conceptual Framework



This study is to examine the store image, store atmosphere and product variety have a relationship between consumer behaviour in choosing the retail format among FKP student at UMK City Campus.

# 3 Research Methodology

# 3.1 Research design

This study used quantitative method with using a set of questions that will be formed in the questionnaire survey. A survey of the questionnaire will be presented to the respondents using the Google form.

### 3.2 Data collection method

This study used the data collection technique questionnaire method. Researcher choose the quantitative method of the data collection depend on the area of researcher and the nature of research aims and objective. This will be done to collect appropriate and relevant data to meet this study's research goal. These data collection will conducted through the Google form and spread it to FKP student as the respondent through the whatsaAp group and telegram channel. A simple random sample is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. A simple random sample is meant to be an unbiased representation of a group. In this research, a simple random sampling would be selected of 303 FKP undergraduate student being chosen out of a hat from total of student in UMK which is 3482 of FKP student from a different course and year of their study.

# 3.3 Measurement development

All measurement for each variable are based on existing measurement develop by previous studies. The respondent will ask to mark the number 1 to 5 for the each statement that will give by the researcher. The researcher will used 5 point likert scale that design to examined how strongly subject agree and disagree with the statement on five point likert scale. The questionnaire that provided to the respondent have two language which is in English and Malay version.

### 3.4 Sample size

This study has to conduct at least 300 respondents among FKP students. According to Salman (2015), Mansor et al. (2015) and Abduh & Isma (2017), the futures researches are suggested to enlarge the sample size to get more reliable and effective result. In their studies, they have used 200 respondents to run the test but still become a limitation in their studies. Therefore, in this research, 303 respondent would be distributed for a more reliable result throughout the targeted state that choose among FKP student.

### 3.5 Data analysis

This study use the Statistical Package for the social Sciences (SPSS) with the version of 24 to analyse the data. There were data type of analysis were used for the data demographic profile of the respondent, frequency analysis, reliability analysis and spearman correlation.

# 4 Finding

### 4.1 Demographic Profile of the Respondent.

A set of demographic profile which is including to the gender, age, ethnic group and many more of analysis have been examined and presented in table 1. The questionnaire was distributed by using the Google form.

Table 1 shows the socio demographic profile of the respondent. The result show the percentage for the gender with male respondent having (39.6%) and female respondent having (60.4%).

The majority of the respondents are from the age group of 23-24 years old years (74.9%) and 21-22 years old (19.5%), (3.6%) percent were from the 25 years old group and minimal respondents fell within the range of 20 years and below (2.0%) percent. From the ethnic groups, the Malay occupied the highest percentage (80.5%), followed by Chinese (12.2%) and Indian (7.3%). The majority of the respondents are from the retail (SAR) student which is (30.0%), followed by Islamic Banking (SAB) student with the percentage (24.8%), ecommerce (SAK) student (20.5%), logistic (SAL) student (19.5%) and the lowest respondent is an entrepreneurship (SAE) student which is (5.3%). Other than that, the majority of the respondent is from the fourth year student which is achieved to (71.9%).

In term of retail store format choice, most of the respondent are make a choice to enjoy in a both format which is (traditional and modern retail store) with the percentage (48.2%), followed by modern retail store (45.2%) and the remaining is enjoy purchase at traditional retail store (6.6%). Besides that, the majority of respondent are like to visit the retail store in a twice in a month which is (64.7%), followed by 3 and above in a month that they like to visit the retail store (32.3%) and it minor of the respondent are like to visit the retail store in once a month (3.0%).

The majority of the respondent were giving the reason in choice of the retail format where they were looking for the product variety with the percentage (43.6%), followed by store image (33.7%) and lastly with store atmosphere (22.4%)

Table 1

Demographic		frequency (N)	Percentage
Gender	Male	120	39.6%
	Female	183	60.4%
Age	20 years old and below	6	2.0%
	21-22 years old	59	19.5%
	23-24 years old	227	74.9%
	25 years old and above	11	3.6%
Course	SAR	91	30.0%
	SAB	75	24.8%
	SAK	62	20.5%
	SAL	59	19.5%
	SAE	16	5.3%
Year of study	Year 1	8	2.6%
	Year 2	21	6.9%
	Year 3	56	18.5%
	Year 4	218	71.8%
Race	Malay	244	80.5%
	Chinese	37	12.2%
	Indian	22	7.3%
Retail format	Traditional store	20	6.6%
	Modern store	137	45.2%
	Both	146	48.2%
Time visit store	once a month	9	3.0%
	Twice a month	196	64.7%
	3 and above	98	32.3%
Reason choice of	store image	102	33.7%
store	store atmosphere	68	22.4%
SIOIC	product variety	132	43.6%

# 4.2 Spearman Correlation Analysis

Spearman correlation analysis is applied to describe a strength of the relationship between the independent variable and the dependent variable. Table 2 show the spearman correlation analysis for the factor that influences the consumer behaviour in choosing the retail store format.

Table 2: Result of Spearman Correlation Analysis

Variable	Mean (SD)	Store image	Store	Consumer
			atmosphere	behaviour
Store image	4.59(0.40)	1	0.70	0.46*
Store	4.30(0.52)	0.70	1	0.62*
atmosphere				
Product variety	4.13(0.60)	0.61	0.75	0.72*
Consumer	4.10(0.65)	0.46	0.62	1
behaviour				

<sup>\*</sup>Correlation is significant at the p-value <0.05 level .spearman correlation analysis applied

From the table 2 show that the outcome result from Spearman Correlation which was run to determine the relationship between the store image, store atmosphere, product variety and the consumer behaviour in choosing the retail format.

There is a positive fair correlation between store image and consumer behaviour in choosing the retail format (p<0.05, r=0.464). So that the H0 will be rejected.

There is a positive perfect correlation relationship between store atmosphere and consumer behaviour in choosing the retail format (p<0.05, r=0.622). So that, the H0 will be rejected.

There is a positive perfect correlation relationship between product variety and consumer behaviour in choosing the retail format (p<0.05, r=0.718). So that, the H0 will be rejected.

# 4.3 Hypothesis testing

The hypothesis of the relationship between store image, store atmosphere, product variety and consumer behaviour are accepted by using the spearman correlation (p<0.05).

# 5 Finding & Discussion

### **Store Image**

Based on the study the result of reliability analysis show that the store image has the reliable Cronbach Alpha which is 0.78. Other than that, the result of Spearman Correlation in table 4.2 also show that store image and consumer behaviour in choosing the retail store format among FKP student at UMK City Campus has the fair positive correlation relationship between as the spearman correlation value r that obtained in this test is r = 0.46. Both variable show that a positive correlation coefficient value which indicate sign of the relationship between them. It also shown that the store image statistically as the significant obtained is 0.00 where p < 0.05.

# **Store Atmosphere**

The result of reliability analysis show that the store atmosphere has the reliable Cronbach Alpha which is 0.85. Other than that, the result of Spearman Correlation in table 4.2 also show that store image and consumer behaviour in choosing the retail store format among FKP student at UMK City Campus has the perfect positive correlation relationship between as the spearman correlation value r that obtained in this test is r = 0.62. Both variable show that a positive correlation coefficient value which indicate sign of the relationship between them. It also shown that the store atmosphere statistically as the significant obtained is 0.00 where p<0.05.

# **Product variety**

The result of reliability analysis show that the product variety has the reliable Cronbach Alpha which is 0.84. Other than that, the result of Spearman Correlation in table 4.2 also show that

store image and consumer behaviour in choosing the retail store format among FKP student at UMK City Campus has the perfect positive correlation relationship between as the spearman correlation value r that obtained in this test is r = 0.72. Both variable show that a positive correlation coefficient value which indicate sign of the relationship between them. It also shown that the store atmosphere statistically as the significant obtained is 0.00 where p < 0.05.

### 5.1 Recommendation

For the recommendation, those retailer can use this research as a material to improve their service or their store to ensure that customer will choose the store to purchase the goods. As an example from this research used, the retailer can improve their business with make some of the improvement through store image, store atmosphere and also provided more product variety to the customer. So that, it can help them to gain a new customer, get the high profit for their store.

Other than that, the retailers need to applied strategies such as make some improvement at store atmosphere. It is because when store layout is different from other stores, well-arranged, and artistically organized, the store atmosphere can build positive consumer. Consumers with positive emotion will give a positive evaluation to the store atmosphere. They have an intention to return to the store and make a purchase of the products at the store. Therefore, a strategy that can be carried out by the store in an effort to influence consumer behaviour in choosing the retail store is by creating such a store atmosphere that could generate consumer positive behaviour.

### 5.2 Limitation

Limitation of this study is only focuses on a general place whereas the respondent is limited to FKP student at UMK City Campus. The geographical location for this study did not represent all Malaysians and student. Accordingly, a future investigation may grow the factor overlooked in this research because of the inaccessibility of information which might give the advantages to them to know the benefit that can get in both retail format in Malaysia. The researcher had to face the time limitation which is it refer to the time to collect the data. It being hard for the researcher because it need to use the student's time to answer the questionnaire. At the same time, some of student just be ignore and did not notice with the questionnaire to answer it that the researcher give to them. So that, researcher need to struggle to spent more time to collected the data and ensure the student will give a their time to answer the question.

# 6 Conclusion

From this study that has been completed may help to improve in understanding the factor that influence the consumer behaviour in choosing the retail format. Better understanding on the factor influence the consumer behaviour in choosing the retail format may give the benefit to other parties like the retailer especially in traditional retail store to be more understanding about the consumer behaviour as well as to gained more consumer to visit their store. It can be used to not only for the small retailer but it also can applied to a big company to ensure that they will sustained in their business. They may use this research to improve their business to achieve more advantages and profitability in their business.

### 7 Acknowledgment

I wish to thank to my Supervisor Encik Md Zaki Bin Muhammad, for his professional guidance and help. He has helped me a lot with patience and professionalism in reviewing my research in a complete way. I also thank all parties directly or indirectly involved in completing this task acknowledge a deep appreciation to anyone who contributed their help to me to complete this study especially my group members and lectures.

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# THE IMPACT OF CASHLESS PAYMENT USAGE ON

# CUSTOMER'S SPENDING BEHAVIOUR IN KOTA BHARU

# **KELANTAN**

Meor Ahmad Fakhrulrazzi Meor Hasnan Shazali and Siti Afiqah Zainuddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: fakhrulrazzi.a17a0814@siswa.umk.edu.mu; sitiafiqah@umk.edu.my

### Abstract:

This reasearch discuss on the impact of cashless payment usage on customer's spending behaviour in Kota Bharu Kelantan. Different economic sectors of the state of Kelantan have used the food and beverage market, retail and business online transaction services. Online transaction is a tool for making purchases without cash expenditure by consumers. In 2020, the first preference of customers is the internet transaction, since it enables the transaction of business. The purpose of the research was to explore the relationship between perceived ease of use, security between behaviour intention to use cashless transaction.

Keywords: cashless, payment method, customer behaviour

# 1 Background of The Study

The advancement of information technology has facilitated innovation in electronic payment where goods and services are traded without the use of physical cash. A cashless payment eliminates the usage of money as a medium of exchange for goods and services by allowing electronic transfer payments or non-electronic payment via cheques. Adopting cashless payment has numerous advantages. Unlike traditional cash transactions, cashless payments discourage robbery and other cash payment related crimes (Armey et al. 2014). When people opt for other alternative modes of payment, they tend to hold less physical cash when they shop. Thus, it eliminates the chances for robbers to commit cash payment related crimes. As for vendors who consist of businesses that apply cashless payment methods, the ease of transaction through various payment modes will increase their revenue by reducing control cost on cash payment transactions and attract more customers to buy their product. In addition, this alternative method would improve operational efficiency and lower operating cost (Alliance, 2003). Cashless payments were also regarded as hygienic for food vendors because the vendor and the customer do not need to touch cash notes during the transaction (Paul and Friday, 2012), especially during the pandemic covid 19 outbreak.

Observations from Humphrey and Berger (1990), Humphrey et al. (1996) Olney, 1999; Klee, 2004; Garcia-Swartz et al., 2006) suggest that the increased use of cashless payment systems such as money or scrip which is exchanged only electronically via computer networks, has led to predictions of a 'cashless' society. In a cashless society, consumers can make payments over the Internet, payment at 'unmanned' vending machines, 'manned' point of sale (POS) using mobile phone device, personal digital assistants (PDA), smart cards and other electronic

payment systems, including debit and credit cards. Governments and commercial entities provide strong encouragement and support for cashless transactions. Although there are benefits such as cost saving and efficient use of resources, social commentators and environmental activists have expressed concerns that it would increase overall consumption, increase personal debt levels, reduce savings and that the resultant 'over-consumption' will have an adverse impact on the society and environment (Nocera, 1994; Libow, 1955; Taylor and Tilford, 2000; Zavestoski, 2002; MacDonald et al., 2006).

Although this new method of payment has been studied by previous researches, there is little focus given on the challenges of the usage. Therefore, this study is conducted to fill the gap. This aims to identify the impact of cashless payment usage on customer's spending behaviour in Kota Bharu kelantan. To identify the relationship between convenience in cashless usage in Kelantan. To identify the relationship between the safety of cashless use in Kelantan. To identify factors of cashless transactions that contribute to the change in behavior and lifestyle of people in Kelantan. To identify the benefits and problems of the cashless transaction system for the people of Kelantan.

# 1.1 Research Objective

The aims of this study are:

To identify the relationship between perceived ease of use and cashless use.

To identify the relationship between the security and cashless use.

To identify the relationship between behaviour intention to use and cashless use.

This study is to address the following question:

Is there a significant relationship between perceived ease of use and cashless use in Kota Bharu Kelantan?

Is there a significant relationship between the security and cashless use in Kota Bharu Kelantan?

Is there a significant relationship between behaviour intention to use and cashless use in Kota Bharu Kelantan?

# 1.2 Significant of The Study

Entering 2018, we can see the technology involved in cashless payment becoming increasingly accepted by banks and large companies. If the technology used to only be used for credit and debit cards, consumers now have the opportunity to pay only with their smartphones. Cashless is a growing but not widespread trend in Malaysia. Therefore, this study is important for entrepreneurs interested in developing cashless services in Kelantan. This study gives them detailed information on cashless and can help them determine market acceptance and market prospects in Malaysia.

Entrepreneurs can use this study as a reference when deciding whether their company should operate and offer cashless services. The findings of this study can also help entrepreneurs who are willing to offer cashless services to understand the key factors that influence cashless consumption, including speed, convenience, safety, and social influence. Thus entrepreneurs can be based on these factors to make improvements to cashless to increase their customers' acceptance of cashless to make payments.

In addition, this study also helps financial institutions and software development companies by helping them to identify consumer-related issues when using cashless services. Based on the results of this study, financial institutions and software development companies are able to identify and understand the areas they want to do to successfully introduce cashlessness in Kelantan.

In addition, this study also benefits future students and researchers who want to investigate cashlessness. It gives them more knowledge about cashless in Kelantan. Through this study, consumers can find out what cashless is and the factors that influence its use in Kelantan. Therefore, they will have a better understanding of cashless in Kelantan. As cashless has attracted more and more people, it will attract many interested future researchers and conduct research on this topic. This study is useful to them by providing basic information and cashless factors that influence cashless consumption in Kelantan. Therefore, future researchers can use these factors as references for future research.

- 2 Literature Review
- 2.1 Discussion of Variable
- 2.1.1 Dependent Variable

### **Cashless Use**

ForexBonuses.org (2019) analysis suggests that in some countries cashless payment networks are increasingly growing. There are six metrics calculating the maximum number of cash-free countries: number of credit cards per person; number of cards that are usable without contact; development in cash-free payments over the last five years; non-cash payments and mobile payment recognition. Canada has the best cashless technology for more than two credit cards for all people. Canada is a leading region. This follows Sweden in which non-cash approaches are used to complete 59% of Swedish customer purchases. In Asia, the development of cashless payments was heavy in two nations, China and Japan. This paper therefore underlines in detail the effect of cashless payment on the financial and economic outlook and the downside of cashless use in Malaysia on the cashless consumers and items of payment.

"Electronic payments to provide a safer way for money to be transferred over paper-based payments, which are reliable and cost-effective" (Bank Negara, 2010). Cashless payments are one of the most commonly used electronic payments in the world. Tee and Ong (2016) claimed that customers would be free to take cash away and the purchase can be done conveniently by wirelos technology through mobile devices (smartphones) with the aid of high technology devices. The condition of the economic situation in which financial transactions are not done by means of actual banknotes or coins, but by knowledge transfers between trading partners (Ragaventhar, 2016) would characterise a cashless society. In other words, the cashless payment reflects a shift in behaviour for the customer, and could minimise the use of money as a means to exchange goods and services by the allowance of electronic transfers such as digital cash and e-wallet. Mukaria (2013) argued that the use of credit cards was calculated luxury and became important in its research "The Plastic Monetary Money Is a Cashless Payment Mechanism."

# 2.1.2 Independent Variable

### Perceived ease of use

The simplicity and ease to use anything may be considered. In comparison, the use of portability and instant usability has gained some benefits (Sharman & Gutierrez 2010). A modern convenience is a technology, facility or material that makes a process faster or more effective than a conventional way. Convenience is a qualitative term that is context-dependent. The cashless economy is described according to Woodford (2003) as one where no friction is presumed to be reduction in transactions by using cash balance and which thus provide a cause to retain such balance even though they receive a return.

# **Security**

While the latest strategies and attempts to make our society a negotiating company can be seen favourably by many people, according to Dr. Muzzaffar Shah Mallow (2019), it poses another challenge for the people. Today, cybercrimes include various illegal acts. Like atm robbery, carding, identification theft, bribery and misuse of classified documents, cybercrimes associated with online financial transactions. Diverse internet scams are targeted at customers and corporations around the world, including Malaysia, focused on Phishing and Social Engineering. The technological advancement and expanded access for smart technology ensures that hackers can take advantage of multiple access points with users' homes. During 2017, 10,203 cases of this sort were registered with damages in the sum of approximately RM184.2 million. Most telecommunications scams include Macau scams, e-financial fraud, 419 scam, also called love fraud or African scams and e-commerce scams.

# 2.1.3 Moderating Variable

### Behaviour intention to use

Different factors impact the customer in cashless society. The effect of the government on consumers on cashless transactions is one of the key reasons. Private and public banks both facilitate and assist their customers in cashless transactions through mobile banking and net banking. Utilizing mobile wallets, the consumer can track, transact, pay, recharge and book. Besides all these discounts, offers, cash-back, connectivity and other programmes, customers are also drawn to cashless purchases. Certain aspects that boost digital payments include easy to pay, payment monitoring and user-friendly navigation. As Mahor tells, N. (2017) established that individuals are affected by information technologies, desire to pay, social impact and the payment convenience zone, whether it is cash or cashless transactions.

# 2.2 Conceptual Framework

Theory Acceptance Model (TAM)

TAM is a modification of the Reasoned Action Theory (TRA) to the IS field. TAM posits that perceived usefulness and perceived ease of use decide the intention of a person to use a system to serve as a mediator of actual system use. Perceived usefulness is often seen from the perceived ease of usage as being directly influenced. Researchers have simplified TAM by excluding from the current specification the attitude construct found in TRA (Venkatesh et. al., 2003). In general, efforts to expand TAM have followed one of three approaches: by

incorporating influences from similar models, by introducing new or alternate factors of conviction, and by analysing backgrounds and moderators of perceived usefulness and perceived ease of use (Wixom and Todd, 2005). Gefen and Larsen (2017) showed in a recent paper that the construction relationships of TAM mainly arise from semantic relationships between its questionnaire items.

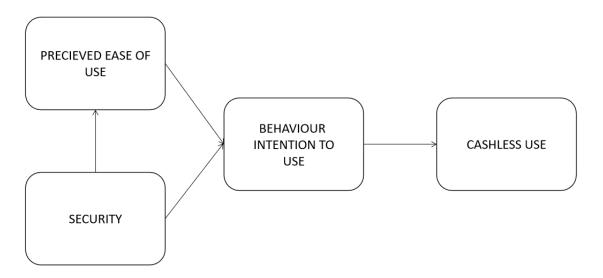


Chart 2.1 Tam Model

The below framework is designed to explain about the relationship between dependent variables (cashless use), independent variables (perceived ease of use, security) and moderating variable (behaviour intention to use).

# 2.3 Hypotesis Developement

# 2.3.1 Perceived ease of use

H<sub>1</sub>: There is a significant relationship between perceived ease of use and cashless use.

### 2.3.2 Security

H<sub>1</sub>: There is a significant relationship between security and cashless use

### 2.3.3 People behavior

H<sub>1</sub>: There is a significant relationship between people behavior and cashless use.

# 3 Methodology

# 3.1 Research Design

This research used descriptive, reliability tests and Pearson's correlation. Descriptive research was taken to investigate the the impact of cashless payment usage on customer's spending behaviour in Kota Bharu Kelantan. Descriptive assisted with reliability and correlation in order to accomplish research objectives. Moreover, it also consists of a research framework design

and plan of action for the research. Most importantly, it is to ensure the data collected from field work are appropriate for solving the problems. In general, two types of research methods are being used quantitatively and qualitative.

# 3.2 Data Collection

This study will use primary data collection methods for quantitative research. Quantitative data collection methods are based in mathematical calculations in various formats. Methods of quantitative data collection and analysis include questionnaires with closed-ended questions, methods of correlation and regression, mean, mode and median and others. This study will use questionnaires as a medium to collect all data needed.

# 3.3 Sampling Technique

Convenience sampling is used in this research study. As pointed out by Dornyei (as cited in Farrokhi & Hamidabad, 2007), convenience sampling is a non-probability sampling that the members of target population are chosen for the purpose of a research study as if they meet certain criteria, such as available to be interviewed or willing to participate in the research study. Convenience sampling is used because the respondents are readily available to take part and provide the required information to the study. In this research study, questionnaires are distributed to consumers at hypermarkets and surveying them who are available and consent to being questioned.

# 3.4 Sample Size

The population usually contains too many individuals to learn easily, so the investigations are often limited to one or more samples taken from it. The samples were chosen to contain most of the information about a certain population parameter but the relationship between the sample and the population must be such as to enable the correct conclusion is made about the population of the sample.

### 3.5 Research Instruments Method

The closed ended questionnaire will have multiple choices of answer and it is allowing respondents to select a single choice from amongst them. This type of questionnaire can help to reach opinions about a product or service in a more efficient manner. Likert scale questions have been chosen from one of the types of close ended questionnaires for this study. It is designed to examine how strongly the respondents agree or disagree with the statements that have been provided and it is also appropriate to measure the attitudes, behaviour and opinion and typically a three, five or seven-point agreement scale used to measure respondents' agreement with a variety of statements. As a consequence, for this study, there are four points Likert with closed ended questionnaire scales ranging from 1 (Strongly Disagree), 2 (Disagree), 3 (Agree) and 4, (Strongly Agree) were used as the instrument in this study.

Strongly Disagree	1	2	3	4	Strongly Agree
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Figure 3.6: Four-point Likert Scale (Develop for the research)

# 4 Data Analysis & Findings

# 4.1 Preliminary Analysis

Preliminary test is a pilot study is commonly applied to examine the feasibility of methods, interviews, techniques, and questionnaires and how they work with each other in a given fact (Doody & Doody, 2015). Surveyors also engage with a large number of participants for a pilot survey, so that possible differences can be analysed within and through classes in the subjects. A pilot test to determine the consistency and precision of the questionnaire design will be performed before the questionnaire is implemented. According to Hill (1998), 15-30 respondents are enough for pilot study to confirm that respondents understanding and feedback. Therefore, to answer the questionnaire, a small group of 40 respondents were picked. After the 47th pilot test has been performed, the researchers will conduct a reliability test to analyse the reliability and consistency of the collected data. In the key analysis, the respondents who have done the pilot test would not be included. The results of the reliability study are seen in Table 4.1 and all the variables are significant with a Cronbach's Alpha value greater than 0.70. It showed that it is very well for the strength of interaction between variables.

Table 4.1 Realibility test (pilot test)

VARIABLE	ITEM	CRONBACH'S ALPHA
Cashless use	8	0.804
Perceived ease of use	8	0.864
Security	8	0.918
Behaviour intention to use	8	0.915

# 4.2 Demographic Profile Of Respondents

Did you know about cashless payment method?

Table 4.2 Did you know about cashless payment method?

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	YES	381	93.8	94.5	94.5
	NO	22	5.4	5.5	100.0
	Total	403	99.3	100.0	
Missing	System	3	.7		
Total		406	100.0		

Based on the Table 4.2 and Chart 4.1 shown the results of know about cashless payment method distributions of the respondents. There were a total of 403 respondents. In this study, respondents known about cashless payment method were higher with 93.8% (n=381) respondents as compared to did not know about cashless payment method with 5.4% (n=22). This is mean people in Kota Bharu, Kelantan well known about cashless payment method.

Do you consider using cashless payment method in the future? Table 4.3 Do you consider using cashless payment method in the future?

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	YES	351	86.5	87.1	87.1
	NO	52	12.8	12.9	100.0
	Total	403	99.3	100.0	
Missing	System	3	.7		
Total		406	100.0		

Based on the table 4.3 and chart 4.2 shown the results of know about cashless payment method distributions of the respondents. There were a total of 403 respondents. In this study, respondents will use cashless payment method in the future were higher with 86.5% (n=351) respondents as compared to did not use cashless payment method in the future with 12.8% (n=52).

#### 4.2.2 Gender

Table 4.4 Gender

### **GENDER**

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	MALE	182	44.8	45.2	45.2
	FEMALE	221	54.4	54.8	100.0
	Total	403	99.3	100.0	
Missing	System	3	.7		
Total		406	100.0		

Based on the Table 4.4 and Chart 4.3 shown the results of gender distributions of the respondents. There were a total of 403 respondents. In this study, female respondents were higher with 54.4% (n=221) respondents as compared to male with 44.8% (n=182). 4.2.3 Ages

Table 4.5 Ages

#### **AGES**

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	18 - 28 years	100	24.6	24.8	24.8
	29 - 39 years	111	27.3	27.5	52.4
	40 - 50 years	133	32.8	33.0	85.4
	51 and above	59	14.5	14.6	100.0
	Total	403	99.3	100.0	
Missing	System	3	.7		
	Total	406	100.0		

Table 4.5 and Chart 4.4 shows the age distribution's results. The respondents were allocated into four groups. The highest number of respondents were from group 40-50 years old with 32.8% (n=133) respondents. The second highest group were from group 29-39 years old with 27.3% (n=111) respondents. Meanwhile, the respondents from young people of group 18-28 years old were 24.6% (n=100) respondents. Lastly, the lowest number of group age was 51 and above with 14.5% (n=59) respondents.

#### 4.2.4 Types of works

Table 4.6 Type of work

TYPES OF WORK

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Government	216	53.2	53.6	53.6
	Private	52	12.8	12.9	66.5
	Self - employed	29	7.1	7.2	73.7
	Student	85	20.9	21.1	94.8
	Not working	21	5.2	5.2	100.0
	Total	403	99.3	100.0	
Missing	System	3	.7		
Total		406	100.0		

Table 4.6 and Chart 4.5 shows the type of work distribution's results. The respondents were allocated into five groups. The highest number of respondents were from group works in government sector with 53.2% (n=216) respondents. The second highest group were from group student with 20.9% (n=85) respondents. The third highest, the respondents from group of works in private sector were 12.8% (n=52) respondents. Meanwhile, the respondents from group self-employed were 7.1% (n=29) Lastly, the lowest number of group not-working with 5.2% (n=21) respondents.

#### 4.3 Validity & Reliability Test

VARIABLE	NUMBER OF ITEM	CRONBACH'S ALPHA
CASHLESS USE	8	0.881
PERCEIVED EASE OF USE	8	0.891
SECURITY	8	0.931
BEHAVIOUR INTENTION TO USE	8	0.936

Table 4.12 Validity & Reliability test

Table 4.12 shows the Cronbach's Alpha values of the questionnaire were above the acceptance level with the value range above than 0.70. George and Mallery (2003) provide the following rules of thumb which is >0.9 (excellent), >0.8 (good), >0.7 (acceptable), >0.6 (questionable), >0.5 (poor) and <0.5 (unacceptable).

The first dependent variable that is Cashless Use found to be good reliable (8 items;  $\alpha = 0.881$ ).

The first independent variable is Perceived Ease of Use showed a good reliability (8 items;  $\alpha = 0.891$ ) The second independent variable that is Security showed an acceptable reliability (8 items;  $\alpha = 0.931$ ). The moderating variable that is Behaviour Intention to Use found to be also an acceptable reliability (8 items;  $\alpha = 0.936$ ). The Cronbach's Alpha from every variable unchanged after the removal. Therefore, the data was considered suitable for further analysis.

#### 5 Discussion and Conclusion

### 5.1 Key Finding

RESEARCH QUESTION	HYPOTHESIS	FINDING
	RESULT	
There is a significant relationship	P=0.01	This result shows that
between perceived ease of use and	(p=<0.01)	there is a relationship
cashless use	R = 0.796	between perceived ease
		of use and cashless use.
There is a significant relationship	P=0.01	This result shows that
between security and cashless use.	(p=<0.01)	there is a relationship
	R=0.705	between security of use
		and cashless use.
There is a significant	P=0.01	This result shows that
relationship between people	(p=<0.01)	there is a relationship
behavior and cashless use.	R=0.557	between perceived ease
		of use and cashless use.

Table 5.1 Finding

#### 5.2 Discussion of Finding

H1: There is a significant relationship between perceived ease of use and cashless use.

Based on the table 5.1, it shows the correlation between the perceived ease of use and cashless use in Kelantan. The r value of perceived ease of use is 0.796. The result indicates there is high positive correlation between perceived ease of use and cashless use. Besides, the p-value is less than 0.01. This result shows that there is a relationship between perceived ease of use and cashless use.

H2: There is a significant relationship between security and cashless use.

Based on the table 5.1, it shows the correlation between the security and cashless use in Kelantan. The r value of security is 0.705. The result indicates there is high positive correlation between security and cashless use. Besides, the p-value is less than 0.01. This result shows that there is a relationship between security of use and cashless use.

H3: There is a significant relationship between people behavior and cashless use.

Based on the table 4.18, it shows the correlation between the behaviour intention to use and cashless use in Kelantan. The r value of behaviour intention to use is 0.557. The result indicates there is moderate positive correlation between behaviour intention to use and cashless use. Besides, the p-value is less than 0.01. This result shows that there is a relationship between perceived ease of use and cashless use.

#### 5.3 Conclusion

The findings of the hypothesis test support the extended TAM in descriptive tests satisfactorily. The research approach is focused on the creation of a model for technical adoption through the integration of mechanisms for social control. These results give important insight into the growth of bank management. Marketing tactics to satisfy client demands and to further strengthen customer base.

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# EXPLORING THE THEORY PLANNED BEHAVIOUR (TPB) TOWARDS BEHAVIOUR IN ONLINE SHOPPING AMONG UNIVERSITI MALAYSIA KELANTAN'S STUDENT

#### Mohamad Ammar Syahmi Bin Mohamad and Md Zaki Muhamad Hasan

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: syahmi.a17a0203@siswa.umk.edu.my; zaki.mh@umk.edu.my

#### Abstract:

Nowadays, online shopping culture is growing rapidly. So, theory of planned behaviour (TPB) can be explore to identify the consumer behaviour. The purpose of this research is to explore the theory of planned behaviour (TPB) towards behaviour in online shopping among Universiti Malaysia Kelantan's student. This research was focusing in studying of behaviour in online shopping among UMK's student. This study has been conducted on 361 of UMK's students from two faculties in Kampus Kota which are FKP and FHPK. The researcher applied non-probability method which is convenience sampling. The findings show that attitude, subjective norm and perceived behavioural control have positive significant relationship towards behaviour in online shopping. This research will provide useful information towards student and UMK in understanding the attitude, subjective norm and perceived behavioural control of student. It also enables consumer and retailer to aware and plan about their buying and selling.

**Keywords:** Theory of planned behaviour, attitude, subjective norm, perceived behaviour control, behaviour in online shopping

### 1 Introduction

Nowadays, the internet is vastly used in our daily life. Based on internetlivestats.com, internet users are shown increasing gradually for the past ten years. It is stated that 40% of the world population are internet users and half of it comes from Asia region users. On top of that, almost 4 billion people are using the internet daily. As, it has been plain that the amount of the internet users is always rising up daily. As an importance of truth, the major target customers of online shopping are internet users (Jubayer, 2015).

Back in a few years online shopping has been rising up in our world scale. As the internet evolves in extent and familiarity, a lot of internet users get familiar with the internet and the acceptance of the internet as a platform for browsing information and shopping online (Farag et al., 2007; Hill and Beatty, 2011; Keisidou et al., 2011). Online shopping is one of the components of electronic commerce. As, internet has been equipped with data and interacting technology and the advent of the internet has transformed business activities by providing new ways of performing business that can be called as electronic commerce. (J. M. O. Gabriell, T. D. Ogbuigwel and L. U. Ahiauzu 2016)

Previously, people only relied on traditional methods of shopping. The traditional method of shopping took place at physical and offline stores. People need to go out from their home and directly go to the physical store to shop and purchase anything. The rate of consumer spending on online shopping is rising as they pick online shopping as an alternative for physical and offline shopping, the online platform dominated as the channel that remained experienced growth that achieved double-digit over the last ten years. In addition, the amounts of categories which online seize a considerable amount of total type revenues is accelerating to expand (Dekimpe, Marnik G Geyskens, Inge Gielens, Katrijn 2019)

In this research, researcher would like to conduct a study topic exploring the Theory of Planned Behaviour (TPB) towards behaviour in online shopping among Universiti Malaysia Kelantan's students. According to the Wikipedia Website, there is study in psychology about Theory Planned Behaviour (TPB). Theory Planned Behaviour (TPB) connected with individual beliefs and behaviour. This theory mentioned that there are three factors as foundation to create a person's behavioural intentions and behaviours that are attitude, subjective norms and perceived behavioural control. So, in the end of this research we will investigate whether Theory Planned Behaviour (TPB) can be applied in decision to make online shopping.

#### 2 Literature Review

The researcher applied theory of planned behaviour (TPB) in this study. Theory Planned Behaviour (TPB) is a model state that the crucial determinant of behaviour is an individual's intention to conduct the behaviour. There are three variables that act as determinants of intention that are attitude, subjective norm and perceived behavioural control (Cooke, Richard Dahdah, Mary Norman, Paul French, David P 2016). Independent Variable

#### Attitude

Attitude is defined as the complete assessment of a concept by an individual. It is possible to distinguish two kinds of attitudes: attitudes to objects and attitudes to actions. Since this research is about measuring Jordanian consumer attitudes towards online shopping, behavioural attitudes are important to the context of this analysis. Attitude towards a behaviour refers to the degree to which an individual has a positive or unfavourable assessment or perception of the behaviour to be taken into account (Taylor and Todd, 1995).

#### **Subjective Norm**

According to Ajzan & Driver (1980) subjective norms are known to be the perceived pressure exerted by those who conduct the behaviour of interest, such as neighbours, colleagues, peers, etc., and such activity has a direct or indirect effect on the behaviour of the respondent. Subjective norms refer to the "person's view that most people who are important to him feel that the actions in question should or should not be carried out".

Perceived Behavioural Control

The perceived ease or difficulty of carrying out the specific actions of a person (Ajzen and Fishbein, 1980). Perceived Behavioural Regulation is an outcome of perceived power (PP) and control beliefs (CB). Control belief can be characterised as the individual's belief in the existence of certain variables that may encourage or hinder the performance of a particular behaviour (e.g. time, money & opportunity), whereas perceived power refers to personal assessment of the influence of these variables in facilitating or impeding the specific behaviour (Ajzen, 1991).

### 2.2 Dependent Variable

### 2.2.1 Behaviour in Online Shopping

Online shopping behaviour consists the purchasing process of goods and services through the internet (Moshref et al. 2012). There are various phases in the purchasing process comparable to physical buying actions (Liang & Lai, 2000). There are five steps involved in a typical online buying process. Initially, when the user recognises his or her product or service requirements, one moves to the internet and searches for the data. After collecting product details, the customer compares the product with other choices available, choosing an item according to its specifications and transaction criteria for selected items and receives post-purchase experience (Kotler, P. 2000). Online shopping behaviour contributes to the psychological state of the consumer about the achievement of online purchase (Li & Zhang, 2002).

#### 2.3 Hypotheses Statement

H1: There is a significant relationship between attitude and behaviour in online shopping among UMK's students.

H2: There is a significant relationship between subjective norms and behaviour in online shopping among UMK's students.

H3: There is a significant relationship between perceived behavioural control and behaviour in online shopping among UMK's students.

### 3 Research Methods

This study is to identify the relationship between attitude, subjective norm and perceived behavioural control towards behaviour in online shopping among UMK's student which is the dependent variable. This study involved the students from two faculties which are FKP and FHPK in University Malaysia Kelantan, Kampus Kota. The researcher implemented quantitative study for this research. Then, the sample size for this research are 361 respondents based on the Krejcie & Morgan table.

The researcher applied non-probability sampling which are convenience sampling. Convenience sampling suits in this research because the limitation of time, budget and the large sample size. The convenience sampling's primary purpose is for researcher to be easily accessible to collect respondent's information (Etikan, Musa, & Alkassim, 2016).

The questionnaires have been distributed and it contain 3 sections which is section A that present about demographic profile of respondent, Section B the theory of planned behaviour (attitude, subjective norm and perceived behavioural control) and Section C is about behaviour in online shopping among UMK's student. The respondents were asked to respond this online questionnaire by using 5 points Likert Scale ranging from 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree).

### 4 Analysis and Discussion

### 4.1 Demographic Profile of Respondent

Table 1: Demographic Profile of Respondent

	n	%	•	n	%
<u>Gender</u>			Age		
Male	125	34.6	Below 20 years old	86	23.8
Female	236	65.4	21 - 30 years old	267	74.0
			31 - 40 years old	8	2.2

Race					
Malay	247	68.4	Year		
Chinese	69	19.1	Year 1	21	5.8
Indian	37	10.2	Year 2	29	8.0
Others	8	2.2	Year 3	87	24.1
			Year 4	224	62.0
Faculty					
FKP	286	79.2	<u>Platform</u>		
FHPK	75	20.8	Online Shopping	242	67.0
			Application		
			Online Shopping	39	10.8
			Website		
<u>Frequency</u>			Social Media	80	22.2
Daily	20	5.5			
Weekly	93	25.8			
Monthly	232	64.3			
Annually	16	4.4			

Table 1 show the demographic profile of respondent. There are 361 respondents. Firstly, this result shows female have higher percentage which are 65.4% (n = 236) compared to male that only have 34.6% (n = 125). Secondly, the researcher obtained that the lowest group age of respondents aged between 31 till 40 years old which are 2.2% (n = 8). The respondents that are aged below 20 years old are 23.8% (n = 86). The highest group age of respondents aged between 21 till 30 years old which are 74% (n = 268). Thirdly, the highest respondents are Malay which are 68.4% (n = 247). The respondents are Chinese which recorded 19.10% (n = 69). The respondents are Indian which are 10.2% (n = 37). The lowest respondent's race were others which are 2.2% (n = 8). Thirdly, most of the respondents are in Year 4 which have 62.0% (n = 224). The respondents are in Year 3 which have 24.1% (n = 87). The respondents are in Year 2 which have 8.0% (n = 29). The least respondents are in Year 1 which have 5.8% (n = 21). Fourthly, the highest respondents are from FKP which are 79.2% (n = 286), meanwhile the respondents from FHPK has lowest number which are 20.8% (n = 75). Fifthly, the highest platform that preferred by the respondents is online shopping application which are 67.0% (n = 242). Its followed by social media which are 22.2% (n = 80). The lowest platform that preferred for online shopping by the respondents is online shopping website which are 10.8% (n = 39). Lastly, the most frequency for online shopping among the respondents is monthly which are 64.3 (n = 232). The frequency is weekly which are 25.8% (n = 93). The frequency is daily which are 5.5% (n = 20). The least frequency is annually which are 4.4% (n = 16).

#### 4.2 Reliability Test

Table 2: Results of Reliability Cronbach's Alpha for The Variables.

Variables	Number of Items	Cronbach's Alpha
Entrepreneurial Attitude	5	.861
Subjective Norm	5	.770
Self-Efficacy	5	.798
Social Entrepreneurship Activities Intention	5	.780

The table 2 show the value of Cronbach's Alpha of the variables in the questionnaires. All of the variables are being accepted after tested as the level of acceptance requirement is the value must exceed 0.70. Firstly, the independent variable that is attitude is acceptable for the reliability (5 items;  $\alpha = 0.861$ ). Next, the independent variable that is subjective norm also is acceptable for the reliability (5 items;  $\alpha = 0.770$ ). After that, the independent variable that is perceived behavioural control is acceptable for the reliability (5 items;  $\alpha = 0.798$ ). Lastly, the dependent variable that is behaviour in online shopping also acceptable for the reliability (5 items;  $\alpha = 0.780$ ).

#### 4.3 Descriptive Analysis

Table 3: Descriptive Statistics

Variables	N	Mean	Std. Deviation
IV: Attitude	361	4.1967	.66899
IV: Subjective Norm	361	4.2310	.59845
IV: Perceived Behavioural Control	361	4.2086	.60987
DV: Behaviour in Online Shopping Among	361	4.4454	.52019
UMK's Student			

The researcher also carried out the descriptive analysis for the independent variables. The highest mean among the independent variable was subjective norm which was 4.2310 strongly agreed compare the other independent variable. Next, attitude mean is 4.1967, perceived behavioural control 4.2086 which both are strongly agree. Lastly, the mean of behaviour in online shopping among UMK's student is 4.4454 which is strongly agree too.

#### 4.4 Hypothesis Testing

The researchers applied the Spearman Correlation Analysis for the hypothesis testing for determining the relationship between the independent variables and dependent variable which are attitude, subjective norm, perceived behavioural control and behaviour in online shopping. Spearman Correlation Analysis measure the degree of association between variables based on their ranks and abnormal distribution between the variables.

#### 4.4.1 Relationship Between Attitude And Behaviour In Online Shopping Among Umk's Students.

Table 4: Spearman's Correlation Between Attitude and Behaviour in Online Shopping Among UMK's Student

Correlation Coefficient (r)	Significant Value (p)	Frequency (n)
0.584**	0.000	361

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

Based on the table 4, it shows the r value for attitude and behaviour in online shopping among UMK's student. There is positive significant relationship between attitude and behaviour in online shopping among UMK's student, (p < 0.05, r = 0.584). So, the theory between the variables are accepted. Then, the correlation coefficient is interpreted as moderate positive correlation between attitude and behaviour in online shopping among UMK's student. Therefore, the hypothesis 1 is accepted.

Hypothesis 1: There is a significant relationship between attitude and behaviour in online shopping among UMK's student.

4.4.2 Relationship Between Subjective Norm And Behaviour In Online Shopping Among Umk's Student.

Table 5: Spearman's Correlation Between Subjective Norm and Behaviour in Online Shopping Among UMK's Student

Correlation Coefficient (r)	Significant (p)	Frequency (n)
0.310**	0.000	361

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

Based on the table 5, it shows the r value for subjective norm and behaviour in online shopping among UMK's student. There is positive significant relationship between subjective norm and behaviour in online shopping among UMK's student, (p < 0.05, r = 0.310). So, the theory between the variables are accepted. Then, the correlation coefficient is interpreted as low positive correlation between subjective norm and behaviour in online shopping among UMK's student. Therefore, the hypothesis 2 is accepted.

Hypothesis 2: There is a significant relationship between subjective norm and behaviour in online shopping among UMK's student.

4.4.3 Relationship Between Perceived Behavioural Control And Behaviour In Online Shopping Among Umk's Student.

Table 6: Spearman's Correlation between perceived behavioural control and behaviour in online shopping among UMK's student.

Correlation Coefficient (r)	Significant (p)	Frequency (n)
0.606**	0.000	361

<sup>\*\*</sup>Correlation Coefficient is significant at the 0.01 level (2-tailed)

Based on the table 6, it shows the r value for perceived behavioural control and behaviour in online shopping among UMK's student. There is positive significant relationship between perceived behavioural control and behaviour in online shopping among UMK's student, (p < 0.05, r = 0.606). So, the theory between the variables are accepted. Then, the correlation coefficient is interpreted as moderate positive correlation between perceived behavioural control and behaviour in online shopping among UMK's student. Therefore, the hypothesis 3 is accepted.

Hypothesis 3: There is a significant relationship between perceived behavioural control and behaviour in online shopping among UMK's student.

#### 4.5 Discussion of Findings

These are the findings of this research. Firstly, one of the research objectives which is to determine the relationship between attitude and behaviour in online shopping among UMK's student has been successfully achieved. In addition, as one of the research questions which is "Is there any significant relationship between attitude and UMK's student?" has been answered through this research. It has been answered by the hypothesis 1 "There is a significant relationship between attitude and behaviour in online shopping among UMK's student" and it concluded that hypothesis 1 is accepted. An individual's attitude toward a certain behaviour is the degree to which a person has a favourable or unfavourable evaluation of the behaviour.

Ajzen and Fishbein (1980) insisted that the attitude multiplied by the measurement of each outcome was the sum of each behavioural belief. The subjective likelihood arising from a certain action is behavioural beliefs.

Secondly, one of the research objectives which is to identify the relationship between subjective norm and behaviour in online shopping among UMK's student has been successfully achieved. In addition, as one of the research questions which is "Is there any significant relationship between subjective norm and UMK's student?" has been answered through this research. It has been answered by the hypothesis 2 "There is a significant relationship between subjective norm and behaviour in online shopping among UMK's student" and it concluded that hypothesis 2 is accepted. Personal understanding of actions that is affected by other people is a subjective norm (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). People prefer to carry out the behaviour if they believe that the behaviour is accepted by people who are important to them. Ajzen and Fishbein (1980) clarified that a subjective standard is a sum of moral values and the motivation of each person to comply.

Thirdly, one of the research objectives which is to examine the relationship between perceived behavioural control and behaviour in online shopping among UMK's student has been successfully achieved. In addition, as one of the research questions which is "Is there any significant relationship between perceived behavioural control and UMK's student?" has been answered through this research. It has been answered by the hypothesis 3 "There is a significant relationship between perceived behavioural control and behaviour in online shopping among UMK's student" and it concluded that hypothesis 3 is accepted. According to France Harden-Fanning, JaNelle M. Ricks (2016) perceived behavioural control is related to perceived ability to change behaviour within the context of perceived barriers. It also determined intention to provide a framework for assessment of individual strengths and barriers to behavioural change.

### **5** Conclusion and Future Research

#### 5.1 Implication of Study

Firstly, the finding of this research can help the researcher and consumer who are students of University Malaysia Kelantan to understand more about their attitude, subjective norm and perceived behavioural control towards behaviour in online shopping. Then, the finding of this research also can make the researcher and consumer realized and aware about their consumer behaviour. They also can plan and controlling their online shopping activity.

Secondly, the finding of this research can contribute towards UMK in term of behaviour of the student. As the researcher study about the theory planned behaviour (TPB) which is this theory can be applied in various activity such as management of student, academic and cocurricular activity. UMK can utilize this study to get know about attitude, subjective norm and perceived behavioural of the students. UMK can use the data to plan and organized the activity of university that especially activity that involving student.

Thirdly, the finding of this research can provide the useful information towards retailers and retail industry who are targeting UMK's student as their target market. They can exploit the data of theory plan behaviour (TPB) which are attitude, subjective norm and perceived behavioural control of UMK's student. These are example of TPB's function such as information of product that can fulfil need and want of UMK's student, platform that preferred by UMK's student for online shopping and planning promotion for their business.

#### **5.2** Recommendation for Future Research

There are several recommendations that can be used for future research. All of these recommendations are based and related to the limitation of study and the knowledge of the researcher that conducting this research that title is "Exploring the Theory Planned Behaviour Towards Behaviour in Online Shopping Among UMK's Student".

Firstly, the researcher would like to recommend the future research to extent the sample size. In this research, the researcher was only focusing on the sample size from UMK's student. For the future research, other researcher can extent the sample size by taking IPT's student that will provide a bigger respondent as the population of IPT's student are larger than UMK's student. So, it can contribute in discovering behaviour in online shopping among IPT's student.

Secondly, the researcher would like to suggest the future research to apply other theory to study the relationship with behaviour in online shopping. As the rapid growth of online shopping recently, this topic of research will be crucial for consumer and retailer. Other researchers can explore other theory such as technology acceptance model that can relate with behaviour in online shopping.

Lastly, the researcher recommends the future research to extent the platform of distributing questionnaire. The pandemic of Covid-19 caused the researcher to only rely on Google Form as it is the easiest and less cost method in distributed the questionnaire. Other researchers can use other platform that have high potential of engagement with the targeted respondents such as social media. So, the data that will be obtain for future research will be more accurate in general.

#### 5.3 Conclusion

In conclusion, the researcher succeeding on conducting this research which is to explore the theory planned behaviour (TPB) towards behaviour in online shopping among UMK's student. The researcher also able to achieve the purpose of this research which is to determine the relationship between attitude, subjective norm and perceived behavioural control toward behaviour in online shopping among UMK's student.

The outcome of this research such as writing, data collecting and data analysis have been proven reliable by conducting various of test. It proven to be true by the independent variables that are attitude, subjective norm and perceived behavioural control have positive significant relationship towards behaviour in online shopping among UMK's student. In addition, this data is based on Spearman's correlation analysis.

Lastly, exploring the theory planned behaviour (TPB) towards behaviour in online shopping among UMK's student contributing in helping to understand consumer behaviour. This research can provide useful information to retailer and retail industry in understanding consumer behaviour that can improve their relationship with the consumer. In term of consumer, they will be able to aware of their behaviour that can make them be a good and smart consumer in their buying through online or physical shopping.

Acknowledgement

First of all, praises and thanks to the God Almighty for be able to finish this proposal of final year research project. After blood, sweat and tears I managed to complete this research successfully and I feel proud for myself.

I want to thanked to my supervisor Encik Md Zaki Bin Muhamad Hasan I'm always inspired for her diligent, encouragement, compassion, polite and optimistic as well as her endless spirit in helping in to complete this research.

Then, I am glad because having a supportive girlfriend and friends. Thank you so much for supporting for me to keep motivated and all the warm words for me to finish this research.

Thank you for the guidance by sharing the ideas, keep me being positive and the precious emotional support. They are the root of my victories.

Last but not least, I would like to thank to my University Malaysia Kelantan for the support in term of providing the facilities such as library for me find the articles, journal and more for me and this research.

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### FACTORS AFFECTING GEN-Z CONSUMERS IN MALAYSIA TOWARDS SELECTION DECISION TO CONSUME FAST FASHION

#### Mohamad Hakimi Mat Ismail and Mardhiah Kamaruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hakimi.a17a0211@siswa.umk.edu.my; mardhiah.k@umk.edu.my

#### Abstract:

This paper aims to identify the factors affecting Gen-Z consumers in malaysia towards selection decision to consume fast fashion. This study was conducted with a quantitative approach with data collection from 384 respondents in Malaysia. The results were investigated with descriptive analysis, reliability tests, frequency tests and correlation analysis. This research shows significant findings that all independent variables including fashion awareness, perceived price, perceived quality, hedonic shopping value and brand consciousnes have a positive influence on the selection results to adopt fast fashion. This research contributes to the rapid field of fashion industry by highlighting the greatness of these factors related to some of the special features of Gen-Z.

**Keywords:** fast fashion, fashion awareness, perceived price, perceived quality, hedonic shopping value and brand consciousnes.

#### 1 Introduction

Fashion industry is often associated with beauty, luxury and even popularity. But despite all that, fashion industry has played an important and vital role in the economic growth of a country. While many critics label fashion as a proponent of hedonism, but fashion industry contributes to the growth of gross domestic product (GDP). Fashion industry is one of the interdependent economic sub-networks including logistics, manufacturing, retail and more. In Malaysia, from 2006-2010, the industry contributed RM 9.9 billion in total exports of manufactured products (MITI, "Laporan Perdagangan Antarabangsa dan Industri Malaysia", 2011).

France, Italy, United Kingdom (UK), United States (US) and Japan are among the world fashion hubs that have a huge influence on the development of fashion around the world (Research, 2009). Big names of fashion week such as Milan Fashion Week, London Fashion Week and Paris Fashion Week are indeed the dream of designers and fashion fans around the world to be in the event. In addition to glamour and full charm, medium-level fashion is also a witness in making fashion contracts that use millions of ringgit. Now many countries have given tremendous opportunities and justifications to the fashion industry.

Price Waterhouse Coopers in its report Strong & Steady (2011): Outlook for the Retail and Consumer Sector in Asia, expects the growth of the fashion sector in Asia to continue to soar to more than 5% in 2012 (PWC, 2010). Now, China's open door policy provides greater

opportunities for the fashion industry to continue to thrive. The wise decision made by China in 2001 to join the World Trade Organization (WTO) has prompted China to become a fashion leader in Asia. The value of the industry in 2001-2004 alone amounted to more than USD 61.96 billion. In the report Glimmers Amid The Gloom: An Outlook for the Retail and Consumer Products Sector in the New Market, sales value for the fashion industry in 2008 alone was worth more than USD 33 billion (PWC, 2010).

The rapid development of the regional fashion industry has actually led to the development of the fashion industry in Malaysia. However, Malaysia divides the textile and clothing subsectors into the fashion industry. Euromonitor.com reports that the clothing segment in Malaysia is still dominated by international brands. From 1996 to 2005, the total investment earned by the fashion industry amounted to RM 4.9 Billion which is RM 4.1 billion contributed by the textiles sub-sector and another RM 852.5 million contributed by the clothing sub-sector.

This study will help retailers understand the perceptions and emotions of gen-z about the products they offer, how they see and value the brand. Then based on that, the brand management division seeks strategies to enhance their image along with the experience provided by their brand for gen-z and then develop brand strength in the minds of this younger generation.

#### Research Objectives

The objectives of this research are to determine the relationship between independent variables and selection decision to consume fast fashion.

#### Significance of the Study

Vital results of this research could be highly significantly and beneficial especially to the fast fashion retailers or traders. By knowing what is the factors that affect Gen-Z consumers, fast fashion retailers or traders can adjust goods and services that they offer suitable to the factors that been studied in order to further increase their sales, profits and help the industry to produce a good quality and safe environment products.

The government can also help the fashion industry in Malaysia through the exposure of factors done in this study. The government can formulate a number of actions that can help Gen-Z consumers in dealing with problems such as management, selection and purchase of customized products from fast fashion stores.

Gen-Z consumers who are the age range of students can be given exposure to the pros and cons of fast fashion products. They can understand more about fast fashion products. For the researchers, this study will help uncover future problem or critical areas regarding this topic, which is selection decision to consume fast fashion that most of local researchers do not explore.

#### 2 Literature Review

#### 1) Fast Fashion

Fast fashion defined from the perspective of business concept as a strategy that aims to reduce the levels included in the buying cycle and lead time. The previous fast fashion objective was to introduce a new collection of clothing into the store as soon as possible to meet the highest

consumer demand (Barnes, "Fast fashioning the supply chain: shaping the research agenda", 2006). Fast fashion refers to a business strategy that reflects a rapid response to emerging trends by improving design and product range quickly to increase product value and demand for short-cycle fashion products (Sull, 2008) (Choi, 2010).

#### 2) Fashion Awareness

Knowledgably on fashion of consumers adapt to the latest trends in clothing that can be seen as strategic consumers. The more they are interested in fashion, the more they will look for fashion-related information. Compared to others, fashion awareness customers spend more time shopping and finding fresh items (Eastman, 2010). In addition, fashion brands are rapidly introducing new collections in a minimum of three to five weeks by adding five mid-seasons to the fashion calendar. According to Colucci and Scarpi (2013), people in Gen-Z are more willing to try new things, materialistic and easily accept new products than others (Scarpi, 2013).

#### 3) Perceived Price

The perceived price is considered a subjective explanation of the value of the product, to examine whether the price is cheap or expensive. Prices are considered a reflection of costs and in marketing, prices play an important role in gaining customer attention and are also used as a tool to convey some messages to consumers about product and brand perceptions. Moreover, it can influence the consumer decision-making process (Erdil, 2015). Moreover, Gen-Z consumers are less aware of prices and tend to spend more money in stores than other age groups (Scarpi, 2013). Roberts and Manolis (2000) found that the younger generation is more likely to associate higher prices with better quality and value (Manolis, 2000).

#### 4) Perceived Quality

Define as consumer evaluation of overall differences or advantages of products (Zeithaml, 1988). According to Snoj (2004), consumers often compare the specific performance of a brand in general and a product in particular with their expectation that, as a result, it creates a perception of quality (B. Snoj, 2004). The perceived quality results in a beneficial purchase value and is spiritually stimulated to repurchase at a later time (B. J. Babin, 1994). If consumers are aware of the true value of the product and feel the brand offers the right character, quality and performance benefits similar to the ads, they will intend to purchase this particular brand. Products in good quality will be highly valued and linked to the reputation of a particular brand, so it is a great advantage to compete with other competitors in the market (Yoo, 2000).

### 5) Hedonic Shopping Value

Shopping is sometimes considered an entertaining activity and allows people to be in a happy atmosphere. This value refers to hedonic spending (D. N. Bellenger, 1976). It is interesting to note that hedonic value allows users to experience the advantages of the product without buying it. Overall, hedonistic consumers do not feel that shopping is a waste of time. In addition, they gain enthusiasm through the task of spending, often by buying something fresh and different. Gen-Z consumer was found to be prone to hedonism and enjoyed the pleasure of buying new goods (Scarpi, 2013).

#### 6) Brand Consciousness

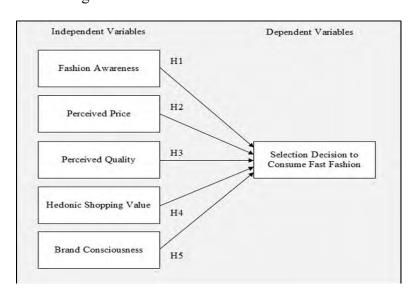
Brand conscious is the notion that branding plays an important role in the psychological process that precedes buying action (M. J. Lachance, 2003). These consumers also like to buy famous and well-known brand clothes. There are several studies that determine the positive relationship between brand conscious and purchasing intention, for example, on luxury products among Gen-Z customers (Lee, 2011). According to Kwan and Yeung (2004), when compared to others, consumers who have a brand have a tendency to buy international brands that are famous for expensive and stylish clothes (C. Y. Kwan, 2004). Further, Gen-Z consumers were found to be not only brand conscious but also innovative (Aghasibeig, 2008).

### Research Hypothesis

- 1) H1: Fashion awareness has a positive impact on the selection decision to consume fast fashion by Gen-Z consumers.
- 2) H2: Perceived price has a positive impact on the selection decision to consume fast fashion by Gen-Z consumers.
- 3) H3: Perceived quality has a positive impact on the selection decision to consume fast fashion by Gen-Z consumers.
- 4) H4: Hedonic shopping value has a positive impact on the selection decision to consume fast fashion by Gen-Z consumers.
- 5) H5: Brand consciousness has a positive impact on the selection decision to consume fast fashion by Gen-Z consumers.

#### Research Framework

In this study, conceptual framework is designed based on the models that adaptation by previous studies. This is to identify variable of factors that affecting selection decision to consume fast fashion among Gen-Z consumers.



### 3 Methodology

#### **Research Design**

The research design for this research is quantitative descriptive which is investigate by collecting data as it relates to the factors that affecting Gen-Z consumer selection decisions to consume fast fashion that coming from different race, age, gender, income and occupation. A questionnaire will be used to collect the data from Gen-Z consumer that selection decisions to consume fast fashion answering the question made by the researcher through mass media platform. This study may help the researcher to understanding the characteristics of a group especially in Malaysia and the factor Gen-Z consumer selection decisions to consume fast fashion. Researcher also can help to make certain decision (Sekaran, 2013). The researcher choose Gen-Z consumer that consume fast fashion in Malaysia as places that researcher's study about the factors that affecting Gen-Z consumer selection decisions to consume fast fashion.

#### **Data Collection**

The data of the research is using primary data. The primary data is originally collected through the questionnaire that divided into 7 parts, that made by the researcher. The validity and reliability of questionnaire is tested to show that the questionnaire is related with the concept and answering the objective which is using reliability coefficients that will indicates just how fit the questionnaire with the research. The data collection of this research is using quantitative method by collecting data as it relates to the factors that affecting Gen-Z consumer in Malaysia towards selection decisions to consume fast fashion.

#### Sampling

Sample is a set of members selected from a population that usually represent the population in a research analysis (Frederick J. Gravetter, 2016). The sample size for the research study was appropriate with the data collection to obtain a good analysis outcome. The research conducted based on the selected place which is in Malaysia. Sample size was selected wisely because the sampling influenced the accuracy of the data (Salkind, 2003). One of the most widely used methods in achieving sample size is the Krejcie and Morgan Sampling Method. To simplify the process of determining the sample size for a finite population, (Morgan K. a., 1970), created a table using the sample size formula for a finite population. In this research, the researcher choosing the sample size which was randomly consisting of 384 Gen-Z consumers that choose to consume fast fashion as respondents.

#### **Data Analysis**

Table 1: Result of Reliability Test for Independent Variable and Dependent Variable

Variables	Cronbach's Alpha	Number of Items
Selection Decision to Consume Fast Fashion	0.797	6
Fashion Awareness	0.718	6
Perceived Price	0.775	6
Perceived Quality	0.740	6
Hedonic Shopping Value	0.805	6
Brand Consciousness	0.820	6

T 4 1	0.021	26
Total	0.931	36

Based on the Table 1, show that the reliability tests conducted on each variable to test the validity and reliability of questionnaire. The Cronbach's alpha value needs to be more than 0.700 is considered as acceptable, to continue actual data collection for research. For the dependent variable that is Selection Decision to Consume Fast Fashion is 0.797. Next the first independent variable that is Fashion Awareness is 0.718 and the second independent variables that is Perceived Price is 0.775. The third independent variable that is Perceived Quality is 0.740 and the fourth independent variables that are Hedonic Shopping Value are 0.805. The last independent variables that are Brand Consciousness are 0.820 and the total value for all variables is 0.931. This thus shows that each variable is acceptable for the study conducted.

Table 2: Summary Profile of Respondents

Items	Labels	Frequency	Percentage (%)
Age (Years)	10 - 14	17	4.4
	15 - 19	88	22.9
	20 - 24	279	72.7
Gender	Male	158	41.1
	Female	226	58.9
Race	Malay	268	69.8
	Chinese	72	18.8
	Indian	39	10.2
	Arab	4	1.0
	Bugis	1	0.3
Status	Single	357	93.0
	Married	27	7.0
Employment Status	Employed (Full Time)	52	13.5
	Employed (Part Time)	68	17.7
	Unemployed	264	68.8
Income (RM)	0 - 1000	298	77.6
	1100 - 2000	63	16.4
	2100 - 3000	19	4.9
	3100 - 4000	4	1.0

Based on Table 2, show the frequency and percentage of frequency test results performed on the study respondents in the demographic section. Test results at the age of 10 to 14 years showed a total of 17 respondents representing 4.4% of the total respondents of the study. At the age of 15 to 19 years showed a total of 88 respondents representing 22.9% of the total respondents of the study. At the age of 20 to 24 years showed a total of 279 respondents representing 72.7% of the total study respondents. The majority of responding age groups were in the 20 to 24 age group representing the Gen-Z age group.

Test results for male gender showed a total of 158 respondents representing 41.1% of the total respondents of the study. For female gender showed a total of 226 respondents representing 58.9% of the total respondents of the study. The majority of the genders answering were females representing the Gen-Z gender.

Test results for Malay race showed a total of 268 respondents representing 69.8% of the total respondents of the study. For Chinese race showed a total of 72 respondents representing 18.8% of the total respondents of the study. For Indian race showed a total of 39 respondents representing 10.2% of the total study respondents. For Arab race showed a total of 4 respondents representing 1.0% of the total study respondents. For Bugis race showed a total of 1 respondents representing 0.3% of the total study respondents. The majority of race who answer are Malays, followed by Chinese and Indian, which represents the race's Gen-Z.

Test results for single status showed a total of 357 respondents representing 93.0% of the total respondents of the study. For married status showed a total of 27 respondents representing 7.0% of the total respondents of the study. The majority of status respondents were single representing Gen-Z status, most likely students.

Test results for full-time employer showed a total of 52 respondents representing 13.5% of the total respondents of the study. For part-time employer showed a total of 68 respondents representing 17.7% of the total respondents of the study. For unemployed status showed a total of 264 respondents representing 68.8% of the total study respondents. The majority of employment status respondents were unemployed representing Gen-Z employment status, most likely students.

Test results at the income of RM0 to RM1000 showed a total of 298 respondents representing 77.6% of the total respondents of the study. At the income of RM1100 to RM2000 showed a total of 63 respondents representing 16.4% of the total respondents of the study. At the income of RM2100 to RM 3000 showed total of 19 respondents representing 4.9% of the total study respondents. At the income of RM3100 to RM 4000 showed a total of 4 respondents representing 1.0% of the total study respondents. The majority of incomes that answer are in the range of RM0 to RM1000 which represents Gen-Z income, which is likely to be students and unemployed.

Table 3: Descriptive Statistic for Each Variable

Variables	N	Mean	Std. Deviation
Dependent Variable (DV)	384	4.1117	0.8174
Independent Variables (IV1)	384	3.3911	0.8368
Independent Variables (IV2)	384	4.1645	0.7893

Desir (Es	SCOLLOGI	310111202012021		
Independent Variables (IV3)	384	4.1129	0.8539	
Independent Variables (IV4)	384	4.1832	0.8013	
Independent Variables (IV5)	384	3.6263	0.7685	

Based on Table 3, show descriptive analysis has been conducted on each variable. For dependent variable (DV) shows the mean is 4.1117 and standard deviation is 0.8174. For independent variable (IV1) show the mean is 3.3911 and standard deviation is 0.8368. For independent variable (IV2) show the mean is 4.1645 and standard deviation is 0.7893. For independent variable (IV3) show the mean is 4.1129 and standard deviation is 0.8539. For independent variable (IV4) show the mean is 4.1832 and standard deviation is 0.8013. For independent variable (IV5) show the mean is 3.6263 and standard deviation is 0.7685.

Table 4: Spearman Correlation between Independent Variables and Dependent Variable

Variables	Means	DV	IV1	IV2	IV3	IV4	IV5
DV	4.1117	1	0.440**	0.846**	0.778**	0.743**	0.614**
IV1	3.3911	0.440**	1				
IV2	4.1645	0.846**		1			
IV3	4.1129	0.778**			1		
IV4	4.1832	0.743**				1	
IV5	3.6263	0.614**					1

Based on Table 4, show spearman correlation between independent variables and dependent variable and there is a positive significant relationship between dependent variable which is Selection Decision to Consume Fast Fashion and independent variables which is Fashion Awareness (p<0.05, r=0.440), Perceived Price (p<0.05, r=0.846), Perceived Quality (p<0.05, r=0.778), Hedonic Shopping Value (p<0.05, r=0.743) and Brand Consciousness (p<0.05, r=0.614).

#### 4 Discussion & Recommendation

All five factors are Fashion Awareness, Perceived Price, Perceived Quality, Hedonic Shopping Value, and Brand Consciousness, positively influencing Gen-Z selection decision for fast fashion products. Among them, Perceived Price is the most important factor that has a positive impact on selection decision. Buying merchandise during the promotion period creates the feeling of earning a good purchase and saving more money. These findings show that Gen-Z is also very interested in the prices offered from fast fashion products especially during promotions.

Second, from the results of this research, Perceived Quality is the second most significant influence on selection decision. Moreover, Gen-Z is considered a potential consumer of the fast fashion industry. These findings prove that they are fans of new styles and quality latest trends. These buyers pay more for the quality of new and stylish clothes to look stylish. It can be proved that compared to others, the younger generation has a strong desire to try to define themselves through their views.

Third, Hedonic Shopping Value is the third factor that significantly has a positive impact on Gen-Z

selection decision for fast fashion products. This shows that the store environment is very attractive to consumers which influences the way consumers view product quality. Moreover, Gen-Z usually considers shopping as an adventure to explore something new, so the attractive store environment gives curiosity to consumers to explore the beauty in it and create the intention to enter and buy fast fashion products.

Finally, based on the results of research, there is some recommendation that fast fashion retailers might consider useful and pay more attention to attracting their potential consumers. Because consumers think that the discount price in the promotion program is lower than the regular price, they feel that they spend the same amount of money but can buy more goods than usual. The higher the liking for promotional tools, the higher the likelihood that consumers will come and buy fast fashion products. Therefore, it is recommended that fast fashion retailers should offer promotions in special occasions such as, Big Opening Day, Christmas, New Year's Eve and more, to get the attention of consumers and encouraging buying behaviour. Moreover, promotion can be implemented in various forms. For example, a discount or free sample on the big opening day such as vouchers or coupons after the transaction to encourage consumers to buy again at a later time. By offering attractive promotional strategies, it can help retailers to maximize profits and expand their image in the minds of consumers.

Attractive and stylish style plays an important role in Gen-Z thinking. It is important to update the product range more frequently with new items according to the latest trends every few weeks. In addition, retailers should focus on different designs, materials, colours, sizes and purposes in their collections. Consumers are always looking for new fashion trends by looking at catalogues, people outside, on public displays, on social media, reading fashion magazines, or word of mouth from their friends and colleagues. Therefore, the introduction of the hottest trends and the latest collections should cover all the channels mentioned above to maximize their effectiveness.

The attractive store environment also increases the intention to buy fast fashion products in the minds of Gen-Z consumers. Fast fashion retailers should consider the light, scent, cleanliness and interior of their store to enhance the curiosity of Gen-Z. Lighting creates an attractive atmosphere for visitors and also enhances the appearance of clothing. In addition, the pleasant aroma in the store is a factor that also gives the first impression to the consumer. Store items should be neatly arranged and easy to see for Gen-Z users to explore and try. In addition, managers should pay attention to the cleanliness of the store environment as it represents the first picture of the brand to the buyer and motivates them to visit again. It is also recommended to play music so that users feel comfortable in a fast fashion store.

#### 5 Conclusion

This research achieves the objective to identify the factors that influence the selection decision of Gen-Z for fast fashion products in Malaysia. By using quantitative research methods along with conducting reliability tests, correlation analysis, normality tests and several other tests, the study confirmed that there is a positive relationship between independent variables and dependent variables. The sample of this study is 384, most of which are concentrated in Malaysia, considered good according to (Lee A. L., 1992). However, due to time constraints and undesirable geographical conditions, this research is still limited and does not represent the entire Gen-Z population in Malaysia. It is recommended that future studies base their study based on the results obtained from this research and increase the sample to be larger to get better and more accurate results. Finally, among the five independent variables that influence Gen-Z selection results for fast fashion products, all variables represent Gen-Z's distinctive features namely Fashion Awareness, Perceived Prices, Perceived Quality, Hedonic Shopping Value, and Brand Awareness. While conducting future research, it is advisable to look for more determinants related to Gen-Z features in order to be more valuable. While there are still some limitations, this study combines the views from the minds of Gen-Z consumers and explores the many useful factors that must be taken into account by fashion retailers in Malaysia or have plans to enter the Malaysian market in the future.

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### FACTORS INFLUENCING THE IMPLEMENTATION OF E-BUSINESS IN MALAYSIA

#### Mohd Hafiszudin Azmi and Nik Noorhazila Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hafiszudin.a17a0232@siswa.umk.edu.my; noorhazila.nm@umk.edu.my

#### Abstract:

E-business is an online business where it uses the internet as an intermediate medium between the seller and the buyer. Electronic business (e-business) is also a business method that allows a person to trade over the internet or ICT. In addition, the concept of internet business is not much different from conventional business. Traders still need products for sale and need customers to buy. Therefore, this study is to determine the factors that influence the implementation of e-business in Malaysia. The sample size of this study was 384 respondents, mainly focused on the community in terms of traders and retailers in Malaysia. In this analysis, non-probability sampling, which is a purposive method of sampling, has been introduced to allow researchers to collect respondents fast and effectively as the population of the target respondent is high. Descriptive analysis, Pearson Correlation Analysis and Multiple Linear Regression Analysis were used to analyse the findings of the research. This result explains that with the dependent variable with the value of, all the independent variables are significant (p<0.05). In addition, the COVID-19 pandemic with a value of (p<0.05),  $(b^b=0.589)$  is the most dominant variable in the analysis. Therefore, this study and results would also assist consumers to effectively implement e-business and provide useful references for researchers interested in developing related theories.

**Keywords**: E-business, COVID-19 pandemic, consumer behaviour, internet connection and cost management.

#### 1 Introduction

E-business is characterised by the use of the internet and computer technology as the process of doing business (Hertwig, 2012). This is an online operation that provides workers, suppliers and consumers with value development as its main objective (Lai, Kan, & Ulhas, 2013). More consumers today prefer online shopping than traditional supermarkets because it is a technological change. Nowadays, consumers are becoming an important element they buy through online. Electronic business (e-business) is also a method of business that enables a person to trade over the internet or ICT. Furthermore the concept of internet business is not so different from traditional business. Traders still need products for sale and need customers to buy. According to Rahman et al. (2013) this asserts by saying that the technology that surrounds us today and in the near future is undergoing a significant, rapid and universal change that has a significant impact on the world in which we live and our daily lifestyle. In addition, these developments can also be seen through the use of e-businesses in Malaysia that have changed

the business approach used by small and large companies.

E-commerce terms are often used alternately with e-business terms (Meftah, Gharleghi, & Samadi, 2015). This is supported by Almousa (2011) online companies are also known as e-businesses, which are sold directly on the internet by all entrepreneurs and sell their goods. Before making a purchase, items that do not need to be discussed or seen by consumers suit the ecommerce business model, as well as products that can be sold online at a much cheaper price than in the shop. Internet marketing can be used by e-businesses to spread the word about their businesses and goods, but they can also use more conventional methods (Hashim, Razak, & Amir, 2011). These e-business approaches would help companies work closely to suppliers and partners to better meet the needs and desires of their customers at the same time. This is because there is a justification for the group in Malaysia to affect the implementation of e-business.

Besides, the purpose of this study is to determine the variables that affect e-business implementation. Therefore, this study is to examine the relationship between the independent variables that is COVID-19 pandemic, consumer behaviour, internet connection and cost management towards the implementation of e-business in Malaysia. In addition, this study also to identify the dominant association which the factors influence (COVID-19 pandemic, consumer behaviour, internet connection and cost management) the implementation of e-business in Malaysia.

#### 2 Literature Review

### 2.1 Technology Acceptance Model (TAM) Theory

The Technology Acceptance Model is formulated to further develop behaviour to magnify knowledge about new technologies. The most influential and widely accepted TAM theories explain the acceptance of the information system by an individual. The Technology Acceptance Model (TAM) has been used by researchers around the world to understand the acceptance of different types of data systems (Reynel-Avila, Mendoza-Castillo, Olumide, & Bonilla-Petriciolet, 2016). The process of adopting IT within the organization is an easy process and takes time to succeed (Wang, Jin, & Mao, 2019). There are several models related to IT acceptance and acceptance (Samarasinghe & Silva, 2019). TAM consists of two significant variables that decide attitudes towards the usage and use of this technology, perceived ease of use and perceived usability (Sutomo, Rahman, & Romli, 2020). In the theory of the expanded TAM model, there are additional factors, namely enjoyment, so that the extended TAM has three factors, namely ease of use, usability, and perceived pleasure (Cho & Son, 2019).

#### **Diffusion of Innovation Theory (DOI) Theory**

The theory of DOI is a comprehensive framework that aims to explain the social aspects and relationships of innovation in dissemination and how it occurs in the social system over the time. According to Dwivedi, Papazafeiropoulo, Parker, and Castleman (2009) in e-business literature, he is the author of the most widely cited theory of distribution, although e-business is not explicitly discussed. The four key elements regulating the acceptance rate of innovation, which are innovation, social systems, communication networks and time, are illustrated in this report. In the context of DOI, the concept of a technology cluster would explain e-business more precisely than innovation, as it can be used for various business applications such as sales, payments, acquisitions, employee pickup, online banking and delivery of online services (Parker & Castleman, 2007). One important thing to note about the e-business literature is that it mainly applies the features of DOI innovation which are relative advantages, harmony, difficulty, reliability and observation (Chong, 2006). The use of e-business analysis indicates

that individual outcomes processes are more important to small businesses because owners are often the key decision-makers (Dwivedi et al., 2009). This method often includes gaining awareness and basic information about innovation, developing a bad attitude (possibly influenced by opinion leaders), agreeing to use it partially or on probation, fully implementing innovation, and then checking whether the decision is acceptable.

#### 2.3 Previous Studies

#### 2.2.1 COVID-19 Pandemic

Coronavirus is considered one of the infectious diseases that arise mostly after human beings are infected with acute respiratory problems syndrome. Because of the widespread spread throughout the number of nations, some illnesses such as the health problem of prominent societies have arisen. In this specific analysis, COVID-19 was viewed as an independent variable since the entire economy and well-being of the entire population depended on this particular pandemic at a higher level (Varshney & Varshney, 2017). In such an environment, the ultimate aim is to stimulate economic growth as soon as possible, and to make a redistribution mechanism that will reduce economic suffering for the lower economy classes and ensure that the economic framework created will be more resistant in the future. Employment stimulus and support to businesses are therefore indispensable in sectors affected by the recession, in particular small and medium-sized firms as well as a range of large companies, in order to avoid bankruptcy (Jenny, 2020).

Hi: There is a significant relationship between COVID-19 pandemic and the implementation of e-business in Malaysia.

#### **Consumer Behaviour**

In line with Hoyer and MacInnis (2010), defining consumer behaviour as the number of consumer decisions made by the human decision-making unit in connection with the purchase, usage and disposal of products, services, time and ideas. In the areas of marketing, information technology, psychology and management, customer behaviour in the online world has gained considerable attention (Nguyen et al., 2018). In addition, customer purchasing behaviour will be influenced by the closure of countries due to the lack of availability of products and services in various stores. This is because, customers should rely primarily on ecommerce platforms to meet the essential requirements needed for their survival (Hasanat et al., 2020). According to Rose, Hair, and Clark (2011) personal communication, providing information, interaction time, and brand presentations demonstrate four main differences between the online user experience and the offline user experience. In terms of order improvement, there is also a distinction between the two contexts, like different items, inventory management, last-stone distribution, and return management (Agatz, Fleischmann, & Van Nunen, 2008). For example, online platforms tend to carry different kinds of goods compared to traditional stores, so they are more capable of satisfying customer demand at the long tail end (Brynjolfsson, Hu, & Simester, 2011). According to Nguyen et al. (2018), this describes consumer behaviour as the entire decision of the consumer with regard to the purchase, use and disposal by the human decisionmaking unit of products, services, time and ideas.

 $H_2$ : There is a significant relationship between consumer behaviour and the implementation of e-business in Malaysia.

#### 2.2.3 Internet Connection

In addition to attracting a large number of consumers who browse and buy goods online, the internet and the expansion of mobile devices are also generating opportunities for retailers to boost online sales. According to Rahman et al. (2013) this insists that by removing time barriers and accelerating decision-making processes, media networks will boost the coordination and efficiency of the organisation. As noted by Kim and Lennon (2008), with almost three times the overall retail sales rate, the internet is the fastest growing retail platform. The increasing use of the internet by the general public seems to be encouraging a brighter future for the security of the retail internet by customers, despite the challenging economic hardship for consumers around the world.

 $H_3$ : There is a significant relationship between internet connection and the implementation of e-business in Malaysia.

#### **Cost Management**

According to Raihani et al. (2016), cost is the amount that must be paid or surrendered to get something. Furthermore, cost management is a method in which businesses record or manage the costs involved in doing business by using cost accounting. Cost is generally an evaluation of the efforts, energy resources, time and utilities used in industry, risks occurring, and opportunities forgotten in the manufacture and distribution of products or services. Moreover, because of an unreasonable or modest option of transforming innovation, which is the core point of high production costs, the high cost of development makes entrepreneurs face obsolete innovation (Avinash, 2016). According to Thomas, Adekunle, Olarewaju, and Folarin (2015) they will have to determine whether they want to maintain financial records personally or employ others in the organisation of the financial management system in the company. Overall, business continuity, facilities, business services are some of the key components of business infrastructure. Business operations rely heavily on service quality, strategic decisions, business sustainability and even management costs.

 $H_4$ : There is a significant relationship between cost management and the implementation of e-business in Malaysia.

#### 2.2.5 Implementation of E-business

E-business is identified by the use of the internet and computer technology as the process of doing business (Maditinos et al., 2014). According to Lai et al. (2013) this is an online operation that brings staff, partners, suppliers and consumers to its primary objective, thus generating value. Electronics companies, value-changing companies (goods, services, capital and knowledge) can exploit digitally or through computer networks that are asset companies to produce higher returns for customers (Lai et al., 2013). Implement e-business applications and include modifications such as improvements in the process of working with business partners, changes in delivery of goods and services, and changes in employee skills (Kolaric, Petrovic, & Radojcic, 2011). Therefore, it should consider serious problems such as making strategies and working with partners involved in e-business operations (Maditinos et al., 2014). In addition, data access protection issues should be taken care of as data exchanges between e-business partners should be handled (Maditinos et al., 2014).

 $H_5$ : There is a significant relationship between the dominant association which the factors influence (COVID-19 pandemic, consumer behaviour, internet connection and cost management) toward the implementation of e-business in Malaysia.

### 2.3 Conceptual Framework

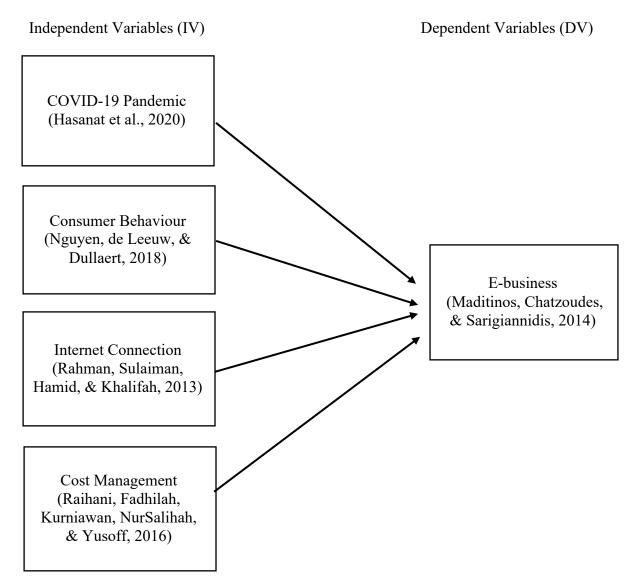


Figure 1 shows the conceptual framework of study the factors influencing the implementation of e-business in Malaysia.

### 3 Research Methodology

#### 3.1 Data collection and sample selection

Purposive sampling is a form non-probability of sampling in which when selecting population participants to participate in the sample, the researcher relies on his own judgement. This method of sampling allows researchers to have prior knowledge of the intent of their studies to be able to select and approach qualified participants properly. The study selected respondents that have business in Malaysia. This method enables the investigator to efficiently gather more accurate information and data. In addition, this study uses large-scale quantitative research methods with using techniques such as distributed online questionnaires via (Google Form).

#### 3.2 Measurement and scales

Questionnaires are used in this analysis as instruments. The measured scale used by researchers is likert Scale. The likert 6 point scale is used to calculate the target of respondents in Malaysia, based on their level of agreement on the relationship of factors influencing e-business implementation. After considering each element, likert's achievement motive test scale of 6 points was found. 5 point likert items suffer from a bias in response design. Answer styles are reaction biases that are expressed by respondents independently of the content of the questions.

#### 3.3 Data analysis method

The data collected will be analyzed using the Statistic Package for the Social Sciences (SPSS) Statistic version 26. The reaction from the respondent will be hinted at as a necessity before the organism enters into the data file for successive analysis actions. Therefore, pilot Study which is Reliability Analysis, Descriptive Analysis, Pearson's Correlation Analysis and Multiple Linear Regression Analysis were used to test the research objectives and hypothesis.

### 4 Data Analysis

### 4.1 Reliability Analysis

Table 1: Reliability Analysis

Variables	Cronbach's Alpha	No. of Items		
E-Business	0.973	5		
COVID-19 Pandemic	0.969	5		
Consumer Behaviour	0.972	5		
<b>Internet Connection</b>	0.973	5		
Cost Management	0.972	5		

Source: (Sharma et al., 2016)

Table 1 summarizes the findings of the reliability test of each variable in this study. According to table 1, the range of Cronbach's Alpha for each variable is from 0.969 to 0.973 which means the items for each variable are excellent based on the rule of thumb of Cronbach's alpha coefficient.

### 4.2 Descriptive statistics

Table 2: Respondent's Demographic Profile

Variable	Categories	Frequency	Percent %
Gender	Male	224	58.3
	Female	160	41.7
	Total	384	100.0
Age	20-30 years old	86	22.4
_	31-40 years old	205	53.4
	41-50 years old	92	24.0
	51-60 years old	1	0.3
Marital Status	Single	96	25.0
	Married	231	60.2
	Divorced	57	14.8
Monthly Income	Less than RM1,000	89	23.2
-	RM1,001-RM3,000	221	57.6
	RM3,001-RM5,000	74	19.3
	More than RM5,001	-	-
Race	Malay	204	53.1
	Chinese	125	32.6
	Indian	54	14.1
	Other	1	0.3
Apply E-business	Yes	282	73.4
	No	102	26.6
Type of platform	Amazon	-	-
	Zalora	14	3.6
	Lazada	46	12.0
	Food Panda	77	20.1
	Shopee	115	29.9
	11 Street	30	7.8
	Other	-	-
	None	102	26.6
Expected use of e-business	Never	101	26.3
platform	Less than 1 year	71	18.5
	2 years to 3 years	187	48.7
	4 years to 5 years	25	6.5
	More than 5 years	-	-

Table 2 show that male respondents are dominant in this study. Most of the respondents are age between 31-40 years old with the value of n=205(53.4%) and majority of the respondents were Malay with the value of n=204(53.1%) and married with the value of n=231(60.2%) followed with monthly income that is RM1,001-RM3,000 with the value of n=221(57.6%). Beside, majority of the respondents had apply e-business with the value of n=282(73.4%) with expected use of e-business platform that is 2 years to 3 years with the value of n=187(48.7%). Lastly, the respondents show that the most number type of platform of e-business that is shopee with the value of n=115(29.9%).

### 4.3 Pearson Correlation Analysis

Table 3: Result of Pearson Correlation Test

			COVID-19	Consumer	Internet	Cost
		E-business	Pandemic	Behaviour	Connection	Management
E-business	Pearson Correlation	1	.994**	.992**	.987**	.987**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	384
COVID-19	Pearson Correlation	.994**	1	.992**	.988**	.988**
Pandemic	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	384
Consumer	Pearson Correlation	.992**	.992**	1	.989**	.989**
Behaviour	Sig. (2-tailed)	.000	.000		.000	.000
	N	384	384	384	384	384
Internet	Pearson Correlation	.987**	.988**	.989**	1	.988**
Connection	Sig. (2-tailed)	.000	.000	.000		.000
	N	384	384	384	384	384
Cost	Pearson Correlation	.987**	.988**	.989**	.988**	1
Management	Sig. (2-tailed)	.000	.000	.000	.000	
	N	384	384	384	384	384

The Pearson Correlation analysis between independent variables and dependent variables is shown in table 3. The results showed that there was a significant relationship between all the independent variables that is COVID-19 pandemic (p<0.05, r = 0.994), consumer behaviour (p<0.05, r = 0.992), internet connection (p<0.05, r = 0.987) and cost management (p<0.05, r = 0.987) towards e-business implementation showing a very high positive correlation between the variables since p<0.001, the null hypothesis was rejected and the alternative hypothesis accepted by the research.

### 4.4 Multiple Regression Analysis

Table 4: Multiple Linear Regression

Variables	Simple linear regression			Multiple linear regression		
	b <sup>a</sup>	t-stat(95% CI)	p-value	adj.b <sup>b</sup>	t-stat(95% CI)	p-value
COVID-19 Pandemic	1.009	174.532(0.998,	< 0.001	0.589	12.848(0.499,	< 0.001
		1.020)			0.679)	
Consumer Behaviour	0.995	153.032(0.982,	< 0.001	0.324	6.871(0.231,0.	< 0.001
		1.008)			417	
Internet Connection	0.993	119.056(0.977,	< 0.001			
		1.010)				
Cost Management	1.000	119.569(0.983,1	< 0.001	0.096	2.529(0.021,0.	< 0.012
		.016)			170)	

Using the results of Simple Linear Regression (SLR) as shown in table 4. Four unadjusted significant factors with a p-value <0.25 were found by Simple Linear Regression to be included in the variable collection. COVID-19 pandemic, consumer behaviour, internet connection, and cost management were the factors for independent variables. Therefore, the result show on simple linear regression all variable that is significant because the p-value is <0.00. Furthermore, the variable selection method was carried out using the step-wise method. The result shows that on multiple linear regression of the variable COVID-19 pandemic, consumer behaviour and cost management are significant since the p-value is <0.05. Moreover, this analysis did not detect any multicollinearity and interaction. In addition, the COVID-19 pandemic would be the most dominant variables that influence the implementation of e-business in this study as it has the higher beta value, which is 0.589 compared to the other variable.

### 4.5 Hypothesis Testing Result

Table 5: Result of Hypothesis Testing

Objective	Hypothesis	Result of	Decision
		Analysis	
To examine the relationship between COVID-19 pandemic and the implementation of e-business in Malaysia.	H <sub>1:</sub> There is a significant relationship between COVID-19 pandemic and the implementation of e-business in Malaysia.	r = 0.994	Accepted
To identify the relationship between consumer behaviour and the implementation of e- business in Malaysia.	H <sub>2</sub> : There is a significant relationship between consumer behaviour and the implementation of e-business in Malaysia.	r = 0.992	Accepted
To examine the relationship between internet connection and the implementation of ebusiness in Malaysia.	H <sub>3</sub> : There is a significant relationship between internet connection and the implementation of e-business in Malaysia.	r = 0.987	Accepted
To identify the relationship between cost management and the implementation of e-business in Malaysia.	H <sub>4</sub> : There is a significant relationship between cost management and the implementation of e-business in Malaysia.	r = 0.987	Accepted
To identify the dominant association which the factors influence (COVID-19 pandemic, consumer behaviour, internet connection and cost management) the implementation of e-business in Malaysia.	H <sub>5</sub> : There is a significant relationship between the dominant association which the factors influence (COVID-19 pandemic, consumer behaviour, and cost management) toward the implementation of e-business in Malaysia.	b = 0.589	Accepted (COVID- 19 Pandemic)

The table 5 shows of the result of the hypothesis testing, and variables such as the COVID-19 pandemic, consumer behaviour, internet connection and cost management can affect the retailer and traders in e-business implementation. Based the Pearson Correlation Analysis conducted, it can be summarized that all of the independent variables in this study, had a significant relationship with the implementation of e-business. So based on the table 5 the researcher have conclude that, all hypothesis in this study were accepted because the p-value is 0.00(p<0.05). In addition, the COVID-19 pandemic would be the most dominant variables that influence the implementation of e-business in this study as it has the higher beta value, which is 0.589 compared to the other variable.

### 5 Discussion and Recommendation

This study was aimed to determine the relationship between the dependent variable which is e-business and independent variables which is COVID-19 Pandemic, consumer behaviour, internet connection and cost management toward implementation of e-business in Malaysia. The study selected from 384 respondents that have business in Malaysia. This survey was fast and secure to pick up existing respondents. In the study, researchers distributed online questionnaires by (Google Form). In addition, Pearson correlation analysis and multiple linear regression analysis were used in this study to analyse each objective and to answer five research questions. In this study, the results of the hypothesis of whether to approve or reject was discussed to confirm whether the four variables are relevant to the implementation of e-business in Malaysia.

The results of this research have some important impacts for business management. The findings of the current study demonstrate that an e-business needs to be able to work within and outside its organisational structure and not focus solely on technical considerations. For the effective implementation of e-business concepts, the causes of the COVID-19 pandemic, customer behaviour, internet connection and cost management should therefore be of great importance. Users should also bear in mind that the emphasis on technology is not the only important success factor for the implementation of e-business. This is because show that in successfully transforming any enterprise into a modern digital company, the factor has a central function. Such an approach would enhance both technological skills and user confidence, as the present study showed that both are needed for the successful implementation of e-business.

In this analysis, there are many limitations during the process. Firstly, the limitations of this analysis are reactive. This aspect of research was conducted in Malaysia among residents who have business through the use of Google form questionnaires. Therefore, because of the critical circumstances of the epidemic problem, most respondents are not open-minded and are not helpful in responding to our questionnaire analysis when most respondents are chosen to the same extent as their responses. Besides that, limitations on time and resources have contributed to minimal geographic scope in the report. Therefore, the short time it takes to gather data can lead to full results that are incomplete.

Researchers found that there are recommendations for future studies based on this report. Through this approach, researchers hope that other researchers will be able to use this style in their research in the future. The recommendation of this study is to encourage potential researchers to carry out more studies on this topic of influencing the implementation of e-

business in Malaysia. Furthermore, future researchers are advised to expand the sample size for better comparison, such as expanding research from one country, such as e-business implementation factors in Malaysia or in two countries. However, it is recommended that prospective researchers use different approaches for analysis, such as the qualitative approach. Moreover, sometimes the collection of data is invalid because respondents are not transparent. Finally, in the future, this research can also be referred to by other researchers to add other independent variables or to more identify the factors that influence respondents to participate in e-business implementation.

### 6 Conclusion

A model that explores the organisational capabilities that lead to the impact of e-business implementation was built in the present research. The research model was based on the synthesis of previous studies, and the results of the statistical analysis showed that the most critical factors for effective implementation of e-business are the COVID-19 pandemic, customer behaviour and cost management. This result theoretically suggests that the corporation has the potential to further implement new technology, such as e-business, as the number of employee increases. Moreover, in the highly competitive market world of today, ebusiness can be seen as a creative advancement. Consumers should not ignore these factors in order to concentrate on technical qualifications in order to increase the value of e-business, as these factors have a huge effect on the value of e-business. In addition, e-business implementation is found to be an important platform for the growth of e-business. In short, this research successfully demonstrates how e-business implementation can affect e-business value development in terms of these variables. In conclusion, this research will apply to the current situation and can clearly define aspect of the effects of e-business implementation. Consequently, for effective e-business implementation and efficiency, an adequate degree of training access and e-business awareness levels are absolutely important.

### 7 Acknowledgement

I am would like to send our gratitude for my final year project advisor, Puan Nik Noorhazila Binti Nik Mud for contribute me a lot through guiding and providing me suggestion and encouragement. The research would not complete without her support and sharing her wisdom with me during the process. After that, I am going to thank my friends and my family who support me, inspiration and motivate me to achieve my dreams. I am also thanking to University Malaysia Kelantan (UMK) as it provides me an opportunity to run the research in a well facilities environment. It had provided me a good Wi-Fi situation to let me find the information easily. Besides that, my university provides us plenty of facilities, especially library, places and so on. Through these can get information and references that can simplify my research process. Finally, I am would like to thank to my respondents who help me to answer the questionnaires to complete my research. They had provided me a lot their opinion and suggestion to improve my research.

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# FACTORS INFLUENCING THE CHOICE OF FRANCHISE QUICK SERVICE RESTAURANT AMONG YOUTH IN BAHAU, NEGERI SEMBILAN

Muhamad Nizam Iqwan Norhazalil and Nurul Ashykin Abd Aziz

Faculty Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: nizam.a17a0247@siswa.edu.umk.my; ashykin.a@umk.edu.my

#### **Abstract:**

Malaysia's franchise stores have also brought new competition to the existing competition in the industry. The object of this analysis is the quick service restaurant franchise. The relationship between variables of choice and the factor influencing quick service restaurant (QSR) among youth is examined in this analysis. The purpose of this study is to find the relationship between the variables influencing the choice variables (quality factor of service, environment and ambience factor, price factor, quality factor of food, and brand factor) to franchise quick restaurant service. The methodology for this analysis is a quantitative procedure. The researcher used a questionnaire to collect data relevant to the subject of the research. The researcher needs 379 respondents to answer the questionnaire due to population of Bahau is 31,273.

**Keyword**: Franchise, The choice, Quick Service Restaurant, Youth, Service Quality

### 1 Introduction

According to Kurien and Das (2017) the fast food restaurant or the other name is Quick Service Restaurant (QSR) industry has seen phenomenal growth in the last few decades. From 2020 to 2027, Quick Service restaurant industry is one from the world's fast growing sectors. According to Chun and Nyam-Ochir (2020), they state that the global fast food market is projected to expand around 5.1% at a compound annual growth rate (CAGR). Local and international restaurant chains, especially franchise restaurants, are trying to satisfy the demand of consumers for a variety of products and services.

There are many key features that can be distinguished in a quick service restaurant. Standard menus are prepared, portions and ingredients are strictly controlled and the food can be eaten immediately. There is also a young and unskilled workforce working over the counter for fast food chains, chain operations and franchises using a standardised corporate structure and identity (Ozdemir & Ergin, 2017).

Fast-food can be given definition as a restaurant that is able to provide food quickly and needs minimal services, according to Siew, Wai, and Hoe (2016). The same kind of restaurant is integrated with a walk-up counter or a drive thru. Quick service restaurants indicate that you can prepare and serve food or dish orders in a short time (Intan et al., 2014). In recent times, franchise restaurants have evolved rapidly in our country. For category fast service restaurant, there are many franchise restaurants which are McDonald, Pizza Hut, Kentucky Fried Chicken (KFC), Domino Pizza and others.

Among Malaysian youth, the growth of fast food or quick service restaurants has become the preferred choice. As an alternative to eating at a regular restaurant in Malaysia, they are more

likely to choose to eat at a fast food restaurant because of the convenience. The fast food restaurant has different criteria and variables that inspire the youth choice. According to Untaru and Ispas (2014), the marketing and advertising of fast food affected the desire of eating by young people. In addition, other factors have been defined as criteria or variables in the election of quick service restaurants, such as price, customer service, location and effectiveness (Siew et al., 2016).

There are six objectives of this research:

- i. To identify the relationship between service quality and factors that influence youth choice franchise quick service restaurant.
- ii. To identify the relationship between environment, ambiance and factors that influence youth choice franchise quick service restaurant.
- iii. To identify the relationship between price and factors that influence youth choice franchise quick service restaurant.
- iv. To identify the relationship between food quality and factors that influence youth choice franchise quick service restaurant.
- v. To identify the relationship between brand and factors that influence youth choice franchise quick service restaurant.
- vi. To identify the most factor that influence youth choice franchise quick service restaurant.

### 2 Literature Review

### The Choice of Franchise Quick Service Restaurant

According to Njite, Dunn, and Hyunjung Kim (2008) restaurant managers understand the real reasons why consumer choose restaurants. Therefore, this study relies on managers' preferences to understand the real variables of consumer choice. According to Abdelgawwad (2017), the selection of customer restaurants is influenced by various factors as the following, which are customer characteristics including age, sex, and job; dining-out location features also including proximity to restaurants, quality, climate, recommendation, ads, previous experience, environmental factors and influences of quality. The author also clarified that efficiency, cleanliness and value are the three main factors in the choice of Quick Service Restaurant (OSR).

Based on previous author, marketers are following the latest food fashion trends to interact customer taste preference of consumers by taking various measures to adapt and customize before setting standards. The selection of menus, the quality of food served, atmosphere of the restaurant, the facilities and most importantly, the price are five important factors in choosing a place to eat among them. Meanwhile, religion is one of the problem that most consumer are concerned about such as consuming pork that has been banned for Muslims or eating beef for non-Muslims for Muslim customers. This is because the customer has been the demand and not the product. For any organization, the secret to success is to consider customers' preferential experience.

### **Service Quality**

Responsiveness and timely delivery involve the degree to which providers can satisfy customers. The ability to provide fast service and to assist clients is responsive and reliable service (Dipesh & Apil, 2018). The timely introduction of a service well established by

effective service providers is highly valued by customers (Hasan Iqbal, 2010). At a quick service restaurant, the level of client loyalty will be reached when the employees at the store are able to support their customers when customers need assistance or inquiries. If they are pleased with a service offered, consumers tend to draw the interest of other customers and this can be closely linked to customer loyalty as a consequence of responsiveness.

### **Environment and Ambience**

The elements of the restaurant environment, which are a sign of the environment, social and design, are divided into three aspects (Dipesh & Apil, 2018). The ambient signals provide the restaurant's entire environment. Its architectural marks consist of the restaurant's decoration and interior design, and the social signs involve the people present in the restaurant. It will leading to the restaurant's reputation and status. According to Bohl (2012), the main focus is on the variables that signal the appearance of the restaurant, namely cleanliness and fragrance against the environment and offer customers a positive atmosphere.

### **Price**

Price plays a major part in the choice of commodities (Abd Rashid, Abdullah, Yusuf, & Shaari, 2016) (Dipesh & Apil, 2018). It is not easy to calculate the price for a product or service because the basic value of the offered product is used to measure the substantial cost of customer loyalty because price is the most critical factor in helping consumers estimate the value of products or services. According to (Khan, 2011) for a buyer, price often decides whether or not to settle for a transaction. Therefore, customers are also more likely than others to base their purchase decisions on price considerations. According to Mattila and O'Neill (2003) from a consumer viewpoint, price represents a measure for measuring the user experience with a product or service.

### Food quality

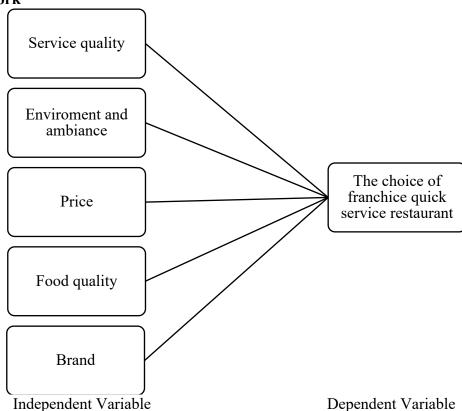
Dining experience can be felt when the quality of food in a restaurant becomes the most important factor (Sulek & Hensley, 2004). In terms of restaurant choice, food quality is an important factor influencing the intention to buy. Susskind and Chan (2000) found on a similar note that food quality is the primary stator that draws customers to fast service restaurants. Food quality proves to be a crucial estimator for fast food restaurants in preserving customer loyalty. According to Sulek and Hensley (2004), because other restaurant sectors contrast the environmental components and the quality of service, food quality is a significant element in buying intentions. Moreover, the relationship between food quality and satisfaction is positive.

#### **Brand**

According to Hanaysha (2016) the term brand loyalty was described to which customers create an emotional bond with the brand through their commitment to repurchasing the product without planning to turn to others. The author also says that the other component of the brand image as the general impression of a brand's consumer memories. Fast-food restaurant clients in Malaysia usually make a brand as a factor in the tendency to choose a restaurant. Peng, Imrie, and Grigoriou (2016) also identified brand loyalty as the desire of customers to establish long-term relationships with a certain brand. According to Laasch and Conaway (2014), on the basis of consumer views and evaluations about the products or services of a company, the reputation of the brand can be conveyed. In addition, brand selection refers to the decision of a consumer to prefer or buy a specific brand before the brand of another competitor, and it can be created on the basis of other people's previous experience or recommendations. According to Zarantonello and Pauwels-Delassus (2015), brand leadership is defined as a competitive advantage that a brand has over its competitors. It reflects the perceptions of customers

including its distinctive capabilities of a brand in achieving excellence and offering unique goods that are not easy for competitors to duplicate or imitate.

#### **Research Framework**



Source: Adopted from Chow et al (2013). Factors influencing dining experience on customer satisfaction and revisit intention among undergraduates towards fast food restaurants

### 3 Methodology

### **Research Design**

The researcher used descriptive research which is a quantitative method in this study. Descriptive research is taken to identify the factors influencing the choice of franchise Quick Service Restaurant among youth in Bahau, Negeri Sembilan with the independent variables: service quality, environment and ambience, price, food quality and brand. Those are used in order to accomplish the research objective. The population of this study is focused on youth who have visited the franchise Quick Service Restaurant in Bahau because they will be able to offer reasonable answers based on their present and past experience. Moreover, a set of questionnaires was distributed to respondents in two types of language which is English and Malay to avoid some misunderstanding. The questionnaire is divided into three sections. 5-point Likert Scale will be used in this study to examine the respondent on how strongly of agree or disagree with the provided statement.

#### **Data Collection**

In this study, the data will be collected by primary data and secondary data. The primary data will be collected from the respondents that the youth who have visits to the franchise Quick Service Restaurant in Bahau. The researcher has developed a set of structured questionnaires to the respondents. These secondary data are obtained from other sources such as books, journals, literature, information systems, article, computerized or mathematical models of

environmental processes that can be searched through the Internet.

### **Sampling Size**

According to Krejcie and Morgan (1970), based on the table has shown a population whose number is equal to 30000 or not exceeding 40000, the required sample size is a total of 379 respondents. The population in the Bahau area is 31273 people, so the expected respondents are 379. Respondents will randomly select the franchise quick service restaurant in Bahau as well as any users who visit the fast food restaurant in Bahau.

### **Data Analysis**

After collecting the feedback from the 379 respondent, the researcher would analyse the data by the Statistical Package for Social Science (SPSS) version 26.0 to carry out the analysis which include the descriptive analysis, reliability analysis and Pearson correlation analysis.

### 4 Finding and Discussion

Table 1: summary of Pearson Correlations Scores

	Correlations						
		Servic	Environme	price	Food	bran	The
		e	nt and	_	qualit	d	choic
		quality	ambience		у		e
Service	Pearson	1	.618**	.473**	.576**	.562*	.541*
quality	Correlation					*	*
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	379	379	379	379	379	379
Environme	Pearson	.618**	1	.229**	.705**	.646*	.573*
nt and	Correlation					*	*
ambience	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	379	379	379	379	379	379
price	Pearson	.473**	.229**	1	.403**	.394*	.579*
	Correlation					*	*
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	379	379	379	379	379	379
Food	Pearson	.576**	.705**	.403**	1	.667*	.643*
quality	Correlation					*	*
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	379	379	379	379	379	379
brand	Pearson	.562**	.646**	.394**	.667**	1	.734*
	Correlation						*
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	379	379	379	379	379	379
The choice	Pearson	.541**	.573**	.579**	.643**	.734*	1
	Correlation					*	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	379	379	379	379	379	379
**. Correlati	on is significant a	t the 0.01 1	evel (2-tailed).			•	

Pearson Correlation coefficient (r) is a measurement of strength associated between two variables. This table showed the result that all the independent variables (service quality, environment and ambience, price, food quality, brand) have a direct relationship with the dependent variable. Furthermore, the correlation for brand of the choice of franchise Quick Service Restaurant is the most positive and moderate relationship in between the entire independent variables that has been tested during this study is conducted. From the result above, the researcher can state that the increase the level of independent variable, the level of dependent variable also be increase.

Table 2: summary of hypothesis testing

Hypothesis	P. value	<b>Empirical Result</b>
H1: There is a significant relationship between service quality and the choice of franchise Quick Service Restaurant.	0.541	Accepted
H2: There is a significant relationship between environment, ambience and the choice of franchise Quick Service Restaurant.	0.573	Accepted
H3: There is a significant relationship between price and the choice of franchise Quick Service Restaurant.	0.579	Accepted
H4: There is a significant relationship between food quality and the choice of franchise Quick Service Restaurant.	0.643	Accepted
H5: There is a significant relationship between brand and the choice of franchise Quick Service Restaurant.	0.734	Accepted

# Research Objective 1: To identify the relationship service quality and factors that influence youth choice franchise quick service restaurant.

Table 2 illustrates Pearson correlation coefficient, significant value and the number of cases which is 379. The index obtained on the service r=0.541 and p-value=0.0 which is high significant. Since 0.541 is relatively close to 0.41 and 0.70, this indicates that both variables are moderate relationship correlated (p=0.541, p<0.0). Therefore, the service quality is moderate associated with the choice of QSR. Thus, the researcher accepted there is a significant relationship between service quality and the choice of franchise Quick Service Restaurant.

# Research Objective 2: To identify the relationship between environment, ambiance and factors that influence youth choice franchise quick service restaurant.

Table 2 illustrates Pearson correlation coefficient, significant value and the number of cases which is 379. The index obtained on the service r = 0.573 and p - value = 0.0 which is high significant. Since 0.573 is relatively close to 0.41 and 0.70, this indicates that both variables are moderate relationship correlated (p = 0.573, p < 0.0). Therefore, the environment and ambience is moderate associated with the choice of QSR. Thus, the researcher accepted there is a significant relationship between environment, ambience and the choice of franchise Quick Service Restaurant.

# Research Objective 3: To identify the relationship between price and factors that influence youth choice franchise quick service restaurant.

Table 2 illustrates Pearson correlation coefficient, significant value and the number of cases which is 379. The index obtained on the service r=0.579 and p-value=0.0 which is high significant. Since 0.579 is relatively close to 0.41 and 0.70, this indicates that both variables are moderate relationship correlated (p=0.579, p<0.0). Therefore, the price is moderate associated with the choice of QSR. Thus, the researcher accepted there is a significant relationship between price and the choice of franchise Quick Service Restaurant.

# Research Objective 4: To identify the relationship between food quality and factors that influence youth choice franchise quick service restaurant.

Table 2 illustrates Pearson correlation coefficient, significant value and the number of cases which is 379. The index obtained on the service r = 0.643 and p - value = 0.0 which is high significant. Since 0.643 is relatively close to 0.41 and 0.70, this indicates that both variables are moderate relationship correlated (p = 0.643, p < 0.0). Therefore, the food quality is moderate associated with the choice of QSR. Thus, the researcher accepted there is a significant relationship between food quality and the choice of franchise Quick Service Restaurant.

# Research Objective 5: To identify the relationship between brand and factors that influence youth choice franchise quick service restaurant.

Table 2 illustrates Pearson correlation coefficient, significant value and the number of cases which is 379. The index obtained on the service r = 0.734 and p - value = 0.0 which is high significant. Since 0.734 is relatively close to 0.71 and 0.90, this indicates that both variables are moderate relationship correlated (p = 0.734, p < 0.0). Therefore, the food quality is high associated with the choice of QSR. Thus, the researcher accepted there is a significant relationship between brand and the choice of franchise Quick Service Restaurant.

### 5 Recommendation and Conclusion

The result from this study only constitute an early step in examining the factors influencing the choice of franchise Quick Service Restaurant among youth in Bahau, Negeri Sembilan. As this study only focuses on youth around Bahau, for future research it can be broaden by targeting more people from different generation. Not only for that, for future research, it can also can be expand by entire countries of Malaysia and not only bind with one specific area. It can help to understand the factor influencing the choice of franchise Quick Service Restaurant from all over the countries in Malaysia.

The preference of influence the choice of franchise Quick Service Restaurant is affected by several key variables. However, researchers concentrate only on five independent variables, which are service quality, environment and ambience, price, food quality and brand. There are also a number of other variables, such as saving time, cleanliness and consumer perception. Further research allows researchers to explore and analyse the other main factors affecting the selection of the Quick Service Restaurant franchise.

In conclusion, this analysis was carried out to establish the factors affecting Quick Service Restaurant franchise selection. In addition, this study allows other researchers to perform research on similar subjects and can be used as one of their guides. The results that have been obtained in chapter 4 through Statistical Package for the Social Sciences (SPSS) were discussed further and at the same time conclusions were made based on the results. As a result, it can be concluded that there is a significant relationship between the influence of service quality, environment and ambience, price, food quality, brand and the choice of franchise Quick Service Restaurant. Thus, it is hoped that all the information provided throughout this research will help the other parties to do the next research.

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# 3<sup>rd</sup> MULTIDISCIPLINARY RESEARCH ON THE ENTREPRENEURSHIP AND BUSINESS COLLOQUIUM 2020/2021 THE READINESS OF STUDENTS IN UNIVERISITI

MALAYSIA KELANTAN TO USE E – WALLET

#### Muhammad Amir Addin Bin Shamsuri and Nik Noorhazila Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: addin.a17b0871@siswa.umk.edu.my; noorhazila.nm@umk.edu.my

#### Abstract:

This research is examining the readiness of students in Universiti Malaysia Kelantan to use e-wallet. There are 4 independent variable which is knowledge, technology anxiety and tradition barrier. The quantitative methodology is adopted for this study and the result shows that all the variables are supported by the carried analysis. The application of e-Wallet technology through mobile devices is the recent digital technology trend for consumer market in Malaysia. In addition, the government of Malaysia has introduced an e-Wallet based initiative under the Malaysia Budget 2020, namely "e-Tunai Rakyat" program with the ultimate aim for the nation to opt for digital payment. Studies done by prior researchers revealed that the success of a new technology concept, such as e-Wallet is intensely dependent on the readiness of user toward the new technology. Hence, this study aims to examine the readiness of students in Universiti Malaysia Kelantan to use e-wallet.

**Keywords**: E – wallet, Readiness of using e – wallet, knowledge, techonology anxiety, tradition barierr.

### 1 Introduction

E-wallet, sometimes as a digital or mobile wallet. E-wallet is an electronic card form capable of executing transactions by phone. Most applications in the e-wallet system allow users to use credit cards, debit cards, or online bank transfers to put cash into the e-wallet. Once users have money in their e-wallet, they can use it to pay merchants with their corresponding physical card to scan a QR code, "tap and pay" with the NFC feature of the phone, or for certain e-wallets. Most e-wallets also allow users to instantly pass money to friends using the e-wallet in the app. (Jackie, 2019)

However as stated by Jayaseelan (2017) e-wallets have sprouted thick and fast in Malaysia over the past few years and with over 40 e-wallet licences granted by Bank Negara Malaysia so far it doesn't look like they're going to slow down anytime soon. The country's central bank aims for Malaysia to be a cashless nation by 2020, with mobile-based payments being a core to the blueprint.

As e-wallets become more commonly accepted in retail stores, F&B shops, supermarkets, and even small vendors across the world, these mobile wallets seem to become a core part of the country's payment landscape. So, if people have not yet started using e-wallets or have reservations about them, here's a prim to get them to speed.

### 2 Literature Review

### 2.1 Technology Acceptance Model

This model has been hypothesized by Davis (1989), which proposed two constructs as primary elements in creating attitudes and behaviours toward IT adoption named as perceived usefulness and perceived ease of use. Perceived usefulness is defined by Davis (1989) as the degree to which a person believes that using a particular technology will enhance his performance. Perceived ease of use is defined by Davis (1989) as the degree to which person believes that using a particular system would be free of effort.

Later TAM has been widely implemented and validated by researchers in many empirical papers as a model can explain the significant factors affecting technology usage 12

(Zhao, 2010). Furthermore, TAM reserved huge concern among online payment acceptance researchers whom have been implemented it during their studies in aim to understand the human behaviour toward using this technology (Mohammed, 2018). Even though the previous researches which have been used TAM, have completely proved the constructs affect peoples' readiness towards using online payment but majority concerned about using and intention to use, while this research focusing on switching behaviour from the physical type of wallet including the usage of debit and credit card to the digital type of wallet.

### 2.2 Previous Studies

### 2.2.1 The readiness of using e – wallet

According to APA dictionary of psychology, readiness means a state of preparedness to act or to respond to a stimulus. Since this research paper will discuss about the readiness of using e-wallet, it is important to understand the definition of the readiness to using technology. Parasuraman and Colby (2015) describe technology readiness as the level at which users embrace and use the new technology to accomplish their personal goals. Before a consumer adopts a new technology such as a mobile payment app, they must be ready to embrace such a new technology which is the E-wallet. In the other hand, E-wallet means the digital equivalent of a real wallet, with the exception that money is digital and it functions as an app on a smartphone. Similar to regular wallets, e-wallets will need funds to function and perform transactions. This can be done by filling up the wallet with cash via credit cards, debit cards and online bank transfer as mention in CompareHero.my (2020).

### 2.2.2 Knowledge

Knowledge is a combination of instincts, ideas, rules and procedures guiding actions and decisions (Alter, 2002). Empirical support for the causal link between new technology knowledge and usage intentions (Polatoglu and Ekin, 2001; Sathye, 1999; & Howard and Moore, 1982). Apparently, bank customer knowledge has been identified as an important factor influencing the readiness to use e-wallet

### 2.2.3 Technology Anxiety

Technology anxiety is a negative emotional state or a negative cognition experienced by an individual when they use technology or technology equipment (Biozioneles, 2001). According to Hasan & Ahmed (2010), technology anxiety is a negative emotional response, such as fear or discomfort that people experienced when they think about using or actually using technology. As such, technology anxiety is expected to directly influence the use of new technological products and to moderate the relationship between technology leadership and the readiness to use e-wallet

### 2.2.4 Social Influence

Social influence in digital wallets can be defined as encouraging or influencing external factors, which is why an individual becomes a digital wallet user. The social environment affects new technology (Lu, Yao, & Yu, 2015). Social influence consists of various types, such as family or relative influence, friend recommendations, surroundings, advertisements, and user testimonials.

### 2.2.5 Tradition Barrier

Traditional barriers arise when an innovation changes existing routine in users (Mahatanankoon & Ruiz, 2007). Tradition barrier, according to Dotzauer & Haiss (2017), refers to the barrier where customers need to change their existing e-wallet routines. Traditional barrier is the most important element that negatively affects mobile payment services. According to Low (2016), traditional barrier may correlate with e-wallet mobile payment adoption since most gen-X in Malaysia prefer physical payment methods.

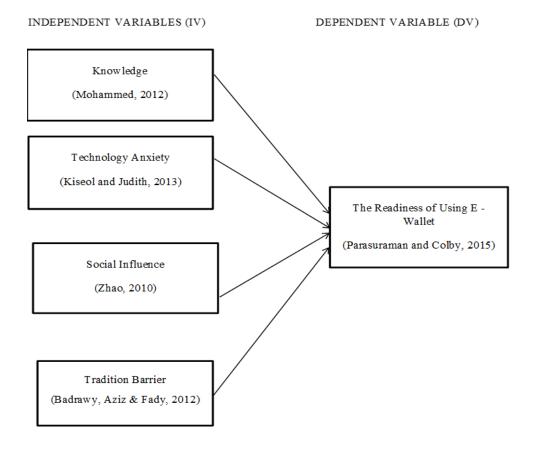


Figure 2.1 The Conceptual Framework of study the readiness of students in Universiti

Malaysia Kelantan to use E – wallet in transaction.

### 3 Research Methodology

This study highlighted the readiness of students in Universiti Malaysia Kelantan to use E - wallet. Therefore, a quantitative methodology was adopted for the present study. The sample are withdrawn from student in Universiti Malaysia Kelantan. To collect the data for this study, a convenience sampling technique was used. Convenience sampling involves selecting sample elements that are most readily available to participate in the present study and can provide the information requires (Heir, 2011). Besides that, this study also utilized questionnaires as a

survey to the targeted respondents. In overall, the number of respondent who participated in this study was 361 students. This data was analysed using Statistical Packages for the Social Sciences (SPSS).

### 3.1 Sampling Techniques

This study was administering a self-governing questionnaire to assess student readiness to use e-wallet at Universiti Malaysia Kelantan City Campus. This study chose non-probability sampling. Convenience sampling is the most suitable technique for this study, due to time and budget limitations and large sample size. It managed to gain data from respondents willing to provide it conveniently (Sekaran, U & Bougie, R, 2016). The main purpose of convenience sampling is to collect information from respondents easily accessible to the researcher (Etikan, Musa, & Alkassim, 2016). In general, respondents were choosing as they happened to be in the right place at the right time

### 3.2 Research Instrument Development

This study used the questionnaire as a research tool. Questionnaire is recognised as the best research tool when many people approach a researcher (Nardi, P.M, 2018). The questionnaire consists of three sections, section A, section B and section C.

Next, in section A contains background information of the respondent, including gender, ethnicity, age, course, and status. Meanwhile in section B, there are questions related to independent variable and in section C there are questions about dependent variable.

Thus, this study will be used the online platform that is questionnaire through Google Form and will distribute the questionnaire throughout the social media such as WhatsApp, Facebook and Twitter.

### 4 Findings And Discussion

The respondent profile was summarised. Out of 361 respondents, there were 143 males and 218 females. Most of the respondents were in the age category of between 21-23 (n=170), followed by respondents aged between 24-26 (n=117), respondents aged between 18-20 (n=59), and lastly from respondents aged between 27-above (n=15). Among the 361 respondents, there were 238 respondent's Malay, 52 respondents Chinese, Indians were 43 respondents and other ethnicity ethnicities were 28 respondents. Among 361 respondents who are from Faculty Entrepreneurship and Business (FKP) and Faculty of Hospitality, Tourism and Wellness (FHPK), there were 73 (20.2%) respondents from SAR course, from SAB course 45 (12.5%) respondents, 42 (11.6%) respondents from SAL course, 42 (11.6%) respondents from SAE course, and from SAK course 41 (11.4%) respondents. Respondents from FHPK, SAW course 40 (11.1%) respondents, followed by SAH course 39 (10.8%) respondents and from SAP course 39 respondents (10.8%). Finally, status respondents out of 361 there were 333 (92.2%) were single, and only 28 (7.8%) respondents are married.

### 4.1.1 Gender

Table 1 1 1 Gander

Gender	Frequency	Percent (%)
Male	143	39.6
Female	218	60.4
Total	361	100

### 4.1.2 Ethnicity

Table 4.1.2 Ethnicity

Ethnicity	Frequency	Percent (%)
Malay	238	65.9
Chinese	52	14.4
Indian	43	11.9
Other	28	7.8
Total	361	100

### 4.1.3 Age

Table 4.1.3 Age

Age	Frequency	Percent (%)
18-20	59	16.3
21-23	170	47.1
24-26	117	32.4
27 - above	15	4.2
Total	361	100

### 4.1.4 Course

Table 4.1.4 Course

Course	Frequency	Percent (%)	
SAR	73	20.2	
SAL	42	11.6	
SAB	45	12.5	
SAK	41	11.4	

1 Otal	301	100
Total	361	100
SAP	39	10.8
SAH	39	10.8
SAW	40	11.1
SAE	42	11.6

### 4.1.5 Marital Status

Table 4.1.5 Marital Status

Status	Frequency	Percent (%)
Single	333	92.2
Married	28	7.8
Total	361	100

### 4.1.6 Level Education

Table 4.1.6 Level Education

Status	Frequency	Percent (%)
STPM	153	42.4
Diploma	118	32.7
Matriculation	90	24.9
Total	361	100

### 4.2 Spearman's Correlation Coefficient

In terms of significance levels in the Spearman's correlation test and in the multiple regression that will be performed in the next part, there is a discourse in the literature of what should be the minimum accepted significance level (p) of a correlation and in multiple regression analysis (Westfall & Young, 1993). Zar (2009) argues that although the significance levels of p < 0.001, p < 0.01 and p < 0.05 are the most accepted significance levels, the 0.05 level is not a sacred or untouchable number, but can be modified depending on the sample size and the

circumstances of the study.

### 4.3 Correlation analysis

In this research, the researcher had implemented Multiple Linear Regression Analysis in statistics in order to find the relationship between the readiness of using e - wallet as the dependent variable and knowledge, technology anxiety, social influence and tradition barrier as the independent variables. Besides that, this analysis will help the researcher to identify the most dominant factor that the readiness of students in Universiti Malaysia Kelantan to use e – wallet.

			Coefficients	a		
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	1.002	.175		5.715	.000
	IV1	.398	.053	.378	7.468	.000
	IV2	.037	.040	.063	.923	.357
	IV3	.344	.044	.392	7.885	.000
	IV4	.007	.041	.013	.183	.855
a. Dep	pendent Variable: DV		1	1		

Table 4.3 Multiple Linear Regression

### 4.3.1 Checking the Model Assumption

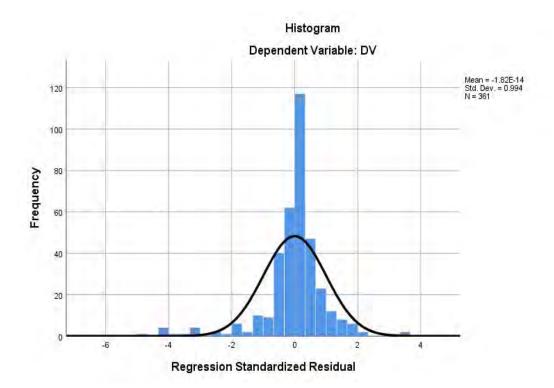


Figure 4.6 Histogram of Unstandardized Residual of the readiness that affect the students of Universiti Malaysia Kelantan to use E – wallet.

Based on the figure 4.6, it is shown that there is a normal bell shape distribution of the unstandardized residual of the of the readiness of the students in Universiti Malaysia Kelantan to use E - Wallet.

4.4 Hypothesis Testing

Table 4.4 Summary of the Hypothesis Testing

Objectives	Hypothesis	Result
To examine the relationship	H1: There is a significant relationship	Accepted
between level of knowledge	between the knowledge and the readiness of	-
and readiness of using e - wallet	students in Universiti Malaysia Kelantan to	
among students.	use E-wallet.	
To examine the relationship	H2: There is a significant relationship	Accepted
between the level of technology	between the technology anxiety and the	
anxiety and readiness of using	readiness of students in Universiti Malaysia	
e-wallet among students.	Kelantan to use E-wallet.	
To examine the relationship	H3: There is a significant relationship	Accepted
between level of social	between the social influence and the	
influence and readiness of using	readiness of students in Universiti Malaysia	
e – wallet among students.	Kelantan to use E-wallet.	
To examine the relationship	H4: There is a significant relationship	Accepted
between the level of tradition	between the tradition barrier and the	
barrier and readiness of using e-	readiness of students in Universiti Malaysia	
wallet among students.	Kelantan to use E-wallet.	

Based on table 4.12, it can be summarized that all the four independent variables which are the knowledge, technology anxiety, social influence and tradition barrier has a significant relationship among the students of Universiti Malaysia Kelantan to use E - wallet. Hence, all the hypothesis is accepted as the p value is less than 0.05.

### 5 Discussion and Conclusion

According to overall study, the researchers propose a number of suggestions for future studies. First, future researchers should balance the number of genders in order to get the precise outcome of the gender. Various views or factors have arisen in the formation of counterfeit products among students. Future study should take into account the choice of the number genders to balance the complete number of participants by ages.

Finally, this research presents the summarization the final results based on the data analysis. In other words, this involves an overview of the statistical evaluation and a review of the main location that will be relevant to the quantitative studies and the study issue. In the end, all four hypotheses have been proven to have a positive relationship and none of the hypothesis is rejected. In the meantime, it also included the limitation and recommendation regarding this research is important to provide the wide range of the information about the advantages and disadvantages related to this topic for future research.

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# THE SURVIVAL STRATEGY AMONG GROCERIES STORE IN KOTA BHARU, KELANTAN DURING MOVEMENT CONTROL ORDER (MCO)

### Muhammad Azim Bin Abu Bakar and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: Azim.a17b0979@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

Survival strategies desribe as utting costs, laying off employees, tightening profit margins and saving cash, in stark contrast to growth mode, during which a company reinvests profits, expands operations and brainstorms growth planning with long-term payoffs. According to (Roma Priya, April 2020), the Covid-19 slump followed by social distancing and a nationwide lockdown, businesses are experiencing major impacts no matter how established they are and are having to re-look at how they manage and operate their business including re-visitation of their business plan.so, this study will reveal on survival strategies that have been implement among groceries store. The researcher is focusing directly in Kota Bharu, Kelantan. . A comprising of different variables like cash model leverage, operational expenses and employee expenses were studied which influence the survival strategies among groceries store in Kota Bharu, Kelantan. A sample of 120 respondent among groceries store operator were collected and being asked to fill the questionnaire given by the researcher. The data obtained were analysis by using Statistical Package for the Social Science (SPSS). Based on data collected from the questionnaire survey, different method of data analyses such as descriptive, reliability and internal analyses are carried out. The findings reveal that the variables considered in the study are high positive correlation with survival strategies. It could be concluded from the results that the knowledge had a significant effect to the survival strategies. The results of this study will indicates for the reference for another researcher in the future

Keywords: survival strategies,cash flow,financial leverage,operational expenses,employee expenses

### 1 Introduction

### 1.1 Background of the research

Nowadays, the independent retail and grocery shop (IRGS) sector is facing challenges to remain relevant due to several factors. The reason of this situation is the ever-increasing dominance and expansion of big corporate supermarket chains in both domestic and international markets (Baron et al., 2001). Each enterprise operates in the way of turbulence and propensity in order to change in the business environment. Organizations need to know where they are, where they are going and how to manage the changes (Thompson, 2005). The

organization must be flexible because it operates in a dynamic environment. Business develops faster whenever the strategic management is used.

The Covid-19 coronavirus outbreak is a human tragedy affecting billions of people in this world. The outbreak also causes negative impacts on the global economy, industries, corporations and retail store. Economists predict the slowing down of economic activity momentum started from March 2020 onwards without specific ending date (Segal & Gerstel, 2020). Comprehensive statistics and official data about Covid-19 impacts on local retailers in Malaysia are still unavailable at least until the time of this article was wrote. Currently, the Malaysian Statistical Department just launched a special online survey on the effects of Covid-19 on Malaysians and the economy (The Star Online, 2020).

For that reason, this article intends to identify the survival strategies based on the responses of groceries store especially in Kota Bharu, Kelantan. This study is timely important to achieve five main agendas. First, is to provide the survival strategies among groceries store in Kota bharu during the Movement Control Order (MCO). Secondly, to identify the relationship between cash flow and the survival strategies by groceries store in Kota Bharu during Movement Control Order (MCO). Next, to identify the relationship between the financial leverage and the survival strategies by groceries store in Kota Bharu during Movement Control Order (MCO). Then, to identify the relationship between operational expenses and the survival strategies by the groceries stores in Kota Bharu, Kelantan. And finally, the relationship between employee expenses and the survival strategies by groceries store in Kota Bharu, Kelantan.

### 1.2 Research Question

- a) What is the survival strategies that have been implied by the groceries store in Kota Bharu, Kelantan during the Movement Control Order (MCO)?
- b) What is the relationship between the cash flow and survival strategies by the groceries store in Kota Bharu during the Movement Control Order (MCO)?
- c) What is the relationship between financial leverage and survival strategies by the groceries store in Kota Bharu during the Malaysian Control Order (MCO)?
- d) What is the relationship between employee expenses and survival strategies by the groceries store in Kota Bharu during Movement Control Order (MCO)?
- e) What is the relationship between operational expenses and survival strategies by the groceries store in Kota Bharu during the Movement Control Order (MCO)?

### 1.3 Research Objectives

The main objectives of the study is to find the survival strategies among groceries store in Kota Bharu, Kelantan during the Movement Control Order (MCO). To be specific, these are the research objectives that will focus on this study:

- 1. To identify the relationship between cash flow and survival strategies by the groceries store in Kota Bharu during the Movement Control Order (MCO).
- 2. To identify the relationship between financial leverage and survival strategies by the groceries store in Kota Bharu during the Malaysian Control Order (MCO).
- 3. To identify the relationship between employee expenses and survival strategies by the groceries store in Kota Bharu during Movement Control Order (MCO).

4. To identify the relationship between operational expenses and survival strategies by the groceries store in Kota Bharu during Movement Control Order (MCO).

### 2 Literature review

### 2.1 Underpinning theory

#### 2.1.1 Resource Based-View Theory

Resource Based-View Theory (RBV) has acknowledge the role of idiosyncratic strategies, firm's resources and specific internal factors as firm resources in uplifting firm's performance and sustainability (Barney, 1991; Warnier et al., 2013). The strategic goals of firm are to develop and deploy a combination of valuable, rare, inimitable and non-substitutable (VRIN) resources to achieve their full economic potential (Enders et al., 2009; Warnier et al., 2013). The framework is appropriate to develop integrated strategies that simultaneously cope with the internal and external perspectives of business strategic decisions (Cassia & Minola, 2012; Warnier et al., 2013).

### 2.1.2 Contigency Theory

Contingency theory suggests that the fit between an organization and its environment determines organizational performance such that an organization actively pursues strategic actions to align itself with the environment (Powell, 1992). As a result, retailers' strategic responses to economic challenges such as recessions can differ across firms (Walters, 1994). Katz's (1970) study proposed that for an effective business strategy, firms should concentrate resources where there is meaningful competitive advantage; however, if a firm's future earning power is less than its liquidated value, it should be sold. Accordingly, a retailer may focus on retrenchment, realignment, or investment (Sands and Ferraro, 2010). Retrenchment occurs when a firm downsizes its product/market objectives to improve performance by reducing costs or operation scales (Pearce et al., 1987). A difficult business environment pushes some retailers toward retrenchment in the form of store closings, bankruptcies, and divestment (Sands and Ferraro, 2010; Srinivasan et al., 2005). On the other hand, some companies, especially more financially robust organizations, view recession as an opportunity to establish competitive advantage and to increase investment in mergers/acquisitions, and/or development of new products, market segments, and channels of distribution (Sands and Ferraro, 2010; Srinivasan et al., 2005; Walters, 1994). Yet others may choose a more cautious approach, focusing on realigning their existing resources with the changed business environment. Realignment occurs when a firm seeks financial stability by pursuing similar objectives under similar product/market domains while emphasizing incremental improvement and adjustment of performance to better fit the firm's strategy with its external environment (Pearce et al., 1987; Walter et al., 2013).

### 2.2 Hypothesis

The hypotheses of this research developed from the question and objective of this study is:-

Hypothesis 1: there is significant relationship between cash flow and the survival strategies by groceries store in Kota Bharu.

Hypothesis 2: there is a significant relationship between financial leverage and the survival strategies implement by groceries store in Kota Bharu.

Hypothesis 3: there is a significant relationship between employee expenses and the survival strategies implement by groceries store in Kota Bharu.

Hypothesis 4: there is a significant relationship between operational expenses and the survival strategies implement by groceries store in Kota Bharu.

### 2.3 Conceptual Framework

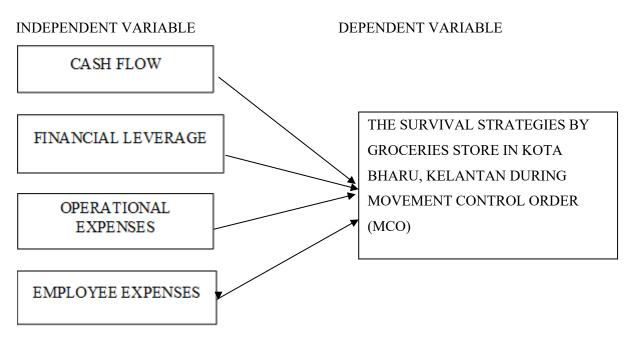


Figure 2.1: the independent variable and dependent variable of the research

### 3 Research Methodology

### 3.1 Research Design

In this section, there will be a study of quantitative research. This type of research can measure the independent variable which is financial leverage, cash flow, operational expenses and employee expenses with dependent variable which is the survival strategies used by groceries store in Kota Bharu, Kelantan via questionnaire.

### 3.2 Data Collection Method

In this study, the researcher will use non-probability sampling method. The meaning of non- probability sampling is the technique being selected for a sample cannot be calculated. It is different from probability sampling whereby you can calculate the odds. In addition, probability sampling involves random selection, while non-probability sampling does not relies on the subjective judgement of the researcher.

There are many types of non-probability sampling such as convenience sampling, haphazard sampling, purposive sampling, expert sampling and snowball sampling. In this case, the researcher will prefer to use convenience sampling method. Convenience sampling method is the method whereby members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study

### 3.3 Sampling and population

Population means several group of individuals, institutions and objects that have a common characteristics that interest the researcher to study about them. It means the target of the people for this study. The tittle of the research is the survival strategies among groceries store in kota Bharu, Kelantan

during Movement Control Order (MCO). The population of groceries store according to Kota Bharu Municipial City (MPKB-BRI) are 170 units of license given to operate groceries store.

Sample size measures the number of individuals that observe in this survey. Based on the data given by MPKB-BRI, sample size of the respondent is based on Krejcie and Morgan Table. After referring the table, there are 118 respondents from groceries store need to be taken. Furthermore, the data collection for this study is through questionnaire while for the data analysis for this study is by sing Pearson Correlation and Descriptive statistic through SPSS for the reliability and accuracy of the data.

### 4 Data Analysis

### 4.1 Demographic profile of respondents

Table 4.1 Demographic profile of respondents

Demographic Profile	Valid	Frequency	Percentage
Gender	Male	52	43.7
	Female	68	56.4
Age	18-25 years old	95	79.2
	26-30 years old	14	11.7
	31-35 years old	5	4.2
	36-40 years old	1	0.8
	40 years old and above	5	5
Mauritial Status	Single	103	85.7
	Married	16	13.4
	Divorce	1	0.9
How many years	0-5 years	95	79.5
operated business	6-10 years	12	10.3
	11-15 years	3	2.7
	Above 15 years	10	9.5
Operating Hours	Morning-evening	69	57.3
	Morning- night	33	27.5
	24 hours	18	15.5

Table 4.1 shows demographic profile of 120 respondents that answer the questionnaire. Based on data above, it is shown that female who operates groceries store in Kota Bharu is higher than man with (56.4%) with 68 people with men is around 52 people which covered (43.7%) of the respondent for this survey.

The next category of demographic is Age. It is (79.2%) of this respondent who is age between 18-25

years old with 95 amount of people. Others are (11.7%) with the amount of 14 people is in the group of age 26-30 years old, (4.2%) with the amount of 5 people in the group of 31-35 years old. Meanwhile, people in the age 36-40 years old covered (0.8%) of the respondent which has amount of one people only. The balance of (5%) with amount of 5 people is currently age above 40 years old.

In terms maritial status, the majority of the respondent are single which amounts of 103 people with percentange of (85.7%). 16 out 120 respondents state that they are married which covers (13.4%). There is one people that operates the groceries store is divorce which covers (0.9%) of this respondent. Next, this survey shows that (79.5%) or 95 out of 120 respondents operates the groceries store between 0-5 years. 12 respondents runs the groceries store in 6-10 years which covers (10.3%), 3 people or (2.7%) between 11-15 years and the remaining balance of 10 people which covers (9.5%) of respondenrs already operate groceries store in 15 years and above.

### 4.2 Descriptive analysis

### 4.2.1 Independent variables and dependent variable

Table 4.2 shows the mean and the standard deviation of both dependent variable and independent variables. Mean for dependent variable of this research is 4.465. For independent variables, the highest mean is cash flow which is 4.53 and followed by the financial leverage which is 4.528. The third highest mean of the independent variable is operational expenses which is 4.29. Employee expenses have the lowest mean as the independent variable which is 3.974.

	Descriptive Analysis	
Description	Mean	Standard Deviation
Cash Flow	4.53	0.6464
Financial Leverage	4.528	0.6532
Operational Expenses	4.29	0.8054
Employee Expenses	3.974	0.9442
The survival strategy among	4.465	0.6703
groceries Store in Kota Bharu		
during Movement Control		
Order (MCO)		

Table 4.2 the descriptive analysis

### 4.3 Validity and reliability test

Table 4.4 The normality test according to Cronbach alpha

Variable	Item	Cronbach Alpha
Cash flow	5	0.782
Financial leverage	5	0.700
Employee expensess	5	0.847
Operational expenses	5	0.856
The survival strategies	5	0.831
among groceries store in		
kota bharu during mco		

The Cronbach's Alpha is designed to measure a "goodness" reliability criterion in each group item and internal consistency. De Vaus, (2002) suggests that in order to measure the reliability of the scale, whether the internal consistency is unacceptable, poor, questionable, acceptable, good and excellent, the Alpha value of Cronbach should be between  $0.5 > \alpha$  and  $\alpha$  0.9. Table 4.3 shows the findings of the reliability test of each variable in this study. According to Table 4.3, the range of Cronbach's Alpha is from 0.700 to 0.856 which indicates that each item for each variable as good based on rule of thumb of Cronbach's Alpha Coefficient. According to the rule of thumb of Cronbach's Alpha coefficient, all the items of each variables represents as good as it exceeded 0.7. Hence, the reliability shows that all the items from each variable are easily understood by the respondents. This questionnaire is also accepted for data collection in this study.

### 4.4 Normality Test

Table 4.4 the test of normality

### **Tests of Normality**

	Kolmogoroy-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig,	Statistic	df	Sig.
N1	.372	474	.000	.698	474	.000
IV 2	.368	474	.000	.697	474	.000
IV 3	.294	474	.000	.774	474	.000
IV 4	.210	474	.000	.852	474	.000
DV	.351	474	.000	.726	474	.000

a. Lilliefors Significance Correction

The result based 4.4, outcome of normality test using SPSS revealed to be non-normality data set. Value of Shapiro-Wilk's Test and Kolmogorov-Smirnov's Test for all independent variables (cash flow,financial leverage,operational expenses and employee expenses) with dependent variable (the survival strategy among Groceries Store in Kota Bharu during Movement Control Order (MCO)) were 0.000, which is less than 0.05, this indicated that the data is non normality. Thus, non-parametric correlation will be used which refer to Spearman correlation from the hypotheses testing (Hinkle, Wiersma, & Jurs, 2003).

### 4.5 Hypothesis Testing

Table 4.5 Hypothesis test

OBJECTIVE	HYPOTHESIS	RESULT OF	DECISION
		ANALYSIS	
To identify the relationship	H1: there is significance		
between cash flow and survival	relationship between cash flow		
strategies by the groceries store	and survival strategies by the	r=0.369	Accept
in Kota Bharu during the	groceries store in Kota Bharu		
Movement Control Order	during the Movement Control		
(MCO).	Order (MCO)		
To identify the relationship	<b>H2:</b> There is significance		
between financial leverage and	relationship between financial		
survival strategies by the	leverage and survival strategies by	r=0.382	Accept
groceries store in Kota Bharu	the Groceries Store in Kota Bharu		

during the Malaysian Control	during the Movement Control		
Order (MCO).	Order (MCO)		
To identify the relationship	H3: There is significant		
between operational expenses	relationship between operational		
and survival strategies by the	expenses and survival strategies by	r=0.389	Accept
groceries store in Kota Bharu	the Groceries Store in Kota Bharu		
during Movement Control	during Movement Control Order		
Order (MCO).	(MCO)		
To identify the relationship	<b>H4:</b> There is significant		
between employee expenses	relationship between employee	r=0.197	Accept
and survival strategies by the	expenses and survival strategies by		
groceries store in Kota Bharu	Groceries Store in Kota Bharu		
during Movement Control	during Movement Control Order		
Order (MCO).	(MCO)		

Based on the result shown in table 4.5, we can conclude that all the independent variables are accepted. There is a positive relationship between cash flow, financial leverage, operational expenses and employee expenses with the survival strategies among groceries store in Kota Bharu, Kelantan during Movement Control Order (MCO). It is because the p-value is less than 0.05.

### 5 Recommendation and Conclusion

### 5.1 Discussion

The research was conducted to identify the survival strategies taken by the groceries store operator in Kota Bharu, Kelantan when the government started to introduce the Movement Control Order (MCO) during the pandemic of covid-19. In this research, primary data was undertaken by the online questionnaires through Goggle Form to collect feedback from respondent and secondary data from the journal and article.

For your information, the independent variable collected are cash flow, financial leverage, operational expenses and employee expenses. As for dependent variable is the survival strategy among groceries store in kota bharu during Movement Control Order (MCO). The information given by Kota Bharu Municipal Council (MPKB-BRI) states that the liscened groceries store is 170. A sample size of 120 groceries store operator were collected in doing this research. Google form questionnaire are given to them to fill their basic information alongside getting their opinion on the issued raised.

The analysis of data includes descriptive analysis, reliability analysis and Pearson Correlation Coefficient. The reliability test was conducted in this study to measure consistency, precision, repeatability and trustworthiness of this research. The Pearson Correlation also used in this research to denote relationship between two or more quantitative variable. The results shows that all the hypothesis build by the researcher is accepted since the p-value is less than 0.05.

This research has four different objectives. Firstly, to identify the relationship between cash flow and the survival strategies by the groceries store in Kota Bharu during Movement Control Order (MCO). Next, to identify the relationship between financial leverage and the survival strategies by the groceries

store in Kota Bharu during Movement Control Order (MCO). After that, to identify the relationship between operational expenses and the survival strategies by groceries store in Kota Bharu during the Movement control Order (MCO). Lastly, to identify the relationship between employee expenses and the survival strategies by the groceries store in Kota Bharu during movement Control Order (MCO).

#### 5.2 Recommendation/suggestion for future research

Hopefully, in the future another researcher that wants to research about survival strategies can study into different location outside Kota Bharu or Kelantan. This is because another location will totally offer a different opinion on how they survive in order to continue to operate the groceries store.

Other than that, the researcher hopes that people that wants to do this research not only focusing on Movement Control Order policy or when the pandemic Covid-19 disease happen only, but they have to focus on another crisis that might affect the groceries store operators such as financial crisis or their current situation that really out of their control.

Next, the method of research can be changed by interviewing directly throughout the operator of groceries store. The formal interview might give a detail explanation on their survival strategies in order to continue to operate the groceries store.

#### 5.3 Conclusion

As for conclusion, this research is focused on the survival strategies among groceries store in Kota Bharu during the Movement Control Order (MCO). There are four independent variable that really support the research. There are cash flow, financial leverage, Operational expenses and Employee Expenses. Based on hypothesis test using SPSS, we conclude that the independent variable stated in the research are accepted because the positive result that have been applied using the SPSS data.

### 6 Acknowledgements

First of all, I would like to thank to ALLAH S.W.T for his mercy in giving me full strength to complete the Final Year Project. The research tittle is "The survival strategies among groceries store in Kota Bharu, Kelantan". Even facing with so many difficulties and many corrections to do, but I still managed to do it. A lot of thanks to my supervisor, Dr. Ain Ayunni Binti Sabri for giving guidance in order to help me to finish my task that really tested my patience and full of stress when doing the task.

Then, I would like to thank to my parents and siblings for giving me the support in terms of spiritual so that I have the intention to finish my research. After that, I would like to give a big praise to all of my friends in Bachelor Of Entrepeneurship (Retailing) with Honours in Universiti Malaysia Kelantan from batch 17/18 for giving a big help and ideas to me in order to complete my task. Then, I would like to thank to all my friends that are willing give a big support to me to complete my task. Thanks

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### FACTORS THAT AFFECTING ONLINE IMPULSE BUYING BEHAVIOUR ON MICROTRANSACTION SPENDING IN FREEMIUM ONLINE GAMES AMONG GEN-Z CONSUMER IN MALAYSIA

#### Muhammad Hafiz Aiman Mohd Hanef and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: aiman.a17a0271@siswa.umk.edu.my, mahathir.m@umk.edu.my

#### Abstract:

Freemium games have been increasingly popular in recent years, across all types of online video games. Consumers playing freemium games do not have to pay to play a fully functioning game, but to enhance their playing experience, they are given several purchasing opportunities which is through microtransactions. Microtransaction spending on online games is similar to spending money doing online shopping, thus it is possible that this will invoke impulse buying behaviour. According to (Sani, 2019), current student generation lacks the ability to distinguish between needs and wants when it comes to spending money. Therefore, the aim of this study is to identify factors that affecting online impulse buying behaviour on microtransaction spending in freemium online games. A structure questionnaire was designed to gather the data from 384 respondents who are Gen-Z consumers all across Malaysia. Statistical Package for Social Sciences (SPSS) version 25 was used to assist in data analysis. Descriptive analysis, reliability test, normality test, Spearman Correlation analysis was executed in the data analysis. The results were concluded that the independent variables of sense of achievement, personalization, money availability and content activation have significance relationship towards factors that affecting online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia. Limitations of this study and recommendations are included in this paper to provide a better idea for future researchers related to studies involving online impulse buying behaviour and freemium online games.

**Keywords**: Freemium Online Game, Gen-Z consumer, Malaysia, Microtransaction, Online Impulse Buying Behaviour

#### 1 Introduction

In the previous decades, online video games have achieved significant growth. Consumers could undertake different social interactions in these games as opposed to playing games in solitude. A broad variety of games, such as massively multiplayer online games (MMO) (e.g., World of Warcraft and Maplestory M), first - person shooter games (FPS) (e.g., Counter Strike Global Offensive, Overwatch and Call of Duty: Mobile), real-time strategy games (RTS) (e.g., StarCraft, Age of Empires and Clash of Clan), multiplayer online battle arena game (MOBA) (e.g., Defense of the Ancients 2, Arena of Valor and Mobile Legends: Bang Bang) and the more recently emerged battle royal games (e.g., PlayerUnknown's Battlegrounds, Fortnite Battle Royale and Apex Legends), belong to this category. It is now projected that the global video game industry will be

worth \$159.3 billion in 2020, which is a significant 9.3% rise from 2019. With 2016 estimates predicting a total valuation of \$90.07 billion for the same time, this is a marked change in what was expected for the industry - a massive 76.8% difference between the two figures. The video game industry is currently expected to be worth \$200 billion by 2023 (Gough, 2020).

Freemium games have been increasingly popular in recent years, across all types of online video games. Consumers playing freemium games do not have to pay to play a fully functioning game, but to enhance their playing experience, they are given several purchasing opportunities which is through microtransactions (Wei Shi, Xia, & Huang, 2015). Freemium or free-to-play (F2P) games can be downloaded from app stores or video game digital distribution sites digitally at no cost. Although there may not be an initial purchase cost for F2P games, players frequently have to pay a premium fee in the form of real money transactions (microtransactions) to access such game content.

Following the drastic growth of online video games industry, many scholars have paid attention on why lead consumers to perform microtransaction spending in freemium online games whether it is impulsively or not (Hamari, et al., 2017) (Hsiao & Chen, 2016) (Balakrishnan & Griffiths, 2018). Microtransaction spending on online games is similar to spending money doing online shopping, thus making impulse buying behaviour that this study focus on is also online impulse buying behaviour. The impulse purchase behaviour phenomenon also can be seen in Malaysia as said by Malaysia Retail Chain Association (MRCA) president Datuk Seri Garry Chua, Malaysia will have at least 700 shopping malls in 2019 as the high value retail goods received 30% increase in business such as fashion, mobile phones, luxury items and gadgets compared to the essential items (Kaur, 2018).

Several problems that have arisen in the eyes of the consumers are where the impulse buying behaviour has been connected to debt growth, money-wasting, personal financing illiteracy and lack of sense of differentiating needs and wants (Nur, 2019). This repeated behaviour has contributed to a number of problems among consumers who spend more than what they are capable of, growing debt and lack of sense of differentiating needs and wants (Mohamed, et al., 2020). This study intends to help Gen-Z consumers especially on their understanding on this issue thus making the researcher intend to study factors that affecting online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.

#### 1.1 Research Objectives

- 1. To identify relationship between consumers' sense of achievement and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.
- 2. To determine relationship between personalization and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.
- 3. To figure out relationship between money availability and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.

#### 1.2 Significance of Study

The findings of this study will greatly benefit to the vast sea of knowledge of social studies in relation of academicians, practitioners and students' achievements worldwide. Vital results of this research could be highly significant and beneficial, especially to the consumers of freemium online games. By increasing their own awareness on what is the factors that affect consumers to buy a virtual item through microtransaction spending impulsively, consumers can acknowledge the root of the problem and avoid from being in a problematic position.

On the side of freemium online games developer, by knowing the factors that affect consumers, they can adjust goods and services that they offer suitable to the factors that been studied in order to further increase their sales and profits. For the researchers, this study will help uncover future problem or critical areas regarding this topic that many local researchers do not yet explore.

#### 2 Literature Review

#### 2.1 Underpinning Theory

#### 2.1.1 McClelland's Human Motivation Theory

Human motivation is, according to David McClelland, "a persistent concern for a target condition or state as measured in fantasy that drives, directs and selects the individual's actions". In the 1940s, working with Henry Murray, he concentrated on three specific motives: the Need for Achievement (N Ach); the Need for Association (N Aff); and the Need for Power (N Pow). His work was based on N Ach from the late 1940s through the 1960s. He also said that everybody has all three of these motivations, but simply with a different relative degree, and a special combination that gives one his personality is the product of the requirements (McClelland, 1987).



Figure 1: McClelland's Human Motivation Theory model

For this research, one of the motives of McClelland's Human Motivation Theory are used for references in effort of constructing independent variable for the research. It is necessary to achieve the motive that is being used. The Need for Achievement is an

unconscious push towards a degree of performance to do better. Individuals with a deep need for performance measure themselves against clear targets.

#### 2.1.2 Uses and Gratifications Theory

The theory of uses and gratifications, first stated in 1959 by Elihu Katz, shows that people use media with various purposes and play an active role in choosing the information services they are able to access (Liang, Lai, & Ku, 2006). Uses and gratifications are a theory used to describe how media are used for different purposes to fulfil the needs of individuals (Smock, Ellison, Lampe, & Wohn, 2011).

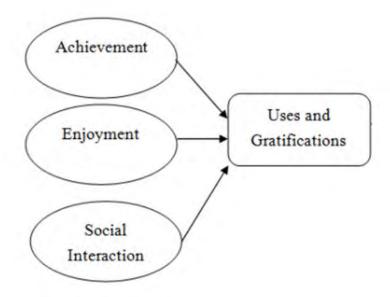
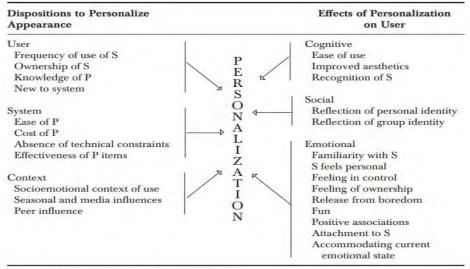


Figure 2: Conceptual model of Uses and Gratifications Theory Source: (Chuang, 2015)

The theory of uses and gratifications has three key components, according to previous research, one of it is achievement, which refers to improving esteem, status, and credibility (Wu, Wang, & Tsai, 2010) (Wasko & Faraj, 2005). Consequently, the viewpoint of uses and gratifications takes an individual view. In order to satisfy their needs, people can select distinct contingencies to follow suitable social media. In addition, these needs can contribute to multiple cognitive, affective and behavioural outcomes (Wu, Wang, & Tsai, 2010) (Pornsakulvanich, Haridakis, & Rubin, 2008).

#### 2.1.3 Theory of Personalization of Appearance

(Blom & Monk, 2003) suggest that the theory of appearance personalization shown in Figure 2.3 is a detailed account of the perceived arrangements for, and consequences of, appearance personalization. The provisions predict behaviour; one would expect personalization to be more likely to take place if they were present. Similarly, the implications derive from behaviour. The more personalization has taken place, the more evident these consequences may be. Psychologists have learned not to trust experience reports as the only proof of a psychological mechanism, and instead tend to conclude from studies in which manipulations result in improvements in behaviour observed.



Note. S = system or product; P = personalization.

Figure 3: The Theory of Personalization of Appearance Source: (Blom & Monk, 2003)

#### 2.1.4 Process-Oriented Theory: User Participation and Involvement

The degree of user engagement in the process of building their interest profiles is another dimension relevant to personalization. Based on the theory of user involvement, the participation of the user in the process can increase user satisfaction. The practitioner and researcher argued that user engagement in the creation and implementation of information systems was important in the early 1960s (Ives & Olson, 1984).

At that time, a design approach reflecting the emphasis on user participation (called participative design) was popular. User participation was later distinguished by (Barki & Hartwick, 1989) as a set of activities or behaviours performed by potential users and user participation as a subjective psychological condition, indicating the significance and personal relevance attached to a given method by a user.

#### 2.2 Money Availability

The availability of money can be defined as a sum of money or additional funds that a person has and that extra money has to be spent on that same day (Beatty & Ferrell, 1998), so that the money availability is considered a significant factor in the impulse buying phase that is simulated by the individuals involved to affect purchasing power (Foroughi, Buang, Senik, & Hajmisadeghi, 2012). The conduct of consumer spending with the availability of additional funds would make customers have their own experience of spending additional funds (Roach, et al., 2018) (Zukin & Maguire, 2004). (Luo, 2004) also illustrates that the availability of money will increase the risk of impulsive purchases.

Furthermore, (Huang & Hsieh, 2011) notes that when they feel they have extra money to spend, consumers feel stimulated, giving rise to a positive emotional state. As a consequence of the feeling of greater financial resources being available, the negative feeling that can be produced from the frustration with the inability to access the affordable products found in the store is reduced (Dinesha & Kankanamge, 2014). The more money

you have, the greater the incentive for buyers to make transactions and, of course, the greater the chances of purchasing momentum (Beatty & Ferrell, 1998). Money plays an important role in such circumstances, which can affect the actions and attitudes of an individual (Badgaiyan & Verma, 2011). In the process of impulse buying, money availability is a facilitator since the purchasing power of an individual is defined by the amount of money, he owns (Beatty & Ferrell, 1998).

People's positive emotions are often linked to wealth, employment, or social status, according to research (Seligman & Csikszentmihalyi, 2000). It is more likely that people who feel that they have enough resources will be satisfied. Specifically, the availability of money plays a facilitating role because it increases consumer purchasing power. They seem to be more optimistic and happier when customers have more money on hand to spend (Srivastava & Kumar, 2007). Similarly, (Wood, 1998) found that customers are more likely to experience optimistic emotions with more cash availability. Therefore, the availability of money may positively moderate the relationship between the emotional responses of customers to the environmental characteristics of retail and their buying behaviour because customers with high availability of money may feel happier and respond more positively to the clothing environment and thus make purchases of momentum compared to those with low availability of money (Chang, Yan, & Eckman, 2014).

#### 2.3 Content Activation

Content is that the most of what is found in a game, according to (Shaker, Togelius, & Nelson, 2016) definition: maps, levels, textures, game rules, items, plots, music, quests, vehicles, weapons, characters, etc. In their concept, the game engine itself is not considered to be material. In addition, non-player character behaviour is often not considered content. For example, addons, access to certain gaming options, new gaming content, downloadable content (DLC), the ability to multi-play and delete undesirable content such as advertisements, all by payment, are the most common methods of accessing such content (Harviainen & Hamari, 2015; Lehdonvirta & Castronova, 2014). Access and content are also more or less the two of the same coins on both sides, where one suits the other more or less, such as access to new content.

Related product-based commodity categories associated with console games and personal computer (PC), such as downloadable content, expansion packs and shareware, are rooted in the option of buying additional game content (Nieborg, 2014; Nieborg, 2011). For instance, while the first three episodes of Candy Crush (i.e. sets of levels) are free, players at level 35 are given three options: investing cash by spending bars of gold, spending time playing out a variety of challenges that are postponed again, or spending social capital by asking three Facebook Friends for assistance.

Downloadable content from a strictly consequentialist viewpoint is a complicated issue. If the DLC is actually created after the content sold and intended to provide the game with more, but not critical content, it passes muster from both the point of view of intent and effects, the intention is to provide the player a choice to buy more content to expand your gaming experience and improving it (Kimppa, Heimo, & Harviainen, 2016). During game development, however, a lot of DLC is created and the game has been

disadvantaged by delete it before release; make the playable game unplayable; at least significantly decreasing the playing experience, and thus even the purpose, let alone the repercussion, is unethical.

Usually, new gaming content sold inside the game is a fairly straightforward problem, but it just rips the player off. The player is unenlightened of the possibility, and is unexpectedly evoked to the possibility of purchasing content in the game that they did not know they wanted to buy in order to achieve the completion of the game (Kimppa, Heimo, & Harviainen, 2016). On the other hand, the ideal only consequentialist gaming addition is to provide a user-generated content alternative for the players-it is deliberately wise to give the players resources to expand the game, and the results could not be better from the perspective of the players. Regardless of the fact that content monetization produced by third parties can be very tricky (Lehdonvirta & Castronova, 2014), an increasingly viable market strategy for publishers also appears to be.

#### 2.4 Hypotheses Statement

- Ho: There is no significant relationship between consumers' sense of achievement and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.
- H<sub>1</sub>: There is significant relationship between consumers' sense of achievement and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia
- H<sub>0</sub>: There is no significant relationship between personalization and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.
- H<sub>2</sub>: There is significant relationship between personalization and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia
- Ho: There is no significant relationship between money availability and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia
- H<sub>3</sub>: There is significant relationship between money availability and online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia
- H<sub>0</sub>: There is no significant relationship between content activation and online impulse buying behaviour on microtransaction spending in free mium online games among Gen-Z consumer in Malaysia.
- H<sub>4</sub>: There is significant relationship between content activation and onlineimpulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia.

### 2.5 Conceptual Framework

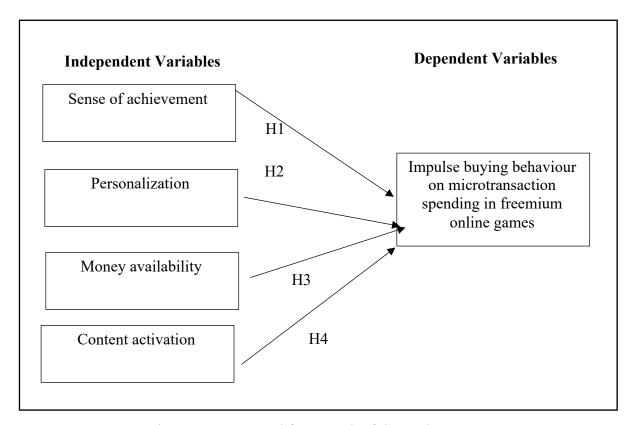


Figure 4: Conceptual framework of the study

### 3 Methodology

### 3.1 Research Design

Research design is the key project, according to (Zikmund, 2003), that outlining the methods, processes, and procedures used to collect and analyse the necessary information. Research design may generally be defined as a framework for setting up and carrying out a specific study. In this analysis, researchers used the process of data collection as a quantitative approach. According to (Burns & Bush, 2006), the quantitative method is defined as a study of large numbers of individuals engaged in the use of standardised questions that have prearranged the response options. A random sampling and organised collection of data is a quantitative process, according to (Walliman, 2017). It is possible to calculate and express quantitative data in the form of numbers. The approach that involves selecting samples based on particular intervals is systematic random sampling (Walliman, 2017). By using tools such as questionnaires, the quantitative approach produces statistics. A structure questionnaire was designed to gather the data on factors that affecting online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia. In order to obtain numerical measurement and discover the relationship, the information was then analysed by entering it into SPSS.

#### 3.2 Data Collection

Data collection methods are according to (Sekaran, Research Methods for Business: A Skill Building Approach (4th Edition), 2003), an important part of the research process. Via two primary and secondary resources, data and information can be gathered. In this research, data collection is a popular online survey questionnaire using the primary method of data collection. An online questionnaire is used to collect information from young consumers in all across Malaysia. Next, based on the questionnaire, SPSS is used as a method to classify and analyse the data. Secondary data is data that has already been gathered and made publicly available to primary sources for researchers to use for their own study. It is a kind of information that in the past has already been gathered. Researchers have used a number of secondary materials and compiled them. Website information, online journals and articles, as well as newspapers and magazines, for example.

#### 3.3 Sampling

In this research, the target population consisted people who are in the age range between 16 - 24 years old, and that are used to perform microtransaction spending once or more in their life that lives all across Malaysia. For the purpose of this research, the data will be collected through student from various local universities and local high schools. According to United Nations, Department of Economic and Social Affairs, Population Division, Prospects 2010, the age bracket of 16 -24 years old consist 18.7% of Malaysia total population which is 31,949,777, thus making population for selected Gen-Z consumer 5,974,608 approximately. For this study, the most appropriate sample size which is based on (Krejcie & Morgan, 1970) is 384 considering the population size is 5,974,608 approximately. The selection of the sampling technique in this study will be cluster sampling. Cluster sampling is a probability sampling method that is also frequently used to examine large populations, particularly those widely distributed geographically (Thomas, 2020). Typically, researchers use pre-existing units as their clusters, such as schools, universities or towns. According to (Thomas, 2020), cluster sampling is time-efficient and cost-effective, especially for samples that are widely dispersed geographically and would otherwise be difficult to sample properly.

#### 3.4 Data Analysis

The information obtained from the survey questionnaire was analysed using data analysis. The analytical methods used to transfer raw data into concrete numbers and information are illustrated in this section. In this analysis, the set of data will be measured and analysed using SPSS. IBM SPSS (Statistical Package for Social Science) Statistics version 26 would be used for this study. According to Uma Sekaran and Bougie (2016), SPSS was the system which can make the statistical data analysis. The researcher can use IBM SPSS Statistics to understand the data, to analyse, forecast and plan. A pilot test, reliability test, descriptive analysis, normality test and Spearman Correlation analysis will be conducted for this data analysis.

#### 3.5 Pre-Testing of The Instrument (Pilot Test)

In order to make sure that the questionnaire can be used for the research, a pilot test was conducted to test the validity and reliability of the questionnaire. Researcher distributed questionnaires for pilot test through Google Form and only collected first 30 responses to be used in pilot test as data. Table 1 show the result of reliability test of questionnaire to identify the questionnaire answering the research objective.

Table 1: Result of Reliability Test for Independent Variable and Dependent Variable

Variables	Cronbach Alpha	Number of Items
Online Impulse Buying Behaviour	0.757	5
Sense of Achievement	0.926	5
Personalization	0.830	5
Money Availability	0.717	4
Content Activation	0.826	5
Total	0.922	24

According to Table 1 result, value of each section of questionnaire is acceptable because it is more than 0.700 of Cronbach Alpha. The highest value of Cronbach Alpha is for sense of achievement variable which is 0.926 that is section C in questionnaire and the lowest value of Cronbach Alpha is money availability variable which is 0.717 that is section E in questionnaire. Researcher decides to remain using the questionnaire and there are no changes or deletion in any sections. As a result, the questionnaire is reliable and can be used in this research because the total value of Cronbach Alpha for all variables is 0.922 which is in the range of high correlation that is excellent and acceptable.

### 4 Findings

The number of respondents needed for this research is 384 respondents but researcher managed to collect 386 respondents. Researcher proceed to use 386 respondents for data analysis.

### 4.1 Demographic Profile of Respondents

Table 2: Demographic Profile of 386 Respondents

Demographic Profile (N=386)			
Demographic	Category	N	Percentage
Characteristics			(%)
Gender	Male	169	43.8
	Female	217	56.2
Ethnicity	Bidayuh	4	1.0
	Bugis	6	1.6
	Chinese	74	19.2
	Dusun	3	0.8

Age	Iban Indian Kadazan Malay Melanau Orang Asli Peranakan  16 17 18 19 20 21 22 23 24	8 57 4 217 4 6 3 30 39 23 40 26 28 52 104 44	2.1 14.8 1.0 56.2 1.0 1.6 0.8 7.8 10.1 6.0 10.4 6.7 7.3 13.5 26.9 11.4
Income	RM0 - RM1000	258	66.8
	RM1000 - RM2000	94	24.4
	RM2000 - RM3000	21	5.4
	RM4000 - RM5000	6	1.6
	RM5000 - Above	7	1.8
Job Status	Employed (Full Time	36	9.3
	Employed (Part Time)	62	16.1
	Student	275	71.2
	Unemployed	13	3.4
Education Level	Degree	160	41.5
	Diploma	52	13.5
	Master	5	1.3
	SPM	101	26.2
	STPM	68	17.6
Payment Method That Used for Microtransaction Spending	Online Banking (e.g., Maybank2u, CimbClick, etc.) E-wallet (e.g., Touch 'n Go eWallet, Alipay,	282 249	31.9 28.2
	MOL-Wallet etc.) Online Payment Systems (PayPal, Google Pay, Venmo etc.) Credit Card Channel (e.g., VISA, Mastercard, Amex, etc.)	122 95	13.8

	Payment Over the Counter (e.g., MOLPay Cash)	91	10.3
Variety of Online Games That Always Played	Multiplayer Online Battle Arena games (e.g., Defense of the Ancients 2, Arena of Valor, League of Legends: Wild Rift, Mobile Legends: Bang Bang)	233	17.2
	Battle Royal games (e.g., PlayerUnknown's Battlegrounds, Fortnite Battle Royale, Apex Legends, Garena Free Fire, Brawl Stars etc.)	226	16.7
	First Person Shooter games (e.g., Counter Strike Global Offensive, Overwatch, Call of Duty: Mobile, Modern Combat Versus etc.)	183	13.5
	Massively Multiplayer Online games (e.g., World of Warcraft, Among Us, Genshin Impact etc.)	162	12
	Real-Time Strategy games (e.g., StarCraft, Age of Empires, Clash of Clan, Boom Beach, Clash Royale, Rise of	147	10.9
	Kingdom etc.) Puzzle games (e.g., Candy Crush, Angry Bird, Cut the Rope, The Room, Unblock Me, Puzzle and Dragons etc.)	122	9
	Role-Playing Games (e.g., Raid: Shadow Legends, ONE PUNCH MAN: The Strongest, Arcane Quest Legends,	96	7.1

Dragon Quest VIII,		
Final Fantasy series etc.)		
Sports games (e.g., PES	95	7
2020, FIFA Soccer,		
NBA Live Jam, FIE		
Swordplay, Basketrio,		
World of Tennis:		
Roaring '20s etc.)		
Simulation games (e.g.,	89	6.6
Sims Mobile, Episodes,		
Cooking Fever, Hey		
Day, Animal Crossing:		
Pocket Camp, BitLife		
etc.)		

#### 4.2 Descriptive Analysis

Table 3: Descriptive Statistics of Dependent Variable and Independent Variables

#### **Descriptive Statistics**

Variables	N	Mean	Std. Deviation
Online Impulse Buying Behaviour	386	3.4772	1.04861
Sense of Achievement	386	3.5674	.95154
Personalization	386	3.4192	.80592
Money Availability	386	3.1671	1.02244
Content Activation	386	3.5150	.99965

Table 3 showed the overall descriptive statistics of dependent variable and independent variables in factors that affecting online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia. For the independent variable, sense of achievement that has the highest value of mean indicated at 3.5674 followed by content activation with the mean of 3.5150 and personalization with the value of mean at 3.4192. In comparison, money availability recorded as having the lowest value of mean, which is 3.4192. However, the value of mean for dependent variable which is online impulse buying behaviour was recorded at 3.4772. Through the result, it shows that most of the respondents agreed that sense of achievement has the most effect online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia, whereas money availability has the least effect. Besides, the standard deviation is indicated how close the data is to the mean. Based on table 3, the highest standard deviation for independent variable is money availability, which represented at 1.02244, followed by content activation, which is at 0.99965, and sense of achievement, which is 0.95154. In comparison, the lowest standard deviation is personalization, which represented at 0.80592. However, the standard deviation for dependent variable which is online impulse buying behaviour represented at 1.04861 making it the highest overall standard deviation of all variables.

#### 4.3 Reliability Test

Unlike in the pilot test which is only 30 response from 30 respondents were collected in order to test the reliability of the questions before the questionnaire being spread out, this reliability test was carried out in order to test whether the questions in questionnaire is still reliable even after responses being collected from actual number of respondents which are 384 respondents. Table 3 show the result of reliability test of questionnaire to identify the questionnaire answering the research objective.

Table 3: Result of Reliability Test for Independent Variable and Dependent Variable

Variables	Cronbach Alpha	Number of Items
Online Impulse Buying Behaviour	0.909	5
Sense of Achievement	0.852	5
Personalization	0.782	5
Money Availability	0.833	4
Content Activation	0.885	5

According to Table 3 result, value of each section of questionnaire is acceptable because it is more than 0.700 of Cronbach Alpha. The highest value of Cronbach Alpha is for sense of achievement variable which is 0.909 that is section B in questionnaire and the lowest value of Cronbach Alpha is personalization variable which is 0.782 that is section D in questionnaire. Researcher decides to remain using the questionnaire and there are no changes or deletion in any sections. Due to the coefficient obtained for all questions of variables have a good consistency and stability, therefore all questions used for this variable is valid and reliable.

#### 4.4 Normality Test

Table 4: Test of Normality of All Variables

Tests of Normality						
	Kolmogo	orov-Sm	irnov <sup>a</sup>	Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Online Impulse Buying Behaviour	.170	386	.000	.870	386	.000
Sense of Achievement	.161	386	.000	.918	386	.000
Personalization	.118	386	.000	.960	386	.000
Money Availability	.179	386	.000	.938	386	.000
Content Activation	.169	386	.000	.922	386	.000

The normality of data was checked and analysed in the SPSS system. The Kolmogorov-Smirnov<sup>a</sup> and Shapiro-Wilk test was used in this study to test the data for normality. There are two ways to comprehend about distribution which are normal and abnormal distribution. The any variables that have p-value lesser than 0.05 was data regarding abnormality.

Based on the Table 4, it shows test of normality of all variables in the study through Kolmogorov-Smirnov<sup>a</sup> and Shapiro-Wilk test. The outcome in each test shows that all the significant value, p is 0.000 which is less than 0.05 thus making the data as abnormal because does not follow a normal distribution. Due to the result in this test, in order to define the relationship between two variables in this study, Spearman correlation analysis should therefore be applied in hypothesis testing instead of Pearson correlation analysis (Newson, 2002).

#### 4.5 Hypotheses Testing (Spearman Correlation Analysis)

#### 4.5.1 Sense of Achievement

Table 5: Correlation Coefficient between Sense of Achievement and Online Impulse Buying Behaviour On Microtransaction Spending in Freemium Online Games

		Correlations		
			Online Impulse	Sense of
			Buying Behaviour	Achievement
Spearman's rho	Online Impulse	Correlation	1.000	.788**
	Buying Behaviour	Coefficient		
		Sig. (2-tailed)		.000
		N	386	386
	Sense of	Correlation	.788**	1.000
	Achievement	Coefficient		
		Sig. (2-tailed)	.000	
		N	386	386

Based on Table 5, it shows the Spearman's correlation coefficient, significant value and 386 numbers of respondents. The result of the significant value,  $\rho$ , for this analysis is lower than the alpha root (0.01) which is 0.000 and this indicates that there is a positive relationship between sense of achievement and online impulse buying behaviour on microtransaction spending in freemium online games. The correlation coefficient for sense of achievement and online impulse buying behaviour on microtransaction spending in freemium online games is 0.788 and according to (Hinkle, Wiersma, & Jurs, 2003) this indicates a strong strength of correlation between sense of achievement and online impulse buying behaviour on microtransaction spending in freemium online games. Therefore, null hypothesis was rejected after Spearman correlation analysis was conducted and it means that this study accepts alternate hypothesis (H<sub>1</sub>).

#### 4.5.2 Personalization

Table 6: Correlation Coefficient between Personalization and Online Impulse Buying Behaviour On Microtransaction Spending in Freemium Online Games

		Correlations		
			Online Impulse	
			Buying Behaviour	Personalization
Spearman's	Online Impulse	Correlation	1.000	.732**
rho	Buying Behaviour	Coefficient		
		Sig. (2-tailed)		.000
		N	386	386
	Personalization	Correlation	.732**	1.000
		Coefficient		
		Sig. (2-tailed)	.000	
		N	386	386

Based on Table 6, it shows the Spearman's correlation coefficient, significant value and 386 numbers of respondents. The result of the significant value, ρ, for this analysis is lower than the alpha root (0.01) which is 0.000 and this indicates that there is a positive relationship between personalization and online impulse buying behaviour on microtransaction spending in freemium online games. The correlation coefficient for personalization and online impulse buying behaviour on microtransaction spending in freemium online games is 0.732 and according to (Hinkle, Wiersma, & Jurs, 2003) this indicates a strong strength of correlation between personalization and online impulse buying behaviour on microtransaction spending in freemium online games. Therefore, null hypothesis was rejected after Spearman correlation analysis was conducted and it means that this study accepts alternate hypothesis (H<sub>2</sub>).

#### 4.5.3 Money Availability

Table 7: Correlation Coefficient between Money Availability and Online Impulse Buying Behaviour On Microtransaction Spending in Freemium Online Games

		<b>Correlations</b>		
			Online Impulse	Money
			Buying Behaviour	Availability
Spearman's rho	Online Impulse	Correlation	1.000	.794**
	Buying Behaviour	Coefficient		
		Sig. (2-tailed)		.000
		N	386	386
	Money Availability	Correlation Coefficient	.794**	1.000
		Sig. (2-tailed)	.000	
		N	386	386

Based on Table 7, it shows the Spearman's correlation coefficient, significant value and 386 numbers of respondents. The result of the significant value, ρ, for this analysis is lower than the alpha root (0.01) which is 0.000 and this indicates that there is a positive relationship between money availability and online impulse buying behaviour on microtransaction spending in freemium online games. The correlation coefficient for money availability and online impulse buying behaviour on microtransaction spending in freemium online games is 0.794 and according to (Hinkle, Wiersma, & Jurs, 2003) this indicates a strong strength of correlation between money availability and online impulse buying behaviour on microtransaction spending in freemium online games. Therefore, null hypothesis was rejected after Spearman correlation analysis was conducted and it means that this study accepts alternate hypothesis (H<sub>3</sub>).

#### 4.5.4 Content Activation

Table 8: Correlation Coefficient between Content Activation and Online Impulse Buying Behaviour On Microtransaction Spending in Freemium Online Games

$\sim$	,		
Co	rre	latio	nnc

		00110110110		
			Online Impulse	Content
			Buying Behaviour	Activation
Spearman's rho	Online Impulse	Correlation	1.000	.771**
	Buying Behaviour	Coefficient		
		Sig. (2-tailed)		.000
		N	386	386
	Content	Correlation	.771**	1.000
	Activation	Coefficient		
		Sig. (2-tailed)	.000	
		N	386	386

Based on Table 8, it shows the Spearman's correlation coefficient, significant value and 386 numbers of respondents. The result of the significant value, ρ, for this analysis is lower than the alpha root (0.01) which is 0.000 and this indicates that there is a positive relationship between content activation and online impulse buying behaviour on microtransaction spending in freemium online games. The correlation coefficient for content activation and online impulse buying behaviour on microtransaction spending in freemium online games is 0.771 and according to (Hinkle, Wiersma, & Jurs, 2003) this indicates a strong strength of correlation between content activation and online impulse buying behaviour on microtransaction spending in freemium online games. Therefore, null hypothesis was rejected after Spearman correlation analysis was conducted and it means that this study accepts alternate hypothesis (H<sub>4</sub>).

#### 5 Discussion

#### 5.1 Sense of Achievement

According to previous studies by (Yee, 2007), achievement act as one of three overarching components that gives motivations for various demographic variable such as age, gender and usage pattern to play game. Sub components such as advancement of the game, mechanics of the game and competition among players makes achievement a

strong reason to play game. It can be concluded that Gen-Z consumer that has a high sense of achievement is likely to impulsively buy things in game thus proving the positive relationship and strong correlation strength between sense of achievement and online impulse buying behaviour.

#### 5.2 Personalization

According to the previous studies by (Lehdonvirta, Virtual item sales as a revenue model: identifying attributes that drive purchase decisions, 2009), personalisation which is an act that allowing users to modify attributes of the asset according to their preferences can also strengthen the emotional bond the user has with the asset which in this case a character or object used by a character in freemium online game. It can be concluded that personalization becomes somewhat a preference for Gen-Z consumer that cause them to impulsively buy things in game. Thus, proving the positive relationship and strong correlation strength between personalization and online impulse buying behaviour.

#### 5.3 Money Availability

According to the previous studies by (Dey & Srivastava., 2017), money availability positively moderates the relationship between consumers' hedonic shopping value and impulse buying intentions. This situational factor may influence how young consumers feel and therefore trigger their impulse buying intentions. It can be concluded that Gen-Z consumer are also a part of young consumers that can be influence by money availability factor and trigger their online impulse buying behaviour that can cause them to impulsively buy things in game. Thus, proving the positive relationship and strong correlation strength between money availability and online impulse buying behaviour.

#### 5.4 Content Activation

According to the previous studies by (Hamari & Lehdonvirta, Game design as marketing: How game mechanics create demand for virtual goods, 2010), one major form of in-game content is simply more content to play such as maps and levels. Doesn't matter whether its stratified content, increasingly challenging content, horizontal gameplay content or alterations to existing content, content keeps the game interesting and exciting for consumers and leave them wanting more. It can be concluded that activating a content is a thrilling thing to do for Gen-Z consumer that makes them impulsively do their microtransaction spending in game. Thus, proving the positive relationship and strong correlation strength between content activation and online impulse buying behaviour.

#### 6 Recommendations

For the future research, researcher can increase the number of sample size of the study in order to get even higher degree of accuracy and lower margin of error. The sample size that this study currently used has a 0.05 margin of error with 95% of data confidence. The sample size needs to wisely chosen because the sampling affected the usefulness of the data (Salkind, 2003). Future studies could be based on a larger sample and over a longer period of time in order to get more respondents who are used to perform microtransaction spending once or more in their life.

In addition, future research can also focus on a few data collection methods, for example, using the various assessment devices, for example, next to using the survey, the analyst can make a central gathering and top-to-bottom meetings as well as using the open-finished poll. The researchers can discover more information from the direct interview and open-ended questionnaire that affect the perception of the consumer on online food delivery apps, as well as simply relying on the one methodology. By using the various estimation strategies, the result can be more grounded than using the one methodology.

#### 7 Conclusion

This research was conducted to figure out factors affecting online impulse buying behaviour on microtransaction spending in freemium online games among Gen-Z consumer in Malaysia and also aim to identify the relationship between four independents of the study which is sense of achievement, personalization, money availability and content activation. Researchers have collected data and distributed questionnaires made in Google Form through social media platforms such as WhatsApp, Instagram, Twitter and Facebook to a certain group of users that fit the scope of study.

In this study, there are four hypotheses developed to test the relationship between the dependent variable and the independent variable. Researchers have used probability sampling which is cluster sampling in the collection of respondent's data because cluster sampling is appropriate for samples that are widely dispersed geographically and would otherwise be difficult to sample properly. The minimum sample for this study is 384 people. However, the researcher has managed to obtain a few more responses from the respondents in total of 386. Descriptive analysis, reliability tests, test of normality, and Spearman correlation analysis were executed using IBM SPSS 25 software.

The results of the Spearman correlation analysis have shown that there is a positive relationship between the variables (sense of achievement, personalization, money availability and content activation) to the dependent variables (online impulse buying behaviour). This study becomes beneficial in all three recipient which are freemium online games developer, consumers and researcher because of the new understanding and new knowledge it provides to them either directly or indirectly.

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# THE RELATIONSHIP OF BUSINESS AND FAMILY SUPPORTS ON BUSINESS PERFORMANCE:

### CASE OF WOMEN ENTREPRENEURS AT PASAR SITI KHADIJAH IN KELANTAN

Muhammad Hafiz Mustakim Bin Suhaimi and Anis Amira Binti Ab Rahman

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: mustakim.a17a0272@siswa.umk.edu.my; anisamira@umk.edu.my

#### Abstract:

The involvement of women in business began in the 19th century again, especially in Kelantan. Therefore, this study aims to explore the relationship of business and family support on business performance among women entrepreneurs in Pasar Siti Khadijah in Kelantan. The objective of this study is to explore the relationship between entrepreneurship training, financial support, and family moral support on business performance among women entrepreneurs at Pasar Siti Khadijah. A total of 5 entrepreneurs who do business in the Siti Khadijah Market were selected as the study respondents. This study uses questionnaire instruments as well as in-depth interviews. *The results of the study showed that 95% of the respondents are women entrepreneurs. The results* of this study show that women entrepreneurs venture into business is due to family support and financial support that can encourage them to venture into business. In this study, the relationship of business and family support on business performance among woman entrepreneurs at Pasar Siti Khadijah in Kelantan will be focused and explored. From this study, the women entrepreneurs at Pasar Siti Khadijah area may have better business and family supports on business performance. Therefore, researchers want to research and find out more deeply about why women prefer to venture into the field of entrepreneurship and what causes them to become entrepreneurs in the Pasar Siti Khadijah. Researchers also want to know about the relationship of business and family support on business performance. It is hoped that more women entrepreneurs will venture into business and be able to provide benefits to any stakeholders and improve the country's economy. This clearly shows that women entrepreneurs in Kelantan can face challenges and obstacles in business. Thus, their economy and income are always sustainable and able to maintain business until now.

**Keywords**: Women Entrepreneurs, Business Performance, Entrepreneurship Training, Financial Support, Family Moral Support

#### 1 Introduction

Entrepreneurship is an activity that aims to increase the country's wealth through increasing economic activities to create more employment opportunities and generate higher income for society. Entrepreneurship is the act of forming a new company or returning an existing one to benefit from new opportunities (Nath, 2011). Meanwhile (Sarri & Trihopoulou 2005) acknowledged that entrepreneurship is a crucial factor in achieving the competitive and dynamic essence of today's knowledge economy. They

have also confirmed that this is the key driver of economic growth and the production of jobs. It also contributes to the personal growth and manages various pathogens effectively. At present, in the business world, both men and women are actively competing. There is a significantly lower number of women worldwide participating in entrepreneurial activities relative to men. In their state of mind, females have achieved tremendous growth. As the service sector becomes more dependent, several business opportunities, especially for women have been created to improve their capacities by keeping balance in their lives (Nath, 2011). The traditional state of mind has changed so much that women who lead career families are viewed as capable of independently managing business. Thus, the Malaysian government has created and developed endless efficiency, resilient and productive entrepreneurship by promoting an enterprising culture among Malaysian women.

Several studies have been conducted with women entrepreneurs worldwide and most scholars agreed that women entrepreneurs are lacking, particularly in financial support. Since women entrepreneurs in Pasar Siti Khadijah are the focus of the study, the researcher will analyze the business and family support that will affect their business performance. Thus, this research will investigate three business and family support faced by women entrepreneurs which are entrepreneurship training, financial support and family moral supports. Furthermore, this is a qualitative analysis that will be based on data from interviews and not on data archived or accessible on the internet. Due to the recent crisis in our country, the Coronavirus disease-19 (Covid-19) which has caused the government to impose a Movement Control Order (MCO), most traders or small entrepreneurs have had to close their businesses. Due to the closure of the business for more than three months, small entrepreneurs are having trouble continuing their business due to financial and capital problems especially. Most small entrepreneurs suffer losses due to MCOs. After the government allowed the entrepreneurs to reopen their business, some entrepreneurs could not afford to continue their business, and some were unable to start the business again due to having a debt balance with the supplier. Many entrepreneurs are affected as a result of the COVID-19 epidemic that is plaguing the country and the world today, especially in financial and capital problems to start a business again.

#### 1.1 Research Objectives

- 1. To explore the relationship between entrepreneurship training on business performance.
- 2. To explore the relationship between financial support on business performance.
- 3. To explore the relationship between family moral support on business performance.

#### 1.2 Significant of Study

In this study, the relationship of business and family support on business performance among woman entrepreneurs at Pasar Siti Khadijah in Kelantan will be focused and explored. From this study, the women entrepreneurs at Pasar Siti Khadijah area may have better business and family supports on business performance. Therefore, researchers want to research and find out more deeply about why women prefer to venture into the field of

entrepreneurship and what causes them to become entrepreneurs in the Pasar Siti Khadijah. Researchers also want to know about the relationship of business and family support on business performance. Does business and family support have a profound effect on business performance.

This research was undertaken to see what corporate and family support among women entrepreneurs would contribute to business performance. This study also aims to find out what business and family support that women entrepreneurs in the Pasar Siti Khadijah they get. Through the study conducted, researchers can find out what business and family support obtained by women entrepreneurs in Pasar Siti Khadijah on business performance. Through the study conducted, the researcher can also observe, study and evaluate the extent of involvement of women entrepreneurs in the Pasar Siti Khadijah.

#### 2 Literature Review

#### 2.1 Relationship of Entrepreneurship training on Business Performance.

Three interesting foundations can explain the connection between entrepreneurship training and rural entrepreneurial achievement (Kunene, 2009; Smith & Perks, 2006; Solomon, 2004). For example, (Solomon 2004) discovered the need for entrepreneurial skills and business skills to improve business efficiency during his research on business training. Meanwhile (Kunene, 2009) argued that the expertise and skills of entrepreneurs are essential drivers of successful companies. Small business training is based mostly internally and provides general management competencies, including marketing, finance, recordkeeping, people, and industrial relations (Solomon, 2004). Similarly, enterprise training is important to the overtime growth of SMEs, and it shows a clear connection between business and entrepreneurial skills and business efficiency (Smith & Perks, 2006). Besides, research has shown that entrepreneurship training significantly led to risk-taking, the creation of new companies (Charney & Libecap, 2000; Garavan & Barra, 1994; Umrani, Kura, & Ahmed, 2018). The perceived possibilities of entrepreneurship or entrepreneurial self-efficacy often seem favorably influenced by the preparation (Alberti, Sciascia, & Poli, 2005; Lepoutre, Van den Berghe, Tilleul, & Crijns, 2011). In the Pasar Siti Khadijah area, the government and NGOs have developed various policies and programs to promote entrepreneurial activities to improve the status of women entrepreneurs in low income and low-income households at Kelantan.

#### 2.2 Relationship of Financial support on Business Performance.

Nearly every entrepreneur needs a substantial financial contribution. It is important to have the financial resources for starting entrepreneurs. A remarkably large part of the Malaysian economy is small entrepreneurial companies, including micro-enterprises such as rural entrepreneurs. Fundamental indicators like GDP growth, job creation, innovation rates, and wealth accumulation all depend to a large extent on the success of emerging organizations, which are constantly revitalizing Malaysian markets. Because of the combined size and dynamism of this business field, the role of financial institutions in financing such companies has become a central area for research and debate.

In Malaysia, some government and non-governmental organizations have set up policies and programs to support entrepreneurial activities to improve women entrepreneurs in

low- and marginal households, which provide various kinds of loans, advisory services, and platforms. The following is a list of major innovations and services selected in Malaysia to boost women entrepreneurs' conditions for low- and vulnerable households.

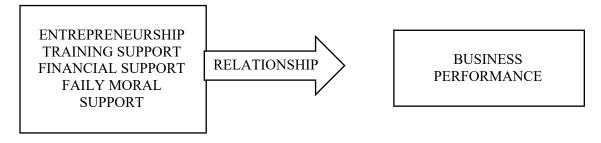
#### 2.3 Relationship of Family Moral support on Business Performance.

Family plays a major role in a woman's life. Many women entrepreneurs operate their companies with the help of family and friends, both at start-up and expansion. Many women now want to work because they think they can help with extra income. Women who are not lucky enough to have a job tend to work individually to fix their unemployment problem. Nevertheless, full support from their families is critical, as women now run both houses and workplaces day by day. Family and close friends also play a crucial role in ensuring the emotional health of women entrepreneurs, support for the family can play a crucial role, particularly as entrepreneurs face new entrepreneurial challenges (Charney & Libecap, 2000) as well as their personal lives. Therefore, I believe that family support can minimize the negative effects of personal work-life problems on business performance because entrepreneurs can deal better with personal problems by having family support and strength.

#### 2.4 Business Performance

Business performance of entrepreneurial and SME is a dynamic, multifaceted construct that should be studied with a view to its complexity. The performances could come from many aspects and one of them is related with the importance of satisfying customers that lead to increase sales (Johlke & Iyer, 2013). Apart from that, (Wolff & Pett, 2006) stated in their study that internationalization and product improvement have positive influences on growth of business. In other word the profitability and business growth are positively associated with the improvement of product orientation. Additionally, according to (Rhee, Park, & Lee, 2010), learning orientation also gives significant affect to innovativeness that sequentially leads to the performance of business.

#### 2.5 Conceptual Framework



### 3 Methodology

The research methodology that I had been done were focus on the relationship of business and family support on business performance among women entrepreneurs at Pasar Siti Khadijah in Kelantan. Regarding this issue I can say that the business performance among the entrepreneurs is also the issues that always occur in our daily life. As I can see every year the cases regarding business performance still happen. I took this initiative to make some research about the relationship of entrepreneurial support on business performance

among rural entrepreneurs in Kelantan. The research design is the establishment of conditions for data collection and analysis to relate relevance for research purposes and economic procedures according to Kothari (2004). Research design is usually a strategy that sets out the procedures adopted by researchers for managing the research goal or testing the hypothesis proposed for their studies (McDaniel & Gates, 1999). Qualitative research approaches are based on the 'deeper' study of the phenomenon (Wycech, 2015) (Wycech, 2015). This study will investigate the literature at Pasar Siti Khadijah in Kelantan that explores the relationship between business and family support on business performance among women entrepreneurs. An interview will be used to develop the research design for this. The conclusion of this study was based on data gathered during the interviews, which, because it is full of beliefs, perceptions, and aspirations, is nonquantifiable information. According to Yin (2003), six commonly used types of information, such as records, archival reports, interviews, direct results, participant observations, and physical items, can be carried out through data collection for case studies. Interviews with traders around Pasar Siti Khadijah obtained the information used in this report.

A case study is a methodology where one or more things are concentrated on by the researcher and the goal is to better understand the event, experience, relationship, and procedure. As the researcher wanted to obtain a deeper understanding of the relationship between business and family support on business results, a case study with the interview of entrepreneurs was the most appropriate approach or method for this study. Convenience sampling is a type of non-probability sampling which does not require participants to be selected at random. The reverse is chance sampling, where applicants are selected randomly. The main goal of easy sampling is to collect information that is readily accessible to the investigator from respondents. (In 2016, Etikan, Musa, & Alkassim). Convenience sampling has its uses, especially when a study needs to be carried out quickly or with the shoestring budget for this research. Convenience sampling has few benefits, such as sampling is relatively straightforward to obtain, it is inexpensive compared to other methods, and participants are readily accessible (Glen, 2015). So, in a short period of time, it will allow researchers to explore more about the relationship of business and family support on business performance.

### 4 Data Analysis and Finding

For this study, researcher interviewed around 5 entrepreneurs at Pasar Siti Khadijah. It is because the selection of this study is made based on the convenience sampling to collect the respondents. The respondents or entrepreneurs must be in the business that who do business activities at Pasar Siti Khadijah. Most of entrepreneurs at Pasar Siti Khadijah were consists of women and this will fulfil the requirement of this study to find the relationship of business and family supports on business performance among women entrepreneurs at Pasar Siti Khadijah, Kelantan.

#### 4.1 Entrepreneurship Training

Based on the results of the interview, the entrepreneurs explained that entrepreneurial training is very necessary and can improve business performance. This is because by following entrepreneurship training, entrepreneurs can improve their business

performance as well as develop their business and grow their business. There are many advantages that entrepreneurs can take advantage of if they get proper entrepreneurial training.

- R1- "From then until now I have never received entrepreneurial training from any agency. I do all this myself. I started a small business first and with the profit of the business then I traded in Pasar Siti Khadijah. But I am confident that if I get the right entrepreneurial training, I can improve my business performance and expand my business even further".
- R2- "During my 30 years of doing business here, I once got entrepreneurial training. That is the entrepreneurship training from the Majlis Perbandaran Kota Bharu (MPKB) which invited us to join the entrepreneurship training. Only once was the entrepreneurial training we got. But through these entrepreneurial training we can improve our business performance. I hope more agencies are willing to offer us entrepreneurial training so that we can further expand our business".

So, it can be proven that entrepreneurship training can improve business performance but entrepreneurs in Pasar Siti Khadijah do not get proper entrepreneurship training due to the lack of entrepreneurship training offered by agencies to entrepreneurs in Pasar Siti Khadijah.

#### **4.2** Financial Support

#### 4.2.1 Improves business performance.

In this sub-theme, financial support can improve business performance because when entrepreneurs get financial support this can indirectly improve their business performance and be a motivator for them to continue to grow their business. The recent MCO run by the government has caused many entrepreneurs to have financial problems to continue their business.

- R2- "Yes, the financial support assistance offered by Amanah Ikhtiar, it improves my business performance and my sales. After the MCO, financial support is needed by most entrepreneurs here to improve the business performance we run."
- R3- "For me, financial support can help improve business performance because after MCO we have financial problems to continue our business. I think with the financial support from any party can improve the performance of our business."
- R5- "In my opinion, I think with the financial support from any agency may be able to improve business performance."

#### 4.2.2 *Increase the growth of business.*

In this sub-theme, financial support can increase business growth because when entrepreneurs get financial support, this can indirectly increase the growth of their business and can further expand their business more widely. After the recent government-run, MCO caused many entrepreneurs to face financial difficulties to grow their business as they could not do business for about three months and after they could do business, they faced a shortage of buyers coming to Pasar Siti Khadijah.

R2- "For me, the financial support given to me and for other entrepreneur, especially

financial support from the government, can slightly increase the growth of our business. After MCO we experienced financial difficulties to continue our business."

R4- "Yes, with financial support I can increase the growth of my business especially after the recent MCO. I hope more financial support is given to us so that we can further increase our business growth and increase our sales revenue."

Based on the interview session with the entrepreneurs, the result show that mostly of them are agree that financial supports can improves business performance and increase the growth of business. So, it can be proven that financial support can improves business performance and increase the growth of business the entrepreneurs in Pasar Siti Khadijah.

### 4.3 Family Moral Support

Based on the interview sessions with the entrepreneurs, they said that the family became the backbone who always supported them to become an entrepreneur and continued to rise especially after the MCO. The continuous moral support from the family made the entrepreneurs in Pasar Siti Khadijah continue to rise and continue their business until now.

R1- "Yes. My husband was very supportive of me for being an entrepreneur. He never tired of supporting me. Sometimes my husband comes to help me in business. He was the backbone who always gave me moral support, especially after the MCO that day. I was almost desperate at the time, but he was the one who gave me moral support for me to continue my business."

R2- "After the recent MCO, I got a lot of support from my family and children to continue doing business here. The family helped me a lot in giving me support and assistance to continue this business."

R4- "Yes, my family has given me a lot of support for me to do business and become an entrepreneur. They gave me a lot of moral support so that my business could be more developed and able to grow further."

Based on the data that has been analyzed above, it can be concluded that the family is the mainstay of providing moral support to entrepreneurs in Pasar Siti Khadijah. The moral support provided by the family can improve the business performance of entrepreneurs in Pasar Siti Khadijah and be a catalyst for entrepreneurs to continue to grow their business and continue to be an entrepreneur.

#### 5 Discussion and Conclusion

Women entrepreneurs in Kelantan can face all the challenges and obstacles when there is a shortage of customers by using the opportunity to promote their business to get customers to side by side. They desperately need support from various agencies that are willing to help, especially in terms of financial support and entrepreneurship training. In terms of financial management shows that most entrepreneurs in Kelantan still lack expertise in managing finances effectively. Every challenge and obstacle faced by entrepreneurs prove that they are still able to have a monthly income to help the family economy. In Malaysia, the involvement of women in business has long existed, for example in the East Coast states of the Peninsula such as Kelantan and Terengganu,

namely businesses in markets, wholesalers, retailers, and street vendors are largely monopolized by women. Kelantan is one of the poorest states on the East Coast of Peninsular Malaysia seen in terms of per capita income and somewhat lagging in terms of development compared to developed states on the West Coast. However, the state is known as a state with a high rate of participation of women in economic activities, especially in the agricultural sector and small business sector. Although there are some challenges and obstacles in ensuring the economy and family income is always sustainable, but entrepreneurs can adapt and overcome obstacles in business to make income always sustainable. The findings of this study provide the women entrepreneurs at Pasar Siti Khadijah with clues and information about the effects of business and family support on business performance. First, the entrepreneurs will know about the effect of entrepreneurship training on business performance and the growth and development of entrepreneurs in Pasar Siti Khadijah. This shows that the lack of entrepreneurship training causes entrepreneurs in Pasar Siti Khadijah do not get adequate entrepreneurship training and causes them to have problems to expand their business more widely. Then the entrepreneurs will be able to find out about the impact of financial supports on business performance among women entrepreneurs at Pasar Siti Khadijah. It shows that financial support from all agencies and governments can improve business performance among entrepreneurs in Pasar Siti Khadijah, especially after MCO. Finally, we also will know about the relationship between family moral support and the business performance of women entrepreneurs at Pasar Siti Khadijah.

For the conclusion, to solve economic obstacles, entrepreneurship is probably the most inspiring ideology worldwide. In addition to men, women are also the essential gender of the general population and have a tremendous capacity and ability to provide for any nation's overall economic growth. Looking at the global outlook, previous literature primarily claimed that the major obstacles in their industry are financial problems. In reviewing the Pasar Siti Khadijah background, however, we know that the related bodies have provided financial support to women entrepreneurs for their enterprises, so financial support to women entrepreneurs in Pasar Siti Khadijah is not a problem. What can be done to improve their business is that the relevant bodies should have a program not only to promote entrepreneurship but also to train women entrepreneurs not only to compete with male entrepreneurs but also internationally. To develop a trained, intelligent, and skilled female entrepreneur, the Authority should also concentrate on entrepreneurial education programs. Since young generations are not really interested in engaging in business nowadays, authorities should introduce a policy that can support and encourage entrepreneurial culture not only among women but also among young people to instill the spirit of entrepreneurship among them, as this is crucial to the company's future.

#### 6 Acknowledgement

I want to thank anyone who gave me the opportunity to complete this research. I would like to thank you. I also would like to express special thanks to Dr Anis Amira Binti Ab Rahman, who has helped me organize my project especially in writing this research report, for his contribution in stimulating suggestions and encouragement.

I am especially grateful to my friend and family, who have supported and helped me assemble the parts and suggested the project.

Finally thank you to Dr. Anis Amira Binti Ab Rahman, supervisor of the last year's project, whose full effort has been put into guiding the team in its achievement. In the final year of my project presentation, I have to appreciate the guidance given by another supervisor and the examiner who strengthened our presentation skills with their commentary and advice.

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### FACTOR AFFFECTING GENERATION Z CONSUMER TOWARD PURCHASE OF COUNTERFEIT GOODS IN SABAH

#### Muhammad Hairu Daniel Bin Hairu Zaki and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: daniel.a17a0274@siswa.umk.edu.my; munirah@umk.edu.my

#### Abstract:

Global counterfeit is a problem that growing rapidly in today's 'economy' there is not a sign of decline (Zhang et al.. 2012). Action of purchasing counterfeit can bring harm to economy in the world. If this issue is not stopped (or at the very least, significantly reduced) now, it may become much worse in the future especially with the growing importance of online commerce (Shahbaz, 2019). Online platforms such as Shoppe and Lazada in Malaysia actually contain few of the counterfeit good there in different name or they come from different seller. The seller using this online platform to introduce their counterfeit product without Shoppe or Lazada itself knowing by change the name and description of the product but still counterfeit goods. Zhang et al. (2012) mentioned that the facilitator between the counterfeit online sellers and the consumers is the online intermediary and as a consequence they might be held responsible for any counterfeit products. With 300 respondents, the data will be analysed into the descriptive analysis, reliability analysis, Pearson correlation analysis. Then, Spearman's Correlation also used in this study to test the normality. Three of the purchase factor were generated and tested using Statistical Package for the Social Science (SPSS).

Keywords: Counterfeit Good, Economics, Generation Z, Price, Ethical Concern

#### 1 Introduction

Counterfeiting is said to have its growth since the 1970s (Bian and Veloutsou,2005), when Levi's discovered a large quantity of counterfeit jeans bearing its trademark logo and label that had been produced in South East Asia and distributed throughout Western Europe (Walker,1981). Since then, counterfeit goods have flooded the market in the past few decades and have increased at an astronomical rate (Phau and Teah,2009) in particular the counterfeiting of luxury brands of fashion products is particularly "rampant" and these can include clothes, handbag, wallets, watches and shoes, just to name a few. In Malaysia counterfeit goods is something seen almost in every state, with commonly they sold it at a night market or "Pasar Malam". Nowadays these good can also easily be found in online platforms such as 'e-retail' and media social platform that focus on buying and selling items. These goods can come from many places and the mainly being supplied from Thailand and China this two countries have easy access to

obtain these counterfeit goods for a cheap price. They also have shop that sells these counterfeit items by blend in or mix the goods with other necessities in their shop to blind the authorities. These shops willingly sell this kind of good knowingly these are counterfeit products.

In "Malaysia" these counterfeit goods mainly focus on items such shoes, clothes, high tech, spare part for automobile, software, games, DVD, jeans, watches, cap, and even 'telekung'. In many cases of selling fake products, the main purpose does not seem to deceive consumer but to satisfy them (Arellano, 1994). Selling and buying counterfeit goods become very popular and common among people in Malaysia especially millennial consumer. They are many negative effects that can affect Malaysia mostly in economy sector and this consumer willingly buy this item without knowing the effect they can risk into Malaysia economies. These customers who buy counterfeit goods may not realise the affected to the economic because of their activity. They may not stop to think that their purchase of counterfeit good hurt the economies via loss, job, increases in the trade deficit and slowing the market for original product that they offered. Nor they aware that their contribution to counterfeit may very well funding organisation that have influence in crime such as prostitution.

Lastly, it is important to see the factors that influence intention to repurchase counterfeit products as one of the serious concerns is that consumers do not realize that their action can bring harm to the economies as they tend to purchase again and again (Ahmad et al., 2014; Bestoon et al., 2018). (Europol ,2012) said that counterfeit products have a very damaging effect to the economy as the products are manufactured and smuggled into the market without paying any tax duties. This is supported by Amine and (Magnusson, 2007) who mentioned that counterfeit products can cause government to experience losses in terms of tax revenue as a result of the smuggling activities. A person who purchase or repurchase a counterfeit product is more likely lack of ethical concern. In Malaysia people commonly does not have knowledge about effect for purchase counterfeit goods itself to the economy. People already comfortable using and buying counterfeit goods in Malaysia that it causes a problem to solve on how to avoid people to buy and using counterfeit goods. The purpose of this research is to know the factor that affect generation Z into purchase counterfeit goods. This is to make sure there are factor that can actually involve into help them to buy counterfeit goods. This factor can be decreased depending on how strong the impact of the factor toward generation Z.

There are three objectives of this research:

- 1. To identify the relationship between price and purchase counterfeit goods in Sabah.
- 2. To identify generation Z consumer perception toward platforms to purchase counterfeit goods in Sabah.
- 3. To identify generation Z consumer perception toward ethical concern and purchase counterfeit goods in Sabah.

#### 1.1 Significance Of The Study

#### 1.1.1 Consumer

Consumer can benefit from this research especially generation Z because they are the main target for the seller counterfeit goods. They need more knowledge about how to differentiate genuine product and or falling victim for counterfeit goods. They also can be patient and save their money for the brand they want to get. This study also can help other consumer to aware that using counterfeit goods is not good and can become reason why few brand cannot become more big because of many counterfeit goods.

#### 1.1.2 Government

Government also can get benefit from this study on term on how many consumers still buying counterfeit goods despite many law that stated that they cannot own or selling counterfeit goods. Government can make a harder penalty for people who uses and own any kind of counterfeit goods whether in physical form or digital form.

#### 1.1.3 Industry

Industry is one of the sectors that heavily impacted when consumer start using counterfeit goods as alternative for them to buy rather than buying authentic goods that most of our industries offered. They also can counter these sellers by doing more promotion and make a better reason why consumer need to buy authentic product rather than keep using counterfeit goods.

#### 2 Literature Review

#### 2.1 Underpinning Theory

Theory of Planned Behavior (TPB)

The TPB (Ajzen 1985) includes a third element, Perceived Behavioral Control (PBC), which also influences intention. PBC incorporates individuals' perceptions of the difficulty of the behavior, i.e., whether or not it is under volitional control (Ajzen and Madden 1986). TPB is usually used to foresee the intention of some human activity. It likewise foresees the behaviour is the intention based on their lifestyles. Attitudes are thought to be influenced by beliefs about the disadvantages and advantages of performing a specified behaviour such as engaging in counterfeit products.

Since Wicker's (1969) earth-shattering review, substantial progress has been made in contemporary attitude research (Eagly & Chaiken, 1993). Particularly noteworthy is the acknowledgment of situational influences on behavior. In response to influences, such as time or monetary costs, different behaviors become more or less difficult to carry out. Evidently, the more the implementation of an act depends on the presence of appropriate circumstances, the less such a behavior is fully intentionally controllable. The inclusion of perceived behavioral control leads to more fully explained behavior, especially behavior that is difficult to engage in (e.g., Madden, Ellen, & Ajzen, 1992).

TPB have already been successfully employed to examine and explain digital piracy (e.g., Chang 1998; Christensen and Eining 1991; Cronan and Al-Rafee 2008; Peace et al. 2003), highlighting the expected relationship between attitudes, subjective norms, and intention to engage in software piracy (e.g., Christensen and Eining 1991).

Drawing on the TPB, Al-Rafee and Cronan (2006) examined factors that influence attitude and found a num- ber of salient beliefs related to piracy, including the belief that digital piracy helps you save money that digital media is too expensive, that there is no fear of getting caught, and that digital piracy is unimportant.

#### 2.2 Research Hypothesis

In this study, there were three hypothesis that are related between the factors affecting generation Z consumer toward purchase counterfeit goods in Sabah .

- H1- There is significant relationship between price and purchase of counterfeit goods in Sabah.
- H2- There is significant relationship between platforms and purchase of counterfeit goods in Sabah.
- H3- There is negative influence from lack of ethical concern toward purchase of counterfeit goods in Sabah.

#### 2.3 Research Framework

Based on the literature review, the conceptual framework has been developed. Which the conceptual framework had included three independent variables and one dependent variable. The independent variables are price, platforms and lack of ethical concern while the dependent variable is purchase counterfeit goods.

The conceptual framework is shown as below figure:

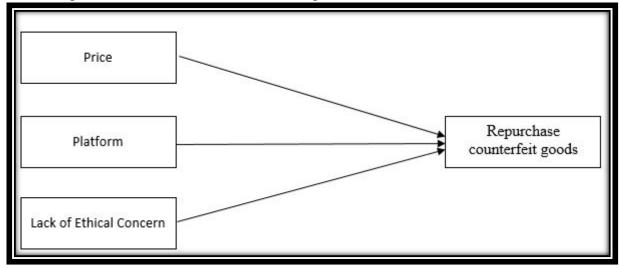


Figure 2.1: Conceptual Framework of Factor Affecting Generation Z Consumer Toward Purchase of Counterfeit Goods in Sabah.

#### 3 METHODOLOGY

#### 3.1 Research Design

The research design for this research is quantitative descriptive which is investigate by collecting data as it relates to the factors that affecting millennial consumer into purchase counterfeit goods from different race, age, gender, and occupation. A questionnaire will be used to collect the data from millennial consumer who had experience or not about

buying counterfeit goods and the question made by the researchers. This study may help the researchers to understanding the characteristics of a factor that influence millennial into purchase counterfeit goods. Researchers also can help to make certain decision (Sekaran, 2013).

#### 3.2 Data Collection

In the first stage, primary data is a source collected at hand for specific research problem using the right method. Some method can collect the primary data for research, such as surveys, questioners, interview, observation, and focus groups. The second stage of data collection was a fieldwork but through online platform. The researchers used the Google form questionnaire to be distributed to the random people for used pilot test. For the secondary survey method, researcher collected data from previous study which is journal and article.

#### 3.3 Sampling

In this research, a non-probability sampling will be used to determine the number of respondents included. Non-probability sampling is defined as a sampling technique where the odds of any member being selected for a sample cannot be calculated (Stephanie, 2015). Also, a Snowball sampling, Snowball sampling method or Chain-referral-sampling of a hidden population begins with a convenience sample of initial subject, because if a random sample could be drawn, the population would not restrict as hidden (Etikan I, 2015). In this study, researcher is using G\*Power to calculate the fix amount of respondent. G\*Power is a software which is a tool to compute statistical power analyses for many different F test. This is also can be used to compute effect sizes and to display graphically the result of power analyses. After calculate the total of respondent or sample size by G\*Power will be receive minimum 119 respondents but researcher decided to collect 300 respondents to complete the questionnaire that distribute by researcher. Furthermore, respondents are required to read the instructions and answer all the questionnaire to complete the survey on their own without the presence of an interviewers.

#### 3.4 Data Analysis

Data Analysis is a process or attempt to process data into new information to make the characteristics of the data easier to understand and useful for solving problems, especially those related to research. Data analysis can also be defined as an activity undertaken to transform data from research into new information that can be used to draw conclusions. The data analysis presents the finding of this study, which were obtained from the various analyses. The chapter starts with the preliminary analysis This chapter is intended to examine the implications and conclusions of the report. This segment would include the respondent's demographic analysis, reliability analysis dependent on Cronbach's Alpha, descriptive analysis and Spearman's Rho Correlation analysis. The results were obtained from 300 respondents of generation Z by using quantitative information. In version 25 of the Social Science Statistical Package (SPSS) the data was evaluated.

### 4 Findings

In this study, the reliability test was performed by 300 respondents of generation Z using the survey. It was measured using Cronbach's Alpha Coefficient showing a range from 0.812 to 0.832 which indicated that the result was moderate to good where platforms has the maximum Cronbach Alpha value of 0.832, lack of ethical concern has the second highest alpha value of Cronbach, which was 0.830, and then followed by platforms (0.812). Thus, all variables fulfilled the minimum criterion of reliability, as all Cronbach alpha coefficients of all variables were greater than 0.6.

In the Descriptive Analysis for Independent Variables, the maximum mean value was 3.902 platforms, followed by price (3.804). While the lack of ethical concern is was the lowest mean value for independent variables. It was platform had the biggest factor that affecting generation Z consumer toward purchase counterfeit goods in Sabah.

The researchers carried out the correlation analysis in order to calculate the linear association between the two variables defined as the purposes of this report. A review of Spearman's Rho Correlation Analysis indicating that the linkage between the price and purchase is 0.723 which mean that there was a strong positive correlation, while lack of ethical concern and purchase was in a moderate positive correlation (0690), and the lowest value of correlation was platforms and purchase which only 0.619 and was in a moderate to strong in relationship. A correlation table of these variable as showns as below.

#### Correlation

		Intention to Use
	Spearman's Rho	.723**
	Correlation	
Price	Sig. (2-tailed)	.000
	N	300
	Spearman's Rho	.619**
	Correlation	
Platforms	Sig. (2-tailed)	.000
	N	300
	Spearman's Rho	.690**
	Correlation	
Lack of Ethical Concern	Sig. (2-tailed)	.000
	N	300

Table 4.0: Spearman's Rho Correlation Analysis

#### 5 Discussion & Recommendation

#### 5.1 Price

Based on the result of Spearman's Rho Correlation, the researcher had identified that there was a significant relationship between price and purchase. A strong correlation relationship between price and purchase toward counterfeit goods. In testing the relationship between variables, 0.70 is very strong, within the range of 0.30 to 0.60 is considered moderate and less than 0.16 would be weak. Price is something that people will look before making any purchase before anything else. Price also important for people even in making counterfeit goods purchasing, people tend to go for more

affordable and high quality products such us counterfeit goods and this results shows the example. The relationship between the variables is stated as 0.723, which further reinforces the strong relationship between the IV and the DVs. This correlation indicates that the lower the price, the higher the purchase for counterfeit goods...

#### 5.2 Platforms

According to this study, there was a significant relationship between platforms and purchase. A moderate correlation relationship between platforms and purchase toward counterfeit goods is showed. Platforms is something needed for sellers of counterfeit goods to sell their product. This platform also will make purchasing counterfeit goods becoming more easy and convenience. Online and offline platform both offer the same product of counterfeit goods but the difference is experience and privacy. The relationship between the variables is stated as 0.619, which further reinforces the relatively strong relationship between the IV and the DVs. This correlation indicates that the higher the platforms, the higher the purchasing toward counterfeit goods.

#### 5.3 Lack of Ethical Concern

Based on the above finding, the researcher had identified that there was a significant relationship between lack of ethical concern and purchase . A moderate correlation relationship between lack of ethical concern and purchase toward counterfeit goods is showed. The relationship between the variables is stated as 0.690, which further reinforces the relatively strong relationship between the IV and the DVs. This correlation indicates that the higher thelack of ethical concern , the higher the purchase toward counterfeit goods. Lack of ethical concern become a problem when more and more people not aware of many impact toward economies Malaysia in the future.

#### 6 Recommendation

There are several directions that can be taken by future researchers relevant to the factor that affecting generation Z consumer toward purchasing counterfeit goods in Sabah. First, this study's data has been collected in Sabah and focuses on all generation Z that have intentions to purchase counterfeit goods. Therefore, the future can carry out a new study that focuses on a comparative study between the generation Z versus Baby boomers generation on whose generation more likely to buy counterfeit goods This research will get exciting, and the future researcher can compare how counterfeit goods important for them. Second, under part data collection method, the quantitative designs are used in this study. The future researcher can study the qualitative method and should be undertaken to explore how different impact counterfeit goods can bring to local store and brand. The study could be broader in order to get more honest answers. Besides, communication becomes more manageable, and information and news can be spread quickly.

#### 7 Conclusion

In conclusion, the research finding that the three factor really affecting generation Z toward purchasing counterfeit goods in Sabah. This consumer buys counterfeit goods because the price is cheap other than many platforms that offer many counterfeit goods and because lack of ethical concern about what will happen in the future and what effect

will they action today will be. Researcher also know that generation Z really like counterfeit goods because of its quality and using top brand around the world to marketing their product and attracting consumer from generation Z. They need to stop selling counterfeit goods and buying counterfeit goods for the Malaysia economy to become better action needed from government and people with power.

#### 8 Acknowlegdement

Personally, I would like to express my gratitude for those who take part in this research and give their time into help me complete this research. I also want to appreciate University Malaysia Kelantan because they make research to happen in my last year of study. Also thank you for SAR course that making this research more understandable and other related lectures that help making this research more achievable.

Next, I would like to say thank you to my supervisor, Madam Munirah Binti Mahshar that been guiding and helping me into completing my research. Thanks to her guidance every week I manage to get my proposal better with every submission. Also, thank you very much to my friends from University Malaysia Kelantan and another University because of their help and guidance that I can make this research complete. They also encourage me to continue with this research and helping me in making questionnaire. Last but not least, thank you for my family because they support me all the time to make sure I can complete this research. They also provide necessities that needed to make this research doable. I feel blessed with having my own family support me all the way through during this time.

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# AN INVESTIGATION OF THE ADOPTION OF POINT OF SALE SYSTEM AMONG SMALL RETAILER IN KEDAH

#### Najihah Binti Osman and Siti Afiqah Binti Zainuddin

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: najihah.a17a0305@siswa.umk.edu.my; sitiafiqah@umk.edu.my

#### Abstract:

This research proposal will discuss about the adoption of Point-of-Sale (POS) system among small retailer in Kedah. Several different threats to the survival of small and independent retail companies. The implementation and use of the Point-of-Sale (POS) system can provide significant benefits to users. POS systems are not widely used by small retailers. This research investigates the determinants of the adoption of POS systems, using with the current adoption theory's basic idea model. This research was conducted on many small and independent retail operators in Kedah State to address the question of what is the most important determinant for using the POS method. Meanwhile, this research introduces the concept of IT use, especially for small companies. The functional significance of these two outcomes will serve to increase the use of POS systems. These small retailers will indirectly detect any problems.

**Keywords:** Adoption of point of sale, price, effectiveness, data security

#### 1 Introduction

The introduction of the study and has the selection that is background of the study, the problem statement, research objective, research questions, significance of study, and scope of study and also organization of study. Through this chapter researcher will identify the meaning and definition of the term that will help the researchers to more understand about the topic being studied. Lastly, there will be conclusion part that will help researcher to summarize the overall of chapter one. An investigation on the Adoption of Point of Sale systems among small retailer in Kedah is the title that researcher will do a research. Researcher want to know how many small retailers in Kedah know about Point of Sale systems and researcher also want to know whether small retailer in Kedah use this system in their shop for managing sale and purchase with the customers.

#### 1.1 Research objective

There are three objectives on this research

- 1. To determine relationship between price of Point of Sale system among small retailer in Kedah.
- 2. To determine relationship between data security of Point of Sale system among small retailer in Kedah.
- 3. To determine relationship between effectiveness of Point of Sale system among small retailer in Kedah.

#### 1.3 Significance of the study

Research only focuses specifically on the use of point of sale system among small retailers in Kedah. This study will contribute to the expansion of small retailers in Kedah on the use of the system. It will provide lessons from research that has the potential to influence small retailers objectively and subjectively. It is expected that the use of selling points among small retailers will have a significant positive relationship with the performance of retailers. Therefore, further research needs to be done to get these findings. The results of the study will show that the behaviour of small retailers can adjust the use of point of sale system in their business or not.

#### 2 Literature Review

#### **Adoption of Point Of Sale System**

According to (Roel P. Huiden, 2011), several dangers affect the survival of small and independent retail industries. Acceptance and use of the Point-of-Sale (POS) framework may offer and place significant benefits if it is to overcome this danger. The Point of Sale framework is generally not used by these retailers, however. This research investigates the determining factors of acceptance rather than demanding a Sales Point framework that uses a theoretical model that relies on existing selection hypotheses. Depending on this, an overview needs to be done throughout Malaysia, free retailers, to answer the questions that need to be helped by the practical determinants for the acceptance of the Sales Place framework. This consideration strengthens the principle of its use, especially for small associations. Of particular interest may be that its findings may be helpful in advancing the selection of the Point of Sale framework.

#### **Price of Point Of Sale Systems**

According to (Jivani, 1998) the motivation behind a value question was to figure out what a client willing to pay for a best of a line framework. To analyze the sensible value that a client sees for a best of line 4-terminal purpose of offer framework. (Intuit Quicks Books, 2014) 'Cost. It is an essential and urgent leader in any purchasing choice. You should not just ask yourself how much will this cost me, however more critically, what amount of significant worth will I be receiving consequently? The same number of say, you get what you pay for. Now and then a higher forthright expense merits the long haul remunerate.

#### Data Security of Point Of Sale System

Point of Sale system is a supply net administration system for customer management. It becomes an essential element in distribution industry to construct the database and uses XML-Encryption to complement PKI techniques and standards for security. There are the advantages of Point of Sale system. First, it does not have to be certificated and transmit data every time because there is no server. Next, it can be integrating database by using XML-Encryption. Next, transmitted data is safe. Lastly, processing speed will be faster because it gathers data from data transmission, (Seek-soo Kim and Tai-hoon Kim (2007). As indicated by Seek-soo Kim and Tai-hoon Kim (2007), Point of Sale system is becoming more important in the world because it safe and fast. The existing of Point of Sale system had begun receipts and developed into present web of Point of Sale system. This web of Point of Sale system has emphasized safety of data and considers improvement of the processing speed with wire or wireless device.

#### **Effectiveness of Point Of Sale System**

The majority of the data to these deals files is afterward uploaded of the retailer's primary machines. Throughout a polling transform that happens naturally. Those polling methodologies might happen a significant number of times. Throughout those day alternately might happen when a night, relying upon those administration necessities of the business and the requirement to up-to-the-moment deals data during home office. Store frameworks would use to physically wrist bindings stock moving under alternately out of the store. Cases incorporate on-line confirmation for stock gained straightforwardly. Starting with vendors, furthermore instruments to rearranging the methodology for giving back harmed alternately ruined stock will vendors (RTVs) (Rao, 2000).

#### 2.1 Research Ouestion

The three specific research questions for the proposed study are as follow:

What is the relationship between prices of Point of Sale system among small retailer in Kedah?

What is the relationship between data security of Point of Sale system among small retailer in Kedah?

What is the relationship between effectiveness of Point of Sale system among small retailer in Kedah?

#### 2.2 Conceptual Framework

The theoretical framework aims to draw general conclusions about the progress of the study. Here the framework is applied using a model revised by Belk (1975b). It is also used for available theoretical knowledge of a particular problem or problem such as a picture does not fit a person's problem experience. The framework shows where the level of stimulus uses objects and how the effectiveness of the use of point of sale system has an impact on the business of these small traders, this also shows the relationship between price of point sale, and data security of point of sale systems among small retailer in Kedah.

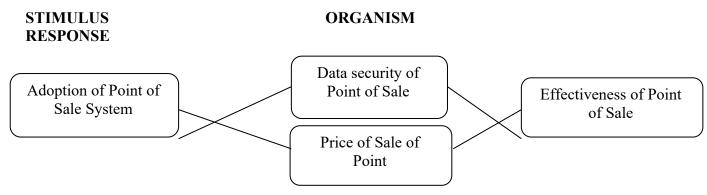


Figure 3: Theoretical Framework by using the Revised S-O-R Model by Belk (1975b)

### 3 Methodology

#### 3.1 Research design

The investigation structure of this investigation is a quantitative strategy using a questionnaire, the survey will be disseminated among retailers in the province of

Pendang, Kedah. The information collected will help the analyst to obtain the relationship between independent variables and dependent variables through this examination structure which includes organizing and organizing research plans and exercises. This screening strategy leverages based on the fact that quantitative information is collected through surveys. This survey covers data on age, gender, ethnicity, course of study, etc. This questionnaire covers 5 areas A, B, C, D and E which are related to demographic variables, dependent variables and independent variables.

#### 3.2 Data collection

Based on data collection in this research, the sources of research data were a combination of both primary and secondary data. Primary data information is sources that immediate or direct data that initially from the sources. It is includes gathering information of the first and it turns into a prerequisite for user in research. Primary data is gathered by a specialist from direct sources, utilizing techniques like studies, meetings, or investigations. It is gathered in view of the exploration venture, straightforwardly from essential sources. Practically in collecting data for this study, questionnaires have been used as the major tool. In the other hand, secondary information is the data that as of now portrays, abridge, break down and assess by different gatherings. This secondary information incorporates government distributions, diaries, data distributed or unpublished, books, site and web. As for this study, secondary data collection was conducted through the study of previous published work that related to this topic. Secondary data also helps researcher on identifying a variable and gathering an accurate data that are necessary on conducting research for the purpose of this study.

#### 3.3 Sample size

According to statistics from the Pendang District Council (MDP), the number of retailers in Pendang registered under the MDP is 636 retailers. Sample size was determined based on Krejcie and Morgan sample size determination tables. Sample size determination Table 3.0 is a derivative of the sample size calculation stated as equation below (3.1) (Krejcie and Morgan, 1970). Krejcie and Morgan sample size calculations were based on p = 0.05 where the probability of committing a type I error was less than 5% orp<0.05 (Table 3.4.1). Based on the study, the total population is 636 retailers. Researchers are targeting 70% of the total retailers in Pendang as a population. 70% of the total number of retailers in Pendang is 445. Looking at Krejcie and Morgan's table, the total sample will be 210 respondents.

#### 3.4 Sampling technique

In quantitative studies the researcher aims to measure the variables and generalize the findings obtained from the representative sample of the total population. This Sampling technique uses randomization to ensure that each element of the population has an equal opportunity to be part of the selected sample. Alternatively, it is known as simple random sampling. For this research the focus is on the probability of simple random sampling in which each element has an equal chance of being selected as a part sample. It is used when the researcher does not have any previous information about the target population. The population targeted by researchers is from retail Pendang areas. Since researchers do not have information by population, this kind of sampling technique will make it easier for us to get the results. In this study, a survey will be conducted among small-scale retailers on the application of their point of sale system. Researchers will target 70% of

the total retailers in Pendang. In this case, each retailer has the same probability of being selected as the sample subject.

#### 3.5 Data analysis

There were three types of data analysis used in this study that is frequency analysis, reliability analysis, and descriptive analysis. The data obtained was analysed by using Statistical Package Social Science (SPSS) version 25.

Table 1: demographic profile of respondents

Respondent profile (n = 210)	Demographic	Category	Frequency	(%)
	Gender	Male	72	34.3
		Female	138	65.7
	Age	20 years and under	17	8.1
		21-30 years old	94	44.8
		31-40 years old	62	29.5
		41-50 years old	27	12.9
		51 and above	10	4.70
	Industry	Manufacture	65	31.0
		Service	67	31.9
		Commerce	78	37.1
	Number of employees	1 − 5 people	145	69.0
		6 – 10 people	31	14.8
		11 – 15 people	26	12.4
		16 people and above	8	3.80
	Income	RM1000 and below	30	14.3
		RM 1001 – RM2000	35	16.7
		RM2001 – RM3000	57	27.1
		RM3001 - RM4000	66	31.4
		RM4000 and above	22	10.5

Table above demonstrate the percentage of gender in this research. Out of 210 respondents, 138 of them are female which about 65.7% while female respondents are 72 out of 210 respondents, which represent 34.3% of the respondents. From the figure, it demonstrated that majority of the respondents are male. The age range of 20 years and below is a small percentage of respondents in this research which includes 193 respondents. This is probably because most of them are young entrepreneur's aged 21 to 30 as many as 94 respondents which is 44.8%. Next, the age between 31 to 40 years recorded a second increase for 62 respondents. Meanwhile, the age of 41 to 50 years recorded about 12.9% of 210 respondents. The last was followed by the age of 51 years and above which only represented 4.70% of 210 respondents the largest respondents are from the service industry which is 67 respondents (31.9%). 65 (31.0%) respondents from the manufacturing industry. Meanwhile, 78 (37.1%) respondents came from the trade industry, the majority of employees are 1 to 5 people with 69.0%. The second highest was

6 to 10 people with 14.8% followed by 11 to 15 people with 12.4%, and the last was the number of employees of 16 people and above with a record of 12.8%. Respondents' highest salaries ranged from RM3001 to RM4000 with 31.4%, followed by RM2001 to RM3000 with 27.1%. Next, the salary of RM1001 to 2000 or more recorded the third highest with 16.7%, while the lowest salary was below RM1000 and below and RM4000 and above which only recorded 14.3% and 10.5% of the total respondents.

Table 2: dependent and independent reliability coefficient test

Variables	Total items	Alpha values
All variables analysis	21	0.884
Adoption	5	0.725
Price	4	0.705
Effectiveness	8	0.702
Data security	4	0.710

In order to derive the research objective which is to determine the most dominant variable among efficiency, price and data security of POS system in adoption of POS system among small retailers in Pendang, Kedah respectively, a descriptive statistic was conducted and the data been collected according to table above. Therefore, the highest mean show the most dominant variable in the research. Based on the table 4.5, it shows that effectiveness have the highest amount of mean with 8 and standard deviation at 0.702 than others variable. Therefore, it make the most dominant variable in this research was data security of POS system in adoption of POS system among small retailer in Pendang Kedah.

### 4 Findings

Table 3: Reliability Analysis for All Variables

<b>Reliability Statistics</b>			
Cronbach's			
Alpha	N of Items		
.884	21		

In measuring the relationship between dependent variable and independent variable reliability test have been done. For the questionnaire each variables consist of 5 question for section B and C and D consist of 4 question. Section A refer to the demographic of the respondents. The total respondents are 210. The entire questions using Likert-Scale form questions. The overall result of reliability for this research is 0.884 which is very good. Thus, coefficient obtained for the overall question in Likert-Scale is reliable.

Table 4: Summary of research objective, research questions and findings.

Research objective	Research questions	Findings
To examine whether Price	How price of Point of Sale	Price of point of sale
of Sale system has	system relates with	system had a statically
relationship with adoption	adoption of point of sale	significant high

of Point of Sale system among small retailer in Kedah.	Č	relationship and was influence adoption of Point of Sale among small retailer in Kedah.
To examine whether effectiveness of Point of Sale system has relationship with adoption of Point of Sale system among small retailer in Kedah	How effectiveness of Point of Sale system relates with adoption of Point of Sale system among small retailer in Kedah?	Effectiveness of Point of Sale system had a statically significant high relationship and was influence adoption of Point of Sale among small retailer in Kedah.
To examine whether data security of Point of Sale system has relationship with adoption of Point of Sale system among small retailer in Kedah.	How data security of Point of Sale system relates with adoption of Point of Sale system among small retailer in Kedah?	Data security of Point of Sale system had a statically significant high relationship and was influence adoption of Point of Sale among small retailer in Kedah.

#### 4.1 Price of Point of Sale System

Price of Point of Sale system is one of the independent variable that influences adoption of Point of Sale system among small retailer in Kedah. According to (berg et al., 2017) there are varieties of price that sell Point of Sale system in market. The price will different according to the function they provided such as credit payment and settlement tracking which customer can purchase on credit, and Point of Sale system will keep track of customer outstanding, payment and balance.

The price of the Point of Sale system will influence to the small retailer in the making decision whether to use the point of sale system or do not use this system in their business. Price is the one of the hard element for the small retailer in making decision whether they should buy and use Point of Sale system in their business because the price of this system quite high and there are some small retailer who could not afford to buy Point of Sale system.

However, this independent variable to frame small retailer on different level price of the Point of Sale system will affect their decision to buy and use the system for their retail business. For example if the price of the Point of Sale system is not expensive the small retailer maybe will decide to buy and use this system in order to make sure their business will be manageable and successful in future. Price of Point of Sale system is one of the important factors to the small retailer in Kedah because this factor will affect the retailer whether want use or not use this system.

#### 4.2 Effectiveness of Point of Sale system

Effectiveness of Point of Sale system was the most important variable that influences adoption of Point of Sale system among small retailer in Kedah. This is because the retailer believes that effectiveness of point of sale system can help them to expand their business and can give to them a lot of benefit. One of the benefits is speed up during the payment process. Customers not have to wait longer when they want to make a payment

and also will help retailer to satisfy their customer. The retailers whether small retailer or big retailer will buy this system if they know there are many benefits they will get from Point of Sale system.

According to Casison (2013) Point of Sale system is a streamlines the process where entering the inventory into a computer upon completion of sales, besides allowing for expedited inventory management for companies or retailer who still doing this counting manually. Then Point of Sale system also can used to create expected sales forecasts based upon previous demand. This will give many benefit to retailer who use Point of Sale system because the effectiveness of this system.

According to Pollanz (2011) another effectiveness Point of Sale system that retailer can apply in their business is to aggregate and collect sales data automatically. This means can be used to produce variety of sales report such as historical data, top selling items, six weeks history reports customer rank by sale and so on. For example, in retail industry, a good system like Point of Sale system can show to retailer which product can making the most money. From this system the retailer can know what product they can provide more than usual because they will know what customer always buy and like to buy through Point of Sale system.

Based on the result that presented in chapter 4, researcher can see that effectiveness Point of Sale system was the one of the factor that influences adoption of Point of Sale system among small retailer Kedah.

#### 4.3 Data security of Point of Sale system

According to Addison-Wesley Longman Publishing Co., Inc., (1982), data security refers to the science and study of the methods of protecting data in computer and communication systems from unauthorized disclosure and modification. Data security is process of protecting data from unauthorized access and data corruption throughout its lifecycle. Data security includes of data encryption, tokenization and key management practices that protect data across all applications and platform.

Data security also one of the independent variable that influence adoption of Point of Sale system among small retailer in Kedah. Data security is very important because all the information about the purchases between customer and retailer will be recorded and all the data will be safe in this system. The Point of Sale systems is the place and time which is when a payment process is completed. At the Point of Sale, the retailer will calculates the number of owed by the customer, show the amount to the customer and also prepare the invoice and show the option to the customer to make the payment.

According to (Seok-soo Kim, 2007) Point of Sale system is a safe and fast system that why this system becoming more important in the world to the retailer whether big or small retailer. The existing Point of Sale system starts with receipt and developed into present web of Point of Sale system. This web of point of sale system has emphasizes safety of data considers improvement of the processing speed with wire or wireless devices.

Point of Sale systems also known as Point of Purchase channels, this system can use to transaction processed through retailer outlets while a product is purchased by customer. The information on the card's magnetic stripe is captured and processed by device with which the Point of Sale system is attached when the customer or consumer pay through

credit/debit card at a Point of Sale security system.

According to Ki-rak Son(2001) data security will give a lot of benefit to the retailer, this is because all the information about the product that in and out from shop will kept safe in this system. From this system retailer not have to use traditional method such as use cash register or manual sale system in their business. Furthermore, most of the retailer especially big retailer and also a few small retailers have change from using of cash registers and manual sales systems to use electronic systems which is known as Point of Sale systems. Point of Sale systems is technology that uses to complete and record the sale transactions on the sale floor and all the information will safe because this system have good data security.

#### 5 Discussion and recommendation

In the wake of gathering and breaking down information from all parts, each of the three free factors concurred by all price of Point of Sale, data security of Point of Sale and effectiveness of Point of Sale progressed toward becoming elements of appropriation of Point of Sale framework among small retailers in Kedah. From this examination, the respondents concurred that autonomous progression has an association with the elements that independent variables of Point of Sale system among small retailers in Kedah. Despite the fact that, this exploration goes easily, there are still a few enhancements to research to discover different elements that impact the small retailers in Kedah. In this study, researcher utilize quantitative techniques, for example, questionnaires, utilizing this strategy, researcher can recognize the elements looked by small retailers to receive the Point of Sale system in the business.

Also, while conveying surveys a few respondents at Kedah did not by any means need to furnish input or co-work with us, as respondents did not comprehend the motivation behind noting the questionnaires and among them were not understanding the Point of Sale system. To conquer this issue, the analyst will quickly clarify the assignments given and will likewise clarify the destinations of the examination to fabricate the trust of the respondents to answer the poll. Moreover, there are a lot more factors that impact reception of Point of Sale system. Nonetheless, there are just three free factors explored in this investigation which are elements to receive the Point of Sale system. There are additionally independent variables that have turned into another reason not referenced in this investigation. Future research needs to investigate and explore more autonomous factors which turn into an elements for small retailers to receive the Point of Sale system in the business.

#### 6 Conclusion

In this study, the research objectives were met with the key findings that effectiveness of Point of Sale emerged as the most dominant factor that influence the relationship in adoption of Point of Sale system among small retailers in Kedah. The findings are expected to provide insights for further research in the field of business industry especially system that retailers can use in their business. Furthermore, this research helps small retailers for a better understanding about the factors and the Point of Sale system that can they uses to make the business run smoothly

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# MEASURING FACTORS THAT AFFECTING CUSTOMER'S SATISFACTION IN RETAIL INDUSTRY

#### Nanthini Appa rao and Siti Afiqah Binti Zainuddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Kota Bharu, Malaysia

Email: nantiniappa@gmail.com; sitiafiqah@umk.edu.my

#### Abstract:

This paper aimed to study the affect between perceived quality, price fairness and customer loyalty on customer satisfaction in retail industry. This study reviewed the literature of past researchers on measuring factors that affecting customer satisfaction in retail industry from different areas. Three main factors that was used in this study to analyse customer satisfaction were perceived quality, price fairness and customer loyalthy. The data were collected from 365 respondents thru google form at University Malaysia Kelantan city campus. These collected data were analysed using SPSS and the result gathered through Pearson correlation coefficient and multiple regression analysis. The findings indicated that perceived quality, price fairness and customer loyalty had positive significant effect on customer satisfaction in retail industry. The result shows that customer loyalty affected customer satisfaction the most compared to perceived quality and price fairness. These findings provide beneficial suggestion for well-established retail industry to focus on customer loyalty it gives important impact on customer satisfaction. Besides that, upcoming retail industry who wants to open new branches around Universiti Malaysia Kelantan can focus on these factors as well.

**Keywords:** Customer satisfaction, perceived quality, price fairness and customer loyalty

#### 1 Introduction

Satisfaction of customers with product and services of the retail industry is considered the most significant factor driving toward sincerity and action (Hennig-Thurau and Klee, 1997). Customer satisfaction is the way to assess the advance execution (Gustafsson, Johnson and Roos, 2005). According to, Kim, Park and Jeong (2004), customer satisfaction is customer response to the condition of fulfillment, and customer judgment of fulfillment level. Customer satisfaction is significant in the present business world as shown, in Deng et al., (2009), the capacity of an organization to be serious on keeping a higher level of customer's satisfaction is critical for item alteration and creating a solid, relationship with customers.

Retail industry mostly takes place in retail stores or service establishments, but may occur by direct sales, like online selling, door-to-door sales or online channels. Since this idea of retail is commonly connected with the purchasing of products, the term can check with service providers that sell to customers. Although this practice may allow customers to believe that they need access to lower prices, while being prepared to negotiate lower prices in crowded instore environments during a strictly specific system, a store that sells most of its products directly to consumers is understood as a retail store rather than a wholesaler. People with

different cultural backgrounds set targets for the customer to business sales revenue which defines a retail business.

#### 2 Literature Review

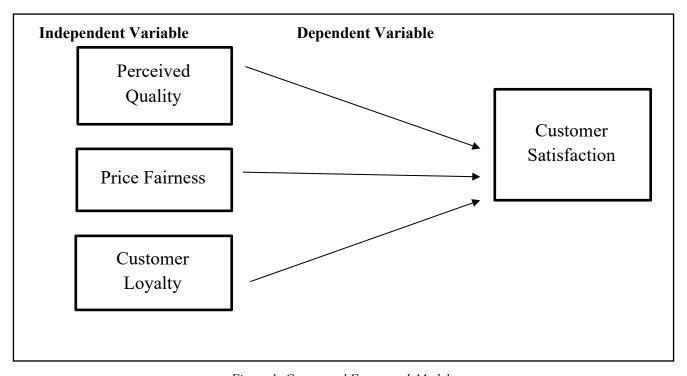


Figure 1: Conceptual Framework Model

#### 2.1 Perceived Quality

The term Perceived Quality is an association of two different words which is service and quality. Perceived means any action that one party can give to a different that is basically intangible and doesn't lead to the control of anything. Quality has come to be acknowledged as a strategic tool for come through operational efficiency and better performance of business. Perceived quality means the ability of a service provider to customer satisfaction which might better the performance of business (Kotler, Philip and Armstrong, Gary 2006). In other words, it is difference between customer perception or expectation of service delivered by retail industry. There are five dimensions as tangibility, reliability, responsiveness, assurance, and empathy were verified by and it had been called as SERVQUAL scale for assessing perceived quality.

#### 2.2 Price Fairness

Price is the amount of cash or goods used to attain some combination of other goods and its associated services (Hanif, Hafeez and Adnan, 2010). Kotler and Amstrong (2010) stated that price is the amount of cash exchanged for a product or service, or the sum of the values that customers exchange for the benefits of getting the merchandise or service. according to Anderson and Sullivan (1993), Perceived means any action that one party can give to a different that is basically intangible and doesn't lead to the control of anything. Quality has come to be acknowledged as a strategic tool for come through operational efficiency and better

performance of business. Therefore, the fairness of price is commonly of concern to customers, and retail industry. Many retail store try treating consumers in fair condition because customer perceptions of unfair prices will cause reduced profit.

#### 2.3 Customer Loyalty

C (Oliver, 1999). Customer loyalty is considered to produce greater supply to trade, condensed marketing costs (Aaker, 1991). The more loyal the customer and also the longer the customer is maintained, the more sales and profits the customer strength create. The advantages of built customer loyalty might come from continue extant customers still as attracting new ones. These benefits would, in turn, end in increased sales and profitability for the retail industry. Loyal customers are imagined to keep on with their suppliers or service providers for along time, and are more unlikely to cross-purchase. Loyal customers may express their loyalty by giving a greater share of their case to their high-valued brands product or service providers and by generating positive spoken recommendation. All of those activity would directly affect the profit of the retail industry.

#### 2.4 Customer Satisfaction

Customer satisfaction is measure of how the organisation's overall outcome performs in the relation to set of customer necessary (Hill & Brierley, 2017). They also added understanding of the concept customer satisfaction is easy if we stand in customers place. In the context of retail industry, the customer satisfaction is the result of the customers representation of the value received in a dealing or relation. Based on Krüger (2016), a customer's level of satisfaction with a service or product is discovered by the difference between the customer's expectation and customer's perception of the actual performance. In a easy way to understand the definition of customer satisfaction, it is a result of customer perceiving that the organization has or overstep their belief regarding overall activity and key performance criteria.

### 3 Methodology

This study designed to test the affects of perceived quality, price fairness, and customer loyalty on customer satisfaction toward retail industry. In relation to that, quantitative research approach was utilized for collecting the relevant data. Specifically, a survey instrument was utilized for obtaining the responses from customers of retail industry. A total of 365 questionnaires were distributed to the respondents using convenience sampling technique. Krejcie and Morgan (1970) stated that the perfect sample size for any research is 365 respondents.

In constructing the questionnaire, measurement scales of variable were adapted and adopted from previous study to measure customer satisfaction taken from Hanaysha (2016). This were also further explain by Bland and Altman (1997) saying that acceptable values of alpha, ranging from 0.70 to 0.95. The items were also measured using a five-point Likert scale that ranges between 1 = "strongly disagree" and 5 = "strongly agree".

The statistical tools and techniques used in this study such as Pearson correlation analysis performed with the help of IBM SPPS latest versions. The data and results are presented in charts and tables. Pearson correlation are used to measure how strong relationship is between two variables. It has a value between -1.00 to +1.00, with zero means that the two variables are not related at all. +1.00 indicates the strongest positive correlation possible and -1.00 is the strongest negative correlation possible. Thus, the larger the correlation coefficient, the stronger the linkage or level of association. The null hypothesis states there is no relationship between

independent variable and dependent variable and that the correlation coefficient is zero.

### 4 Analysis and Discussions

Examining the reliability of constructs is very important in order to proceed with data analysis. However, this study relied on Cronbach's alpha procedure, which done using SPSS 26 to calculate the reliability of constructs. The findings confirmed that all constructs achieved above the suggested value of Cronbach's alpha is 0.7. Out of 365 set of questionnaires personally distributed on the respondents and all the respondents answered the questionnaires. Below shows the descriptive analysis of the respondents.

Table 3: Pilot Test

Variable	N of Items	Cronbach's Alpha
All Variables	19	.890
Perceived Quality (IV 1)	2	.522
Price Fairness (IV 2)	1	.569
Customer Loyalty (IV 3)	2	.502
Customer Satisfaction (DV)	2	.493

Table 1: Data of the Respondent

Demographics	Total	Percentage
Gender		
Male	151	41.4
Female	214	58.6
Race		
Malay	194	53.2
Chinese	43	11.8
Indian	121	33.2
Others	7	1.9
Age		
19-22	211	57.8
23-26	152	41.6
27-30	2	.5
Marital status		
Single	357	97.8
Married	8	2.2
Faculty		
FKP	227	62.2
FHPK	138	37.8
Year Of Study		
1st Year	61	16.7
2 <sup>nd</sup> Year	97	26.6
3 <sup>rd</sup> Year	106	29.0

4 <sup>th</sup> Year	101	27.7	
How frequent do you			
go retail outlet			
Once a week	100	27.4	
Twice a week	147	40.3	
Once in two week	80	21.9	
Once a month	38	10.4	

Table 4: Result of Hypothesis

Hypothesis	PCC	Supported
H¹ Perceived quality has significant relationship on customer satisfaction in retail industry among university malaysia kelantan, campus kota students	0.573	Yes
H² Price fairness has significant relationship on customer satisfaction in retail industry among university malaysia kelantan, campus kota students	0.479	Yes
H³ Customer loyalty has significant relationship on customer satisfaction in retail industry among university malaysia kelantan, campus kota students	0.636	Yes

<sup>\*\*</sup>p-value is significant at the 0.000.

Table 4 shows result gathered as the data collected was analyse using Pearson correlation coefficient (PCC). The findings indicated that all three factors (perceived quality, price fairness and customer loyalty has significant affect on customer satisfaction. As were shown in table above, perceived quality has positive moderately relationship with customer satisfaction (PCC - 0.573) which results to H¹ is supported. Price fairness has positive moderately relationship with customer satisfaction (PCC - 0.479) which results to H² is supported. Lastly, customer loyalthy has positive moderately high relationship with customer satisfaction (PCC - 0.636) which results to H³ is supported.

#### 5 Conclusion

The primary purpose of this research is to test the effects of perceived quality, price fairness and customer loyalty on customer satisfaction in fast food restaurant in retail industry. Findings show that perceived quality has a significant positive effect on customer satisfaction. The previous studies done by Hanaysha (2016) had confirmed that perceived quality is one of the factor that can affect the customer satisfaction. Perceived quality means the ability of a service provider to customer satisfaction which might better the performance of business (Kotler, Philip and Armstrong, Gary 2006). In other words, it is difference between customer perception or expectation of service delivered by retail industry. There are five dimensions as tangibility, reliability, responsiveness, assurance, and empathy were verified by and it had been called as SERVQUAL scale for assessing perceived quality. Therefore, retail store managers must focus on perceived quality in order to satisfy their customers and keep their values in long term.

Next, the findings also revealed that price fairness has a significant positive effect on customer

satisfaction and according to Anderson and Sullivan (1993), price fairness means customer's evaluate and reactions toward the difference between a selling price and the comparative price is absolutely excusable, may be acceptable, or reasonable. This definition represents of price fairness involve a relation of price or process with a related standard. Therefore, the fairness of price is commonly of concern to customers, and retail industry. So, retail store managers should develop a pricing strategies and effective pricing mechanism to enhance customer satisfaction.

Lastly, the result of this study indicated that customer loyalty is the strongest significant positive effect on customer satisfaction among the others variables. Customer loyalty is considered to produce greater supply to trade, condensed marketing costs (Aaker, 1991). The more loyal the customer and also the longer the customer is maintained, the more sales and profits the customer strength create. The advantages of built customer loyalty might come from continue extant customers still as attracting new ones. These benefits would, in turn, end in increased sales and profitability for the retail industry. Thus, retail store managers recommended to emphasize on customer loyalty such as, using an attractive decoration in different style can deliver messages to customers.

There are some limitations in this paper that can be considered in the future researches such as, the struggle in distributing the questionnaire to respondents via google form due to pandemic period. Part of that, some respondents simply answered the questionnaire by ticking any answer they want to which lead to inaccurate result. Other than that, limited of time cause the researchers to limit the target population to a small scope, which is around university malaysia kelantan, city campus.

### 7 Acknowledgment

This research project was successfully done with assistance and co-operation from various authorities. I would like to express high gratitude to those people who guided, helped and supported to complete this research. My deep gratitude first goes to University Malaysia Kelantan (UMK) for giving me opportunity to do this research. Through this research, I gain a lot of experience, knowledge and expose to situation, which cannot be found in books, and certainly going to benefit in future.

My appreciation also extends to supervisor, Dr, Siti Afiqah Binti Zainuddin who guides me throughout to complete my proposal by sacrificing her time through the whole project. Her patient and advice's ensure this research can proceed very well. Furthermore,I would like to express high gratitude to respondents who willing to spend their precious time to respond the questionnaire of this research project. Finally, I acknowledge my beloved family members, friends and course mates for helping and supporting me until this research project ends.

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### AWARENESS OF THE IMPORTANCE OF E-WALLET

#### **SERVICES**

Nik Rosmazita Binti Nik Sin and Shah Iskandar Fahmie Bin Ramlee

Faculty of Entrepreneurship and Business,
University Malaysia Kelantan,
Malaysia

Email: rosmazita.a17a0323@siswa.umk.edu.my, shah@umk.edu.my

#### Abstract:

The purpose of this research is to study the awareness of the importance of e-wallet services among today's society. With the growth of popular mobile payment services, consumers and businesses across Malaysia are entering a new era of modest cashless transactions. The rapid growth of social networks and e-commerce platforms has changed the way people communicate and transact around the world. Malaysia is moving towards cashless to prevent escalation of robbery and theft. robbery and theft involving individuals carrying large sums of money. Because of that, it leads to e-wallets, big pockets, online banking and more. Along with current trends, e-wallets should be implemented and used. therefore, researchers have studied convenience, looking at security and social influence on e-wallet services. quantitative design was applied to 124 target respondents to collect data for a set of survey questionnaires. The results show that all factors such as convenience, security are felt to have a significant positive relationship with e-wallet services. Based on regression analysis, looking at security emerges as the most dominant factor influencing e-wallet services. The result is to increase the knowledge of e-wallet researchers and users to better understand the importance of e-wallet in daily life. The Statistical Package for Social Sciences (SPSS) Statistics 26 is used to assist in the analysis of our data throughout the research. Descriptive analysis, validity and reliability tests, normality tests, Spearman Correlation analysis and Multiple Regression analysis were applied in data analysis. Finally, there are some limitations of this study and suggestions are included in this paper to provide better ideas for future researchers related to studies involving e-Wallet users in Malaysia.

Keywords: e-Wallet, payment method, convenience, perceive security, social influence.

#### 1 Introduction

With numerous emerging innovations to replace existing technologies, the technological revolution of 4.0 is on the rise. It covers not only computer and communication technology elements, but also all aspects of life, including technical, medical, social, physical, financial and even political aspects (Azrul Azlan, 2020). This mechanism will accelerate payment transactions compared to conventional payments when the notion of electronic payment (e-payment) is implemented. In order to pay bills, fees and transfers, users no longer have to wait, but only by accessing the payment application or site at anytime and anywhere. This innovation alone is necessary to provide customers with comfort (Azrul Azlan, 2020).

It is evident in today's world that having a mobile phone or a tablet is becoming more important in everyday life. The number of smartphone users has risen dramatically with the growing number of affordable smartphones. According to a report by Erricson network experts, it is projected that a smartphone equivalent to 6.1 billion smartphones will be owned by almost three quarters of the global population by 2020. (Boxall, 2015). Only their shape is what separates ordinary wallets and e-wallets; wallets in physical form while e-wallets in virtual form. GrabPay, Touch n Go, Boost, Vcash and Razerpay are all examples of common e-wallets in Malaysia. Samsung Pay, Alipay and Googlepay are famous brands worldwide (Azrul Azlan, 2020).

It is often referred to as a digital or mobile wallet to be more applicable to e-wallets. E-wallet is a form of electronic card that can carry out mobile purchases by storing the credit cards, debit cards or bank account numbers of customers for payment. Utility is the same as credit or debit card (Ray, 2017). E-wallets may be a catalyst for traditional banking because they enable customers to move money or make lower-cost, more convenient and faster payments (Blockchains, 2018). As Jayaseelan (2017) said, however, the introduction of this e-wallet in everyday life is a major step that enables Malaysia to shift towards a cashless society. Once funded, shoppers can use E-wallets online to make transactions.

Jayaseelan (2017) said that in India and China, e-wallet services are well-established and widely used, but their existence in Malaysia is still very rare. While cash payments are still the main medium of exchange in Malaysia, after the increase in the introduction of cashless payments, the trend may shift (Lim & Appaduray, 2017). According to Bernama(2017), Governor Tan Sri Muhammad Ibrahim noted that at the Payment System Forum and Exhibition, the e-payment approach is a crucial element that would boost competitiveness and cost-efficiency for the digital economy, which is rising dramatically. Tan Sri Muhammad also stated that the advance technology, low operation cost by using the QR Code, and also the overwhelming number of Malaysian that holding debit cards and mobile phones should be treated as an advantage to optimize this Epayment technology (Bernama, 2017).

#### 1.1 Research Objectives

The research objectives for this study is:

- 1. To identify relationship between convenience and awareness of the importance of e-wallet services.
- 2. To examine relationship between perceived security and awareness of the importance of e-wallet services.
- 3. To determine relationship between social influence and awareness of importance of a e-wallet services?

#### 1.2 Research Questions

Research question for this study are:

- 1. What is the relationship between convenience and awareness of importance of a e-wallet services?
- 2. What is the relationship between perceive security and awareness of importance of a ewallet services?
- 3. What is the relationship between social influence and awareness of importance of a ewallet services?

### 2 Research Methodology

A quantitative descriptive research design is to used in this research. Quantitative research is the process of collecting and analyzing numerical data. It can be used to find patterns and averages, make predictions, test causal relationships, and generalize results to wider populations (Pritha Bhandari, 2020). This approach is used in the current study to calculate the reaction of the respondents to the awareness of the value of e-wallet services.

The target population is the total community of people from which the sample can be derived (Saul McLeod, 2019). The method of selecting a representative group from the population under study is sampling (Saul McLeod, 2019). It is anticipated that 124 users will participate in this research. Users aged between 18 years and 55 and above are the target demographic for the study because they are more open to new technical advances.

The initial analysis of data obtained for a research study is primary data analysis. Analyzing primary data is the process of making sense of the collected data to answer research questions or support or reject research hypotheses that a study is originally designed to assess (Mike Allen, 2017). The online questionnaire becomes the only primary data instrument for this research. This is because of online questionnaire survey allowed in this study to look into the relevant variables and fit into the objective of this study. Primary data analysis is the process of making sense of the data collected to answer research questions or to support or reject research hypotheses that a study is originally intended to evaluate (Mike Allen, 2017).

There are usually too many people in the community to understand quickly, so the investigations are often limited to one or two samples taken from them. The 30 samples were chosen to contain most of the information on a certain population parameter, but the relationship between the sample and the population must be such that the population of the sample is correctly inferred.

## 3 Analysis and Discussion

## 3.1 Demographic Profile

Table 1: Demographic Profile

Demographic	Category	Frequency	Percentage
			%
Gender	Male	47	37.9
	Female	77	62.1
Age	18-29 years old	30	24.2
	30-41 years old	50	40.3
	42-54 years old	28	22.6
	55 years old and above	16	12.9
Race	Malay	77	62.1
	Chinese	21	16.9
	Indian	17	13.7
	Others	9	7.3
Marital Status	Single	27	21.8
	Married	86	69.4
	Divorce/widow	11	8.9
Education Level	Primary school	18	14.5
	Secondary school	13	10.5
	College/diploma	41	33.1

	Undergraduate degree	33	26.6
	Postgraduate degree	13	10.5
	Others	6	4.8
Employment	Student	25	20.2
	Employed	54	43.5
	Housewife	19	15.3
	Unemployment	13	10.5
	Own business	13	10.5
Personal Monthly	Below RM 1000	32	25.8
Income	RM 1001 to RM 1500	17	13.7
	RM 1501 to RM 2000	15	12.1
	RM 2001 to RM 2500	22	17.7
	RM 2501 and above	38	30.6

The personal details of the respondents, including gender, age, race, marital status, level of education, employment and personal monthly income, were shown in this segment. The investigator measured the frequencies to illustrate the respondents' demographic history. The number of respondents, both male and female. The number of female respondents was more than the male respondent, as seen in the Table 1 above, based on the sample collected. 47 (37.9%) were male respondents, while 77 (62.1%) were female respondents. The average age of the respondent is between 30-41 years old, which is 50 (40.3%). 30 (24.2) of respondents are between 18-29 years of age. There were few respondents between 55 years of age and above, which is just 16 (12.9%). The remaining 28 (22.6%) were respondents aged 42-54 years old. For the race Malay, was the majority of respondents who answered the survey question 77 (62.1%). 21 (16.9%) Chinese respondents followed, and 17 (13.7%) came from Indian respondents, while the remainder came from Other races 9 (7.3%). The largest group of respondents, 86, were married (69.4%). 27 (21.8%) of the respondents were single, while 11 (8.9%) of the respondents were divorced/widowed. The bulk of the respondents were 41 at the college/diploma level (33.1%). Undergraduate degree, which was 33, followed by (26.6%). 18 (14.5%) of the respondents are from primary school and 13 (10.5%) are from secondary and postgraduate school. Of the other respondents, only 6 (4.8%) responded. The largest number of respondents who contributed to the survey was 54 (43.5%) is Employed. The student respondent was second highest with 25 (20.2%), followed by housewife 19 (15.3%). The individuals from their Own business and the unemployed contribute 13 (10.5%). Most respondents earn RM 2, 501 and above the income level of 38 (30.6%) and 32 (25.8%) earn below RM 1,000 and 22 (17.7%) earn RM 2,001 to RM 2,500 for the respondent. Followed by the respondent's 17 (13.7%) earn RM 1,001 to RM 1,500 and 15 (12.1%) earn RM 1,501 to RM2,000 for the respondent.

#### 3.2 Descriptive Analysis

The descriptive analysis comes out to find the mean for each variables and to determine the awareness of the importance of e-wallet services. The response were scale by using 5-point Likert scale were 1 was anchored to 'Strongly Disagree', 2 as 'Disagree', 3 as 'Neutral', 4 as 'Agree' and lastly 5 as 'Strongly Agree'.

Table 2 : Descriptive Analysis

Variable	Mean	Std. Deviation
e-Wallet service (DV)	4.69	0.417
Convenience (IV1)	4.66	0.419
Perceive security (IV2)	4.73	0.367
Social influence (IV3)	4.69	0.426

Table 2 showed that all the independent variables consist of convenience, perceive security, social influence that seems to be common for e-wallet service. Based on the result, the highest mean value came from perceive security based on the description, which was 4.73, where respondents agreed more for this variable, while the lowest mean value was 4.66 for each variable on convenience where respondents agreed lower with that variable in this study. The highest standard deviation is social influences which was 0.426, while the lowest standard deviation is convenience is 0.419.

#### 3.3 Reliability Analysis

The reliability analysis was used to determine the extent to which the items in the questionnaire were related to each other. It also used to provide an overall index of the repeatability or internal consistency of the scale as a whole, and identify the problem items that should not be excluded from the scale. In the study, a Cronbach's alpha analysis was used to access the reliability with the alpha value of 0.6 and above is acceptable.

Table 3: Reliability Analysis

Variable	Cronbach's Alpha	Strength of Association
e-Wallet service	0.866	Very good
Convenience	0.896	Very good
Perceive security	0.955	Very good
Social influence	0.937	Very good

In this research, a total of 124 respondent were involved in the actual survey. Table 3 shows the Cronbach's alpha values for the variables that were used in the measurement instrument. There were four questions used to measure e-wallet service using a 5-point Likert scale. The Cronbach's alpha result for this dependent variable was 0.866 which was good and thus the items coefficient for e-Wallet service was reliable. There were five questions used to measure Convenience. The Cronbach's Alpha result for this independent variable was 0.896. The strength of association between items was good. Thus, the items coefficient for Convenience was reliable. A total of five questions were used to measure Perceive security with the Cronbach's Alpha result for this independent variable was 0.955. It shows that the strength of association between items was also good and thus the items coefficient of Perceive security was reliable. Five questions were used to measure Social influence. The Cronbach's Alpha result for this independent variable was 0.937. The strength of association between items was

good. Therefore, the items coefficient obtained for this independent variable was reliable.

# 3.4 Correlation Analysis between e-Wallet Service (DV) and Convenience, Perceived Security, Social Influence.

Below shows the hypothesis listed as to found out about awareness of the importance of e-wallet services. Correlation analysis is a statistical method used to evaluate the strength of relationship between two quantitative variables. A high correlation means that two or more variables have a strong relationship with each other, while a weak correlation means that the variables are hardly related (Monica Franzese, 2019). This study had used correlation analysis to identify the relationship between independent variables and dependent variables. I used the correlation analysis to identify all the hypothesis can interact between dependent variable and independent variable. There were three independent variables which were Convenience, Perceived Security, and Social Influence.

Table 3: Correlation Analysis

Variable	e-Wallet service
e-Wallet service	1
Convenience	0.672
Perceive security	0.723
Social influence	0.518

H<sub>1</sub>: There is significant relationship between convenience and awareness of importance of a e-wallet services?

Firstly, this study had identified the relationship between Convenience and e-Wallet service. According to Table 3, the correlation coefficient is 0.672 which indicates that both variables are correlated and has a positive relationship. From the result, the data is support H<sub>1</sub> where there is a significant relationship between the Convenience and e-Wallet service. There is a positive good significant relationship between convenience and e-Wallet service (p<0.05, r= 0.672). Hence, hypothesis 1 (H1) is supported.

H2: There is significant relationship between perceive security and awareness of importance of a e-wallet services?

Secondly, this study had identified the relationship between Perceive security and e-Wallet service. Based on the Spearman's correlation, the second hypothesis in Table 3 showed positive relationship between the perceive security and e-Wallet. The correlation coefficient value is 0.723. This research has accepted the alternate hypothesis which Perceive security has a significant relationship with e-Wallet service. There is a positive good significant relationship between perceive security and e-Wallet service (p<0.05, r= 0.723). Hence, hypothesis 2 (H2) is supported.

H3: There is significant relationship between social influence and awareness of importance of a e-wallet services?

Lastly, this study had identified the relationship between Social influence and e-Wallet service. According to the Table 3, the alternative was accepted since there is a relationship between Social influence and e-Wallet service which has shown by the Spearman's correlation which

is high significant. The correlation coefficient value is 0.518. There is a positive good significant relationship between perceive security and e-Wallet service (p<0.05, r= 0.518). Hence, hypothesis 3 (H3) is supported.

#### 3.5 Discussion

The aim of this research is to raise awareness of the importance of e-wallets in society. The results of the study show that there is a significant and positive between convenience with e-wallet services. Previous research confirm these findings (Kabir et al., 2017). Convenience is a significant factor in shaping consumers of e-Wallet techniques, according to Bezhovski (2016). Convenience is described as a match between the user's basic requirements, technical advancements and user experience. As advanced e-Wallet technology and e-Payment methods become simpler, consumers have built trust and the habit of using them.

In addition, these findings suggest that the relationship between perceive security is acceptable. The perceive security of the E-wallet, in other words, would influence the user's decision to use the E-wallet. This outcome is backed up by Teoh et al (2013). This is because respondents are increasingly aware of the steps that many financial firms are taking to address security-related issues. Moreover, financial institutions will alert customers regularly and will also notify them of fraud.

The correlation between social influence and the e-wallet is essential and positive. Slade et al. (2015) and Cao et al. agree on this (2016). There is a significant indirect effect of social influence. The social impact of subjective standards and image types, meanwhile, has a direct effect on the continued use of e-Wallets. The inference is that a major factor in shaping the use of e-Wallet is the influence of relatives, colleagues and others (Yang et al., 2012). If the user's family or friends think they can use e-wallet, the usage rate would increase in e-wallet (Lwoga & Lwoga) (2017). Since social influence is an important factor, Junadi and Sfenrianto (2015), departmental marketing can go through individuals-influential individuals whose views are respected for promoting e-wallet services, so from time to time, awareness of the importance of e-Wallet among users can be increased.

#### 4 Conclusion and Future Research

In order to discover more details on the outcomes, future research can perform such research in a longer time frame. This will mean the findings will be interpreted more conclusively and accurately. For example, if there is sufficient time to perform the analysis, future researchers will be able to study more significance regarding e-Wallet service. Furthermore, future research is planned to use various research techniques for data collection to improve the precision of the findings, such as using face-to-face interviews, telephone call interviews and focus group discussions. This is because the self-administered data collection questionnaire approach is often correlated with the bias of involuntary respondents. Since this research has been performed in Malaysia, the suggestion for more research is that the same research can be carried out in spesified states. The comparative research should also be carried out so we can understand that society is alert or not to technology.

The aim of this study is to recognize the value of e-Wallet service awareness. Three goals to be accomplished in this study were highlighted in this study. The first goal is to establish the link between convenience and understanding of the value of e-wallet services. Second, the relationship between perceived protection and understanding of the significance of e-wallet services should be investigated. Finally, to evaluate the relationship between social impact and

knowledge of the value of e-wallet services, this study measures the hypotheses as mentioned in Chapter 4 in order to respond to research goals. In order to evaluate the reliability of the object, the data were evaluated using the reliability test and the spearman correlation was tested to determine the relationship between independent variables (Convenience, Perceive security and social influence) and dependent variable (e-Wallet services). In conclusion, the positive interaction with a highly important outcome is shown by all variables. Therefore, in this report, all the targets were successfully achieved.

### 5 Acknowledgement

First of all, I would like to thank the university for giving me permission to complete this task without any problems. Without permission, of course I will not be able to complete my assignment on the specified date. Next, I would like to thank Dr. Shah Iskandar Fahmie bin Ramlee, as a lecturer at the Faculty of Entrepreneurship and Business at Universiti Malaysia Kelantan and also as a supervisor whom I respect for giving me permission and support throughout this task. Not only that, he also corrected my mistakes and provided a lot of information in case I had an unresolved problem. Without his help, this task will not be submitted on the due date. In addition, I would also like to thank my family, friends, team members, respondents, as well as those who directly and indirectly participated and helped me in completing the research and cooperating with me. The encouragement, support, advice, and criticism given throughout this research gave me a better understanding in completing this research. This research solution would not have been possible without the help of all of you and I am very grateful.

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# THE IMPORTANCE OF HALAL PRODUCT PURCHASES AMONG CONSUMERS IN DUNGUN, TERENGGANU

#### Noor Hezan Balkis binti Johari and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: noorhezan97@gmail.com; munirah@umk.edu.my

#### Abstract:

'Halal' originally stands for something that are permissible for Muslim according to the Islamic Law. In this day and age, halal has been transformed into a standard of safety and hygiene for the products or service consumed by Malaysian Muslim. The principal of this study is to investigate the importance of halal product purchases among consumers in Dungun, Terengganu. To achieve this objective there were a few variables or factors that was identified. The variables are halal awareness, halal knowledge, and halal certification / halal logo. For the analysis, quantitative research was used to analyze the outcome and the sampling technique to ensure that the research objective is archived. This is quantitative research in which 220 respondents of residents in Mukim Pasir Raja Dungun, Terengganu was involved in this research. The 220 respondents are from different gender, age, and educational level. The data that collected from respondents was analyzed by using SPSS. After this research, researcher acknowledge that factors such halal awareness, halal knowledge, and halal certification / halal logo were significant in its influence towards importance of halal product purchases among consumers in Dungun, Terengganu. The result had been proven by conducting the reliability analysis, descriptive analysis, and Spearman's Correlation value for each variable that has been studied.

Keywords: awareness, certification, halal, knowledge, logo, product purchases.

#### 1 Introduction

Islam is one of religion that is the natural way of life which the follower of the religion called as "Muslim". Muslim believes that Quran and Sunnah (action and sayings of Prophet Muhammad) are the guidelines to life in the world. For example, the economic system in Islam is fair; its social system is based on peace, good will, and cooperation; and the political system in Islam is established on conferring and consulting (Hussain, Rahman, Zaheer, & Saleem, 2016). Muslims follow Quranic guidance that all foods are Halal except those that are specifically mentioned as Haram (unlawful or prohibited). (Hasan, 2016) defined halal means permissible or lawful by Islamic law and state that religion also influence the attitude of consumers purchase. Nowadays, halal market appears as a promising of global market due to the needs of Muslim's consumer for the halal product. The halal product is expected to increase from US\$ 2,107 billion market to US\$ 3,007 billion in 2023 (Sosianika & Amalia, 2020).

Halal market now widely accepted with the Halal business sectors currently developing to other sectors beyond the traditional F&B sector (US\$ 1,303 billion) including fashion (US\$ 270 billion), pharmaceuticals (US\$ 87 billion), cosmetics (US\$ 61 billion), finance (US\$ 2,438

billion), and tourism (US\$ 209 billion) (T. Reuters & D. Standard, 2018). Therefor this study is conduct to know the importance of halal product purchase among consumers in Dungun, Terengganu. Study by (Shaari et al., 2019), state that halal practice in business gain a worldwide acceptance and no longer a marketing jargon also accepted by Muslim and Non-Muslim countries. It is due to consumers todays give more attention toward their health. The halal product is known as a good product among consumers regarding the "halal" perspective.

#### 2 Literature Review

#### 2.1 Underpinning Theory

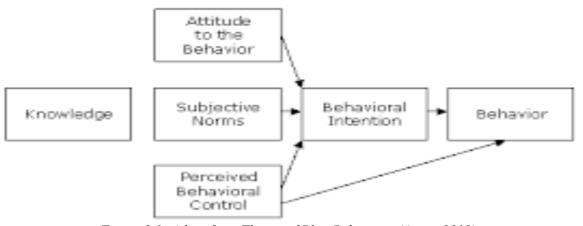


Figure 2.1: Adopt from Theory of Plan Behaviour (Azjen, 2019)

(Kan & Fabrigar, 2017) state that the Theory of Planned Behaviour (TPB) is a theory used to understand and predict behaviours, which posits that behaviours are immediately determined by behavioural intentions and under certain circumstances, perceived behavioural control. Behavioural intentions are determined by a combination of three factors: attitudes toward the behaviour, subjective norms, and perceived behavioural control. Theory of Planned Behaviour (TPB) is known as one of the well-known theories for understanding individual behaviour and intentions. It was developed by Ajzen in 1991 (Zakaria, Majid, Ahmad, Jusoh, & Zakaria, 2017).

#### 2.2 Previous Study

#### **Halal Product Purchases Decision**

Halal certified product means that the product is permissible or acceptable in accordance with Islamic law. In order for products to receive this certification, they must be from an acceptable source such as a cow or chicken and slaughtered according to these laws (Wentworth, 2018). Halal products being produce by many manufacturers whether they are Muslim or No-Muslim producers. Halal product nowadays being accepted by the worldwide users even though they are Non-Muslim. The concept of Halal is not related with food products only, but is also related with cosmetics, personal care, pharmaceutical and other products as well. Since these are majorly being produced by non-Muslim manufacturers (J. Lever & J. Fischer, 2018). There are four predictors that motivate consumers to purchase Halal food product, namely safety, religious values, health benefits and exclusiveness (Widodo, 2013). Previous studies also revealed several factors that influence not only Muslim but also non-Muslim's intention to purchase Halal products (Rezai, 2008).

#### **Halal Awareness**

The actual threats regarding halal issue is the lack of awareness in individuals itself. Perhaps

consumers fail to build their own awareness because of the internal factor within themselves such as value, religiosity commitment and attitude towards halal products, information processing or external factor like environmental influence including culture, opinion leader and community (Yusoff & Adzharuddin, 2017). Therefore, the consequence to have a valid halal certification produced by JAKIM is extremely vital since 61% of 30 million Malaysian are Muslim (Mohamed Elias, Othman, Yaacob, & Mohd Saifudin, 2016). Awareness of halal is something that every Muslim need to know even a little because it is really useful for daily life especially when they in country of minority Muslim. Therefore, awareness can be described as a level of attentiveness or realization among Muslim entrepreneur towards producing what is permitted for Muslims to consume and use (A.R. Ambali & A.N. Bakar, 2014).

### Knowledge

It is about how the Muslim individual should digest and practiced some Islamic teachings regarding on halal and haram. In Malaysia most of the consumers have a good understanding and knowledge on halal food and food hygiene, including the ways it is prepared, processed and marketed (M. Said, F. Hassan, R. Musa, & N.A. Rahman, 2014). Therefore, the knowledge about the product ingredients is important for the consumers, since the possibility of acceptance or rejection during the process of purchasing decision is there (Ahmed, Najmi, Faizan, & Ahmed, 2019). Even the halal knowledge among consumers are low they still know what to decide on their purchases. This means, as long as they know about the product ingredient and any that related to the product they will choose it as their item for consumption.

#### **Halal Certification / Halal Logo**

It was introduced to protect Muslims consumers through a comprehensive Halal Assurance System. Halal certification not only focusing on the materials or ingredients that goes into the product however the "Toyyiban" or wholesomeness concept that was applied will also scrutinize every aspect of productions (Ismail, Othman, Rahman, Kamarulzaman, & Rahman, 2016). The Halal certification also guarantees that products and services aimed at the Muslim population meet the requirements of Islamic law and therefore are suitable for consumption in both Muslim-majority countries and in Western countries where there are significant population group who practice Islam such France, Germany, United Kingdom, and few more (Human Resources Department).



Figure 2.2: Halal Logo

Figure 2.2 show that few of halal logo used by the Malaysian halal certification on every product that given certification by JAKIM. Here the outline of the logo:

Has an eight cups star at the center of a circle.

The Arabic word – "halal" at the center of the star.

The word "HALAL" in Roman alphabets below it. The word "Malaysia" written in Roman alphabets and halal in Arabic within the circle of the logo.

Two small five cusp stars are positioned to separate the Roman alphabets from the Arabic word mentioned,

### 2.3 Hypotheses Statement

- H1: There is a relationship between halal awareness with the halal product purchase among consumers.
- H2: There is a relationship between knowledge with the halal product purchase among consumers.
- H3: There is a relationship between halal certification / halal logo with the halal product purchase among consumers.

### 2.4 Conceptual Framework

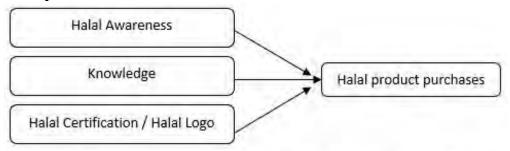


Figure 2.3: Adapted from Theory of Planned Behaviour (Azjen, 2019)

For the independent variable of theoretical framework and conceptual framework are nearly the same which there are three components halal awareness, knowledge, and halal certification / halal logo. The dependent and independent will be explained in this study. For this study, by using the theory there are adapted there are several contextual factors had been identified to examine the relationship between the factors affecting halal products purchases in Dungun, Terengganu.

## 3 Research Methodology

#### **Data Collection Methods**

In this study will be using the most common method which survey method to collect the primary data. In this research, researcher will use this method of quantitative data to collect and gather all the data from respondents through method of questionnaire. 220 questionnaires will be distributed to the respondents in mukim Pasir Raja. Once the questionnaire is completed and print, it will be distributed to the respondents by face to face. Respondents will be given 15-20 minutes to answer the questionnaire. After the respondent has finished answering the questionnaire given, researcher will collect the question at the same time.

#### **Measurement of The Variables**

As to conduct this research, the instrument that being used in order to accomplished this study is by using questionnaire for data collection. the questionnaire is being divided into three sections which is section A (Demographic), section B (factors choose by researcher), and section C. For section A, respondent is given question on their basic demographic which measure in nominal scale and this section adapted from (Ahmad, 2014), section B is related to halal product purchases which, and section C is related to halal awareness, knowledge, and halal certification / halal logo. Section B and C is using Likert scales of 1 (strongly disagree)

to 5 (strongly agree). Section B has six items (Latif, Harris, & Rahman, 2019). Section C has nine items with halal awareness with six items (Parhan & Mohd Ismail, 2015), part two related to the knowledge with six items (A. S. Nuratifah, M. S. Sharifudin, & A. L. Mariam, 2019), and part three related to the halal certification / halal logo with six items (Latif et al., 2019).

### 4 Analysis

**Descriptive Analysis** – to analyses the demographic data in the study. The outcome of the individual variable can be express through frequency distribution (Saunders, Lewis, & Thornhill, 2009). In the meantime, it can be converted into the form of bar chart, pie, histogram, and to interpret. By doing this analysis, researcher can determine the data of demographic respondents in the research study.

**Spearman's Correlation Analysis** – Spearman's Correlation is a non-parametric test that is used to measure the degree of association between the two variables (Lani). Spearman's Correlation test does not carry any assumption about the distribution of the data and is the appropriate correlation analysis when the variables are measured on a scale that is at least ordinal. The assumption of the Spearman's Correlation is that data must be at least ordinal and the scores on one variable must be monotonically relate to the others variables.

**Reliability Analysis** – it means consistency. It is the degree to which an instrument will give similar result for the same individual at different times. Reliability can take on value of 0 to 1.0 inclusive. Test-retest reliability is one of the methods for checking reliability. Cronbach's alpha is a measure of internal consistency. It is also considered to be a measure of scale reliability. The closer Cronbach's alpha to 1, the higher internal consistency of reliability.

**Pilot Study** - According to (Moser & Kalton, 1985), a pilot study should be carried out and is considered to be the last safeguard against the possibility of the ineffectiveness of the main survey. Therefore, a pilot study will be undertaken before the final process of data collection. The intention of undertaking this test is to check and clarify the questionnaire on the right use of terms, the meaning and relevance of each item. (Moser & Kalton, 1985) also mentioned that 15-30 respondents are considered sufficient for pilot testing.

## 5 Data Analysis and Discussion

#### 5.1 Preliminary Analysis

Pilot test will be carried out before the questionnaire is adopted to access the consistency and exactness of the questionnaire design. Around 15-30 respondents are enough for pilot study to confirm that respondents understanding and feedback (Hill, 1998). A small group of 20 respondents have been chosen to answer the questionnaire for the pilot test for this study. The respondents who have done the pilot test will not be considered in the main study. Table 4.1 specifies the results of reliability analysis and it shows the variables of halal product purchases, halal awareness, and halal certification / halal logo are significant with value more than 0.70 of Cronbach's Alpha while the Cronbach's Alpha of knowledge is at 0.65. It indicated the strong point of association between variables is very good.

Table 4.1: Reliability Test (Pilot Test)

Variable	Number of Items	Cronbach's Alpha
Halal Product Purchases	6	0.859
Halal Awareness	6	0.741
Knowledge	6	0.650
Halal Certification / Halal Logo	6	0.904

# **5.2** Demographic Profile of Respondents Gender

Table 4.2: Gender

	GENDER					
Frequency Percent Valid Percent Cumulative						
					Percent	
Valid	Male	96	43.6	43.6	43.6	
	Female	124	56.4	56.4	100.0	
	Total	220	100.0	100.0		

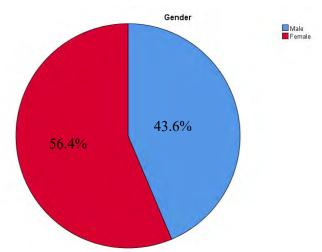


Figure 4.1: The Percentage of Gender

### Age

Table 4.3: Age

AGE						
		Frequency	Percent	Valid Percent	Cumulative	
					Percent	
Valid	18-21	36	16.4	16.4	16.4	
	21-23	58	26.4	26.4	42.7	
	24-26	23	10.5	10.5	53.2	
	27-29	23	10.5	10.5	63.6	
	30 above	80	36.4	36.4	100.0	
	Total	220	100.0	100.0		

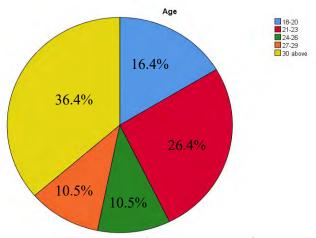


Figure 4.2: The Percentage of Age

### Religion

Table 4.4: Religion

RELIGION					
	Frequency Percent Valid Percent				
					Percent
Valid	Islam	215	97.7	97.7	99.5
	Hindu	4	1.8	1.8	1.8
	Buddha	0	0	0	0
	Christian	0	0	0	0
	Others	1	0.5	0.5	100.0
	Total	220	100.0	100.0	

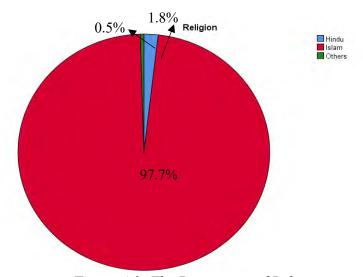


Figure 4.3: The Percentage of Religion

### Race

Table 4.5: Race

	RACE						
	Frequency Percent Valid Percent Cumulative Percen						
Valid	Chinese	2	0.9	0.9	0.9		
	Indian	4	1.8	1.8	2.7		
	Malay	213	96.8	96.8	99.5		
	Others	1	0.5	0.5	100.0		
	Total	220	100.0	100.0			

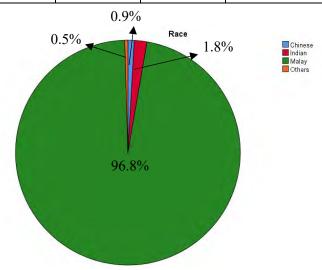


Figure 4.4: The Percentage of Race

#### **Marital Status**

Table 4.6: Marital Status

MARITAL STATUS						
Frequency Percent Valid Percent Cumulative Percent						
Valid	Single	102	46.4	46.4	46.4	
	Married	110	50.0	50.0	96.4	
	Divorced	8	3.6	3.6	100.0	
	Total	220	100.0	100.0		

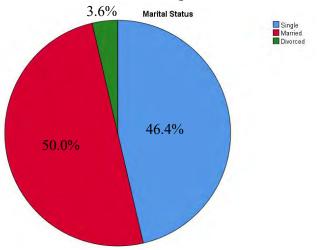


Figure 4.5: The Percentage of Marital Status

### **Education Level**

Table 4.7: Education Level

	EDUCATION LEVEL						
	Frequency Percent Valid Percent Cumulative Pe						
Valid	UPSR	30	13.6	13.6	13.6		
	PMR / PT3	28	12.7	12.7	26.4		
	SPM	91	41.4	41.4	67.7		
	STPM / STAM /	18	8.2	8.2	75.9		
	Matriculation						
	Diploma	26	11.8	11.8	87.7		
	Degree	27	12.3	12.3	100.0		
	Total	220	100.0	100.0			

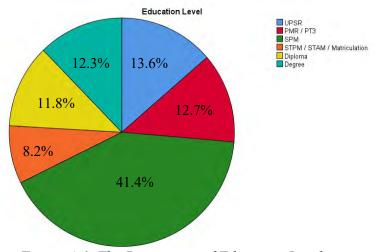


Figure 4.6: The Percentage of Education Level

#### 5.3 Descriptive Analysis

In descriptive analysis, every section of dependent variable and independent variables has been using the mean of analysis that being choose by the researcher. It is to find out the factors that effecting Halal product purchases among consumers in Mukim Pasir Raja, Dungun, Terengganu. Researcher will find out which the question respondents strongly agreed and strongly disagreed.

Table 4.8: Level of Mean

Level	Mean
Strongly Agree	4.01- 5.00
Agree	3.01 - 4.00
Neutral	2.01 - 3.00
Disagree	1.01 - 2.00
Strongly Disagree	0.01 - 1.00

#### **Halal Product Purchases**

Table 4.9: Halal Product Purchases

Descriptive Statistics		
	N	Mean
I will help spread news about the halal concept to encourage awareness.	220	4.88
I will encourage people to purchases halal products.	220	4.90
I will go to any event that promote halal products.	220	4.60
Halal certification is my main criterion when choosing products to	220	4.73
purchase.		
I will be satisfied with my decision to experience halal products concept.	220	4.87
The halal product is suitable for Muslim and Non-Muslim.	220	4.93
Valid N (listwise)	220	

The highest mean shown is at level of 4.93 which state that respondents strongly agree that the halal product is suitable for Muslim and Non-Muslim. The lowest result of halal product purchases is at the mean level of 4.60 which that they will go to any event that promote halal products.

#### **Halal Awareness**

Table 4.10: Halal Awareness

Descriptive Statistics		
•	N	Mean
I understand about the halal concept.	220	4.88
I can differentiate between Halal and Non-halal.	220	4.90
The Halal rules only applied to Muslims.	220	4.66
I have no problem to consume Halal product.	220	4.93
Halal concept is very important to the Malaysia society.	220	4.63
Halal rules should be implemented into all kind of industries.	220	4.89
Valid N (listwise)	220	

The highest mean shown is at level of 4.93 which state respondents strongly agree that they have no problem to consume Halal product. The lowest result of halal awareness is at the mean level of 4.63 which Halal concept is very important to the Malaysia society.

### Knowledge

Table 4.11: Knowledge

Descriptive Statistics		
	N	Mean
There is 'halal' and 'haram' in Islam.	220	4.94
Haram mean the forbidden.	220	4.93
Halal mean permissible by syari'ah law.	220	4.92
Animal carcass, blood, pigs and alcohol are haram for Muslim.	220	4.95
Halal products are good for personal health (mental and physical).	220	4.92
Are you aware that JAKIM can revoke the Malaysian Halal Certificate if	220	4.01
there is an error in foods processing.		
Valid N (listwise)	220	

The highest mean shown is at level of 4.95 which state that respondents strongly agree that animal carcass, blood, pigs and alcohol are haram for Muslim. The lowest result of knowledge is at the mean level of 4.01 which that they are aware that JAKIM can revoke the Malaysian Halal Certificate if there is an error in foods processing.

#### **Halal Certification / Halal Logo**

Table 4.12: Halal Certification / Halal Logo

Descriptive Statistics		
	N	Mean
In Malaysia halal certificate is given by JAKIM.	220	4.92
Halal certification convince me to purchase any products or service.	220	4.87
The halal logo is important in choosing the halal products.	220	4.86
I choose the product base on halal logo.	220	4.72
I will always be careful when choosing the products with halal logo.	220	4.84
I am aware of the differentiation between the genuine and nongenuine	220	4.76
halal logo.		
Valid N (listwise)	220	

The highest mean shown is at level of 4.92 which state that respondents strongly agree that In Malaysia halal certificate is given by JAKIM. The lowest result of halal purchases is at the mean level of 4.72 which that they choose the product base on halal logo.

### Validity and Reliability Test

Table 1	12.	Regulte /	f voliabilit	v Cronhack	'c 11n	ha for	the variables
1 <i>uvie</i> 4.	13.	nesuus	η Γειιαυιιι	y Cronbuch	і з Аірі	nu jor	ine variables

Variables	Number	Cronbach's	Number of	Cronbach's
	of Items	Alpha before item deletion	items after item deleted	Alpha after item deleted
Halal Product Purchases	6	0.735	6	0.735
Halal Awareness	6	0.699	6	0.699
Knowledge	6	0.566	5	0.897
Halal Certification /	6	0.857	6	0.857
Halal Logo				

The dependent variable which is Halal Product Purchases found to be acceptable reliability (6 items;  $\alpha=0.735$ ). The first independent variable is Halal Awareness showed a questionable reliability (6 items;  $\alpha=0.699$ ) The second independent variable that is Knowledge showed a good reliability (5 items;  $\alpha=0.897$ ) and the last independent variable that is Halal Certification / Halal Logo found to be also a good reliability (6 items;  $\alpha=0.857$ ). One item from the second independent variable were deleted that is Knowledge Q6 with the Cronbach's Alpha (6 items;  $\alpha=0.566$ ). It has been removed in order to save cost, time and avoiding lack of understanding from the respondents. The Cronbach's Alpha is unchanged from every variable after the removal. Therefore, the data was considered suitable for further analysis.

#### **Normality Test**

Table 4. 14: Summary of Skewness and Kurtosis Results

Statistics					
		HPP	НА	KLG	HC/HL
N	Valid	220	220	220	220
	Missing	0	0	0	0
Mean		4.83	4.82	4.78	4.83
Std. Deviation		0.27	0.28	0.245	0.33
Skewness		-2.79	-2.79	-2.67	-2.51
Std. Error of Skewness		0.16	0.16	0.16	0.16
Kurtosis		11.58	10.79	13.78	6.62
Std. Error of Kurtosis		0.33	0.33	0.33	0.33

The skewness value for halal product purchases is -2.791, halal awareness is -2.787, knowledge is -2.674, and halal certification / halal logo is -2.513. For kurtosis values halal product purchases is 11.577, halal awareness is 10.785, knowledge is 13.783, and halal certification / halal logo is 6.624. All skewness values for each variable are close to zero. As for kurtosis value, each variable is more than 3. Thus, all the variables of this study are not normal. Therefore, this study is using Spearman's correlation analysis. Distributed shown by following figure of histogram below.

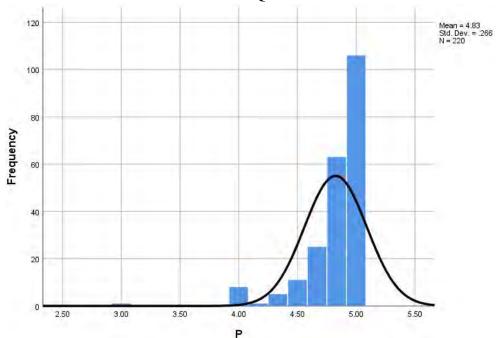
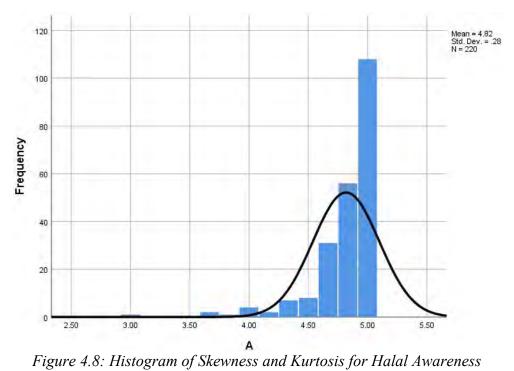


Figure 4.7: Histogram of Skewness and Kurtosis for Halal Product Purchases



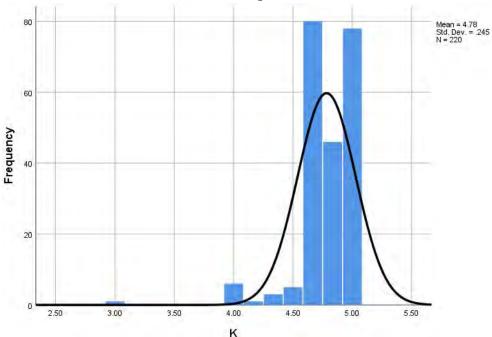


Figure 4.9: Histogram of Skewness and Kurtosis for Knowledge

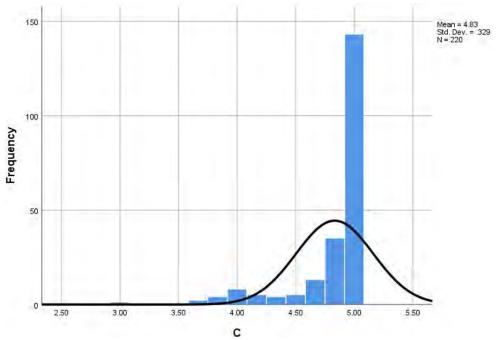


Figure 4.10: Histogram of Skewness and Kurtosis for Halal Certification / Halal Logo

### **Hypotheses Testing**

Spearman's Correlation Analysis is accepted to quantify the strength of the linear relationship between two ranked variables (Saunders et al., 2009; Saunders, Lewis, & Thornhill, 2012). The table 4.15 shows the measurement scale to describe the strength of relationship between dependent and independent variable.

Table 4. 15: Rules of Thumb of Correlation Coefficient (Source: (Hair, 2007) Research Methods for Business)

Coefficient Range (r)	Interpretation
0.90 to 1.00 (-0.90 to -1.00)	Very High Positive (Negative) Correlation
0.70 to 0.90 (-0.70 to -0.90)	High Positive (Negative) Correlation
0.50 to 0.70 (-0.50 to -0.70)	Moderate Positive (Negative) Correlation
0.30 to 0.50 (-0.30 to -0.50)	Low Positive (Negative) Correlation
0.00 to 0.30 (-0.30 to 0.00)	Negligible Correlation

# Hypothesis 1: There is a relationship between halal awareness with the halal product purchase among consumers.

Table 4.16: Correlation between Halal Product Purchases and Halal Awareness

	Correlat	tion	
		HPP	HA
HPP	Spearman's Correlation	1	0.376**
	Sig. (2-tailed)		0.000
	N	220	220
HA	Spearman's Correlation	0.376**	1
	Sig. (2-tailed)	0.000	
	N	220	220
**. Correlation is significant at the 0.01 level (2-tailed).			

The r value of halal awareness is 0.376. The result indicates there is low positive correlation between halal product purchases and halal awareness. Besides, the p-value is less than 0.01. This result shows that there is a relationship between halal product purchases and halal awareness. Therefore, hypothesis 1 is accepted.

# Hypothesis 2: There is a relationship between knowledge with the halal product purchase among consumers.

Table 4.17: Correlation between Halal Product Purchases and Knowledge

	Corre	lation		
		HPP	KLG	
HPP	Spearman's Correlation	1	0.217**	
	Sig. (2-tailed)		0.001	
	N	220	220	
KLG	Spearman's Correlation	0.217**	1	
	Sig. (2-tailed)	0.001		
	N	220	220	
	**. Correlation is significant at the 0.01 level (2-tailed).			

The r value of halal awareness is 0.217. The result indicates there is negligible correlation between halal product purchases and knowledge. Besides, the p-value is less than 0.01. This result shows that there is a relationship between halal product purchases and knowledge. Therefore, hypothesis 2 is accepted.

Hypothesis 3: There is a relationship between halal certification / halal logo with the halal product purchase among consumers.

Table 4.18: Correlation between Halal Product Purchases and Halal Certification / Halal
Logo

Correlation						
HPP HC/HL						
HPP	Spearman's Correlation	1	0.247**			
	Sig. (2-tailed)		0.00			
	N	220	220			
HC/HL	Spearman's Correlation	0.247**	1			
	Sig. (2-tailed)	0.000				
	N	220	220			
**. Correlation is significant at the 0.01 level (2-tailed).						

The r value of halal awareness is 0.247. The result indicates there is negligible correlation between halal product purchases and halal certification / halal logo. Besides, the p-value is less than 0.01. This result shows that there is a relationship between halal product purchases and halal certification / halal logo. Therefore, hypothesis 3 is accepted.

### 6 Discussion and Conclusion

This study examines the importance of halal product purchases among consumers in Dungun, Terengganu. Results of the study shows that the literature is being supported and the data collected are reliable. This all is being proven by the independent variables which is include halal awareness, knowledge and halal certification / halal logo are supporting the dependent variable halal product purchases based on Spearman's Correlation Analysis. The result of the study shows that according to perceived relative (Halal Awareness), consumers in Dungun, Terengganu are willing to adopt the halal product purchases because it has many advantages. Perceived relative has been influenced the adoption of halal product purchases, and this research shows that it increases the adoption of halal product purchases among consumers in Dungun, Terengganu. Consumers adopted halal product purchases will get many advantages that others users might not get such as maintaining their mental and physical health while helping to increase the prestige of halal products. In conclusion, this study concluded that the halal awareness is a significant factor in adopt halal product purchases among consumers.

To summarize, for future research could extend the scope of the study on different country or place. Next, future research shows examine more variables to obtain a better judgement on importance of halal product purchases among consumer. The number of sample size also should be expended to emerge more accuracy in the data and the outcome. Those who are interest in promoting halal product may find this result helpful in guiding their efforts.

### **Key Findings**

Table 5.1: Summary of Hypotheses Testing Results

Research Question	Hypothesis result	Finding
What is consumers level of	p = 0.376	There is a relationship between halal
halal awareness on	(p<0.01)	awareness with the halal product
purchasing halal product.	r = 0.000	purchase among consumers.

What is consumers level of	p = 0.217	There is a relationship between
knowledge help consumers	(p < 0.01)	knowledge with the halal product
purchasing halal product.	r = 0.001	purchase among consumers.
How can halal certification	p = 0.247	There is a relationship between halal
/ logo become important in	(p<0.01)	certification / halal logo with the halal
consumers halal product	r = 0.000	product purchase among consumers.
purchases decision.		

### 7 Acknowledgement

This research project was successfully done with assistance and co-operation of variety authorities. I wish to express my ultimate gratitude to those people who guided, helped and supported me in completing this research. First of all, I would like to thank University Malaysia Kelantan (UMK) for giving me the opportunity to involve in the research. Secondly, I would like to thank my supervisor, Madam Munirah binti Mahshar who had led me by sacrificing her time to guide me throughout the whole project. Thirdly, I would also like to express my gratitude to Madam Nik Noorhazila binti Nik Mud for coordinating and provide me with the relevant information regarding my research project. Last but not least, I would like to express my ultimate appreciation to those respondents who willing to help by spending their precious time to respond to the questionnaire of the research project. Besides that, I would like to thank my family members, friends, and course mates for helping and supporting me till the research project end.

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## THE SOCIAL MEDIA FACTOR THAT INFLUENCE PURCHASING POWER AMONG UNIVERSITY MALAYSIA KELANTAN

#### Noor Izziana Zafira Binti Che Darus and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: izziana.a17b0840@siswa.umk.edu.my; munirah@umk.edu.my

#### Abstract:

Social media is the term often used to refer to new forms of media that involve interactive participation. This study will conduct to identify the factors that influence purchasing power to UMK student. The status consumption that effect on the consumer's attitude towards counterfeit products, the growth of online social networks provided many different additional online activities for consumers such as blogging, chatting, gaming, and messaging and the coming of the social media and its acceptance by the public, have altered quite a lot in the way organizations promote their products and service as well as the channels of communication between them and their customers. This paper will to determine the relationship between social influencer, promotion, information service and that influence purchasing power to UMK students. This cross-sectional study was analysing in terms of reliability test, normality test and Pearson Correlation. For the result Pearson Correlation that social influencer, promotion and information service has positive relationship with influence purchasing power among UMK students. This study comes out with some limitations and recommendation to provide better viewpoint for future researchers, retailers and other parties can use this research is the business. Those companies can use this research as a material to improve their service quality to their customers to gain more satisfaction indirectly increase their purchasing power by using influence.

**Keywords:** social media, influence purchasing power, social influencer, promotion, information service.

#### 1 Introduction

Social media is the term often used to refer to new forms of media that involve interactive participation. Often the development of media is divided into two different ages, the interactive age and broadcast age. In the broadcast age, media were almost exclusively centralized where one entity such as a radio or television station, newspaper company, or a movie production studio—distributed messages to many people. Feedback to media outlets was often indirect, delayed, and impersonal. Besides that, mediated communication between individuals typically happened on a much smaller level, telephone calls, usually via personal letters or sometimes on a slightly larger scale through means such as photo copied family newsletters. With the rise of digital and mobile technologies, interaction on a large scale became easier for individuals than ever before; and such as, a new media age was born where interactivity was placed at the center of new media functions. One individual could now speak to many, and instant feedback was a possibility also here citizens and consumers used to have limited and somewhat muted voices, now they could share their opinions with many. The low cost and accessibility of new technology also allowed more options for media consumption than ever before and so instead of only a few news outlets, individuals now have the ability to seek information from several

sources. As the role of social media has gradually evolved from a single marketing tool to that of a marketing intelligence source in which firms can analyse, observe and predict customer behaviour's, it has become in-creakingly imperative for marketers to strategically use and leverage social media to achieve competitive advantage and superior performance (Lamberton and Stephen 2016). Everyday people buy things that are relevant to their needs and at the same time they are making purchasing decisions. Specific consumer behaviour is defined as "the activities people undertake when obtaining, consuming, and disposing of products and services" (Blackwell, Miniard &Engel200p6). Consumer behaviours are influenced by personal and environmental factors (Blyth, 2008). A central part of consumer behaviour is, consumers' purchasing decision that included several steps, generally social networks such as groups or individuals who own the power over consumers can affect consumers' purchase decision (Solomon, Bamossy, Askegaard & Hogg, 2010).

### 1.2 Significance Of The Study

This study needs to be published to help UMK students to know more details about the media social influence purchasing power among students by using the method using a quantitative method which questionnaire will be distributed to the respondents in gaining the data and information giving evidence on the frequency of students using social media for the purchase process. This will make it easier for researchers in the future especially final year students to know about what that factor that influence purchasing power among UMK students because this study not many research about the factors that influence purchasing power among UMK students. This paper also discusses about social influencer, promotion, information service in the social media may be one of the factors that have influenced the purchase among UMK students.

#### 2 Literature Review

### 2.1 Influence Purchasing Power

According to Nyarko, Asimah, Agbemava and Tsetse (2015), they studied on the research of Kotler and Armstrong (2000), and have agreed that endorsement is a network of brand communication where a personality will represent the brand plus testify the claim that the brand has made to the public, by utilising his or her character, fame, as well as status in the public. Since a celebrity is a person that the society looked up to, they definitely have an influence on the consumer's buying intention, as they will believe in what the celebrity they looked up to endorsed. The consumer might be willing to buy the product because their favourite celebrity endorsed it, might not be because they think the product is good, as mentioned by Chaudhary and Asthana (2015). Chan, Ng and Luk (2013) agreed with the research by stating that public campaign run by celebrity endorser will have the ability to improve the image of the company's brand, therefore influence the intention to purchase.

#### 2.2 Social Influencer

Social influence means individuals alter their thoughts, feelings, attitudes, or behaviours as a result of interactions with other individuals. Informational social influence means accepting information obtained from another as evidence of truth; normative social influence means an influence to conform to the positive expectations of another. This study will research suggests that consumers participate in s-commerce to enhance their shopping performance because they are usually susceptible to information sources with high credibility in this context.

#### 2.3 Promotion

Promotions can be defined as a form of marketing communication, marketing communication is a marketing activity that seeks to disseminate information, influence, persuade and alerting the target market for the company and its products to be willing to accept, purchase, and loyal to the products offered by the company concerned. Promotion is the most important activities play an active role in introducing, recalls, and inform the benefits of a product in order to encourage consumers to buy the product being promoted. To hold a promotion, every company should be able to determine exactly which of promotional tools used in order to reach success in sales.

#### 2.4 Information Service

Decision-making and the control of information environments have been studied by authors such as Brown et al. (2011), Lano (2015) and Pandey and Mookerjee (2018) who show the importance of the information offered by marketing strategies for decision-making by buyers in ecosystems. Variables such as the external factors (EF) that surround the company, the beliefs of the company and competitors in the sector, the contextualization present in society or the behaviour and attitude of companies when selling certain products or services could be important factors for making decisions when purchasing services (Lano, 2015; Iršic, 2017; Inyang et al., 2018).

#### 2.5 Hypotheses Statement

Three hypotheses are developed in this study which are as following: -

- H1: The social influencer has significant effect relationship on influence purchasing power.
- H2: The promotion has significant effect relationship on influence purchasing power.
- H3: The information service has significant effect relationship on influence purchasing power.

#### 2.6 Conceptual Framework

Figure 1 shows the conceptual framework of this study. It consists of ease of use, social influence, security and acceptance of QR code payment. The framework was adapted from Aydin & Burnaz (2016).

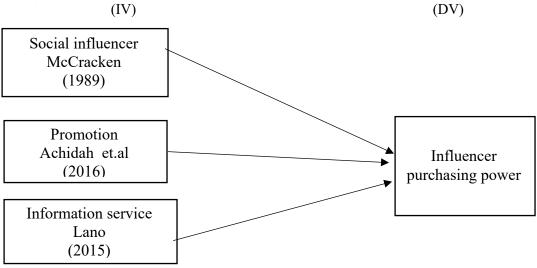


Figure 1: Conceptual framework adapted from Grant & Osanloo, 2014.

### 3 Research Methodology

#### 3.1 Research Design

Hair (2015) states that data collection incorporates different various types of a structures or organized process through interviews with structure questions or data observation. A very substantial decision in investigation procedure is research method to be chosen as it determines how applicable information can be extracted for a research paper (Sileyew, 2019). The reason for using the descriptive research design in the study is because it was insightful in the research problem through setting out the variable which is growth of the social media.

#### 3.2 Data Collection Methods

In this study primary sources were highly preferred for obtaining the data. This paper structured questionnaires were used for collection of primary data in the study. Therefore, the source of primary data will be collected by distributing the questionnaire to students of UMK which were sent through E-mail and social media platforms because the targeted respondents for this study are students from UMK and it easy to approach students to distribute the questionnaire.

### 3.3 Study Population

Population is the whole pool from which to extract a sample data and a population also can refer to whole groups of people, object, measurement and event. A population can be aggregate experiment of subject groups together by a common features (Kenton, 2020). The population of this study is focusing on students in UMK. The study is about investigating the social media factor that influnce purchasing power among student UMK.

#### 3.4 Sample Size

A sample is the number of sampling elements that are analyzed from having been selected from the population. Dessler (2013) states that a sample size matters and if big then the lower chances of error in taking a comprehensive view of the population. According to Dattalo, (2013) the sample size is essential in trying to figure out the statistical accuracy of population values estimations.

### 3.5 Sampling Techniques

When you conduct research about a group of people, it's rarely possible to collect data from every person in that group, you select a sample and the sample is the group of individuals who will actually participate in the research (Shona McCombes 2019). To draw valid conclusions from results, have to carefully decide how will select a sample that is representative of the group as a whole.

#### 3.6 Research Instrument Development

Instrument is refers to method used by the researcher to get data collected from the respondents. Data is the elements of information that researcher gets from the participants of the study. There are other methods can be used by the researchers depends on the nature of research that is be to carried out. There are many types of instrument that can be used by the researchers for their study. The infomation of the instrument is based on the findings of the interview conducted by the researchers from UMK students as well as on the information from the literature reviewed.

#### 3.7 Measurement Of The Variable

A <u>measurement variable</u> is an unknown attribute that measures a particular entity and can take one or more values. It is commonly used for scientific research purposes. Unlike in mathematics, measurement variables can not only take quantitative values but can also take qualitative values in statistics.

### 4 Procedur For Data Analysis

For this study, primary data were used to gather information by distributing questionnaires to be answered by a total of 378 working people. At the same time, secondary data is also used in this study, secondary data consists of articles, books and internet sources. Statistical Package for the Social Sciences (SPSS) software was used to analyse all data collected from the questionnaires. The descriptive procedure also used to explain the demographics of the respondents such as mean, average mean and mode.

## 5 Findings

### **5.1** Demographic Profile of Respondents

Demographic		Frequency	Percentage (%)
Gender	Male	115	29%
	Female	275	71%
Age	20 Years Old Below	48	12%
_	21 Years Old	52	13%
	22 Years Old	56	14%
	23 Years Old	69	17.7%
	24 Years Old	78	20%
	25 Years Old Above	86	22%
Courses	SAR	101	26%
	SAB	64	16%
	SAK	69	18%
	SAL	70	18%
	SAE	86	22%
Years Of Study	Years 1	47	12%
-	Years 2	71	18%
	Years 3	126	32%
	Years 4	146	38%
How Often Do	Several Times A Day	142	36%
Use Social	Once A Day	82	21%
Media	Two To Three Times A Week	106	27%
	Weekly	60	16%

Table 1: Demographic profile of respondents

A set of personal characteristics which are gender, age, courses, years of study and how often do use social media have been examined and presented in Table 1. The questionnaire was distributed through online by using communication application. 378 set of questionnaires were collected where 142 respondents (36%) who use often social media several times a day. For once a day using social media where 82 respondents (21%), and 106 (27%) who often do use social media where two to three times a week. The rest 60 respondents (16%) who often use

social media where weekly and participate in answering questionnaire. The main objective for descriptive analysis is to understand the profile of respondents. Table 1 shows demographic profile of respondents. There were 115 (29%) male respondents and 275 (71%) female respondents involved in the study. There were 48 of respondents among 20 years old and below with (12%), 52 of respondents among 21 years old with (12%), there also 56 of respondents among 22 year old with (14%), 62 of respondents among 23 years old with (17.7%) and 78 of respondents among 24 years old with (20%) while 86 of respondents among 25 years old and above with (22%) only. Besides, majority of respondents are from courses SAR which contain 101 of respondents with 26%, 86 of respondents with (22%) from courses SAE, courses SAL and SAK same with 69 and 70 of respondents with (18%) and less from courses is SAB where 64 of respondents with (16%). There were 82 respondents are come from the categories years 1, 47 of respondents with (12%), 71 of respondents with (18%) from years 2, 126 of respondents with (32%) from years 3 and last 146 of respondents with (38%) from years 4.

### 5.2 Normality Testing

1 coto of 1 tol manty	<b>Tests</b>	of	Norma	ality
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	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Influence purchasing power (Dv)	.123	378	.000	.924	378	.000
Social influencer (IV1)	.095	378	.000	.944	378	.000
Promotion (IV2)	.126	378	.000	.922	378	.000
Information service (IV3)	.123	378	.000	.924	378	.000

Source: SPSS Data Analysis

According to table 4.7 shows that all the variables have p<0.05 so all the variables can be assumed to be non-normal. Thus, the normality of all variables for this research was met. This research using Kolmogorov-Smirnov normality test instead Shapiro-Wilk normality test. The Kolmogorov-Smirnov normality test Kolmogorov-Smirnov is more general and can work for large scale of research but Shapiro-Wilk normality test are more specific and work on small scale of research. This is because Kolmogorov-Smirnov had no sensitive to problem in tails and it's was suitable for data set more than 50. In addition, Shapiro-Wilk did not work well if several values in the data set were the same and its work best for data set data set less than 50(Razali and Bee).

#### **5.3** Pearson Correlation

Table 4.8: Pearson Correlation

Variable	Mean(SD)	Social	Promotion	Information	Influence
		influencer		service	purchasing
					power
Social	4.18(0.60)	1	0.733*	0.820*	1.000*
influencer					
Promotion	4.34(0.53)	0.733*	1	0.744*	0.733*
Information	4.35(0.53)	0.820*	0.744*	1	0.820*
service					
Influence	4.34(0.53)	1.000*	0.733*	0.820*	1
purchasing					
power					

<sup>\*</sup>p-value<0.05, pearson correlation analysis applied

Source: Develop for Research from SPSS

The table 4.8 show the outcome result of Pearson Correlation which was run to determine the relationship between social influencer and influence purchasing power has positive relationship and definite relationship, r = 1.00, p < 0.05. Meanwhile independent variable of promotion there is a good positive significant relationship between promotion and influence purchasing power and definite relationship r = 733, p<0.05. Lastly, Pearson Correlation was run to determine the relationship between information service and influence purchasing power there is a strong positive relationship and definite relationship, r=0.820,p<0.05.

## **6** Recommendations/Suggestion For Future Research

The reason of this research is to explore further what the social media factor that influence purchasing power. From this research, it helps for other parties, such as researcher and other parties do similar research for their importance in the future. For researchers, this research could help them to use this research as a reference to achieve their research objective. Apart from that, from this research, future researchers can 78 expand this type of research in a large scope of study and use another method to complete their objective. Other parties can use this research is the business. Those companies can use this research as a material to improve their service quality to their customers to gain more satisfaction indirectly increase their purchasing power by using influence. As an example, from this research used, companies can improve their service such as their line coverage, new marketing plan, loyalty program, service quality, and so on. With this, it can help the companies to gain new customers, higher profits, higher brand image, and make new and retained existing loyal customers.

## 7 Limitations Of The Study

The limitation of this study was researcher had challenge to make sure the students answer the questionnaire. It is might be disturb the students to answer the questionnaire. Some of students might have less understanding toward the question. The researcher must struggle to ensure that sufficient amount of data like stated in chapter 3. Thus, that there was the first barrier that the researcher needed to face on this research. After that, the researcher had to face the time

limitation. The time limitation refers to time to collect the data. It hard for researcher because it needs to use student's time to answer the questionnaire. The limitation time of students to answer the questionnaire make the researcher to know how to interact with student to give their cooperation. At same time, have some students refuse to answer the questionnaire because they have another business to handle. Researcher more time needs to be spent gathering more data.

### 8 Overall Conclusion Of Study

In the conclusion, the result from the running data analysis are corresponding with the objective stated by the researcher. The researcher discovers what the social media factor that influence purchasing power are social influencer, promotion and information service. Researcher also discover that social influencer is the most important factor to influence purchasing power. Even though the study focused on a small sample size, it is our hope that the research will serve as a platform future research that covering bigger population which would be more information.

### 9 Acknowledgment

Assalamualaikum. In the name of Allah the most gracious and the most merciful, first and foremost. I would like to extend my deepest praise to Allah S.W.T. who has given me the patient, strength. Determination and courage to implement this research. Next, big thanks to Madam Munirah Binti Mahshar as my supervisor for this research project and the opportunity given to me for do my final year project. I also would like to thank for her kind attention, great advices, brilliant ideas and her guidance for me to complete this project from the beginning until the end of this research project. Not forget to University Malaysia Kelantan for giving me chance to study here and I would like to thank Faculty of Entrepreneurship and Business by provided latest format and information regarding this research. My appreciation and thanks is also dedicated to my beloved family and of course my friends for their helpful insights, cooperation and stimulating comments. I would also like to express my apology for my mistake and shortcoming in caring out this research project. To end with, I am truly delighted, for this research would bring benefits to others, Wassalam.

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# FACTORS THAT INFLUENCING FAST FOOD CONSUMPTION BEHAVIORS AMONG UMK STUDENTS IN CITY CAMPUS

### Noor Salwani Binti Abdullah and Nadia Hanum Binti Amiruddin

Faculty of an Entrepreneurship and Business, University Malaysia Kelantan

Email: salwani.a17a0335@siswa.umk.edu.my; nhanum@umk.edu.my

### Abstract:

Currently, there is an increase of fast food restaurants worldwide and most young generations, especially university students in Malaysia, now prefer to have dinner outside. Fast food restaurants in Malaysia were now getting more and more popularity and great responses from the local community based on its taste, easy to access, and cheap alternatives. Nevertheless, frequent fast food consumption has brought many health problems to the local community and university students in Malaysia. For the objective in this study, the researchers want to examine the relationship between influential factors of behavioral intention, attitude and perceived behavioral control with fast food consumption behaviors among UMK students in City Campus. There are 357 respondents who have been involved in order to answer the questionnaires conducted by the researcher. Using a quota sampling, the data collection used in this study is an online questionnaire that will require the respondent to answer through google form. Based on the research findings, all research objectives were achieved and all of four hypotheses were supported. The hypothesis of each variable of behavioral intention, attitude and perceived behavioral control have a significant strong positive relationship with fast food consumptions behaviors among UMK students in City Campus. A few recommendations related to the study have been proposed by the researchers.

**Keywords:** Fast Food Consumptions, Fast Food Restaurants, Behavioral Intention, Attitude, Perceived Behavioral Control

### 1 Introduction

This research is to study the factors that influence fast food consumption behaviors among UMK students in City Campus. Fast food consumption is linked to poor dietary habits and unmet nutrient requirements (Ashdown et al., 2019). About 30% in children to more than 50% in college students used fast food daily (Al-Otaibi & Basuny, 2015). In previous study, fast food consumption is associated with obesity (Burgoine et al., 2016). Fast food typically refers to food that was quickly prepared, self-purchased and service from restaurants with precooked ingredients, and served in packaged form to the customer to take away (Shami & Fatima, 2017). The Indian adolescents reported poor food consumptions patterns, and these findings highlight the need to design effective nutrition promotion strategies to encourage healthy eating in adolescence and targeting food supply and availability (Rathi, Riddell & Worsley, 2017). Hence, it is necessary to improve the adolescents' knowledge on health hazards of fast food in order to save them from the ill effects of fast food (Saranya, Shanifa, Shilpa, Umarani & Shetty, 2016).

There are three objectives for this research:

- 1. To investigate the relationship between behavioral intention and fast food consumption behaviors among UMK students in City Campus.
- 2. To determine the relationship between attitude and fast food consumption

behaviors among UMK students in City Campus.

3. To identify the relationship between perceived behavioral control and fast foodconsumption behaviors among UMK students in City Campus.

### 2 Literature Review

### **Fast Food Consumption Behaviors**

Fast-food consumption was associated with poor eating habits such as drinking soft drinks and higher carbonated beverages while consuming low quantities of vegetables and insufficient nutrient requirements (Ashdown et al., 2019). For example, a study by Ashdown et al. (2019) found that 46.1% of teens ate fast food at least once a week.

### **Behavioral Intention**

Behavioral intention was a motivating factor that can capture the effort that a person is going to do some of the behaviors (Mamman, Ogunbado & Abu, 2016). According to Theory of Planned Behaviour (TPB) assumes that subjective norms, attitude, and perceived behavioral controls can influence built of such human behaviour (Singh, Gautam, Bhandari & Sapkota, 2020). In previous study by Alfaris, Al-Tamimi, Al-Jobair and Al- Shwaiyat (2015), the study found that 95.4% of respondents ate at fast food restaurant and 79.1% ate fast food at least once weekly. Girl respondents intended to consume burgers and carbonated soft drinks when it comes to fast food meals.

### Attitude

Fast food consumption behaviors could be analysed to be taken into psychological factors (attitude) that shape the consumer behaviour (Ghoochani, Torabi, Hojjati, Ghanian & Kitterlin, 2018). In previous study by Ghoochani et al. (2018), the finding showed that the main factors of attitude on the health consciousness and trust had influenced most of the respondents to consume the fast food. The results showed that the elder and married respondents were more highly influenced by attitudes toward fast-food consumption.

### **Perceived Behavioral Control**

There are two measures of perceived behavioral control which were internal and external factors. Internal factors indicated some individuals had the ability to act persuaded behavior that was constrained by a person's sense of self-efficacy (Mamman et al., 2016). External factors discussed the impact on constraints that individual can accessed such money, time and technology which the prerequisites for were performing behavior (Mamman et al., 2016). In previous study by Mirkarimi et al. (2016), the study found that there was a medium relationship of fast food consumption with perceived behavioral control. While, male lead to a higher level of perceived behavioral control than female which caused by external factors

# Relationship between Behavioral Intention (BI), Attitude, Perceived Behavioral Control (PBC) and Fast Food Consumption Behaviors

In previous study by Mirkarimi et al. (2016) found strong relationship of the fast food consumption behaviors with behavioral intention. This result of fast food consumption was positively by behavioral intention (Mirkarimi et al., 2016). Overall, fast food consumption behaviors were strongly correlated with behavioral intention (r=0.735, P=0.01).

A study by Saraniya and Kennedy (2015), found there was a positive significant relationship between consumer attitudes and fast food consumption with the correlation coefficient (r) of 0.768. The consumer attitudes towards fast food consumption shown that fast food restaurants should improve on their services.

In the previous study by Majabadi et al. (2016), the findings found participants of male with 18 years old group were interested in socializing and spending time with peers and parents while dining out at fast-food restaurant. Those participants also stated that they were usually ate the same food at home and they needed to had new types of food while dining outside with friends or family members.

In previous study by Boyland, Kavanagh and Halford (2015), the findings found perceived behavioral control of children interested in fast food were increased after they had reached to the fast food advertisement on television such as McDonald's Happy Meal (P=0.004).

### RESEARCH HYPOTHESIS

In this study, there were three hypotheses developed to assume that there is relationship of each influential factors with fast food consumption behaviors as below:

H<sub>1</sub>: There is a relationship between behavioral intention and fast food consumption behaviors among UMK students in City Campus.

H<sub>2</sub>: There is a relationship between attitude and fast food consumption behaviors among UMK students in City Campus.

H3: There is a relationship between perceived behavioral control and fast food consumption behaviors among UMK students in City Campus.\

### **CONCEPTUAL FRAMEWORK**

Independent Variables

A research framework has been conducted to investigate connection between the relationship of behavioral intention, attitude and perceived behavioral control with fast food consumption behaviors among UMK students in City Campus.

Dependent Variable

# Behavioural intention Fast Food Consumption Behaviors Attitude Perceived Behavioral Control

Figure 1: Research Framework of factors that influencing fast food consumption behaviors among UMK students in city campus

### 3 Methodology

### **Research Design**

This study is a cross-sectional study. Cross sectional study applies to find the factors that exist the group of consumers consuming fast foods as their favorite foods. In addition, it is helps to measures the outcomes and the exposures in the study with the participants. Also, measure the relationship of variables in define the population at the same time. Moreover, research design may help researchers in order to carry out research objectives. UMK City Campus students will be surveyed to answer the research objectives. Unlike case-control trials or longitudinal research, only the participants in a cross-sectional sample are chosen depending on the study.

### **Data Collection**

In the first stage, the data collection used in this study is primary data, which is a quantitative approach, would be used for the distribution of a questionnaire that may encourage respondents to give their opinion on the factor that influencing fast food consumption behaviors among UMK students in City Campus. Primary data are important in proceeding analysis to get the results for the existing problem (Sekaran & Bougie, 2016). Data will be collected through the questionnaire in this report. The questionnaire highlights the aim of this study and the confidentiality of the information provided by respondents will be assured.

In the second stage, the data collection used in this study is online survey or in other name is an online questionnaire that will require the respondents to answer through Google form. Then, the researchers used another effective way which WhatsApp is to distribute to the UMK students. Moreover, this platform easy to find out the exact respondents. The reasons why the researcher used this platform of technology tools is because of this Covid-19 disease pandemic.

### Sampling

The sampling method used in this study was the quota sampling as sampling method to collect the data. This type of sampling earns time and effort because quota sampling has a high statistical precision. By using quota sampling and appropriate research questions, interpreting information and responses to the survey is a much convenient process for the researchers. In quota sampling the researchers divide the survey population into mutual exclusive subgroup of the students by each course. These subgroups are selected with respect to certain known and thus non-random attitude or interests.

In brief, the population is 5162 students UMK City Campus and the sample size will be 357 students by referring to Krejcie and Morgan (1970) table. The researchers have using quota sampling which first split 357 students into seven groups. For example, the surveys on 357 of UMK students in City Campus by getting random samples of 51 SAB, 51 SAL, 52 SAK, 51 SAR, 50 SAH, 52 SAW and 50 SAP.

### 4 Data Analysis

There were four data types of data analysis used in this study, that were frequency analysis, descriptive analysis, reliability analysis, and correlation analysis. The data obtained was analysed by using Statistical Package for the Social Science (SPSS) version 25.

### 5 Findings Demographics Profile of Respondent

The respondent demographics profile was summarized as in table 1 below. From the result based on total 357 respondents, the number of female who involved in this study were higher compared to respondent of male. Female respondents calculated about 68.3% or 244 respondents of female while male respondents only calculated about 31.7% or 113 respondents of male.

From the result based on total 357 respondents, the highest number of respondents by age who involved in this study was the category of 21-23 years old with 215 respondents (60.2%), followed by category of 18 - 20 years old with 116 respondents (32.5%), then category of 24 - 26 years old with 20 respondents (5.6%), and lastly followed by category of 27 years old and above with 6 respondents (1.7%).

From the result based on total 357 respondents, the researcher had observed that the number of respondents who involved in this study was mostly respondents with single status, contributed as 98.0% or 350 respondents out of the total number of 357 respondents. The married status respondents contributed the second highest which is 2.0% or 6 respondents out of the total number of 357 respondents.

From the result based on total 357 respondents, the highest number of respondents by race who involved in this study is Malay respondents for 69.2% and represents 247 number of respondents, followed by Chinese respondents for 19.0% and represents 68 number of respondents, then Indians respondents for 11.8% and represents 42 number of respondents

From the result based on total 357 respondents, the number of respondents by course who involved in this study were from 51 SAB (14.3%), 50 SAH (14.0%), 52 SAK (14.6), 51 SAL (14.3), 50 SAP (14.0%), 51 SAR (14.3%) and 52 SAW (14.6%)

Table 1: Demographics Profile of Sample

Profile		Frequency	Percentage	
Gender	Female	244	68.3	
	Male	113	31.7	
Age	18 - 20 years old	116	32.5	
	21 - 23 years old	215	60.2	
	24 - 26 years old	20	5.6	
	27 years old and	6	1.7	
	above			
Marital Status	Married	7	2.0	
	Single	350	98.0	

Race	Chinese	68	19.0
	Indian	42	11.8
	Malay	247	69.2
Course	SAB	51	14.3
	SAH	50	14.0
	SAK	52	14.6
	SAL	51	14.3
	SAP	50	14.0
	SAR	51	14.3
	SAW	52	14.6

### Reliability Analysis Reliability Analysis of Pilot Data and Actual Data

Table 2 below showed the overall value of pilot data and actual data Cronbach's Alpha Coefficient for the independent and dependent variable in this study. From the table, the researchers could conclude each of the variables were above the value of 0.7 for both pilot data and actual data. Thus, overall variables for pilot data were 0.960 while for actual data were 0.954. Therefore, the result shown is excellent reliable and it can be accepted in this study.

Table 2 showed that Cronbach's Alpha result for this fast food consumption behaviors section's questions of pilot data was 0.769 which resulted as acceptable reliability level while for actual data was 0.828 which resulted as good reliability level. The result of Cronbach's Alpha Coefficient that showed in this behavioral intention section for pilot data was 0.918 which indicated as excellent reliability level while for actual data was 0.855 which indicated as good reliability level. The Cronbach's Alpha result for this attitude section's questions of pilot data was 0.876 while for actual data was 0.859 which both resulted as good reliability level. The result of Cronbach' Alpha Coefficient that showed in these subjective norms section for pilot data was 0.822 which indicated as good reliability level while for actual data was 0.739 which indicated as acceptable reliability level. The Cronbach's Alpha result for this perceived behavioral control section's questions of pilot data was 0.912 which resulted as excellent reliability level while for actual data was 0.886 which resulted as good reliability level.

Since the Cronbach's Alpha charge for the overall variables of both pilot data and actual data had exceeded 0.9, it shows that questionnaires were excellent reliable and can proceed with the study. All in all, the reliability has proven that the respondent understood the questions provided well and this means the questionnaires has been accepted for this study.

Table 2: Results of Reliability Analysis of Pilot Data and Actual data

Variable	Pilot Data	Reliability	Acutal Data	Reliability
	Cronbac h's	Level	Cronbach's	Level
	Alpha		Alpha coefficient	
	coefficient			

Fast Food	0.769	Acceptable	0.828	Good
Consumpti				
on				
Behaviors				
Behavioral Intention	0.918	Excellent	0.855	Good
Attitudes	0.876	Good	0.859	Good
Subjective Norms	0.822	Good	0.739	Acceptable
Perceived	0.912	Excellent	0.886	Good
Behavioral Control				
Overall variables	0.960	Excellent	0.954	Excellent

### **Descriptive Analysis**

This study has analyzed the mean and standard deviation for section B (dependent variable) and section C (independent variables) of the questionnaires. Table 3 below showed the number of respondents, mean and standard deviation of dependent variable and independent variables. Among of all variables, the dependent variable of fast food consumption behaviors had the mean value which was 4.2381. This mean that most of respondents were strongly agree that they do ate fast food. Fast food typically refers to food that was quickly prepared, self-purchased and service from restaurants with precooked ingredients, and served in packaged forms to the customer to take away (Shami & Fatima, 2017). In the dependent variable sections, the researchers asked questions about the frequency of fast food consumption and factor that motivated UMK students in City Campus to ate fast food. Among of all independent variables, attitude had the highest mean value which was 4.4011. This mean that most of respondents were strongly agree that they are fast food because of attitude. According to Alfaris et al. (2015), respondents consume fast food because of the delicious taste and followed by convenience. Hygiene and safety food at fast food outlets had found to be very important for 62.2% of girls (Alfaris et al., 2015). Therefore, in this study it shown that UMK students in City Campus were usually consume fast food by monthly and they are fast food because of attitude such as the taste was delicious, fun environment, clean environment, and fast food were clean and safe.

Behavioral intention had the second highest of mean value which was 4.3008 that influencing fast food consumption behaviors, followed by perceived Behavioral Control which was 4.1905.

By this study, the researchers could conclude that most of the respondents were followed their self-opinion to consume fast food while there were still several of respondents had followed the opinion of others to consume fast food. In previous study by Mirkarimi et al. (2016), the findings found about 52.2% of high school students meet their friends at fast food outlets and they followed the opinion of friend to consume fast food.

Table 3: Descriptive Statistics

Variables	N	Mean	Standard Deviation
Fast Food Consumption Behaviors	357	4.2381	0.55819
Behavioral Intention	357	4.3008	0.45385
Attitude	357	4.4011	0.31301
Perceived Behavioral Control	357	4.1905	0.47430

### **Pearson Correlation Analysis**

The Pearson's correlation analysis was one of the important analyses that measured the linear relationship between the two variables. The objective of this analysis was to determine the relationship between independent variables (behavioral intention, attitude and perceived behavioral control) and the dependent variable (fast food consumption behaviors).

Table 4 below showed behavioral intention had a significant strong positive relationship with fast food consumption behaviors which the p-value of 0.000 that was less than 0.01 significant level and correlation coefficient value of 0.541. Next, attitude had a significant strong positive relationship with fast food consumption behaviors which the p-value of 0.000 that was less than 0.01 significant level and correlation coefficient value of 0.051. Moreover, perceived behavioral control had a significant strong positive relationship with fast food consumption behaviors which the p-value of 0.000 which was less than 0.01 significant level and correlation coefficient value of 0.667. This study will be using the guideline on the strength of association categories by (Meghanathan, 2016).

Table 4: Pearson Correlation Analysis

		Correlation	18		
		Fast Food			Perceived
		Consumption	Behavioural		Behavioural
		Behaviours	intention	Attitude	Control
Fast Food	Pearson	1	.541**	.051	.667**
Consumption	Correlation				
Behaviours	Sig. (2-tailed)		.000	.341	.000
	N	357	357	357	357
Behavioural	Pearson	.541**	1	129*	.662**
intention	Correlation				
	Sig. (2-tailed)	.000		.015	.000
	N	357	357	357	357
Attitude	Pearson Correlation	.051	129*	1	112*
	Sig. (2-tailed)	.341	.015	_	.034

	2021/200 00220 401011202012021				
	N	357	357	357	357
Perceived Behavioral	Pearson Correlation	.667**	.662**	112*	1
Control	Sig. (2-tailed)	.000	.000	.034	
	N	357	357	357	357

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

### 5 Discussion & Recommendation

There is a significant strong positive relationship between behavioral intention and fast food consumption behaviors among UMK students in City Campus. Therefore, if there is increase in behavioral intention, then fast food consumption behaviors will increase too. Thus, this result has shown that hypothesis 1 has been accepted and research objective 1 was achieved. Next, there is a significant strong positive relationship between attitude and fast food consumption behaviors among UMK students in City Campus. Therefore, if there is increase in attitude, then fast food consumption behaviors will increase too. Thus, this result has shown that hypothesis 2 has been accepted and research objective 2 was achieved. Lastly, there is a significant strong positive relationship between perceived behavioral control and fast food consumption behaviors among UMK students in City Campus. Therefore, if there is increase in perceived behavioral control, then fast food consumption behaviors will increase too. Thus, this result has shown that hypothesis 3 has been accepted and research objective 3 was achieved.

Based on the findings in this study, attitude has the strongest correlation coefficient of 0.701 with fast food consumption behaviors among UMK students in City Campus. For the recommendation based on this study, the researchers had suggested on the stakeholders of

University Malaysia Kelantan in City Campus to start spread awareness among their students to change the attitude of often consuming fast food and to cultivate the healthy eating behaviors among UMK students in City Campus to less taking fast food and replaced with taking more of fruits and vegetables which was better choices for health. Besides that, there was a recommendation that the researchers would like to point out to be overcome in future work. This research suggest that further studies can be also carried out on the staffs or lecturers in University Malaysia Kelantan City Campus since this study had only focused among students in UMK City Campus. This may help future researchers to have a comparison on fast food consumption behaviors between staffs or lecturers and students in UMK City Campus.

### 6 Conclusion

The influential factors of behavioral intention, attitude and perceived behavioral control had significant strong positive relationships with fast food consumption behaviors among UMK students in City Campus. Thus, all of the four hypotheses above were accepted and the research objective which is to investigate the relationship between behavioral intention, attitude, perceived behavioral control and fast food consumption behaviors among UMK students in City Campus had achieved.

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

For the recommendation based on this study, the researchers had suggested on the stakeholders of University Malaysia Kelantan in City Campus to start spread awareness and to cultivate the healthy eating behaviors among UMK students in City Campus to less taking fast food and replaced with taking more of fruits and vegetables which was better choices for health. This research suggest that further studies can be also carried out on the staffs or lecturers in University Malaysia Kelantan City Campus since this study had only focused among students in UMK City Campus.

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# THE STUDY OF FACTORS INFLUENCING CUSTOMER SATISFACTION TOWARD E-WALLET

Noor Shamirulwati Azni Binti Aziz and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shamirulwati.a17a0336@siswa.umk.edu.my; fazlirda.h@umk.edu.my

### Abstract:

Mobile payment transactions are projected to be the most prevalent means of completing sales transactions, in line with the exponential growth of internet connectivity, Fintech, online shopping and cross-border trading in recent years. For the Malaysia Budget 2020, an RM30 incentive for the use of e-wallets has been announced to stimulate the use of e-wallets in Malaysia, whereas the Central Bank of Malaysia (BNM) has launched the Financial Sector Blueprint 2011-2020 aimed at eliminating the issuance of cheques and increasing e-payments, accelerating the transition into a cashless society and stimulating the change to elected companies. The study examines the impacts of customer satisfaction in terms of reliability, responsiveness and service quality. A quantitative approach had been applied in this study where 384 sets of online questionnaires had been distributed to target respondents by using a convenience sampling method to obtain necessary information. The data analysis of this research was acquired with the assistance of SPSS 25 throughout this study. This cross-sectional study was analyzed in terms of descriptive analysis, normality analysis, and Pearson Correlation analysis. The results concluded that all three independent variables in this study were related customer satisfaction..

Keywords: Customer Satisfaction, E-wallet, Servis Quality, Reliability, Responsiveness.

### 1 Introduction

E-Wallet has grown rapidly in Malaysia in recent years. According to a report released by Fintech Malaysia (2019) to date, there are a total of 53 e-wallets in the country, with the industry occupying 19% of Malaysian fintech space. E-wallet is a new application equipped with high technology. E-wallet are developed to facilitate the affairs of the public so that there is no need to carry a physics wallet anywhere. Apart from these facilities, e-wallet also offers other advantages such as overcoming security issues because users do not need to bring cash to avoid snatch theft, no need to queue to withdraw money at ATMs or at bank counters, we no longer need to keep receipts and various bonuses and discounts offered by this e-wallet application. Therefore, this study indicated reliability, responsiveness and service quality as independent variables in this study. Besides, the researcher strongly believes that this study capable to provide significant insights towards customers satisfaction impact to e-wallet. The objective of this study is to examine reliability, responsiveness and service quality toward customer satisfaction.

### 2 Literature Review

### **Customer Satisfaction**

Hoffman and Novak have indicated that one of the determinants of user satisfaction is download speed. Timothy indicated that it is only through customer satisfaction that the potential of a user-oriented company can be increased. It is therefore important to recognise the needs of the

consumer and function accordingly to satisfy them so that the customers can be maintained. F. Bagheri, A.Jafari, and N. Hosseinzadeh indicated that the strategies for maintaining customers and their longevity, ensuring novel services, have paved the way for organisations to come up with strategies not only to maintain current customers, but also to attract new customers. Customer satisfaction is defined as a measure tool that determines whether a product or service produced by a company is successful or not. The product or service produced must meet the needs and wants of consumers to achieve the best level of customer satisfaction. Customer satisfaction is one of the measuring tools that can be used to measure the level of consumer loyalty of a product or service and the intention of the purchase is made.

### E-wallet

According to Dato Seri Dr Mohd Uzir Mahidin, Chief Statistician in the Department of Networking (DOSM) (2020). In 2018, the trade and retail sector recorded revenue of RM92 billion compared to RM62.4 billion recorded in 2015, a growth of 13.8 percent. The value of online retail sales jumped to RM1.2 billion in 2018 from RM300 million in 2013. The rapid growth in this sector proves that the disposable income of Malaysians has also increased year by year and is now better than other equivalent countries. semi-finished is among the identified defective industries. Retail sales of textiles, food, newspaper agents, retail sales of food are categorised as industries for survival. Technology has shaped consumer behavior and the way traders conduct business. In the past, goods and services were traded in the form of barter trade and in that way gradually developed using cash then switched to the use of cards. Further in this modern age, the phone is an essential product that everyone needs. Phones will be taken anywhere while e-wallets are said to be increasingly used to change the payment methods used by all levels of users.

### Reliability

Yang and Fang (2004) claimed that reliability consists of accurate order of fulfilment, accurate record, accurate quotation, accurate billing, and accurate measurement of commissions which keep the service promising to the customer. There are two significant variables that affect the banking service; quality and efficiency. First, consistency refers to uniformity between objects or parts, or compatibility. It ensures that the consistency is still the same, doing things in the same way and maintaining the same expectations. Frei et al. (1999) propose that the standard of service should provide service performance uniformity around an optimal customer-determined target value. In a predictable and consistent manner, banks need to resolve evolving needs. Second, reliability refers to the assurance, as planned, of delivering services.

### Responsiveness

Responsiveness is described as the ability to respond timely and flexibly to customer requirements. Mariappan (2006) claimed that information technology revolution has brought astonishing changes in the market climate that have not been affected by technology development as much as banking and financial institutions by any other industry. Banks need to incorporate technology to provide their services while reducing costs due to the production of value-added customer services (Zhu, Wymer and Chen, 2002).

### **Service Quality**

In the service sector, service quality concepts tend to concentrate on meeting the needs and requirements of consumers and how well the service provided meets their standards (Lewis and Booms 1983). In order to provide and sustain the standard of service, a company must first determine what quality means for those it serves (Gronross 1984). Service quality was categorised by Gronross (1984) into two categories: technological quality, based primarily on what customers

actually got from the service; and functional quality, focused on the service delivery process. Quality perceptions of those who provide and those who consume services have been defined as the product of a contrast between service expectations and what is perceived to be obtained (Czepiel et al . 1985; Parasuraman et al . 1985).

### **Hypothesis Statement**

The three developed hypotheses of this research are:

- **H1**: There is a significant relationship between reliability as service quality toward customer satisfaction.
- **H2**: There is a significant relationship between responsiveness as service quality toward customer satisfaction.
- **H3**: There is a significant relationship between service quality toward customer satisfaction.

### **Conceptual Framework**

# Reliability Responsiveness Customer Satisfaction

Figure 1: The Conceptual Framework of the Study

Figure 1 illustrates the conceptual framework of this study. Thus, this framework displays the relationship between independent variables namely reliability, responsiveness, and service quality with customer satisfaction toward e-wallet which is the dependent variable of this study.

### 3 Methodology

Service Quality

A quantitative approach was applied in this study where questionnaires were used to collect the data from consumers who used e-wallet as a payment tool. The researcher used the quantitative method since quantitative analysis is an approach to evaluating concepts of objectives by evaluating the relationship between variables (Creswell, 2017). According to the Krejcie and Morgan (1970) table, the sample size taken for this research was 384 respondents in Malaysia. In this analysis, the convenience sampling approach was chosen as the best way to easily and cost-effectively access and cover the greater amount of the sample.

The investigator circulated the questionnaire to target respondents through message and email and collected the data via an online survey using Google Form. The style of the rating scale was used in the questionnaire to create the questions. The scale was used to measure the degree of agreement or disagreement that the respondent had to identify in a specific statement. In section A, the investigator used a nominal and interval scale, while in sections B and C, the 5-point Likert scale was applied. The data analysis of this study was documented and analysed using the programme version 25 of the Statistical Framework for Social Sciences (SPSS). In terms of descriptive analysis, reliability analysis, normality analysis, all the data collected was analysed

and followed by Pearson Correlation analysis.

### 4 Findings

### **Demographic Profile of Respondents**

The respondent profile is summarized in Table 1 out of the 384 respondents, 195 were female and 189 were male. Most of them were in the 18 to 25 age category (n=236). Next, most of the respondents race are Malay (n=220) and status single (n=243). Other than that, for the respondents education level are University (n=136). Then, occupationa sector the highest number were 42.4% (n=163) which is employed and. The highest frequency using e-wallet are 33.6% (n=129). Majority level of spending per week of the respondents is less than RM50 (n=113).

Table 1: Demographic profile

Characteristic	Item	Frequent	%
Age	18-25 years	236	61.5
	26-30 years	109	28.4
	31-40 years	27	7.0
	41 and above	12	3.1
Gender	Male	189	49.2
	Female	195	50.8
Race	Chinese	103	26.8
	Indian	61	15.9
	Malay	220	57.3
Martial status	Married	141	36.7
	Single	243	63.3
<b>Education level</b>	College	76	19.8
	Diploma	95	24.7
	Secondary school	73	19.0
	Stpm	1	0.3
	stpm	2	0.5
	STPM	1	0.3
	University	136	35.4
Occupation sector	Employed	163	42.4
	Housewife	24	6.3
	Retiree	9	2.3
	Self-employed	77	20.1
	Student	103	26.8
	Unemployed	8	2.1
Frequency using e- wallet	Everyday	28	7.3
	Once a week	127	33.1
	Twice a week	129	33.6
	Three a week	73	19.0
	Five a week	27	7.0
Spend per week	Less than RM50	113	29.4
	RM50 - RM100	110	28.6
	RM100 - RM200	90	23.4
	RM200 – RM 300	32	8.3
	More than RM300	39	10.2
Total		384	100

### **Descriptive Analysis**

Table 2: Level of Mean

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Variable	Mean	Interpretation		
<b>Customer satisfaction</b>	4.36	High		
Reliability	4.36	High		
Responsiveness	4.30	High		
Service quality	4.35	High		

Based on table 2, it can be concise that the first independent variable which is reliability and dependent variable which is customer satisfaction has the highest value of mean at 4.36. Besides, the third independent variable which is service quality has the second highest value of mean at 4.35. Furthermore, the lowest value of mean falls on the third independent variable which is service quality the value of 4.30. Summing up, the range of mean for both the independent variables and dependent variable lies within 4.30-5.00 which indicated the high level of acceptance based on the responses from target respondents in this study according to the justification from Hadiyanto and Suratno (2015). Hence, the outcome of the mean for each variable is distinguished as a good result.

### **Normality Analysis**

Table 3: Table of coefficients Analysis

Variable	Simple Linear Regression		M	ultiple Linear Regression		
	b	t-stat(95% CI)	p-value	b	t-stat(95% CI)	p-value
Service	0.74	20.72(0.04,	< 0.001	0.74	11.14(0.04,	< 0.001
Quality		0.73)			0.73)	
Reliability	0.73	19.62(0.04,	< 0.001		-	
-		0.71)				
Responsiveness	0.72	0.72(0.04,	< 0.001		-	
_		0.71)				

The table 3 above had shown the table of Coefficients Analysis that determines which independent variables was individually predictor of dependent variables. The independent variables included reliability, responsiveness and service quality had influenced the dependent variable which is customer satisfaction. According to the table above, for the service quality variable were significant since their p-value was less than 0.05. According to the result shown in the table above, the service quality is the strongest independent variables in measuring the influencing factor as its Beta value is the highest ranked value among all the independent variables which is 0.74, while the other variable were excluded.

### **Pearson Correlation Analysis**

Table 4: Results of Pearson Correlation Analysis between Variables

Variables		<b>Customer Satisfaction</b>
Reliability	Pearson Correlation Sig. (2-tailed)	1.000
	N	384
Responsiveness	Pearson Correlation	0.683**

	Sig. (2-tailed)	0.000
	N	384
<b>Service Quality</b>	Pearson Correlation	0.698**
	Sig. (2-tailed)	0.000
	N	384

<sup>\*\*.</sup>correlation is significant at the 0.01 level (2-tailed)

Table 5 presented the results of the Pearson Correlation analysis between variables on the impacts of factors influencing customer satisfaction toward e-wallet. The value of the Pearson correlation for reliability is 1.000. It is shown that the relationship between reliability and customer satisfaction is at a moderate positive level. For responsiveness, the value of the Pearson correlation is 0.683. It indicated that the relationship between responsiveness and customer satisfaction is at a high positive level. Followed by service quality, the value of the Pearson correlation is 0.698. It is shown that the relationship between service quality and customer satisfaction is at a high positive level. Hence, it can be determined that reliability, responsiveness and service quality are related to customer satisfaction toward e-wallet.

### **Hypotheses Testing**

Table 5: Summary of Hypotheses Testing

	Hypotheses	Statistical Analysis	Result
H1	There is a significant relationship between reliability as service quality toward customer satisfaction.	1.000	Accepted
Н2	There is a significant relationship between responsiveness as service quality toward customer satisfaction.	0.683	Accepted
Н3	There is a significant relationship between service quality toward customer satisfaction.	0.698	Accepted

Based on table 5, it can be concluded that all the three independent variables namely reliability has a moderate positive relationship, while responsiveness and service quality has a high positive relationship on customer satisfaction towards e-wallet service. In short, three hypotheses in this study were accepted after Pearson Correlation testing was conducted.

# 4 Discussion Reliability

The results of hypothesis H1 were studied to answer RQ1. H1 proposed that there is a relationship between reliability as a service quality toward customer satisfaction. From the finding, it revealed that there is a moderate positive relationship between reliability as a service quality toward customer satisfaction (r=0.683). Hence, H1 is accepted.

According to Iberahim and Mohd Taufik (2016), reliability refers to the ability to deliver the desired quality at all times, how the company tackles the issue of customer services, conducts the correct services for the first time, delivers services within the promised time and holds a record free of errors. Jay and Barry (2014) noted that the reliability of machine parts or product parts is regarded as consistently good in quality or output that can be managed at any time with respect to ATM services. The condition and technological reliability of the ATM environment are equated with efficient functional design.

### Responsiveness

The results of hypothesis H2 were studied to answer RQ2. H2 proposed that there is a relationship between responsiveness as a service quality toward customer satisfaction. From the finding, it revealed that there is a high positive relationship between responsiveness as a service quality toward customer satisfaction (r= 0.683). Hence, H2 is accepted.

Responsiveness is described as the ability to respond timely and flexibly to customer requirements. Mariappan (2006) claimed that information technology revolution has brought astonishing changes in the market climate that have not been affected by technology development as much as banking and financial institutions by any other industry. In order to offer their services, banks must implement technology and at the same time minimize costs due to the development of value-added services for clients (Zhu, Wymer and Chen, 2002). In order to compete more efficiently with global organisations, it is important for banks to better understand the changing needs of customers and implement the new IT framework (Malhotra & Mukherjee, 2004).

### **Service Quality**

The results of hypothesis H3 were studied to answer RQ3. H3 proposed that there is a relationship between service quality toward customer satisfaction. From the finding, it revealed that there is a high positive relationship between service quality toward customer satisfaction (r= 0.698). Hence, H3 is accepted.

The primary objective of business entities is the secret to achieving customer satisfaction by delivering outstanding quality of service because of the value of customer retention (Ehigie, 2006). The banks considered ATM to be able to minimize the excessive traffic in the banking hall when the banking industry introduced ATM machines, give customers easy access to their accounts and make life comfortable to a certain extent.

### 5 Limitations

In limitations have limited several, first is lack of research in service quality during pandemic especially for online service and making researchers do research. As a result, the researcher aiming to study of factors influencing customer satisfaction toward e-wallet is the first research explorer during pandemic.

Next, the reliability, responsiveness and service quality on customer satisfaction based on e-wallet service. Future researchers will compare the quality of e-wallet service with others. Dependent variables is customer satisfaction will provide a comparison based on their experience using e-wallet service during pandemic. Other than that, researcher did not do the face-to-face interview during the pandemic, but researcher will make an interview online.

Interview online which might have limited the research ability to gather more insight from the respondents, although the respondents used a Google form questionnaire to answer the questions. And finally, the qualitative method is the only one the researcher used, although the qualitative method can help researchers to more understanding and explore more about e-wallet.

### 6 Recommendations

From this study, researcher found that reliability, responsiveness and service quality effected on customer satisfaction in e-wallet service and this independent variable important. This study was made to find out what customer response and what factors they use e-wallet service.

Based on multiple regression analysis shows these three independent variables effect on customer satisfaction in performing e-wallet service because during pandemic online platform makes it a convenience for customers to make a payments.

Most customers do not have difficulty using e-wallet applications as the result shown in chapter 4. There may be customers who prefer to use e-wallet because it is easy, convenient and safety.

The recommendation is that e-wallet need to upgrade their service. Such an, e-wallet needs to improve services in terms of the function. Such as e-wallet can make collaboration with My Sejahtera, two in one application. Other than can make payment, user also can update their attendance of the places they go in order to know whether the places high or low risk of Covic-19 during the pandemic. With that I recommend to e-wallet to upgrade their service.

### 7 Conclusion

This research showed out that the factor that influence customer satisfaction toward e-wallet. The factor that affected is the reliability, responsiveness and service quality as an independent variable. This research also will carry out what the data collection method used, sample size, sampling techniques, populations study, development of the research instrument, data analysis procedure and variable measurement. The data analysis of this research will be an online questionnaire which is Google form by survey the questions to the respondents. Data analysis was collected by using reliability, descriptive analysis, multiple regression analysis and Pearson correlation analysis. Other than that, the researcher determined the significance of the research hypothesis and results shows that there is significant between independent variables and dependent variables. Finally, the improvements for e-wallet service and future research.

### 8 Acknowledgement

Firstly, I would like to express my deepest gratitude to my Supervisor Madam Norfazlirda Binti Hairani for giving endless advice and more insightful knowledge to me during this journey of the Final Year Project. I am very grateful to have Madam Norfazlirda as a Supervisor as she has always assisted me and provide guidance to complete this project successfully. Secondly, my acknowledgement to the library of University Malaysia Kelantan for providing the necessary materials and allowing me to utilize the facilities. In conclusion, I need thank to my respondents because they spend their precious time answering the questionnaire given. I will appreciate the handwork of respondents to fill up my questionnaire.

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# AN EMPIRICAL STUDY OF THE IMPACT OF BRAND EXPERIENCE AND BRAND ATTACHMENT TOWARDS BRAND TRUST TO THE ONLINE PURCHASING IN MALAYSIA.

Nor Aisyah Binti Ramli and Noor Hasmini Binti Hj. Abd Ghani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: Aisyah.a17a0341@siswa.umk.edu.my; hasmini.ag@umk.edu.my

### Abstract:

This study primary aim to investigate the impact of brand experience and brand attachment towards brand trust to the online purchasing in Malaysia. A total of 150 people from Malaysia have participated as research respondents in this study. In order to test the hypothesis, the reliability and the multiple linear regression analysis is used. From the finding indicated that all of the brand experience and brand attachment had positive significant impact on brand trust in online purchasing in Malaysia.

Keywords: Brand trust, Brand Experience, Brand Attachment.

### 1 Introduction

Nowadays, there are quite huge of challenge that the world need to face for including Malaysia. The pandemic of Covid-19 gives a big impact to the economy system in every country. Malaysia also one of the country that have effected from that pandemic Covid-19. There are so many businesses in the industry that get affect from the pandemic including the retail and SMEs industry. In this cases, the online platform purchasing is play an important character to help the country to build up again their economy that get affected.

In addition, the to get into the online purchasing platform, there are also some factor that need to focus for. The trust issues between the brand is a huge challenge for the customer and the seller to using the online platform. Trust is an important factor in the online retail environment. As identified by Khan and Rahman (2016, p. 591) "trust is the corner stone of the relationship between buyer and seller" Muhammad Ali Khan, Roshan Panditharathna, David Bamber "trust is enables [online customers] to understand the offering and to face the perceived risk associated with buying and consuming the product".

Based on Delgado-Ballester, Munuera-Aleman and Yagui-Guillen, (2003) trust is conceptualized as confident expectation of the brand reliability and brand intention is situation entailing risk to the customer. They said that there are two dimension of the brand trust. First, problem is about their reliability between the consumer and also the entrepreneur (Delgado, 2003). Despite the growing of the online purchasing platform that seems to be lack of research on the trust of the brand when make a purchasing from the online platform.

Next, the intention which is based on the past literature, the brand intention is when the customer would believe that the brand focus on the customer interest instead of their self-interest when they faced with unexpected problem (Delgado, 2003). There is some strategy that can be used to help the SMEs entrepreneur to solve the trust problem which is with the brand experience and also the

brand attachment.

Hence, the objective of this study is to investigate the relationship between brand experience toward brand trust in online purchasing *hijab* form SMEs context. This study also to investigate the relationship between brand attachment toward brand trust in online purchasing *hijab* form SMEs context.

### 2. Literature Review.

### 2.1 Brand Trust

Trust is the expectation of the agents involve in a transaction and the risk which related with the expectation and behaviour (Rai and Medha, 2013; Atkinson and Rosenthal, 2014). Brugha (1999) defined trust as an expression of a feeling. The feeling has an effect to cognition, affection and behaviour. Assael (1998) said that trust could be measured by determining the attribute and benefit of a brand.

Based on past literature, Brand trust and brand affect: their strategic importance on brand loyalty (2012), Chaudhuri and Holbrook (2001) has said that brand trust can be define as the willingness of the average consumer to rely on the ability of the brand which is it to perform its started function. Other than that, Barber (1983) also said that brand trust are consider that those attributions are made about. Firstly, the partner is carrying out her responsibilities and also the obligation by placing other's interest before their own, and second, the partner's is a technical competencies related into their role of the performance. Besides, brand trust is having significance importance for SMEs in order to retain loyal customers given their small number of customers (Chaudhuri & Holbrook, 2001; Delgado-Ballester & Munuera-Aleman, 2005; Eggers et al., 2013; Rauyruen et al., 2009).

AUTHOR	YEAR	DEFINITION
Chaudhuri and Holbrook	2001	Brand trust can be define as the willingness of the average consumer to rely on the ability of the brand which is it to perform its started function.
Barber	1983	Brand trust are considering that those attributions are made about. Firstly, the partner is carrying out her responsibilities and also the obligation by placing other's interest before their own, and second, the partner's is a technical competencies related into their role of the performance.

According to Reijonen (2010), SME rely on close relationship with customers to ensure ongoing revenues and profits. Besides, brand trust is having significance importance for SMEs in order to retain loyal customers given their small number of customers (Chaudhuri & Holbrook, 2001; Delgado-Ballester & Munuera-Aleman, 2005; Eggers et al., 2013; Rauyruen et al., 2009). The brand trust is an important role in the branding context. This is because, the brand trust is needed because they need to make sure that the customer has the trust into the brand that they used.

### 2.2 Brand Experience

Brand experience is created when customers use the brand talk to others about the brand seek out brand information, promotions, and events, and so on (Alloza, 2008, Ambler et al, 2002). In line with Morgan-Thomas and Veloutsou (2013) the present study that brand experience as an experiential response to the brands and defines that brand experience as a holistic response to the brand-related stimuli within website environment.

Plus, based on the (J. Josko Brakus, Bernd H. Schmitt, and Lia Zarantonello, 2009) the brand experience is the conceptualized as sensation, feeling, cognitions and also the behavioural responses are evoked by the brand that related to the stimuli which are part of a brand design and also the identity, packaging, communication and also the environment.

AUTHOR	YEAR	DEFINITION
Alloza	2008	Brand experience can also be defined as the consumer's first interaction or repetitive interaction through different sources, such as images, physical possession or through online medium with the brand
J.Josko Brakus,	2009	Brand experience is the conceptualized as sensation, feeling, cognitions and also the behavioural responses are evoked by the brand that related to the stimuli which are part of a brand design and also the identity, packaging, communication and also the environment.

A positive brand experience can often mean the difference between to being chosen from the another brand or losing the sale. Based on the Chris Cavanaugh, CMO at freeman, he said that "When they are well-crafted, brand experiences inspire new thinking, connect people in meaningful ways, move audiences to take action like no other medium and, as a result, they deliver results. At the end of the day, the measure of any medium is its ability to move your audience farther and faster, and brand experiences do that in a really compelling way".

### 2.3 Brand Attachment

Brand definition is one of the independent variable in this research. The brand attachment also has been defined as the strength of the bond connecting the brand with the self. Consistent with attachment theory (Mikulincer and Shaver 2007), This bond is exemplified by a rich and accessible memory network (or mental representation) that involves thoughts and feelings about the brand and the brand's relationship to the self.

In social psychology theory, attachment is an emotional related bond between a person and a particular object (Bowlby, 1979) in marketing theory, consumers can also create and maintain emotion laden bond with brands (Fournier, 1998). Besides, the brand attachment is also can be considered as an emerging construct, particularly important in the representation of the affective component of consumer-brand relationship.

Brand attachment is an important moderator of consumers' responses to CSR actions because high attachment makes consumers more sensitive and less critical to brands' activities (Park, Macinnis, priester, and Iacobucci, 2010.

AUTHOR	YEAR	DEFINITION				
Mikulincer and 2007		The brand attachment also has been defined as the strength of				
Shaver		the bond connecting the brand with the self. Consistent with				
		attachment theory.				
Bowlby and	1979,	Attachment is an emotional related bond between a person and				
Fournier	1998	a particular object in marketing theory, consumers can also				
		create and maintain emotion laden bond with brands.				

Attachment to the brand in this sense depends on its ability to retain the identity of the individual,

brand preserving the past by establishing identity connections that maintain individual character. The brand then plays a very important role that allows the individual to remember a subject, a group of people to whom he is associated or to be. The brand can also meet the need for belonging. Brand attachment is an important moderator of consumers' responses to CSR actions because high attachment makes consumers more sensitive and less critical to brands' activities (Park, Macinnis, priester, and Iacobucci, 2010).

### 3. **Methodology**

### 3.1 Sampling and Data Collection.

This research uses the online data collection. Survey questionnaire is used for data collection method. A systematic sampling technique is selected for the purpose of obtaining the data needed to achieve the objectives of this study. This research use 150 respondent which have been taken from the Malaysian people.

### 3.2 Research Construct.

5.2 Research Construct.	
BRAND TRUST (DV)	
Reliability dimension	
Intention dimension	
BRAND EXPERIENCE (IV)	
Sensory dimension	
Behavioural dimension	
Intellectual dimension	
BRAND ATTACHMENT (IV)	
Brand-self connection	
Prominence	

### 3.3 Data Analysis Method

The data collected in the study will be computed and analysed using the Statistical Package for the Social Science (SPSS) version 24.0 software program. Accordingly, this research applied descriptive analysis, reliability analysis, and Multiple Regression and Pearson correlation analysis to the collected data. In reliability analysis the Cronbach alpha of all variable that exceeds 0.7 which makes it acceptable, in fact since it ranges for 0.7 to 0.9 they are acceptable for an excellent measure. This is also supported by Cronbach (2016) when Cronbach's alpha is higher, it means the internal consistency of item from the scale is higher. For multiple regressions the p value for variable must less than level of significance of 0.05 to accept the hypothesis. The Pearson Correlation could range between -1.0 and +1.0, with a significance of p=0.05 is usually accepted as statistical significant.

### 4. Result and analysis

### 4.1 Sampling characteristics

For sample this study table shows that the profile of the respondent of 150 participants from Malaysia. That can be show by frequencies and percentage for every demographics question.

	FREQUENCE	PERCENTAGE
Gender		
Male	58	23.31
Female	69	76.69
Age		

19-21 years old	62	41.33
22-25 years old	59	32.33
26 and above	25	21.33
Race		
Malay	92	61.33
Chinese	28	18.67
Indian	14	9.33
Other	16	10.67
Marital status		
Single	122	81.33
Marriage	28	18.67
Employment status		
Student	75	72.35
Employment	56	19.64
Unemployment	19	5.01
Income		
Less than RM 1500	100	66.66
RM 1501- RM 3000	21	14.00
RM 3001- RM 5000	19	12.67
More than RM 5001	10	6.67

### 4.2 Hypothesis Testing

Table 2 as in below has showed the result of reliability analysis for the variables. The dependent variable (brand trust) of this study has produced a value of Cronbach's Alpha on 0.641 from total number 10 items measured. This number of result has proved the dependent variable (brand trust) has a very good strength of association While, the brand attachment has been measured and generated in Cronbach's Alpha with a result value of 0.755. Brand experience has reported as the lowest association in Cronbach's Alpha which only valued at 0.704. Although it is the lowest association among all measurement, yet brand experience was still in a very good strength of association. This result also indicated that all the variables were reliable for further analysis.

RELIABILITY ANALYSIS								
Construct	Cronbach's Alpha	Number of items	Strength of Association					
Brand experience Brand attachment	0.704 0.755	10 10	Acceptable Acceptable					
Brand Trust	0.641	10	Acceptable					

## 4.3 Multiple Liner Regression Between Independent Variable And Dependent Variable

For this research, there are two variables which are brand experience and brand attachment that used to measure dependent variable of this study which is brand trust. In model summary table for brand experience, the value for R<sup>2</sup> (R square) is 0.585 which is equivalent to 58.5% of brand trust are explained from the brand experience and brand attachment. It is illustrating on how influential of the independent variables which is brand experience and brand attachment that influence the brand trust for the dependent variable.

MULTIPLE LINEAR REGRESSION									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate					
1	0.765	0.585	0.579	0.31843					

a. Predictors: (Constant), Brand Attachment, Brand Experience

b. Dependent Variable: Brand Trust

Coefficient								
Model	Unstand ardized (B)	Coeffici ents Std. Error	Standard Coefficie nt Beta	T	Sig.	Comment		
(Constant)	0.793	0.254		3.127	0.002			
Brand Experience	0.281	0.072	0.282	3.889	0.000	Significant		
Brand Attachment	0.534	0.071	0.545	7.520	0.000	Significant		

a. Dependent variable: Brand Equity

### 5 Recommendation And Conclusion

The result of this study highlighted about the impact of brand experience and brand attachment towards brand trust to the online purchasing in Malaysia. This study focused on population in Malaysia. Brand trust is an important role in Malaysian SMEs industry. This is because with brand trust, it can help the SMEs industry to know their limitation in their business. Besides, they also can explore more about the trust issues in the brand context. They also can explore more other independent variable or other adding variable that can help the Malaysian SMEs industry in knowing the brand trust level.

Overall, the results of the present study confirm the significant influence of brand experience and brand attachment toward brand trust. Also, the result of the study has strong support for the value of research on brand trust toward online purchasing in Malaysia. This study focused on population in Malaysia. As a recommendation, there are few future opportunities for future research. Firstly, the future studies need to get extend their sample size to get better result for this study because this study only focusing on 150 populations on the Malaysian people. The knowledge, experience and expectation towards brand trust could be varied from different group of population. Thus, a more accurate research could be conducted when studying different groups of respondents. The larger population can help to generalize the result to a wider scope and helps the results to be more exact.

In addition, other researchers were encouraged to use a qualitative approach to further analyse this study in order to further supplement and justify the results of this analysis that were performed using a convenient method of sampling using a qualitative method. Doing a survey itself has pros and cons in a way that respondent might misunderstand the survey questionnaire that had been given to them to be answer. It can influence the validity and accuracy of the result. Besides, to conduct this study in long term would be more useful, it is because the researcher can see the impact on public involvement as they are the key indicate of these research study.

Other than that, the future researcher should do more methodology work to make independent variable more acceptable and getting the outcome to be more precise. Therefore, the future researcher can explore others independent variable or adding other variables in this study to know the level of the brand trust. As for benefit to others marketers, the online marketers could understand the online purchasing platform concepts in order to boosts their sales by knowing what factors that influence brand trust towards online purchasing platform among Malaysian people.

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### FACTORS AFFECTING SELF-SERVICE TECHNOLOGY BUYING EXPERIENCE AMONG GENERATION Z

### Nor Fatirah Binti Mat Fauzee and Raja Rosnah Raja Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: fatirah.a17a0349@siswa.umk.edu.my; rosnah.d@umk.edu.my

### Abstract:

This study was conducted to investigate factors affecting self-service technology buying experience among generation Z. Self-service technology is an interface technology that allows customers to perform the service itself without relation to the employees of the organization. Nowadays, smart technology has becoming necessity for all people in their life especially in shopping. Everything that we do is connected to technology and same goes online shopping. In retail industry, technology gives you the platform to better satisfy your customers by helping you concentrate on their needs. So, this research focuses on the factor that influencing generation Z to use self-service technology in buying and their shopping experience. The independent variable in this study comprised service quality, convenience and store atmospheric; whereas the dependent variable in this study is self-service technology buying experience. The quantitative research method was used and 124 respondents were evaluated in this study. Questionnaires were distributed to collect the primary data as a survey with online questionnaire and personally to get the information needed for this study. Data collected is analyzed by using IBM SPSS Version 25 software based on descriptive statistics, reliability analysis and Pearson correlation analysis. As for the result, all of the independent variables (service quality, convenience and store atmospheric) that had been studied in this research have a significant relationship with the dependent variable (selfservice buying experience) among generation Z in Malaysia.

Keywords: Self-Service Technology, Generation Z, Buying Experience

### 1 Introduction

Self-service technology (SST) has become prevalent in our daily lives. Then, more face-to-face services industry was replaced by SST, such as banking, tourism and hospitality, food and beverage, retail and airline (Chin & Hong, 2018). SST is an interface technology that allows customers to perform the service itself without relation to the employees of the organization (Robertson & McDonald, 2016). Past research shows that some businesses use self-service technology to help customers check out and make payments without interacting with the cashier. Thus, Amazon is also pushing this concept and using technology Amazon Go on a smartphone client that automatically detects the customer profile using Artificial Intelligence (Junsawang & Chaiyasoonthorn, 2020).

There are some examples of self-service technologies that being used in Malaysia. Previous study has shown that Malaysia already opened a first-time convenience store in Subang Jaya. The Irispay E-Concept Store requires customers to download the Irispay application using its personal details and scan the QR code on the product for payment. Also, McDonald's Malaysia has launched a self-service kiosk in the Klang Valley for customers to place customized orders and make payments on machines (Chin & Hong, 2018). Past research shows that McDonald's constantly monitors changes in demand from consumers and due to long queues all the time and

this is one of the factors McDonald's launched a cashless facility where they can pay via their Debit or Credit card at their own order kiosk in 2016. There are a number 265 McDonald's stalls in Malaysia, however, not all MCD stalls have self-service kiosks and only 17 stalls use new technology (T. H. Yang & Geetha, 2019).

The research concentrates on the factor that influencing generation Z to use self-service technology in buying and their buying experience. This research will give an idea of the great use of technology in shopping through the experiences created by consumers. Past research has found Gen Z members to be very entrepreneurial, highly educated and independent; more dependent on self-service tools to research products, compared to seek interaction with experts (Schwieger & Ladwig, 2018).

### 1.1 Research Objective

The objectives for this research are:

- 1. To examine the relationship between service quality and self-service technology buying experience among generation Z.
- 2. To examine the relationship between convenience and self-service technology buying experience among generation Z.
- 3. To examines the relationship between store atmospheric and self-service technology buying experience among generation Z.

### 1.2 Significant of the Study

### 1.2.1 Researchers and Publics

This research will provide new knowledge to researchers and the public such as knowledge and how to use the type of self-service technology provided by some grocery stores. Examples of self-service technology available in Malaysia are self-service registers and self-service kiosks. Tesco Malaysia has introduced the Scan & Shop application which aims to facilitate shopping (Wong, 2019). They try the app on the weekends and save time during the payment process.

### 1.2.2 Businesses

This research can help all retail businesses in using self-service (SST) technology. Past research shows that the SST can be more beneficial to businesses, helping them to serve more customers with fewer resources, causing a reduction in costs because workers can be replaced by SST (Curran & Meuter, 2005).SST also helps businesses to reduce the cost of training, equipment, and communication of staff (Leung & Matanda, 2013). SST also offers more consistent and robust services without being influenced by variations in service demand or employee thinking frameworks (Liljander & Gillberg, 2006).

### 2 Literature Review

### 2.1 Independent Variables

### 2.1.1 Service Quality

Past research indicates that the quality of service has been the subject of extensive research over several decades has emerged in the form of self-service technology (SST) have a profound impact on how customers interact with the firm to generate positive results of the services, namely satisfaction, customer loyalty and attitude (Iqbal & Hassan, 2018). Furthermore, consumers often choose the option of self-service because they feel it to facilitate the delivery of services quickly and efficiently (Ledingham, 1984).

### 2.1.2 Convenience

Evidence from past magazine shows a primary reason that customers choose self-service is the belief that it will provide more convenience — which often means the customer chooses how and

when the interaction takes place. Customers noted that the convenience of a self-service technology significantly affected the accuracy of a transaction; managers, on the other hand, rated the influence of convenience as significantly less important to accuracy. Both the virtual and the physical convenience of a self-service technology play a major role in the customer's comfort and confidence. If customers can choose a convenient time and place to use a smartphone or online app, the experience will be less distracting and more accurate. For example, the online ordering system for Domino's Pizza Inc., the pizza delivery chain based in Ann Arbor, Michigan, has improved accuracy and increased repeat visits by letting customers place orders at their own pace. Customers can review and verify their orders without feeling pressure to hurry, resulting in greater accuracy (E.Kimes & E.Collier, 2015).

### 2.1.3 Store Atmospheric

The importance of a store atmospheric that uses self-service technology is to enhance the consumer shopping experience (Xu, 2007). Past research shows the role of consumer emotional mediator in this context. They show that the atmosphere of the store, which is caused by various variables in the store, is psychologically represented by the consumer in terms of the main emotional state which is pleasure. This emotional state is a significant intermediary of in-store shopping behavior, such as the pleasure of using technology to shop in-store, the time spent browsing and exploring store space, the tendency to spend more money than originally planned (Robert & John, 1982).

### 2.2 Dependent Variable

### 2.2.1 Self-Service Buying Experience

Past research explores the experiences and views of young people on the use of customer kiosks in McDonald's restaurants. Respondents felt that the kiosks increase efficiency by eliminating the need to line up to order and provide a more relaxing time to make their menu selections. Therefore, while using a kiosk does not necessarily speed up the service process, it does allow time to reflect on options and less waiting time to be entertained. The kiosk also provides a clear food category with pictures, simple English instructions, and a simple ordering and payment process. Compared with the amount of information available at the service counter, kiosk provides more detailed information and more details on the menu, ingredients, discounts and promotions (Q. Yang & Goodsir, 2019).

### 2.3 Research Hypothesis

Research hypothesis is known as a scientific hypothesis and also consists of the statement about the relationship between two variables. This study proposed to test the relationship of both variables which independent and dependent variables. Based on the literature review and the research question that discussed, the hypothesis of this study can be summarized in the following manner:

- H<sub>1:</sub> There is a significant relationship between service quality and self-service technology buying experience.
- H<sub>2</sub>: There is a significant relationship between convenience and self-service technology buying experience.
- H<sub>3:</sub> There is a significant relationship between store atmospheric and self-service technology buying experience.

### 2.4 Conceptual Framework

Figure 1 show the theoretical framework on the factor that influences generation Z to use self-service technology in buying and their experience. There are two types of variables. The first variable is independent variables, which consist of service quality, convenience and store

atmospheric. The second variable is dependent variable, which is self-service buying experience.

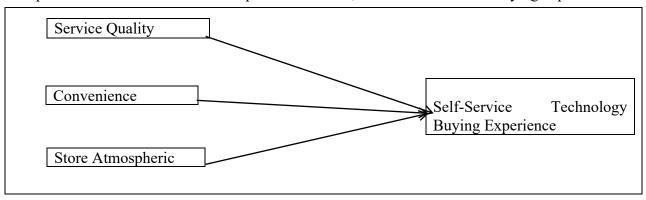


Figure 1: Conceptual Framework of Factor that Influencing Gen Z to use Self-Service Technology in Buying and their Experience

### 3 Methodology

### 3.1 Research Design

Quantitative survey was applied in this research. Quantitative research is based on measurement of quantity or amount. This applies to phenomena that can be expressed in quantity (Kothari, 2004). Questionnaires are mainly used in conducting quantitative research, where researchers want to display samples in terms of numbers (the sample in different age groups) or can calculate the frequency of opinions, attitudes, experiences, processes, behaviors, or predictions (Rowley 2014). The main objective of quantitative research is to test whether the hypothesis being tested is important.

### 3.2 Population

A target population is a certain group of the population that share similar characteristics and is identified as the intended audience for a product, advertising or research. It is a portion of the whole universe of people selected as the objective audience (Draugalis & Plaza, 2009). Unit of analysis is the subject that is being studied in the research. It has been defined as who or what is being studied during research (Seaman, 2015). The target population of this research is young adults who are generation Z who buying using self-service technology. The unit of analysis will be their individual who aged 19-25 years old.

### 3.3 Sample Size

Sample size can be determined based on several rules of thumbs. This research determines the sample size based on rules of thumbs provided by Cohen 1992. Figure 2 below presents the table of statistical power analysis by Cohen 1992. Based on maximum arrows pointing at a construct in conceptual framework, three factors (service quality, convenience, store atmospheric) are pointed to other variable (self-service technology buying experience). Therefore, based on the statistical power analysis table, this research needs a minimum number of 124 respondents to achieve the statistical power of 80 per cent for detecting R<sup>3</sup> values of at least 0.10 with a 5 per cent probability of error.

	Significance Level											
	1%				5% Minimum R <sup>z</sup>			10% Minimum R²				
Maximum Number of Arrows Pointing at a	Minimum R <sup>2</sup>											
Construct	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.75
2	158	75	47	38	110	52	33	26	88	41	26	21
3	176	84	53	42	124	59	38	30	100	48	30	25
4	191	91	58	46	137	65	42	33	111	53	34	27
5	205	98	62	50	147	70	45	36	120	58	37	30
6	217	103	66	53	157	75	48	39	128	62	40	32
7	228	109	69	56	166	80	51	41	136	66	42	35
8	238	314	73	59	174	84	54	44	143	69	45	37
9	247	119	76	62	181	88	57	46	150	73	47	39
10	256	123	79	64	189	-91	59	48	156	76	49	41

Source: Cohen, J. A power primer. Psychological Bulletin, 112, 155-519.

Figure 2: Statistical Power Analysis by Cohen 1992

### 3.4 Data Collection

This research use primary methods in quantitative to collect the data which is questionnaire through online. It will distribute 124 copies of the questionnaire via the online method to be completed by generation Z aged between 19-25 years who have been selected. This method will facilitate us in the final stages of data encoding, data analysis and data interpretation by making the process simple and easy. Such data collection methods are chosen for use because reliability, direct response, ease of use and use of multiple choice questions can reduce the likelihood of uncertainty in results. Besides that, researcher also used secondary data by referring articles and online journals downloaded in internet. Ease of reliability and accessibility, this research is used with Google as the main search engine and tool to collect secondary data through Google Scholar and My Athens provided by Universiti Malaysia Kelantan (UMK). By making full use of relative online resources researcher was able to complete research and access relative articles online and to reinforce research results by the support of this journal.

### 3.5 Sampling

For this research, researcher use judgmental sampling, also called purposive sampling or authoritative sampling, is a non-probability sampling technique in which the sample members are chosen only on the basis of the researcher's knowledge and judgment. As the researcher's knowledge is instrumental in creating a sample in this sampling technique, there are chances that the results obtained will be highly accurate with a minimum margin of error. Therefore, researcher selected respondents that have experienced or know about self-service technology to complete this research.

### 3.6 Research Instrument

In this study, the questionnaire was used as a research instrument and consisted of a series of questions for the purpose of collecting information from the respondents. There are three sections in the questionnaire which is Section A, Section B and Section C. The selected language in a bilingual questionnaire is listed as Malay and English. For the first section in the questionnaire, it asked the respondents about the demographic questions consisting of age, gender and religion. As for second section, there will be questions related to independent variables in the research which are service quality, convenience and store atmospheric. For the last part, it will more focus on asking the dependent variable of this research which is self-service technology buying experience. The measurement is based on likert Scale question which are 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5= Strongly Agree.

### 3. 7 Data Analysis Technique

IBM SPSS (Statistical Package for Social Science) Statistics version 25 will be used for this study. The use of computer software to help researchers reduce the time they are taken to calculate the quantitative analysis of data and facilitate faster and make it easier. Descriptive statistics were used to analyze the data which includes the mean, median, mode and frequency. The researchers can use IBM SPSS Statistics to understand the data, to analyze, forecast and plan. The statistical analysis for the study includes the reliability analysis and Pearson correlation coefficient.

#### 4 Data Analysis and Findings

#### 4.1 Demographic Profile

The demographic profile of the respondents included the information of age distribution, gender distribution, race, status, education level, occupation and income level. From the sample collected, majority respondents come from female (82.3%) and male is 22 (17.7%). This can be concluded that people who are most prefer using self-service technology in buying are dominated by female for the majority, and male people are not so into this technology.

In terms of age, the majority of the respondents are from the age group of 23 to 24 years which are 66 peoples (53.2%) are most in using this technology, followed by 33 peoples (26.6%) from the age group of 21-22 years old, 14.5 percent were from aged 25 years old and minimal respondents fell within the range of 19-20 years old which are 7 peoples (5.6%). Some of people who were aged below 20 years old not aware with this self- service technology because they are too young and everything all depends on their parents.

For the race, the highest number and percentage of individuals who has been using self-service technology in shopping were 100 persons (80.6%), follow by Chinese which are 10 persons (8.1%), then Indian which are 8 persons (6.5%) and the others race becoming the lowest number and percentage which are 6 persons (4.8%).

Next, for the marital status, single people are most preferred to use self-service technology in shopping which representing 104 persons (83.9%). These people want something that make easy for them. For the married people, only 18 persons (14.5%) use this technology and lowest percent on divorced persons which is 1.6 percent representing only 2 persons.

Besides, in terms of education level, majority respondent who has been experiencing in using self-service technology in shopping have degree which representing 82 peoples (66.1%), followed by people who have SPM/ Foundation / STPM / STAM which involved 21 peoples (16.9%), then for diploma only 16 peoples (12.9%) and minimal respondent are belongs to master student which representing 4 percent for 5 persons. Master students are not interested in using self-service technology and more prefer use delivery services to buy foods.

For the occupation, the highest number and percentage of respondent who are student which is 85 persons (68.5%) because they want something that are trending and easy for them to use, then followed by employee which is 31 persons (25%), self- employed which is 6 persons (4.8%) and the lowest are people who unemployed which is only 2 persons (4.8%).

Lastly, for the income level, majority of respondent who earns from RM0 until RM1000 which represent 87 persons (70.2) has been using self-service technology in their shopping, followed by people who earn from RM1001 until RM2000 which is 18 persons (14.5%), then people who earn from RM2001 until RM3000 which is 12 persons (9.7%) and the minimal respondents are from people who earn from RM3001 and above which represent 7 persons (5.6%).

#### 4.2 Descriptive Analysis

Descriptive statistic summarizes and organizes characteristics of a data set. A data set is a collection of responses or observations from a sample or entire population. For descriptive analysis in this study, researchers have analyzed to find the mean and standard deviation of the independent variables and dependent variables. Table 1 below listed out the summary of the mean and standard deviation of the variables.

Table 1: Summary of the Means and Standard Deviation of the Variables

Variables	Mean	Standard Deviation
Service Quality (IV1)	4.18	0.66
Convenience (IV2)	4.27	0.58
Store Atmospheric (IV3)	4.36	0.56
Self-Service Buying Experience (DV)	4.35	0.59

Table 1 showed that all the independent variables consist of service quality; convenience and store atmospheric are the factors that influence them to use self-service technology in buying. Based on the result, store atmospheric obtain the highest mean whereas service quality has the lowest mean but has highest standard deviation.

#### 4.3 Reliability Test

For this research, researcher has conduct pilot test to examine reliability of the questionnaire towards the research title which is factors affecting self-service technology buying experience. In this research, a total of 124 respondents were participated in the actual survey but for the pilot test the researcher only used 30 respondents to measure if the questionnaire is acceptable or not.

Table 2: Result of Reliability Test using Cronbach's Alpha

Variable	No. of Items	Coefficient Alpha	Strength of Association
Service Quality	5	0.846	Good
Convenience	5	0.827	Good
Store Atmospheric	5	0.895	Good
Self- Service Buying Experience	5	0.876	Good

The internal consistency reliability is measured using the role of thumb of Cronbach's Alpha. The size of the Cronbach-Alpha which is more than or equal to 0.9 is excellent consider as an excellent strength of association in understanding of the questionnaire. However, the coefficient size of 0.8 to less than 0.9 is very good of strength of association and in between 0.7 to less than 0.8 is consider as a good strength of association towards the questionnaire. The Cronbach-Alpha showing 0.6 < 0.7 have a moderate strength whereas below 0.6 showing a poor strength of association. Table 2 below shows the result of reliability Cronbach's Alpha which is all the variable considered as good reliability.

#### 4.4 Pearson Correlation Coefficient

In this section, Pearson's correlation is employed to examine the relationship between the independent variables (IVs) and the dependent variable (DV). To test the relationship, in this section, the mediator in this study is treated as a dependent variable. Correlation coefficients are

able to provide a numerical overview of the direction and strength of the linear relationship between the IVs and DVs. Pearson's correlation coefficients (r) range from -1 to +1 for the indication of positive or negative correlation.

Table 3: Correlation between Independent Variables and Dependent Variable

1 40	Correlations				
		Service Quality	Convenience	Store Atmospher ic	Self- Service Buying Experience
Service quality	Pearson Correlation	1	.800**	.725**	.697**
	Sig. (2-tailed)		.000	.000	.000
	N	124	124	124	124
Convenie	Pearson	.800**	1	.812**	.770**
nce	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	124	124	124	124
Store atmosph	Pearson Correlation	.725**	.812**	1	.805**
eric	Sig. (2-tailed)	.000	.000		.000
	N	124	124	124	124
Self- service	Pearson Correlation	.697**	.770**	.805**	1
buying	Sig. (2-tailed)	.000	.000	.000	
experien ce	N	124	124	124	124
**. Correlat	tion is significant at t	the $0.01$ leve	l (2-tailed).		

Based on the Table 3, it can be seen that all of the independent variables which are service quality, convenience and store atmospheric are significantly correlated to dependent variable which is the self-service buying experience at 0.01 level (2-tailed). The relationship between variables, 0.60 to 1.0 is strong, within range of 0.30 to 0.50 is moderate and below of 0.20 is weak. The table showed that relationship between service quality is stated as 0.697, while convenience is stated 0.770 and store atmospheric is stated 0.805. Thus, all of the independent variable has a strong relationship with dependent variables of this study.

#### 4.5 Summary

Number	Statement of Hypothesis	Result	Significant
of			Value

Hypothe			
sis			
$H_1$	There is a significant relationship between service quality and self-service buying experience	Accepted	0.000
H <sub>2</sub>	There is a significant relationship between convenience and self-service buying technology	Accepted	0.000
H <sub>3</sub>	There is a significant relationship between store atmospheric and self-service technology	Accepted	0.000

As the p-value should be less than 0.005, the service quality, convenience and store atmospheric are accepted in this analysis.

#### 5 Discussion and Recommendations

This study is trying to achieve four objectives. The first objective is to examine the relationship between service quality and self-service buying experience. The second objective is to examine the relationship between convenience and self-service buying experience. Lastly, the third objective is to examine the relationship between store atmospheric and self-service buying experience. Hypothesizes that have has been tested showed the positive significant among the variables.

Based on this study, the researcher found that there are some suggestions for future studies. Through this way, the researcher hope that in the future other researchers can use direction and extend to other levels in future research.

The first suggestion for the future research is the other researcher can do research focusing self-service technology in terms of online banking services which is different with this research. This is because online banking service also important in the daily life. This service is said to be safer than ever, as it puts customers in charge of their own finances, whether they want to change fixed orders, make international payments or settle their bills. As a result, most of them no longer enter the local branch of the bank to settle financial matters.

Furthermore, researcher suggest that the other researcher also can do research focusing on self-service technology in buying among all generation and not for specific generation. This technology will be used by all people who want to make purchase. Therefore, in the future when other researchers do the research, researcher can know more about the factor that influence people in using self-service technology. The researcher also can compare factors that influence all people to use this technology and the specific generation Z.

#### 6 Conclusion

Technology enables a machine to perform tasks that can be executed repeatedly with a standard set of instructions without getting tired, thus letting the human mind function and focus on what is more important. Especially in retail, self-service technology gives you the platform to better satisfy your customers by helping you concentrate on their needs. And happier customers mean more business.

In conclusion, the results for this study have contributed beneficial information about self-service technology and factor that makes people prefer them to future researchers as a reference to their

research. Then, the entire objective for this research has been fulfilled with the supported hypothesis. Not only that, based on the findings of the research, all the independent variables which is service quality, convenience and store atmospheric have a significant relationship towards self-service buying experience among generation Z.

It means that all variables play an important role during the research process. As our respondent was generation Z which is people who aged 19 to 25 years old and the data collected on this research, it is show that they have been aware and experiencing in using self-service technology. These self-service technologies have really made their day because it make easy for them and save their time.

#### 7 Acknowledgement

First of all, praise and thanks be to God, for showing His blessings throughout my research work to complete the research successfully.

I would like to thank my research supervisor, Raja Rosnah Binti Raja Daud, a lecturer from the Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, for giving me the opportunity to do research and provide invaluable guidance throughout this research.

I would also like to thank all my colleagues involved for their acceptance and patience during the discussions I had with them in this research. I am very thankful to my parents and family for their love, prayers, understanding and continuing support to complete this research work. Thank you to all of you.

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# THE CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING DURING A PANDEMIC COVID-19 IN MALAYSIA

#### Nor Laila Binti Abu Bakar and Tahirah Binti Abdullah

Faculty of Entrepreneurship and Business Universiti Malaysia Kelantan Malaysia

Email: laila.a17a0353@siswa.umk.edu.my; tahirah@umk.edu.my

#### Abstract:

Nowadays, lifestyle changes that are increasingly busy during the pandemic and online shopping are get a place in the hearts of customers. This is because they cannot leave the house to buy goods because of the Movement Control Order (MCO) and they only use online shopping. Most of people prefer to online shopping because it is more convenient and fast. The objective of this study is to determine whether or not the speed of delivery, the price of product and review and web site quality will affect the customer satisfaction towards online shopping during pandemic Covid-19 among people in Malaysia. The purpose of this research is to find out the factor that influenced customer satisfaction by speed of delivery, price of product and review and web site quality. Those factors played an important role for online shopping in create a positive perception that can influence the customer satisfaction. The primary research data will be collected through a structured questionnaire and SPSS software will be used for analysis process. The questionnaire was distributed to 384 respondents that using online shopping in Malaysia. Therefore, the study will find out the most important factors that have influence customer satisfaction towards online shopping during a pandemic Covid-19 in Malaysia.

**Keywords:** online shopping, speed of delivery, price of product and review, web site quality, customer satisfaction

#### 1 Introduction

Nowadays, online shopping is a form of electronic commerce which allows customers or consumers to directly buy goods and services via a web browser provided that they have access to the internet. Online shopping is one of the common things that most people use in their daily life. But the situation changed after the appearance of the COVID-19. The government has implemented Movement Control Order (MCO) and has resulted in many institutions and agencies shutting down operations. One that affected was a business that had to shut down business operations for several months. Among the initiatives taken by entrepreneurs is to implement eshop. During this period of MCO, the demand of online shopping is increase but the delivery process was interrupted as the courier services has to limit their employees and some places were restricted. Some of the customers do not care about the timing of receiving the goods but some are very concerned about the timing of delivery. This is because they cannot leave the house to buy goods because of the Movement Control Order (MCO) and they only use online shopping.

Other countries such as Japan, South Korea, Thailand, France and the United States also affected by spreading of the virus of Covid-19. The effects of this virus can be serious to health and can death. Instead of this unfortunate situation, people have to stay at home and cannot leave the house. This phenomenon has make the online shopping is the only platform for people to buy goods and groceries. The proposed study aims to investigate the factor influence the customer satisfaction towards online shopping during pandemic in Malaysia.

The female customers are more motivated in online purchase rather than male customer because

according to a survey by Rakuten Insight, 65 percent of the female respondents stated they purchased more online during pandemic in Malaysia and only seven percent of the male respondents said there is no impact on their purchases behaviour. This is because most of female are very familiar with online usage but there are still lots of them not interested in using online shopping. According to Zhou, Dai and Zhang (2007), online shopping was one of the platform has been increasing the number of consumers prefer to purchase product from online shopping. This study will be focused on people in Malaysia because they cannot go out to shopping complex and have to use online shopping during COVID-19. The customers don't have any choice if they want to buy goods and must use online shopping. More customer will prefer online shopping if the delivery of goods is fast and the quality of website is in good condition. Other than that, the price of the product has to affordable according to the product. The customers will find a product of interest by visiting the website of the retailer directly. Generally, the success of the online shopping is based on the customer satisfaction during their purchase.

This research is to investigate the customer satisfaction towards online shopping during pandemic. This is because, during pandemic is difficult for people to buy product at the store and they only have to use online shopping. Because of the pandemic many people use online shopping and it will give some problems to people. First, about the speed of delivery. The problem is when MCO, people cannot go out to buy the goods or shopping and they only use online shopping. Sometimes when they use this platform, it takes a long time for the delivery of goods. It causes customer dissatisfaction with the ways the online shopping company involved manage it. The consumers pay more attention to and distribution of the items provided by online retailers. This is because the speed of delivery plays a positive role in the customers' satisfaction level, especially during outbreaks because demands from customers on online shopping have increased more than other types of shopping (Khan, Sadat & Kamboj, 2020). Customer satisfaction is the level of comparison between consumers' feelings by comparing services received with their expectations. Customers will feel happy or disappointed with the performance of products delivery and all depends on the speed of delivery product to the customers (Disman et al. 2018).

Meanwhile, the price of product and review also influences the customer satisfaction towards online shopping because the price of product is not the same and has to add with the shipping charge. According to Janda and Ybarra (2005), the price of product is one of the most significant factors in attracting consumers to a website and the prices of online retailers are partially dependent on the level of quality of service provided. Other than that, according to Changchit and Klaus (2020) as online shopping does not allow the level of contact and interaction with online retailers of a product, they aim to provide online product assessments as an alternative to physically engaging with a product. This gives the confidence of online consumers to make a purchasing decision based on the details of the product price and quality reviews (Von Helversen et al. 2018). This is because both the customer and the seller gain benefit from the review websites. According to Disman et al. (2018) product quality will satisfy the customer if the product received is the same as the customer expectations.

The web site quality is also important for customers, especially those who prefer online shopping. According to Khan, Sadat and Kamboj (2020), many web-based shopping customers go for online platform purchases because of the excellent quality of the service. But according to Janda and Ybarra (2005) the general satisfaction of consumers with an online retailer is affected by their satisfaction with the user interface. This is means that, website quality standards are focused on content, design, processing speed, security and product details. The customer satisfaction depend on web site quality online shopping. If the web site put all information clearly, it can make customer satisfy to buy product using online shopping. Meanwhile, Changchit and Klaus (2020) claimed that e-commerce companies want consumers to have a high level of satisfaction with the

product being purchased and to increase the probability of repeat purchases, so e-commerce companies aim to have websites that increase customers' product trust. This is also achieved by clarifying product lists with comprehensive details, different graphics, and a helpful product review. Thus, the present study explored the factor speed of delivery, the price of product and review and web quality influenced the customer satisfaction towards online shopping during a pandemic Covid-19.

#### 2 Literature Review

#### Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB)

The phenomenon of online shopping is very important in Malaysia during pandemic and thus measuring attitude at this stage which influences the attitude to shopping online according to the theory of reasoned action (TRA) and theory of planned behaviour (TPB) (Al-Debei, Akroush and Ashouri, 2015). The customer satisfaction attitude is described as the overall assessment of a factor in the use of online shopping by an individual. Since this research is about measuring the attitudes of Malaysian customers towards online shopping, behavioral attitudes are important to the context of this study.

According to the TPB, behavioral beliefs that relate to an individual's inner beliefs about the results of performing a certain action affect attitudes towards actual behavior. (Ajzen, 1991). Based on their experiences, such as their own past experiences, these beliefs differ from one individual to another. This study showed that Malaysian consumers' attitudes towards online shopping are primarily affected by the characteristics of the speed of delivery, the price of product and review and web site quality. Hence, this study assumes three major characteristics which influence Malaysian consumer attitudes toward online shopping. The researcher provides a detailed literature review on attitudes towards online shopping in the following subsections. In order to establish and support the hypotheses of this study, the researcher also used relevant literature.

According to Wikipedia, online shopping is a form of electronic commerce or E-commerce which allows consumer to directly purchase goods and service from online seller over the internet by using a web browser such as Google and Yahoo. This is because, consumers can easily find the product that they interest to buy by visiting the website of the retailer or the consumer can searching among alternative vendors using a shopping search engine which displays the same product availability and with different price with different retailers. Nowadays, consumers can shop online by using computers and devices such as computers, laptops, tablet and smartphones (Noorshella Che Nawi et. al., 2019).

On the other hand, according to Changchit and Klaus (2020) was identified factors which affects to the customer satisfaction of online buyers. These are personal factors, product factors and website factors. Among the personal factors, opinion on transaction safety and privacy are the important factors which affect the customer buying behavior, type of the product was prominent factor out of the product related factors and out of the website factors. Other than that, Jayapradha (2018) stated that most of the people were considered to be better than manual shopping for online shopping and comfortable with their online shopping transaction. Jemila (2017) contended that the price of the product and discount, product quality and quality of information are important factors when shopping online.

According to Kim and Lim (2001) the factors of entertainment, convenience, reliability, and information quality and speed of delivery plays important role in customer satisfaction while shopping online. Lin, Wu and Chang (2010) stated that delivery quality, product quality, service

quality, device quality and a large level of perceived cost are the most critical factors influencing the satisfaction of online customers. The catalysts for online customer satisfaction are the knowledge available with diversified products, reasonable pricing, easy ordering procedure and delivery without damage. The attitude towards the behaviour depending on the individual because there are people who do not mind slow or fast delivery. The perceived behavioural control can be controlled by the individual to accept if delay in delivery.

Besides, it can make more customers turn towards online shopping due to pandemic. Online reviews are seen as a guide that affects the decision process of the customer. As online shopping does not allow the degree of touch and contact with a product that may be available in traditional retail outlets, as an alternative to physically engaging with a product, online retailers aim to provide product reviews online. This is because online reviews offer future user insights into what can be expected from the product or service on the basis of the review is written and the use of terms in the review allows the review reader to assess trusting and factual elements in a review. This study supported by Changchit and Klaus (2020) potential buyers prefer to search for feedback first, then read the details shared by previous users, and finally look at the product's monetary value. According to Kasuma et al. (2020) consumers may also display pictures or videos of products containing product details, including product descriptions and the price of the products.

Meanwhile, in order to influence customers to purchase or buy from online shopping, the characteristics of website design or functionality often play a significant role. The design of websites presented to customers is important for online shopping (Ganguly et al. 2010). A research by Kasuma et al. (2020) found that, while the website design or features were done by the website consultants, online shoppers were very dissatisfied with the inadequate website design. Consumers prefer to avoid visiting the website due to ineffective website design or functionality and may risk the user leaving the website without any purchase. Therefore, factors in website design are important predictors of customer satisfaction. Typically, online retailers allow customers to use search features to locate the unique or precise goods, models, labels or things they want if they know the exact product name (Roy & Datta., 2018). According to Billy, Rob and Ivan (2008) website quality has a direct and positive impact on customer satisfaction. Accordingly, the study tested the following hypotheses;

- H<sub>1</sub>: There is a positive low significant relationship between speed of delivery and customer satisfaction towards online shopping during a pandemic Covid-19 in Malaysia.
- H<sub>2</sub>: There is a positive low significant relationship between price of product and review and customer satisfaction towards online shopping during a pandemic Covid-19 in Malaysia.
- H<sub>3</sub>: There is a positive moderate significant relationship between web site quality and customer satisfaction towards online shopping during a pandemic Covid-19 in Malaysia.

### 3 Research Methodology

This study highlighted the factor influenced the customer satisfaction towards online shopping during a pandemic Covid-19 in Malaysia. Therefore, a quantitative methodology was adopted for the present study. To collect data for this study, the researcher use reliability test, normality test, correlation analysis and multiple linear regression.

Besides that, this study also utilized questionnaire as a survey to the targeted respondents. This study using the google form to distribute the questionnaires via platform online. The population in this study is all Malaysians which is working people. The number of respondents who participated in this study was 384 working people. Population study also in different age ranges and income levels. This data was analyzed using Statistical Package for Social Sciences (SPSS) version 26.

### 4 Finding and Discussion

#### 4.1 Demographic Profile of Respondent

The demographic information includes gender, age, race, status, education background, occupation, current monthly income, the number of respondents online shopping, frequency respondents of online shopping in the last six months, respondents spend on the internet every day and the frequency and percentage of Malaysian people will be shown. For the present study, the analysis from Table 1 shows that there are 145 respondents (38%) which is represented male meanwhile 239 (62%) respondents that represented female. It shows that female respondents are higher compared with male respondents in this research. To get working respondent, the researcher use the Facebook and Whatsapp to distribute the questionnaire to working people. Meanwhile, the researcher also asking for help from friend and family to distribute this questionnaire to their friend that working.

Age is divided into 4 categories. The highest number of age respondents is 19-30 years old that is 262 (68%). The second age categories are 31-45 years old that is 82 (21%) meanwhile for less than 18 years old categories there were 25 (7%). As for lowest age respondents is 46 years old above categories that is same with 15 (4%). Next, for the race, the highest race of respondents is Malay that is 244 (63%). For Chinese and Indian, there were 92 (24%) and 37 (10%) respondents respectively. Meanwhile the lowest number race of respondents is others that is 11 (3%). The others respondent is from Iban, Kayan, and also bumiputera Sabah and Sarawak. Based on table below, the status will be shown. As for single respondent there were 261 (68%) meanwhile for married respondents there were 123 (32%).

Based on Table 1, the education background of respondents was shown. The highest education background of respondents is from Bachelor Degree that is 143 (37%). The second highest education background is from Diploma that is 108 (28%). For High School and Master Degree there were 80 (21%) and 36 (9%) respondents respectively. Meanwhile the lowest number education background of respondents is have PHD that is 17 (5%). For the occupation, the highest number of occupation in this research is respondents who is working under private sector that is 167 (44%). Second highest the occupation of respondents is from self-employed that is 116 (30%). After that, the lowest number of respondents who is working under government that is 101 (26%). After that, based on current monthly income of respondents in this research, the highest income of respondents is RM0-RM2000 that is 147 (38%). The second highest group income of respondents is RM2001-RM3000 which stand of 140 (37%) meanwhile the third group income that is RM3001-RM4000 which stand of 55 (14%). The lowest group income of respondents that is more than RM4001 which is 42(11%). Based on table below, all the respondents are like to use online shopping that is 383 (100%).

Table 1 shows the frequency respondents of online shopping in last six months. The highest respondent always to shopping online once a month that is 143 (37%). The second highest respondents like shopping online 2 times a week that is 133 (35%). After that, respondents like to online shopping every 2 or 3 month that is 92 (24%). Meanwhile, there are respondents who

like to online shopping every day and others that is same 8(2%). The others means that respondents have their own answer which is uncertain for online shopping. Then, Table 1 shows how much respondents spend on the internet every day in this research. The highest of respondents spend on the internet every day in this research is respondents who is spend 1-2 hours that is 179 (47%). Second highest is respondents spend 3-4 hours on internet every day which is 78 (20%). Meanwhile, there are respondents like to spend on internet below 1 hours and above 5 hours that 64(17%) and 63(16%).

Table 1: Demographic Profile Analysis

Background	Information	Frequency	Percentage (%)
Gender	Male	145	38
	Female	239	62
Age	less than 18 years old	25	7
	19-30 years old	262	68
	31-45 years old	82	21
	46 years old above	15	4
Race	Malay	244	63
	Chinese	92	24
	Indian	37	10
	Others	11	3
Status	Single	261	68
	Married	123	32
Education Background	High School	80	21
	Diploma	108	28
	Bachelor Degree	143	37
	Master Degree	36	9
	PHD	17	5
Occupation	Working under private sector	167	44
	Working under government	101	26
	Self-employed	116	30
Current Monthly Income of Respondents	RM0-RM2000	147	38

	RM2001-RM3000	140	37
	RM3001-RM4000	55	14
	More than RM4001	42	11
The Number of Respondents Online	Yes	384	100
Shopping	No	0	0
Frequency Respondents of Online Shopping in Last	Every Day	8	2
Six Months	2 times a week	133	35
	Once a month	143	37
	2 or 3 month	92	24
	Others	8	2
Respondents Spend on the Internet Every Day	Below 1 hour	64	17
	1-2 hour	179	47
	3-4 hour	78	20
	Above 5 hours	63	16

#### 4.2 Descriptive Statistics

In descriptive analysis, the researcher come out with analysis by using the mean for every section and to find out the customer satisfaction towards online shopping. Table 2 shows the mean of the factor influence the customer satisfaction towards online shopping during a pandemic Covid-19 which is the speed of delivery, price of product and review and web site quality. Among of the factor, web site quality is the most factor that influence customer satisfaction towards online shopping which the mean is 4.5552 (SD=0.41345), and the second is speed of delivery which is 4.5349 (SD=0.41991) and the third variable is price of product and review which the mean is 4.5260 (SD=0.41531). For the customer satisfaction is the dependent variable which record as 4.5521 (SD=0.42653).

Table 2: Descriptive Statistics for independent and dependent variables

Descriptive Statistics					
Items	N	Minimum	Maximum	Mean	Std. Deviation
Speed of Delivery	384	3.00	5.00	4.5349	0.41991
Price of Product and Review	384	2.60	5.00	4.5260	0.41531

Web site	384	2.20	5.00	4.5552	0.41345
Quality					
Customer	384	2.80	5.00	4.5521	0.42653
Satisfaction					

#### 4.3 Reliability Test

The reliability of a measure is an indicator of the stability and precision of which the concept is calculated by the instrument, thus helping to gain access to the quality of the measure. The average of these values is similar to the value of Cronbach's Alpha (Cronbach, 1951). Table 3 show the Cronbach coefficients alpha values for independent variable and dependent variable after 384 respondents for this research. The result of Cronbach's Alpha reliability test for web site quality is 0.760 and price of product and review is 0.744. The range of the result of the reliability test is good category which means that the survey questionnaire is reliability. Meanwhile, for the speed of delivery, the Cronbach's Alpha reliability test is 0.687 and the range of the result is moderate category. For the customer satisfaction, the Cronbach's Alpha reliability test is 0.739 and the range of the result is good category which means that the questionnaire is reliability.

Table 3: Results of Reliability Test (n=384)

	Variables	Number of Item	Cronbach Alpha
Independent Variables	Speed of Delivery	5	0.687
	Price of Product and Review	5	0.744
	Web Site Quality	5	0.760
Dependent Variable	Customer satisfaction	5	0.739

Source: Develop of Research from SPSS

#### 5 Conclusion and Limitations

This study showed that there are three independent variables are tested which were speed of delivery, price of product and review and also web site quality. According to the finding, it shows that web site quality was the most influencing customer satisfaction towards online shopping during a pandemic Covid-19 in Malaysia. As an overall, this study has a limitation. The limitation of this study was researcher had challenge is face the time limitation. The time limitation refers to time to collect the data. It hard for researcher because it needs to use people's time to answer the questionnaire. The limitation time for working people to answer the questionnaire make the researcher to know how to interact with working people to give their cooperation. At the same time, most of people who work are too busy with their work as well as their daily routine. Because of pandemic Covid-19, the researcher go through difficulties to interview employees and need to distribute the links to respondents via Facebook and Whatsapp for them to answer the questionnaire. Other than that, the researcher had challenge to distribute the questionnaire. This is because, the respondent for this study only focus for working people. So that, it difficult for researcher to find the respondents. From the study, it was found that this study only focus to working people. So that, future researcher can expand this study to students or villagers who do not work. This is because, some of them also like to use online shopping. Indirectly, future

researcher will be easier to get respondents due to not focusing too much on certain groups only.

#### 6 Acknowledgement

First and foremost, praise and thanks to the Almighty Allah for His shower of blessings throughout my research work to successfully complete the research. I would like to express my deep and sincere gratitude to my research supervisor, Dr. Tahirah Binti Abdullah for giving me the opportunity to carry out research and providing invaluable guidance throughout this research. This work would not be completed on time without her time, guidance, effort, support, and patience. I fervently appreciate her contribution during the meeting as her has given us a lot of constructive comments, sincere advice as well as steady guidance throughout the progression of this research project to achieve my objectives.

The credit is also given to my parents and family who have assisted me in terms of morale and financial support. Undeniably, the understanding of my parents has allowed me to carry out the assignment in a free pressure environment. I get to concentrate in my research without worrying for the financial constraints as my parents have given me the full financial support. Our sincere gratitude to the University Malaysia Kelantan for the opportunity they have given me. I also thank to Dr. Siti Afiqah Binti Zainuddin for her hard work as a final year project panel this year. She also guides me on how to do the research, how to format the project and how to explain the project clearly. I would also like to acknowledge my friends and classmates for their opinions, encouragement and enthusiasm. I would like to thank the respondents of this study as they have participated in my questionnaires survey. Finally, I would like to thanks go to all the people who have supported me in completing the research work, either directly or indirectly. Thank you.

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# THE FACTORS INFLUENCING CUSTOMER LOYALTY TOWARDS TELECOMMUNICATION PLAN AMONG PEOPLE IN BESUT

#### Laila Fatin Mohd Zaki and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: laila.a17a0354@siswa.umk.edu.my; izyan.md@umk.edu.my

#### Abstract:

Telecommunication service providers plays important role in giving best services to their customers and turn them to loyal customers. Reaching the level of where a company has a loyal customer, the image of the company will be projected as a highly recommended company by customers and also be a strong competitor by companies. This will give positive environment where other companies compete in the market to get their loyal customers. The purpose of this study was to examine the factor influence customer loyalty to use what kind of telecommunication plan among people in Besut (Terengganu). This study is purposely to identify the factors influencing customer loyalty towards telecommunication plans among people in Besut. This study is to help researcher more understanding on what the cause or factors for customers in becoming a loyal customers to certain company's products or services. This study analysed between factors influence (loyalty program, service quality, brand image, and customer satisfaction) and customer loyalty towards telecommunication plan among people in Besut. This research discussed about the relationship between customer loyalty and the four factors as mentioned earlier. Questionnaire survey method was used to collect data from respondents. The data obtained were analyzed by statistical methods in the Statistical Package for Social Sciences (SPSS). Regression and correlation techniques will also be used in this study to study the relationship between dependent and independent variables.

Keywords: loyalty program, service quality, brand image, customer satisfaction, customer loyalty

#### 1 Introduction

"Tele" means "distance" in Latin. The definition of telecommunication is "distance contact. A need to connect remotely with others has fuelled a man's resourcefulness. It's going to result in such a phone, a simple basic telegraph system, and evolution to those other systems. Telecommunications relates to the electronic and electrical exchange of information over a large distance. The perfect telecommunication arrangement comprises two or more transmitter and receiver stations. From the Mitel blog, (2020) telecommunications can also be described as distance communication science and technology. A capability to transmit information faster, correctly and effectively has always been one of human innovation's main goals.

In a service environment, customer satisfaction identifies a desired result of service experiences involving an assessment of whether the services fulfilled the needs and expectations of customers. (Orel & Kara, 2014). Meanwhile customer loyalty is a measure of a customer's likeliness to do repeat business with a company or brand. it is the result of customer satisfaction, positive customer experiences and the overall value of the goods or services a customer receives from business, (Blog sendpulse.com).

The key challenge in the telecommunications industry is to protect the subscriber base by

gaining loyalty to subscribers. When the customers switch to another service provider, that's mean, the company does not provide the competitive and excellent service (Crow, 2017). From the prehistoric humans with his signs to today's high-powered mobile executives, connectivity remains a key to survival and achievement. Telecommunications systems are examples of mobile networks, broadcast radio systems, computer systems and also the Network. Often known as telecommunications. (Margaret Rouse, 2019).

Over the past decade, we have seen a significant global increase in the number of individual mobile subscribers from 1 billion in 2003 to 3.4 billion in 2013 (GSMA Intelligence Report, 2014). The increasing interest in Previous Devices for example tablets and phones have reached an incredible speed in people's daily lives to be a major social forum for computer mediated communication (Correa, Hinsley, & De Zu'n iga, 2010; Hong & Tam, 2006).

In Malaysia, since March 2019, Digi reported that they have 11.25 million mobile subscribers. Besides that, the total number of Maxis is 12 million in 2013. The total number of Celcom Axiata subscribers has 8.95 Million as of December 2018. Then, As of January 2018, 3 U Mobile has 6 million subscribers (Malaysia Wireless portal). This study also aimed on which factor that gives the most impact on and customer loyalty towards telecommunication plans among people in Besut.

#### 2 Literature Review

#### 2.1 Loyalty Program

The loyalty program is a program that runs by an organization or company for give benefits to frequent customers. It is a program that enable customer to get free reward when they make rehashed buys with the same company (Gupta and Sahu 2015). Nowadays, telecommunication plan frequently give reward to their customers to make customer loyal such as give free call during birthday. Those benefits can be in rewards, promotion, loyalty card or rebates. These programs typically give customers to accumulate and redeem free rewards with frequently purchasing from a company, (Colliander, Söderlund et all. 2016).

H1: There is no significant relationship between loyalty program and customer loyalty to use telecommunication plans

#### 2.2 Service Quality

Service quality can be classified under four factors which is namely competence, assurance, tangibility and reliability. (A. A. Khatibi, et al). In addition, the best telecommunication services industry has shown that the dimensions of service quality such as tangible, reliable, assurance and quality of the network are positively and significantly linked to customer's satisfaction. Service quality is the differentiation between the customer's expectation and the perception of services delivered by organization. (Nhavira, 2014).

H2: There is a significant relationship between service quality and customer loyalty to use telecommunication plans

#### 2.3 Brand Image

Branding can be defined from those as a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from other sellers (Tanase 2011). If talking about specific products, services and activities in business, it needs to perceive a brand as the concept or picture people have in mind, both in a realistic and emotional way. Brand image can

be defined as a unique set of associations within the minds of target customers which represent what the brand currently stands for and implies the current promise to customers (Sabbir Rahman 2011). According to Aaker, 1996 in the Journal of Retailing and Consumer Services, a positive brand image helps firms to establish a brand's position, strengthen the brand's market performance and protect the brand from rivalry (Munyaradzi W. Nyadzayo 2016).

H3: There is no significant relationship between brand image and customer loyalty to use telecommunication plans.

#### 2.4 Customer Satisfaction

Customer satisfaction describes a desired outcome of service that services have met the customers' needs and expectations (Orel and Kara, 2014). Satisfaction can also be explained as consequences of the customers' post-purchase evaluations of both tangible and intangible brand attributes and a key determinant of customers' loyalty (Krystallis and Chrysochou, 2014). Prior studies report that positive influences of satisfaction on behavioral and attitude loyalty outcomes such as customer's referrals, purchase intentions, service usage and relationship length (Seiders et al, 2005).

H4: There is a significant relationship between customer satisfaction and customer loyalty to use telecommunication plans

#### 2.5 Customer Loyalty

Customer loyalty can be defined as the willingness of any customer to buy the company's goods or services available in the marketplace (Tomalieh 2015). A strong company that has a loyal customer on their side does not have to worries about attracting new customers with such marketing plan. Other researcher also defined that customer loyalty is as a consumer behavior that will built on positive experience and value, something that can leads to purchase products, even what they tought may not appear to be the most rational decision (Ahmad 2019). Which means that consumer will repurchase products or services from the same company even, as example, increase in price and based on experience. Loyalty is a deeply held commitment to continually rebuy a certain product or service in the future, that can lead in repetitive a specific consumption of the same brand (Munyaradzi W. Nyadzayo 2016). From the regularly consumption of the same company's product and services may show that customer is pleased with the product or services offered. According to (Khan 2012), satisfied customers will come back. This important for the telecommunication plan providers to make their satisfied customer to loyal customer with their telecommunication plan services. It is important because it cost so much to influence customer to buy and so little to induce a repurchase.

#### 2.6 Conceptual Framework

The conceptual framework describes the relationship between specific variables identified in the study and it is much more specific in defining this relationship. Researcher must have to be more explored in the investigation. In order to build this proposed conceptual framework, researchers have to review a lot of literature related to chosen research topic which is QR codes effectiveness. From that, researcher formulate own proposed conceptual framework to serve as guide in this research venture. This study provides independent variables which is QR codes effectiveness (additional information, promotion, payment and e-feedback) and dependent variable (user propensity to use towards QR codes) for research proposal.

INDEPENDENT VARIABLE (IV)

DEPENDENT VARIABLE(DV)

Figure 1: Research Framework

#### 3 Research Methodology

For this research study, researcher using quantitative research design which is descriptive and correlational research. Researcher using non-probability convenience sampling method in collected the targeted respondents. The target population of this study is the user that have telecommunication plan among people in Besut. The total number of population in Besut in 140,952 people. Researcher using table Morgan and Krejcie as guideline for sampling size. So the total respondents are 384 approximately. After researcher collecting data, the total respondent is 384 students.

The questionnaire is distributed using Google form link which is through online since all students stay at home. In addition, the questionnaire using 6 likert scale which is from 1 (strongly disagree) to 6 (strongly agree). In the questionnaire, there are consists three section which is section A demographic which include gender, race, and others. Section B is factors that affecting customer loyalty which is loyalty program, service quality, brand image, customer satisfaction. Section C consists of customer loyalty towards telecommunication plan.

In addition, researcher used Statistical Package from Social Science (SPSS) version 22 for analyze and measuring the data that has been collected from respondents. Data analysis method that the researcher used in this study is the reliability test and Pearson's Correlation Coefficient analysis. The functionality for each data analysis method will be further discussed in the next paragraph.

Researcher use reliability analysis to do a pilot test which consist of 30 respondents that purpose to identify the consistency or validity for each variables in this study. After finish the test, result of the reliability test is based on Cronbach's Alpha that value must be exceed 0.7. Furthermore, Pearson's Correlation Coefficient also used to analyze the data. The purpose of using this correlation is to test the significant relationship between the variables and to evaluate the strength of the relationship by values. Researcher also uses Multiple Linear Regression to determine the most factor that affecting customer loyalty towards telecommunication plan.

### 4 Research Findings

#### 4.1 Frequency Analysis

Table 1 shows the summary of the 384 respondents demographic profile that has been collected through Google form. The demographic profile of respondents consists of gender, race, and others. It can be conclude that majority is from female 198 (71.9%) and also Malay 200 (92.7%) students. In addition, majority respondent has ever used telecommunication plan in places that has been seen and the area have a network strong.

Table 1: Respondents Demographic Profile

Variable Table Table 1	Frequency	Percentage %
Gender		
Male	108	28.1%
Fema	276	71.9%
le	270	71.570
Total	384	100%
Race		
Malay	356	92.7%
Chine	16	4.2%
se	12	3.1%
Indian	12	5.170
Total	384	100%
Age group		
15-22 years old	57	14.8%
23-30 years old	162	42.2%
31-40 years old	77	20.1%
41 and		
above	88	22.9%
Total	384	100%
Telecommunication service that used		
Celcom	94	24.5%
Digi	61	15.9%
Maxis	54	14.1%
U-mobile	78	20.3%
Tunetalk	46	
Unify	33	12.0%
Xox	17	8.6%
Redone	1	4.4%
		3%
Total	384	100%

#### 4.2 Reliability Analysis

Table 2 shows that the results of the reliability test through the value of Cronbach's Alpha Coefficient for independent and dependent variable in this study best on the survey of 384 respondents among people in Besut. The result shows that the Cronbach's Alpha value is on the range 0.837 to 0.927, which means all the variable include loyalty program, service quality, brand image, customer satisfaction and also dependent variable which is customer loyalty toward telecommunication plan is the value exceeds 0.887.

variables	Number of item	Cronbach's Alpha Ceofficient	Strength
Loyalty program	6	0.837	Good
Service Quality	6	0.865	Good
Brand Image	6	0.840	Good
Customer Satisfaction	6	0.927	Good
Customer loyalty toward telecommunication plan	6	0.887	Good

#### 4.3 Person's Correlation

In this part, the Pearson's Correlation Analysis will be used to examine that whether the independent variable which is loyalty program, service quality, brand image and customer satisfaction is statistically significant with dependent variable which is the customer loyalty towards telecommunication plan. In this case, the researcher had used Pearson Correlation Analysis (two-tailed) to investigate the relationship between customer loyalty factor and telecommunication plan. The table below shows the result of the variables.

Table 3: Pearson's Correlation Coefficient

		Service Quality	Brand image	Customer satisfaction	DV
Customer loyalty towards	Pearson	.602**	.711**	.814**	1
Telecommunicatin service	Correlation	.000	.000	.000	384
(DV)	Sig. (2-tailed) N	384	384	384	

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

### 4.4 Multiple Linear Regressions Analysis

Table 4: Simple and Multiple Linear Regression Analysis

	Simple Li	Simple Linear Regression			ar Regression
Variables	b	t-stat (95% CI)	p-value	В	p-value
Loyalty Program	0.64	10.09(0.33,0.50)	0.001	0.85	0.000

Service	0.82	10.40(0.34,0.50)	0.000	0.131	0.000
Quality					
Brand Image	0.84	14.63(0.45,0.60)	0.004	0.67	0.000
Customer	0.857	13.50(0.41,0.55)	0.000	0.660	0.000
satisfaction					

#### 5 Discussion

#### 5.1 Loyalty program

The first correlation is between loyalty program and customer loyalty toward telecommunication plan. From the table, it shows that there is no significant relationship between loyalty program and customer loyalty because the significant value is 0.001 which is equal 0.01. The positive correlation coefficient for loyalty program and customer loyalty 0.602\*\* means there is moderate relationship between loyalty program and customer loyalty. Hence, the H1 of objective one which is to identify the relationship between loyalty program and customer loyalty is unaccepted. It shows that program loyalty no effect to customer loyalty.

#### 5.2 Service quality

Secondly is the correlation between service quality with customer loyalty. From the table, it shows that there is a significant relationship between service quality with customer loyalty because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for service quality with customer loyalty is 0.6711\*\* means there is moderate relationship between service quality with customer loyalty. Hence, the H² of objective two which is to find out the relationship between service quality with customer loyalty is accepted. It shows that service quality give effect to use telecommunication. As stated by (Okazaki et al., 2019) found that advertisement with good perceived fit has positive relationship with telecommunication plan.

#### 5.3 Brand image

Next is the correlation between brand image and customer loyalty toward telecommunication plan. From the table, it shows that there is no significant relationship between brand image and customer loyalty because the significant value is 0.004 which is more than 0.01. The positive correlation coefficient for brand image and customer loyalty code is 0.711\*\* means there non moderate relationship between brand image and customer loyalty. It shows that brand image no effect to use telecommunication plan in their daily life depend of coverage at their place. Hence the H³ of objective three which is to investigate the relationship between brand image and customer loyalty is unaccepted.

#### 5.4 Customer satisfaction

Lastly is the correlation between customer satisfaction and customer loyalty. From the table, it shows that there is a significant relationship between customer satisfaction and customer loyalty because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for customer satisfaction and customer loyalty is 0.814\*\* means there is moderate relationship between customer satisfaction and customer loyalty. It shows that customer satisfaction very give effect to telecommunication plan in their daily life. Hence the H4 of objective 4 which is to examine the relationship between customer satisfaction and customer loyalty is accepted.

#### 5.5 Hypothesis Testing

Based on the Pearson's Correlation Coefficient Analysis, it can be concluded that the loyalty program, service quality, brand image and customer satisfaction has a significant relationship

towards the customer loyalty to use telecommunication plan among people in Besut. While from the Multiple Linear Regression Analysis, the most factor that affecting user propensity to customer loyalty is customer satisfaction.

#### 6 Recommendation

The reason of this research is to explore further what the factors influencing customer loyalty towards telecommunication plan. From this research, it helps for other parties, such as researcher and telecommunication company to do similar research for their importance in the future. For researchers, this research could help them to use this research as a reference to achieve their research objective. Apart from that, from this research, future researchers can expand this type of research in a large scope of study and use another method to complete their objective.

Other parties can use this research is the telecommunication companies. Those companies can use this research as a material to improve their service quality to their customers to gain more satisfaction indirectly increase their customer loyalty. As an example, from this research used, companies can improve their service such as their line coverage, new marketing plan, loyalty program, service quality, and so on. With this, it can help the companies to gain new customers, higher profits, higher brand image, and make new and retained existing loyal customers.

#### 7 Conclusion

The main aim of this research is to investigate the relationship between factors that affecting customer loyalty toward telecommunication plan. Total of 384 sets of questionnaires had been prepared and distribute to the target respondents in completing this research which is people in Besut.

Overall, the Pearson Correlation Analysis had shown that two of the variables which is service quality and customer satisfaction had a positive correlation to the customer loyalty towards telecommunication plan, meanwhile another two factors which is loyalty program and brand image had a negative correlation to the customer loyalty towards telecommunication plan.

#### 8 Acknowledgement

This study is a collaborative with many people. To begin with, I most goes many thank and respect to my supervisor, Dr Nurul Izyan Mat Daud for his abundantly guidance, assistance and encouragement that she constantly gives to me, despite all the flawless and mistakes that I made throughout the completion of this report. I deserves a special thank you for her patience, caring, generosity, and guidance proceed with this research study.

Last but not least, I also dedicated thanks for those who have helping me in working out this report project. Without each and every one of them, completing this report might not be an easy task that can be completed in such a breeze. Each and every one's style of research and opinions has always been an eye opener that directly and indirectly enlightening the thought of others.

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### STUDY ON THE RELATIONSHIP OF HALAL AWARENESS, HALAL CERTIFICATION WITH ATTITUDES TOWARD PURCHASE INTENTION AMONGST NON-MUSLIM

Nor Shafiqah Binti Jahubar Sadique Ali and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: jahubar.a17a0358@siswa.umk.edu.my; fazlirda.h@umk.edu.my

#### Abstract

Gone were where goods were showcased in an exhausting, old-school market. In Malaysia, the supermarket scene is grasping of high quality nourishment, unfamiliar and privately created, with and without halal confirmation as a component of the commercial center and has been driven by request among buyers for valid, gourmet and particular staple goods. Halal markets assume a significant job in furnishing guests with a novel shop and in extending the food of the travel industry by raising goods to another level where the line of items accessible the store looks unique and tasteful. The aim of this study is Study On The Relationship Of Halal Awareness, Halal Certification With Attitudes Toward Purchase Intention Amongst Non-Muslim. Beside that, the data were collected using online form which is online Google Form to approach and to reach a wider number of respondents of non-Muslim in Malaysia. These studies are used for convenience sampling as 385 statistics are amassed. The records may be analysed using Statistical package for the Social science (SPSS) version 25.0 used for reliability take a look at, descriptive analysis and Pearson Correlation Coefficient. Then take a look at locations that all impartial variables have been significant to the dependent variable and attain the goals. Lastly, researcher additionally make certain hassle and advice for destiny researcher to discover extra buy purpose amongst non-Muslim.

Keywords: Halal Market, Halal Awareness, Halal Certification, Attitudes, non-Muslim

#### 1 Introduction

Malaysia is a distinctive nation of more than one culture, ideologies, and cultures. However, people in Malaysia take shelter beneath the equal roof. The total population was 33.8 million, of which 30.5 million were citizens of Malaysia and 3.3 million were non-citizens. Beside that, it is estimated that the worldwide halal industry is worth about USD 2.3 trillion a year (excluding Islamic finance). Halal (which means 'lawful' or 'allowable') has become a strong market force, becoming increasingly a worldwide market phenomenon for both Muslims and non-Muslims, no longer simply a moral requirement or observance for Muslims. The Halal Development Corporation is leading the development of an integrated Malaysian and extensive halal ecosystem and infrastructure in Malaysia's currently used halal industry sector to place Malaysia as the most competitive country leading the global halal industry. Beside that, grocery stores specialise in the selling of goods such as paper towels, toilet paper, cleaning products and over-the-counter medications for fresh and pre-packaged products, as well as household non-food items. Furthermore, in halal food environment, Planned Behavior Theory has been used by (Billah, Rahman, & Hossain, 2020)<sup>45</sup>. To measure the factors influencing the consumption behavior of Muslim and non-Muslim consumers: A case study of halal food. Meanwhile, in other research conducted by (Mathew, Abdullah, & Ismail, 2014)<sup>46</sup> accepted the approval of Halal food by non-Muslim customers has shown a favourable attitude towards the Halal concept of food. Therefore,

<sup>&</sup>lt;sup>45</sup> Bashir, A. M. (2019a). Applying the Institutional Theory at the Level of Halal Consumers: The Case of Cape Town in South Africa

<sup>&</sup>lt;sup>46</sup> Mathew, V., Abdullah, A., & Ismail, S. (2014). Acceptance on Halal Food among Non-Muslim Consumers.

this research is to aim to explore Study On The Relationship Of Halal Awareness, Halal Certification With Attitudes Toward Purchase Intention Amongst Non-Muslim.

#### 1.1 Problem Statement

The problem in this studies for halal awareness is although suppliers are beginning to understand the importance of halal awareness, there is still much to be known about the halal components and other determining factors that influence non-Muslim intentions to purchase halal food items. This is because, through processing in terms of logistics will also affect the purchase intention because it involves the cleanliness and trust of a halal product produced out there and it is also quite different from the production of non-Muslim products. Beside that, according to (Aziz & Chok, 2013)<sup>47</sup> halal food and qualification reports, there is no theoretical application and it is also in its early stages. Problem that occurs for halal certification on this observe is the lack of compliance and oversight of the use of the certified halal logo. However, has led the public to doubt the legitimacy of the halal logo for some goods or services. Lastly, attitude towards the behaviour is referred to the extent to which an individual has a favourable or unfavourable assessment of the behaviour in question. The problems for attitudes is the willingness to purchase halal products in terms of services that also have a significant effect on non-Muslim customers and they are not yet aware of toyyib contained in the halal definition, it would also be an issue with the adoption of halal products and it also be possible to affect an individual's mindset to consider something the slightly different ones.

#### 1.2 Research Objective

There are three (3) research goals that need to be addressed:

- 1. To examine the relationship between Halal awareness and amongst non-Muslim purchase intention in buying halal groceries.
- 2. To identify the relationship between Halal certification and amongst non-Muslim purchase intention in buying halal groceries.
- 3. To identify the relationship between Attitudes and amongst non-Muslim purchase intention in buying halal groceries.

#### 2 Literature Review

#### 2.1 Halal Awareness

Awareness is the ability of activities and objects to hear, and observe them. This is an idea to suggest an event or subject through awareness and interpretation. In determining the intention to vote, perception is hypothesized as an important function. Awareness subjectively speaking, is a relative term where a person may be partly, subconsciously or accurately aware of a problem or problems related to the halal aspect of what Allah permits. In their research, (Rezai, Mohamed, Shamsudin, & Chiew, 2010)<sup>48</sup> they found that the understanding of halal values and halal product, goods are measured by a positive outlook with the TPB consonant the hypothesis is that the activity would be carried out by customers who have a favourable attitude (which is action to purchase or buy halal products in the context of the current study). According by (Azam, 2016)<sup>49</sup>

<sup>&</sup>lt;sup>47</sup> Aziz, Y., & Chok, N. (2013). The Role of Halal Awareness, Halal Certification, and Marketing Components in Determining Halal Purchase Intention Among Non-Muslims in Malaysia: A Structural Equation Modeling Approach.

<sup>&</sup>lt;sup>48</sup> Rezai, G., Mohamed, Z., Shamsudin, M. N., & Chiew, E. (2010). Non-Muslims' awareness of Halal principles and related food products in Malaysia.

<sup>&</sup>lt;sup>49</sup> Azam, A. (2016). An empirical study on non-Muslim's packaged halal food manufacturers: Saudi Arabian consumers' purchase intention.

there is a positive relationship between halal awareness with purchase intention in their research. Therefore, results have shown that the attitude of people towards the purpose of buying is dictated by their level of misunderstanding the concept of halal products.

#### 2.2 Halal Certification

For manufacturers of good products, halal certification may also be a method of product distinction. The instruments of quality management such as labels, have been able to transform quality aspects into actively sought food attributes, thus helping the consumers buying process. (Mohayidin & Kamarulzaman, 2014)<sup>50</sup>. The majority of customers have stated accepting that halal certification was an important factor in their procurement processes. Results have shown that most customers accepted that halal certification was an important factor in their procurement processes. An optimistic view in terms of current research is a useful understanding of halal certification.

#### **Attitudes**

Attitudes is the measurement of the output of a given action concerning the object of attitudes such as the purchasing of the item (Rachbini, 2018)<sup>51</sup>. Furthermore, according by (Alam & Sayuti, 2011)<sup>52</sup> it was found that there is a significant and optimistic correlation between attitudes and intention to buy halal goods. According to (Mukhtar & Butt, 2012)<sup>53</sup> it was found that there is a clear link between the desire to buy halal food and the attitude of the consumer to buy such items. An optimistic view in terms of current research is a useful understanding of attitude.

#### **Purchase Intention**

Purchase intention is the probability that a consumer may choose a certain group of products in the future in a specific purchasing situation (Crosno, Freling, & Skinner, 2009)<sup>54</sup>. Furthermore, (Madahi & Sukati, 2012)<sup>55</sup> in recent years customers have access to and exposure to all kinds of advertisements, reports and articles about product purchasing intentions have become more complicated and significant. According by, (Bashir, 2019)<sup>56</sup> found that consumers purchase intention has a significant effect on their buying behaviour towards purchasing halal food products. This is because consumers who have a high purchase intention would increase the consumers' buying behaviour towards purchasing halal food products. Lastly, it is evident, from previous studies that there is a relationship between the consumer's purchase intention and their buying behaviour (Omar, Mat, Imhemed, & Ali, 2012)<sup>57</sup>.

<sup>&</sup>lt;sup>50</sup> Mohayidin, M. G., & Kamarulzaman, N. H. (2014). Consumers' Preferences Toward Attributes of Manufactured Halal Food Products.

<sup>&</sup>lt;sup>51</sup> Rachbini, W. (2018). The relationship of attitude, subjective norm, perceived behavioral control on halal food purchasing behavior in Jakarta.

<sup>&</sup>lt;sup>52</sup> Alam, S. S., & Sayuti, N. M. (2011). Applying the Theory of Planned Behavior (TPB) in halal food purchasing.

<sup>&</sup>lt;sup>53</sup> Mukhtar, A., & Butt, M. M. (2012). Intention to choose Halal products: the role of religiosity. *Journal of Islamic Marketing*.

<sup>&</sup>lt;sup>54</sup> Crosno, J. L., Freling, T. H., & Skinner, S. J. (2009). Does brand social power mean market might? Exploring the influence of brand social power on brand evaluations.

Madahi, A., & Sukati, I. (2012). The effect of external factors on purchase intention amongst young generation in Malaysia. Bashir, A. M. (2019a). Applying the Institutional Theory at the Level of Halal Consumers: The Case of Cape Town in South

<sup>&</sup>lt;sup>56</sup> Bashir, A. M. (2019a). Applying the Institutional Theory at the Level of Halal Consumers: The Case of Cape Town in South Africa.

<sup>&</sup>lt;sup>57</sup> Omar, K. M., Mat, N. K. N., Imhemed, G. A., & Ali, F. M. A. (2012). The direct effects of halal product actual purchase antecedents among the international Muslim consumers. *American journal of economics*, *2*(4), 87-92.

#### **Hypothesis Statement**

There is a hypothesis that consists of Halal Awareness, Halal Certification and Attitudes as the independent variable and Purchase Intention as the dependent variable.

#### Hypothesis 1: Halal Awareness

H<sub>1:</sub> There is no significant of Halal Awareness on purchase intention.

H<sub>0</sub>: There is significant of Halal Awareness on purchase intention.

#### Hypothesis 2: Halal Certification

H<sub>2</sub>: There is no significant of Halal Certification on purchase intention.

H<sub>0</sub>: There is significant of Halal Certification on purchase intention.

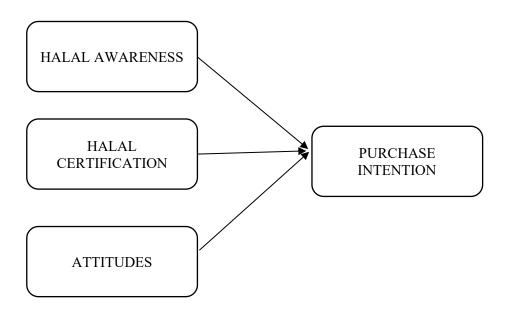
#### Hypothesis 3: Attitudes

H<sub>3:</sub> There is no significant of attitude on purchase intention.

H<sub>0</sub>: There is significant of Attitudes on purchase intention.

#### **Conceptual Framework**

The research model consists of Halal Awareness, Halal Certification, and Attitudes as the independent variables, and Purchase Intention as the dependent variable as per illustrated in this figure.



### 3 Methodology

The research design involved in this analysis is realibility test, descriptive research and Pearson's Correlation Coefficient for aimed purchase intention of non-Muslim by halal awareness, halal certification and attitudes accurately and systematically or phenomenon. The researcher used a systematic questionnaire for a test method for quantitative research. Quantitative techniques are a good match for deductive techniques, where the inputs, the purpose statement, and the course

of the narrowly defined research questions are justified by a theory or hypothesis. The sample size is the sub-population to be analysed to allow a reference population to be approximated, a larger population to which the observations of a study are to be applied. According to researcher are expected to use the Krejcie & Morgan source table for research as below and can look only for 385 people as non-Muslim respondents.

Beside that, the researcher used online surveys which can be dispersed thru attachment as mail messages or posted at the net because the extensive web or dispensed thru excessive-visitors publicly reachable devices and as number one records as nicely. Researcher additionally use Google Form to acquire records in this survey. The tool has been given to the 385 respondents on this research to interpret the quantitative records and the instrument which is in section A demographic profile where in is the query the usage of a nominal scale and interval scale for section B and section C. Techniques for information analysis researcher had used Statistical Package Social Science (SPSS) all the records collected had been analyzed for reliability test, descriptive analysis and Pearson Correlation Coefficient.

#### 4 Findings

#### 4.1.1 Demographic Of Profile

Researcher presented the respondents' demographic profile as obtained from Section A of the questionnaire in Table 1 below. Section A consists of 6 items of gender, age, occupation, marital status, monthly income and race.

Table 1: Descriptive Analysis for Demographic Profile of Respondents

Demographic	Item	Frequency (n=384)	Percentage (%)
Gender	Female	237	61.6
	Male	148	38.4
Age	Below 20 years old	143	37.1
	21 – 30 years old	95	24.7
	31 – 40 years old	120	31.2
	41 – 50 years old	25	6.5
	Above 51 years old	2	5
Occupation	Student	183	47.5
	Employed	182	47.3
	Self – Employed	20	5.2
Marital Status	Single	219	56.9
	Married	160	41.6
	Other	6	1.6
Monthly Income	RM 1000 below	231	60.0
	RM 2001 -RM 3000	141	36.6
	RM 3001 – RM 4000	12	3.1
	RM 4001 above	1	.3

Races	Indian	167	43.4
	Chinese	181	47.0
	Others	37	9.6

Table 1 shows the demographic profile respondents in this research. In analyzing, the most of the participants are female which is 237 (61.6 %) respondents and 148 (38 %) out of 385 respondents is male. It may be assumed that the non-Muslim female population rather than the non-Muslim male population and non-Muslim female are more out buying daily necessities. Beside that, for age the largest respondents is 20 years below which is 143 respondents equivalent to (37.1 %) are answer to this survey. It is because respondents between this age are more serious about the definition of halal before making any purchase of products, and information can be added and really positive for this age. Furthermore, for occupation students are the largest of the respondents answering this questionnaire with 183 respondents within the percentage of (47.5 % ) because in the meantime, students are a demographic that is quick to cooperate in reacting to the survey, they can even inquire about the research carried out and what advantages are gained. Then, in table 1 the majority of respondents who react to the questionnaire are single with 219 respondents out of 385 respondents equal to (56.9 %) because almost all of the respondents are 20 years old below it consists most of them still studying. After that, followed by income most respondents answer this questionnaire is 231 respondents out of 384 equal to (60.0 %) income are RM 1,000 below and it can be conclude some of them have a low wage and most of them have no income of their own. Lastly, for races as shown the majority of respondents were Chinese which is 181 respondent out of 385 equal to 47.0 % and it can be concluded the population Chinese in Malaysia is more than Indian or others.

#### 4.1.2 Descriptive Analysis

Table 2: Level of Mean

Variable	Mean	Interpretation			
Halal Awareness	4.15(0.42)	Agree			
Halal Certification	4.13(0.45)	Agree			
Attitudes	4.17(0.43)	Agree			
Purchase Intention	4.17(0.45)	Agree			

Based totally on table 2, it could be concluded that variables have the highest cost of suggest at 4.17. Furthermore, the second highest imply is independent variable for attitudes at 4.17. Next, the third highest fee of imply is likewise on the independent variable it is halal certification at the cost of 4.13. Next, the lowest cost of simply halal awareness at 4.15. In a nutshell, the range of mean for each independent variable and established variable lies within 3.51-4.50 which indicates the high degree of agreement based totally on the responses from goal respondents in this examination.

#### 4.1.3 Reliability Test

Table 3 : Reliability Analysis

Variables	Cronbach's Alpha	Item	N (sample size)
			\ I /

Halal Awareness	0.899	5	385
Halal Certification	0.924	5	385
Attitudes	0.897	5	385
Purchase Intention	0.944	5	385

Based totally at the table of 3 reliability analysis, the Cronbach's Alpha coefficient for 3 independent variables for this research is miles halal awareness is 0.899, even as halal certification is 0.924, and attitudes which is at 0.897. Except, the dependent variable is purchase purpose shown the coefficient at 0.912. As a result, it is demonstrated that each one the constructs are exceptional within the energy of association on the guideline of Thumb about Cronbach's Alpha coefficient size. The consistency and balance of all objects in this exam are excellent and top. Consequently, all the constructs of this examine are robust and stable.

#### 4.1.4 Pearson Correlation Coefficient

Table 4: Pearson Correlation Coefficient

Variables		<b>Purchase Intention</b>
Halal Awareness	Pearson Correlation Sig. (2-tailed)	.645* .000
	N	.385
Halal Certification	Pearson Correlation	.734*
	Sig. (2-tailed)	.000
	N	.385
Attitudes	Pearson Correlation	. 707*
	Sig. (2-tailed)	.000
	N	.385

<sup>\*.</sup>correlation is significant at the 0.01 level (2-tailed)

Based on table 4 the consequences of the Pearson Correlation evaluation among variables on the acquisition aim amongst non-Muslim. The Pearson correlation for halal awareness is 0.645 it is miles proven that the relationship between halal awareness and purchase intention is at a moderate positive stage. Next, for halal certification the value of the Pearson correlation is 0.734. It considers the relationship between halal certification and purchase intention which is a moderate positive level. Furthermore, the variable for attitudes of the Pearson correlation is 0.707. It is miles shown that the relationship between attitudes and purchase goal is at a moderate stage. Consequently, it could be decided that halal awareness, halal certification and attitudes have the relationship with the purchase intention amongst non-Muslim.

#### 4.1.5 Hypothesis Testing

Table 5: Hypothesis Testing

	Hypotheses	Statistical Analysis	Result
Н1	There is a positive perfect significant relationship between halal awareness and purchase intention. ( $p < 0.05$ , $r=0.645$ ).	0.645	Accepted

Н2	There is a positive perfect significant relationship between halal certification and purchase intention. ( $p < 0.05$ , $r=0.734$ ).	0.734	Accepted
Н3	There is a positive perfect significant relationship between attitudes and purchase intention. ( $p < 0.05$ , $r=0.707$ ).	0.707	Accepted

Based on table 5, it can be concluded that all the three independent variables have the relationship with purchase intention amongst non-Muslim. Furthermore, these three independents are at a moderate stage. In a nutshell, after Pearson Correlation testing was conducted, these three hypothesis were accepted.

#### 5 Discussion

#### 5.1.1 Halal Awareness

According to the result in Chapter 4, there is a moderate correlation relationship between halal awareness and purchase intention. In the result, the p value is 0.000 which is lower than 0.01 (alpha root p<0.01). In conclusion, halal awareness plays a role towards purchase intention.

Awareness describes the first stage in the purchase process in which buyers who are primarily not well versed in the product or service are familiar with it (Bashir, 2019)<sup>58</sup>. In addition according to (Mutmainah, 2018)<sup>59</sup>, if the customer is knowledgeable of halal awareness, then the desire to buy becomes strong and compatible with the halal product only and not only is halal awareness seen from the point of view of customers, but even from the manufacturer's standpoint. Therefore, halal awareness will affect the consumers of non-Muslim to purchase at halal groceries and also effect manufacturer as the researcher explain in significant of the study. Based on the result achieved by the research questions has made "Is there any relationship between Halal Awareness towards halal groceries purchase intention amongst of non-Muslim?" has also been answered in this research. The first hypothesis of the research is "There is a positive perfect significant relationship between halal awareness and purchase intention". Furthermore, the result indicated that halal awareness demonstrated by non-Muslim consumers had positives effects on intention to purchase halal product meanwhile according to (Aziz & Chok, 2013)<sup>60</sup> halal awareness seems to have a significant effect on the explanation of the intention to buy halal goods.

#### 5.1.2 Halal Certification

According to the result in Chapter 4, there is a moderate correlation relationship between halal certification and purchase intention. In the result, the p value is 0.000 which is lower than 0.01 (alpha root p<0.01). In conclusion, halal certification plays the role towards purchase intention.

<sup>&</sup>lt;sup>58</sup> Bashir, A. M. (2019a). Applying the Institutional Theory at the Level of Halal Consumers: The Case of Cape Town in South Africa

<sup>&</sup>lt;sup>59</sup> Mutmainah, L. L. (2018). The Role of Religiosity, Halal Awareness, Halal Certification, and Food Ingredients on Purchase Intention of Halal Food.

<sup>&</sup>lt;sup>60</sup> Aziz, Y., & Chok, N. (2013). The Role of Halal Awareness, Halal Certification, and Marketing Components in Determining Halal Purchase Intention Among Non-Muslims in Malaysia: A Structural Equation Modeling Approach.

In the Muslim consuming determination on whether a product is Halal, halal certification is an acute consideration. As a result, the Halal guidance and accreditation programmes were designed to make it easy for Muslim customers to purchase goods that adhere to Islamic jurisprudence (Awan, Nabeel, & Haider, 2015)<sup>61</sup>. After that, the certification of goods on the product as halal and halal symbol not only means that the Muslim hat they eat or drink is in compliance with the Islamic Law, but also gives the producer faith to follow the halal quality (Arif & Ahmad, 2011)<sup>62</sup>. Futhermore, for the second research question, "Is there any relationship between Halal Certification towards halal groceries purchase intention amongst of non-Muslim?." also has been accepted. Certification can be characterised as certification provided by a related authoritative body to a business entity. Therefore, halal certification will affect the consumers of non-Muslim to purchase at halal groceries. The perception of halal food in the context of halal certification by non-Muslim is determined by a positive personal attitude, which in turn may influence their intention to purchase halal food (Aziz & Chok, 2013)<sup>63</sup>.

#### 5.1.3 Attitudes

According to the result in Chapter 4, there is a moderate correlation relationship between attitudes and purchase intention. In the result, the p value is 0.000 which is lower than 0.01 (alpha root p<0.01). In conclusion, attitudes play a role towards purchase intention. According to (Rezai et al., 2010)<sup>64</sup> consumer attitudes towards halal food have been shown to be an effective indicator of intention. Therefore, this is proof that attitude will affect the consumers of non-Muslim to purchase at halal groceries. Furthermore, the third research question "Is there any relationship between attitude towards halal groceries purchase intention amongst of non-Muslim during?." also has been successful. Beside that, previous studies it has been shown that attitude has an important and positive effect on buying intentions, which is generated from the positive attitude of consumers towards halal products, in relation to the purchasing intention of the halal product (Mukhtar & Butt, 2012)<sup>65</sup>, (Alam & Sayuti, 2011)<sup>66</sup>. In order to relate attitudes to the purchasing intention of halal products, previous studies have shown that attitudes have a significant and positive impact on the purchasing intention, based on the positive attitude of consumers towards halal products (Mukhtar & Butt, 2012)<sup>67</sup>.

#### 5.2 Limitation Of The Study

This research has certain limitations. A lack of information about the study carried out, the lack of research reference tools has been one of the issues. The shortcomings of this research also render these questions unsolvable. The researcher limited the sample size in this analysis to non-Muslims only. Therefore, only non-Muslims will be able to respond to this research and it will also be an issue to locate respondents. Next, all online interviews were performed, which could restrict the ability of researcher to obtain more views from respondents, particularly though respondents use Google questionnaires, arguing that face-to-face interviews may improve efficiency. Finally, time limitations have also been one of the challenges, since researchers have used qualitative approaches that have helped researchers obtain knowledge, but because of

<sup>&</sup>lt;sup>61</sup> Awan, H., Nabeel, A., & Haider, Z. (2015). Factors affecting Halal purchase intention - evidence from Pakistan's Halal food sector

<sup>&</sup>lt;sup>62</sup> Arif, S., & Ahmad, R. (2011). Food quality standards in developing quality human capital: An Islamic perspective.

<sup>&</sup>lt;sup>63</sup> Aziz, Y., & Chok, N. (2013). The Role of Halal Awareness, Halal Certification, and Marketing Components in Determining Halal Purchase Intention Among Non-Muslims in Malaysia: A Structural Equation Modeling Approach.

<sup>&</sup>lt;sup>64</sup> Rezai, G., Mohamed, Z., Shamsudin, M. N., & Chiew, E. (2010). Non-Muslims' awareness of Halal principles and related food products in Malaysia.

<sup>&</sup>lt;sup>65</sup> Mukhtar, A., & Butt, M. M. (2012). Intention to choose Halal products: the role of religiosity.

<sup>&</sup>lt;sup>66</sup> Alam, S. S., & Sayuti, N. M. (2011). Applying the Theory of Planned Behavior (TPB) in halal food purchasing.

<sup>&</sup>lt;sup>67</sup> Mukhtar, A., & Butt, M. M. (2012). Intention to choose Halal products: the role of religiosity

implementation, it can still not be generalized.

#### 5.3 Recommendation

From the study, the researcher discovered from the sample that halal certification has a stronger relationship to purchase intentions. Furthermore, the demand for sales by non-Muslims will not only be impacted by halal certification. Halal awareness and Attitudes are also important. This research just needs to know which variable is suitable to non-Muslim compilation. It was discovered that halal certification is an independent variable that will influence non-Muslims to make a purchase while performing the Pearson Correlation Coefficient because individuals purchase products to complete it as a store of supplies. Recommendation for this research is marketers should bring good services to the homes of customers, such as products and it will be increase level of purchase amongst non-Muslim. After that, the plan to enable the site for social media by posting about the business so that the public can see and it was one of marketing strategies must be used in this era. However, proposed that more variables be used by prospective researchers. Finally, only when conducting surveys can prospective studies even use qualitative approaches instead of questionnaires.

#### 5.4 Conclusion

The goal of this study is to get a clear picture of the study on the relationship between halal awareness, halal certification and attitudes towards non-Muslim purchase intention. Furthermore, this research focuses on research design, data collection methods, study population, sample size, sampling techniques, research instrument development, measurement of the variables and procedure for data analysis. Beside that, in this research was using survey questionnaires to meet the defined targets and answering the research question. Around the same time, this study has been evaluated and has been able to provide sensible responses to research questions. After that, data collection methods used in this research are reliability test, descriptive analysis and Pearson Correlation Coefficient. In addition, independent variable and dependent variable also have the significant. As the study shows, it can be concluded that despite the limitations discussed above, the design of the study produces reasonable answers and allows us to answer the research questions posed. In brief, future researchers need to continue pursuing this study with a new level of understanding that can affect the purchasing of non-Muslims and increase the sample size further.

### 6 Acknowledgement

Alhamdulillah, first of all I would like to express my thankfulness to Allah S.W.T the almighty for this great inspirational guidance, which had helped us in completing our research project successfully.

Next, I would like to express our deepest gratitude to my main supervisor, Madam Norfazlirda Binti Hairani for her constructive guidance, brilliant idea and patience in fulfilling my aspiration and helping me in completing this research. I would just like you to know that you are an incredible supervisor, from whom I have learned so much. Furthermore, you give encouragement and support in various ways and I want to thank you so much for challenging me every step of the way.

Lastly, I would like to thank all those who had contributed in or research, especially special thanks to my parents and friends for their support and kindness throughout in completing this research. After that, I also want to thank all respondents who are willing to cooperate and help in answering the questionnaires for this research.

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# THE FACTOR THAT INFLUENCE TO JOB SATISFACTION AMONG MILLENNIAL EMPLOYEES IN KOTA BHARU, KELANTAN

Nur Aina Nabilah Hanapi and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: nabilah.a17a0393@siswa.umk.edu.my; izyan.md@umk.edu.my

#### Abstract:

The purpose of this study is to examine the factor that influence to job satisfaction among millennial employees in Kota Bharu, Kelantan. Specifically, this research aims to assess the impact of independent variables such as salary, promotion and co-worker and job satisfaction as dependent variable. The survey was conducted among 375 millennial employees who work in various multinational companies in Kota Bharu, Kelantan particularly Kota Bharu districts. The data analysis was done via SPSS (or commonly known as Statistical Package for the Social Sciences). Besides, there are total 3 hypotheses being constructed in this research project to be tested. The correlation and multiple regression analysis specify that the three independent variables (salary, promotion and co-worker) have significant and positive relationship with the dependent variable (job satisfaction). As a result, it provides the researcher a correct guideline and directs to achieve the researcher's goal and objective. Finally, the research project also provides with clear view of limitations therefore brought forward some useful recommendations and lastly conclusion indicating that the all three hypotheses constructed is acceptable.

Keywords: Job Satisfaction, Salary, Millennial Employees, Promotion, Co-worker

#### 1 Introduction

The topic of this research is the factors that influence to job satisfaction among millennial employees in Kota Bharu, Kelantan. Job satisfaction is widely interpreted as an emotional reaction by an individual worker to a value decision, arising from the apparent fulfilment of one's valuable job values. Therefore, if the work values of workers are fulfilled, a good feeling of happiness is encountered, but the job values are ignored, the negative emotion of discontent is experienced (Angeline, T. 2011). In order to increase their work efficiency and productivity, people or workers who gain job fulfilment would be able to inspire themselves, thus creating a beneficial impact on their company. This study is focuses on the influence of salary, promotion and co-worker toward job satisfaction among millennials which is employees who were born 1980 until 1994 in Kelantan (KASASA, 2020.

### 2 Literature Review

#### 2.1 Salary

Salaries are one of the external factors of job satisfaction that plays an important role in employee satisfaction (Ayodele & Olorunsola, 2012). Salary is a central factor in the study of job satisfaction, based on Worrell (2004), and there is a near association between salary and job satisfaction at work. Low salary levels lead to low levels of employee satisfaction in the workplace. In reality, salaries are not an indicator of work satisfaction, but among workers, they may be an appropriate motivator. Ahmed et al. (2010) also stressed that pay contributes to a high degree of workplace satisfaction and affects employee attitudes towards jobs. The meaning of this

aspect came from the common assumption that a high wage contributes to high happiness of workers. Thus, since the early 20th century, scholars have sought to resolve the relationship between salary and work satisfaction. It is also clear that the aspirations of workers for competitive compensation in input exchange can be a crucial factor in deciding the attitude towards the work and hence the degree of satisfaction.

H1: There is a significant relationship between salary and job satisfaction among millennial employees in Kota Bharu, Kelantan.

#### 2.2 Promotion

Job satisfaction is generated by multiple external motivators, such as promotion. External assistance that pays respect to workers with distinct traits and feelings is the key point of promotion (Jessen, 2010). In reality, promotion is one of the significant factors in work satisfaction that contributes significantly to the amount of job satisfaction. Indeed, this external factor impacts the efficiency of workers and contributes to high standards of results for universities. In addition, promotion plays a vital role in the high degree of employee duties and tasks (Ayan & Kocacik, 2010). Promotion, according to Noraani (2013), is one of the key reasons for hitting employment satisfaction and the amount of job satisfaction determined by this external factor 's presence among employees. Likewise, Luddy (2005) referred to promotion as a driving force for increasing organizational efficiency, employee satisfaction and expertise. In reality, promotions and work satisfaction have a positive relevance (Alam, 2009).

H2: There is a significant relationship between promotion and job satisfaction among millennial employees in Kota Bharu, Kelantan.

#### 2.3 Co-worker

One of the external variables affecting the amount of employee satisfaction and emphasising social habits that occur in the workplace was believed by co-workers (Wu, 2004). In practise, co-workers have a strong and supportive link with job satisfaction and feelings of change towards jobs and the workers. This item illustrated how employees achieve their accomplishment by supporting and paying attention to the actions and posture of their co-workers. The action of friendly co-workers plays a formative role in the number of good emotions (Alam, 2009). A good association between the existence of the job and the standard of service was found by Snipes et al. (2005). ScottLadd et al. (2006) have discovered that the number of activities had an effect on decision-making engagement. In addition, the findings of the study performed by Tims et al. (2015) showed that the job commitment of workers is favorably linked to in-role performance.

H3: There is a significant relationship between co-worker and job satisfaction among millennial employees in Kota Bharu, Kelantan.

#### 2.4 Job Satisfaction

Previous researchers have contributed the study of job satisfaction from many perspectives. Job satisfaction is defined as an attitude towards work-related conditions (Wiener, 1982). On the other

hand, Feinstein (2000) was defined that job satisfaction is more of a response to a specific job or various aspects of job. Other researchers have found that employees job satisfaction would significantly impact job performance, absenteeism and turnover and employee relations (Al Ajmi, 2002). The most empirical studies suggest that the biggest contributor to one's job satisfaction is the nature of the job itself. The job itself must be meaningful to the individual

### 2.5 Conceptual Framework

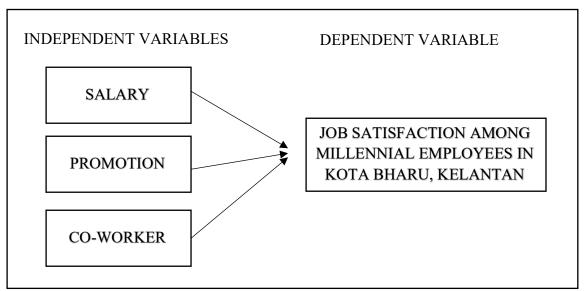


Figure 2.5 shows the relationship between independent variables and dependent variable. Based on the figure 2.5.1, shows the relationship between salary, promotion, co-worker and the job satisfaction among millennial employees in Kota Bharu, Kelantan. The main objective is to study the effect that influence to job satisfaction among millennial employees in Kota Bharu, Kelantan. The independent variables are salary, promotion and co-worker. The dependent variable is the effect that influence to job satisfaction among millennial employees in Kota Bahru, Kelantan.

### 3 Research Methodology

In this study, the data collection that had been used by researcher in this study is quantitative method. Quantitative method research can also generate statistic through the use of large-scale survey research which is we used the questionnaire method. Hence, this research used the cross-sectional study that questionnaire was distributed to 375 employees by online. Furthermore, the researcher was using questionnaire to gain sources of data by online survey and was distributed through Google form. The researcher spread the questionnaires through Whatsapp, Facebook and Twitter apps and millennial employees who works in Kota Bharu, Malaysia. The information was gathered online and takes for three months because of the current issues of the pandemic Covid-19 that happened all over the world. in various multinational companies in Kota Bharu, Kelantan.

Other than that, the sampling method used in this study was non-probability sampling which was snowball sampling. Snowball sampling was a recruiting strategy in which study respondents were asked to help the researcher in selecting a possible respondent that fits the requirements for the

aim of the study. The researcher chose to use this sampling technique because it supported the process of spreading an online survey among millennial employees in Kota Bharu, Kelantan. The population of this sample was 158,900 people employed in Kota Bharu. Thus, according to Krejcie and Morgan's table (Krejcie & Morgan, 1970), the sample size of this research was 375 millennial employees.

In addition, four types of data analysis used in these studies were frequency analysis, reliability analysis, descriptive analysis and Pearson correlation analysis. The data collected by the researcher was analyzed using the software version 22.0 of the Statistical Package for Social Sciences (SPSS).

### 4 Research Findings

### 4.1 Frequency Analysis

Table 1 shows the summary of 375 respondents demographic background that has been collected by questionnaire in Google Form. There are five questions were asked such as gender, age, race, academic background and how long they have been working.

Table 1 Respondents Demographic Profile

Variable	Frequency	Percentage (%)
Gender	115	,
Male	115	30.5
Female	260	69.5
Total	375	100%
Age		
26 – 30 years old	217	57.6
31-35 years old	111	29.8
36 – 40 years old	30	8.0
41 – 45 years old	17	4.6
Total	375	100%
Race		
Malay	334	89.0
Chinese	33	8.8
Indian	8	2.1
Total	375	100%
Academic background		
SPM	49	13.1
DIPLOMA	155	41.0
BACHELOR	145	38.9
MASTERS	23	6.2
PHD	3	0.8
Total	375	100%
How long have you been working?		
Less than a year	54	14.4
A year and half	72	19.3
More than two years	249	66.3
Total	375	100%

### 4.2 Reliability Analysis

Table 2: Reliability test

CONSTRUCT	Number of items	Coefficient	Strength
Job satisfaction among millennial employees in Kota Bharu, Kelantan. (DV)	5	0.920	Excellent
Salary (IV 1)	5	0.935	Excellent
Promotion (IV2)	5	0.965	Excellent
Co-worker (IV3)	5	0.954	Excellent
Total	25	0.931	Excellent

Table 2 above shows the reliability test for dependent variable and independent variables. The Cronbach alpha coefficient value for dependent variable which was job satisfaction among millennial employees in Kota Bharu, Kelantan was 0.920 which indicated excellent and reliable. On the other hand, for the independent variables, the Cronbach alpha coefficient value for salary, promotion and co-worker factors were 0.935, 0.965 and 0.954 respectively, which show the reliability are excellent and reliable. Generally, the result showed that the variable of Cronbach's Alpha Coefficient was occurred to be reliable and acceptable by 0.931 which is excellent.

#### 4.3 Pearson Correlation

Table 3: Summary Result of Pearson's Correlation

Hypothesis	Result	Results
H1: There is a significant relationship between salary and job satisfaction among millennial employees in Kota Bharu, Kelantan.	r = 0.814** p = 0.000 High positive (negative) correlation	H1: Accepted
H2: There is a significant relationship between promotion and job satisfaction among millennial employees in Kota Bharu, Kelantan.	r = 0.778** p = 0.000 High positive (negative) correlation	H2: Accepted
H3: There is a significant relationship between co-worker and job satisfaction among millennial employees in Kota Bharu, Kelantan.	r = 0.756** p = 0.000 High positive (negative) correlation	H3: Accepted

Table 3 shows the Pearson's Correlation coefficients. The correlation coefficients for salary and job satisfaction among millennial employees was 0.814 and it shows that the strength of

correlation between salary and job satisfaction among millennial employees is high positive correlation according to rule of thumb for interpreting the size of a Correlation of Coefficient (Hinkl. D. E., Wiersma, W., & Jurs, S. G., 2003). Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than alpha root which is 0.01. therefore, there is a significant high positive correlation relationship between salary and job satisfaction among millennial employees in Kota Bharu, Kelantan.

Other than that, the correlation coefficients for promotion and job satisfaction among millennial employees was 0.788 and it shows that the strength of correlation between promotion and job satisfaction among millennial employees is high positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than alpha root which is 0.01. therefore, there is a significant high positive correlation relationship between promotion and job satisfaction among millennial employees in Kota Bharu, Kelantan.

Lastly, the correlation coefficients for co-worker and job satisfaction among millennial employees was 0.756 and it shows that the strength of correlation between co-worker and job satisfaction among millennial employees is high positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than alpha root which is 0.01. therefore, there is a significant high positive correlation relationship between co-worker and job satisfaction among millennial employees in Kota Bharu, Kelantan.

### 4.4 Multiple Linear Regression Analysis

Variable		Multiple linear regression				
	b t-stat(95&CI) p-value					
Promotion	0.19	4.30(0.10,2.70)	< 0.001			
Co-worker	0.28	7.20(0.21,0.36)	< 0.001			
Salary	0.39	6.28(0.23,0.44)	< 0.001			

Table 4: Table of coefficient analysis

According to the table 4, the factors such as promotion, co-worker and salary were significant since the p-values were less than 0.05. the equation of regression can be written as follows, where

$$\gamma = \alpha + b_1x_1 + b_2x_2 + b_3x_3$$

 $\gamma$  = job satisfaction among millennial employees

 $x_1 = Salary$ 

 $x_2 = Promotion$ 

 $x_3 = \text{Co-worker}$ 

Hence, the equation becomes

$$\gamma = 0.938 + 0.39 x_1 + 0.28 x_2 + 0.19 x_3$$

Unstandardized coefficients beta represents the strength of the effects of every single of the independent variables to dependent variable. The higher the value of the beta, the stronger the effect of independent variable towards dependent variable. According to table 4, the most influence independent variables in measuring the factors that influence to job satisfaction among millennial employees was the salary variable (=0.39). the co-worker ranked at second rank

<sup>\*</sup>normality assumption was fulfilled/met

(=0.28) and followed by the promotion ranked at third rank (=0.19).

There is a significant effect of salary, co-worker and promotion towards job satisfaction among millennial employees in Kota Bharu, Kelantan (p<0.05). In every unit increase of promotion, job satisfaction will increase by 0.19. In every unit increase of co-worker, job satisfaction will increase by 0.28. In every unit increase of salary, job satisfaction will increase by 0.39.

### 5 Discussion

#### 5.1 Salary

The correlation between salary and job satisfaction among millennial employees in Kota Bharu, Kelantan. From the table, it shows that there is a significant relationship between salary and job satisfaction among millennial employees in Kota Bharu, Kelantan because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for salary is 0.814\*\* means there is a good relationship between salary and job satisfaction. It shows that salary is an influence factor to job satisfaction among millennial employees in Kota Bharu, Kelantan. Hence, the H1 of objective one which is to determine the relationship between the salary and job satisfaction among the employees in Kota Bharu, Kelantan is accepted. Based on Worrell (2004), salary is a main factor in the study of employee satisfaction and there is a strong relationship between salary and job satisfaction at the workplace.

#### 5.2 Promotion

The correlation between promotion and job satisfaction among millennial employees in Kota Bharu, Kelantan. From the table, it shows that there is a significant relationship between promotion and job satisfaction among millennial employees in Kota Bharu, Kelantan because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for promotion is 0.778\*\* means there is a moderate relationship between salary and job satisfaction. It shows that promotion is an influence factor to job satisfaction among millennial employees in Kota Bharu, Kelantan. Hence, the H2 of objective two which is to determine the relationship between the promotion and job satisfaction among the employees in Kota Bharu, Kelantan is accepted. Moreover, Maharjan (2012) found that there is a good positive relationship between promotion and job satisfaction.

#### 5.3 Co-worker

The correlation between co-worker and job satisfaction among millennial employees in Kota Bharu, Kelantan. From the table, it shows that there is a significant relationship between co-worker and job satisfaction among millennial employees in Kota Bharu, Kelantan because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for co-worker is 0.756\*\* means there is good relationship between co-worker and job satisfaction. It shows that co-worker is an influence factor to job satisfaction among millennial employees in Kota Bharu, Kelantan. Hence, the H3 of objective three which is to determine the relationship between the co-worker and job satisfaction among the employees in Kota Bharu, Kelantan is accepted. In addition, the co-worker has a close and positive relationship with job satisfaction and changes the feel of job satisfaction towards workplace, (Alam, 2009).

### 5.4 Hypothesis Testing

Table 5.1 Hypothesis testing

No	Hypothesis	Results
H1	There is a significant relationship between salary and job satisfaction among	Accepted
	millennial employees in Kota Bharu, Kelantan.	_
H2	There is a significant relationship between co-worker and job satisfaction	Accepted
	among millennial employees in Kota Bharu, Kelantan.	_
Н3	There is a significant relationship between promotion and job satisfaction	Accepted
	among millennial employees in Kota Bharu, Kelantan.	_

### 6 Recommendation

The research included just 375 respondents, and all respondents were from Kota Bharu, Kelantan. Researchers also propose that prospective researchers will expand sample size and reach by involving more respondents from other regions or nations. The more respondents present, the more credible, valid and meaningful the outcome will be due to many other respondents who have varying views and beliefs on factors that affect their job performance. This will allow the researcher to produce more precise, credible test data.

In addition, the researcher could also carry out a clearer plan for data collection by surveys in order to increase the accuracy of the study. In this study, the researchers ask the respondent, who are in the millennial workers group, to fill out the questionnaires and, after the respondent has completed the questionnaires, to place them in a box prepared by the researchers.

Finally, prospective researchers ought to be aware of the vocabulary used in the production of questionnaires. In this study, some of the respondents' standard of schooling is up to or below high school. As a result, their comprehension of English words is minimal. Future researchers would also have included three languages in the questionnaire (eg: malay, English and Chinese).

#### 7 Conclusion

Through this study, a deeper understanding of the factors that affect job satisfaction among millennial workers is well known. Research demonstrates that the three independent variables (salary, promotion and co-worker) have a significant role to play in shaping workplace satisfaction. Researchers hope that this research review will provide valuable lessons for future studies. This research project will serve as a roadmap which will allow the employer to determine how to better increase work satisfaction among millennial workers and improve their job performance effectively. Overall, the Pearson Correlation Analysis had shown that all variables including salary, promotion and co-worker had a significant positive correlation to the job satisfaction among millennial employees in Kota Bharu, Kelantan. Lastly, all the hypothesis had been tested, where all the hypothesis including salary, promotion and co-worker had a significant relationship to the job satisfaction among millennial employees in Kota Bharu, Kelantan

### 8 Acknowledgement

It's been a long road in finally reaching this goal. There have been so many people that have helped me along the way. I would like to acknowledge several individuals whose help was

invaluable in helping me get to where I am. First, I owe my deepest gratitude to my supervisor, Dr. Nurul Izyan Binti Mat Daud for her unceasing guidance and believing in my abilities to reach my goals. She gave me the encouragement and expertise every step of the way to mentor my success. Beyond this project, I would like to acknowledge several people that have helped me reach this point in our life. First and foremost, I would like to thank my family members, lecturers, and classmates who have always support and encourage me in order to accomplish my research project. Furthermore, I would also like to thank to all participating respondents for their willingness in spending their precious time and efforts to contribute questionnaire. I am sincerely appreciating the tolerance and patience's of participating respondents when we conduct this research. In the other hand, I wish to thank University Malaysia Kelantan for providing the facilities to aid me in completing this project. I have gathered information and found numerous references and resources from the Library and Computer Lab of the university. Last but not least, I felt very grateful to have reliable and cooperative group members in the group. Without the contribution and sacrifice from all members, my research would not reach the desired expectation.

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# THE IMPACT OF LEADERSHIP SKILLS TOWARD WORK PERFORMANCE AMONG UPPER-LEVEL EMPLOYEES AT MANUFACTURING INDUSTRY IN KELANTAN

Nur Amalin Aisyah Binti Shamsul Bahari and Nurul Azwa Binti Mohamed Khadri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: amalin.a17a0401@siswa.umk.edu.my; azwa.mk@umk.edu.my

#### Abstract:

The research is purposely studies the impact of leadership skill toward the work performance among upper-level employees at manufacturing industry in Kelantan. The study examines the leadership skill which includes are in terms of management skill, technical skill, and time management skill. Total of 35 set questionnaire were accepted in this study by using convenient sampling. SPSS 26 was used to assist in our data analysis along the research. This cross-sectional study was analyzing in terms of reliability test, Spearman correlation, and multiple linear regressions. The results concluded that management skill, technical skill and time management skill significantly affect towards work performance. This study comes out with some limitations and recommendations to provide better viewpoint for future researchers.

**Keywords**: manufacturing industry, management skill, technical skill, time management skill and work performance

#### 1 Introduction

In 21<sup>st</sup> century, leadership skills bring impact towards the work performance not only for the top management but also lower-level employees. A business needs a leader for the progress of the company. Where the company has leaders responsible for managing, controlling, supervising, and providing a policy. The performance of staff in achieving the target company will be affected by a leader, so the company needed a leader who could do with a good employee approach. With a forced leadership that is owned by a leader, the staff can use their ability to achieve good performance to be able to direct them. According to Peterson and Van Fleet (2004) believes that management skills could assist to better management performance helps the organization to attain its goals. Management skills is a skill regarding the technique, practice, or managing a company and business.

The purpose of this study is to examine the impact of leadership skill toward the work performance among upper-level employees at manufacturing industry in Kelantan. This focuses on the impact of leadership skills toward work performance among upper-level employees. The objective of this study is to examine the impact of leadership skill toward work performance among upper-level employees at manufacturing industry in Kelantan. Furthermore, the study identify the most significant factor that influence the leadership skill toward work performance among upper-level employees at manufacturing industry.

### **2** Literature Review

### **Management Skill**

Management skills is the skills that can helps the organization achieve its goals through the better management performance that lead by manager Peterson and Van Fleet (2004). Management skill

is very important for an organization to grow, expand and sustain their business in the market. If the management skill of an organization is weak, thus the business of an organization will faced failure or difficulty to sustain in the market. An organization will success if their management skill is implementing with efficiency and effectiveness.

 $H_1$  There is a significant relationship between management skills towards work performance of the upper-level employees

#### **Technical Skill**

Technical skill is the ability to perform the specific task that acquired from experience, education and training Imaga (2001). Technical skill includes the intellectual and ability that professional in a specific field. Mostly, technical skill is often related to information technology, mechanical and the other. Technical skill is important for an organization, this is because technical skill can let the operation of an organization more efficient, boost their employees' confidence and make employees more valuable candidates to employers which contribute to organization success.

 $H_2$  There is a significant relationship between technical skills towards work performance of the upper-level employees

### **Time Management Skill**

Time management skill is the behaviors that purpose for achieve an effective use of time when performing a goal-directed activities Rapp, Bachrach, and Rapp (2013). Time management skill is very important because it can help the organization saves the money and increases revenue in the performance organization. Besides that, good time management can enables a manager to work smarter, more productive, efficiency, self-discipline, deliver work on time so that they have less stress.

 $H_3$  There is a significant relationship between time management skills towards work performance of the upper-level employees

#### **Work Performance**

Work performance playing an important role in an organization. Performance standardized is the driving force behind every successful organization. It refers to a part of formal job description and evaluates the basic duties of particular job by the top management. It is an individual evaluation which measured based on an employee effort. An employee's work performance in the office will influence by a number of internal and external factors. Job suitability, personal issues, working condition, lack of skills will affect their work performance. Hence, to get maximum performance from employees, company should provide them training in order to succeed.

#### **Conceptual Framework**

The purpose of this research is to examine the impact of leadership skills on work performance. The research framework as illustrated in the figure 2.1 below which consists of 2 key component, leadership skill and work performance. Leadership skill acts as independent variable while work performance acts as dependent variables.

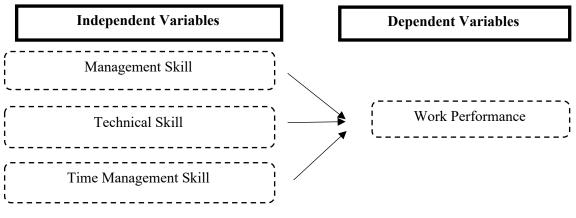


Figure 2.1 Conceptual Framework

### 3 Research Method

Methodology is a blueprint of activities that be carrying out systematically in order to complete the study successfully. The step of methodology of the study begin with the research design, data collection method, study population, sample size, sampling techniques, research instrument, measurement of the variables and end with the procedure of data analysis. In this research, a quantitative research method has been applied. The researchers apply a case study and survey in this research study. Meanwhile, out of 35 questionnaires are distributed, 32 questionnaires are collected from the target respondents. Respondents are the top management. Respondents selected in the research study indicated that the information received is from knowledgeable and experienced people in their industry who could provide high-quality information for the research study. The purposive technique will choose as the sampling design of the research. Purposive sampling is a sampling technique in which, when selecting population participants to participate in the study, the researcher relies on his or her own judgement. The researcher use purposive technique because she fit a particular profile. According to the 8 departments in 5 manufacturing company, the sample organization also will be selected. Manufacturing was chosen because it is in Kelantan and it is also close to the researcher's residence. So easy for the researcher to find information and manipulate them. In each manufacturing, the researcher selects top management to answer the questionnaire that will be provided.

Likert scale is applied in the research. Section A has six questions which are intended with an arrangement of nominal scale and ordinal scale. The nominal scale is applied to identify the respondents' wide-ranging info which is gender, ethics, marital status, highest academic qualification, and job category. The ordinal scale is applied to classify the respondents' age. The 5-point Likert scale in section B allows respondents to indicate their consent or disagreement with the statement of the problem. The scope ranges from "strongly disagree", "disagree", "neutral", "agree", and "strongly agree". There are several types of analytical techniques that are used to check the accuracy of the data collected throughout the research such as descriptive analysis, spearman correlation coefficient analysis, and Multiple Regression Analysis.

Data analysis is the processes that collects data and convert the data into information use for the decision-making by the researchers. The data that receive in the research will be calculate and analyze with using the Statistical Package for the Social Science (SPSS) with the version 24.0.0.0 software program. Besides that, the analysis of the data will be performing in two stages.

In first stage, the main data analysis for this stage is testing the reliability of the study. The raw scores, average scores and relative scores of each respondent will be collect and calculate. These data will become the consecutive analysis in the research. Besides that, the variables, mean, standard deviation, skewness and the other statistical manipulated also will be calculate and transform. Cronbach's Alpha that use to identify the reliability and consistency also will use in the research. The finding of the research will be support by the illustration of tables and graphs.

In second stage, various statistical procedures will be use to answer the research objectives. There will use the methods like descriptive statistics and multiple regression analyses to measure the contribution of each of the forecast of work performance of lower-level employees in manufacturing company. Besides that, regression analyses also will be use in the research. Regression analyses are a set of statistical techniques which use to model the relationship between a response variable and one or more predictor variables.

### 4 Analysis and Findings

In this chapter, the researchers show the result that was obtained throughout the survey questionnaire. The data analysis was collected from the survey to conduct a reliability test, descriptive analysis, and normality test. The researcher determined the significance of the research hypothesis in the study. Further studies will be discussed in the next chapter.

### **Normality Test**

In this segment, normality test (Kolmogorov-Smirnov<sup>a</sup> and Shapiro-Wilk) will be conducted to assess whether the data set collected from 35 respondents are normally distributed. This assumption need to be fulfilled for further analysis of Multiple Regression Analysis and Spearman's correlation coefficient analysis in the next section.

Table 4.1: Summary of Shapiro-Wilk Test

Shapiro-Wilk	Statistics	Df	Sig
MeanWP	.888	35	.002
MeanMS	.771	35	.000
MeanTS	.857	35	.000
MeanTMS	.832	35	.000

The result of the data show that the data was not normally distributed. This is because the Sig. show the 0.000 value. If the Sig. value is more than 0.05 so the data is normal, but if the sig. value is below than 0.05 the data will be considered as abnormal. In this as been show in the table normality test the independent variable recorded the Sig. Value is 0.000 and dependent variable recorded the Sig. value is 0.002 so this data considered as abnormal data for all the variable. If the data is abnormal so the Spearman correlation analysis will be used.

#### **Descriptive Analysis**

A set of personal characteristics which are gender, age, ethics, highest academic qualification and job category have been examined and presented in Table 4.3. The questionnaire was distributed

through online by using communication application. The main objective for descriptive analysis is to understand the profile of respondents.

Table 4.2 Respondent's Demographic

	Table 4.2 Respondent's Demographic			
Items	Frequency (n=35)	Percentage (%)		
Gender				
Male	22	62.9		
Female	13	37.1		
Age				
21-30 years old	23	65.7		
31-40 years old	8	22.9		
Above 41 years old	4	11.4		
Ethics				
Chinese	3	8.6		
Malay	32	91.4		
Marital Status				
Single	18	51.4		
Married	17	48.6		
Highest Academic Qualification				
SPM	3	8.6		
STPM	2	5.7		
Diploma	11	31.4		
Degree	19	54.3		
Job Category				
Finance and Accounting Department	4	11.4		
Sales and Purchasing Department	3	8.6		
Quality Control Department	2	5.7		
Operation Department	5	14.3		
Product Department	2	5.7		
Logistic Department	3	8.6		
Human Resources Department	9	25.7		
Information Technology Department	7	20.0		

Table 4.2 shows demographic profile of respondents. There were 22 (62.9%) male respondents and 13 (37.1%) female respondents involved in the study. There were 23 of respondents among 21 to 30 years old with (65.7%) while 4 respondents between above 41 years old with 11.4% only. The total of the Chinese respondent is 3 and Malay is 32 out of 35 people. The highest marital status of the respondents was married which represented 51.4% (18 respondent) and followed by single showed that 17 respondents with percentage of 48.6%. Besides, majority of respondents are holding Degree which contain 54.3% and only 2 respondents (5.7%) hold STPM. There were 4 respondents are come from the categories of finance and accounting department, 3 respondents in sales and purchasing department, 2 respondents from quality control department, 5 respondents from operation department, 2 respondents from product department, 3 respondents from logistics department, 9 respondents from human resources department and only 7 respondents from information technology department with the percentage 11.4, 8.6, 5.7, 14.3, 5.7, 8.6, 25.7 and 20.0% respectively. Most of respondents from human resources department is in the range of 21 to 30 years old.

### **Univariate Analysis**

This section presents the result of univariate analysis that was conducted for each item in dependents variable and independent variables. The results reported in the form of frequency distribution, mean and standard deviation. All the items were measured using five points Likert scale Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A) and Strongly Agree (SA).

Std. Deviation Item Frequency Mean MeanWP 35 4.4943 46963 MeanMS 35 4.5500 44059 MeanTS 35 4.4143 57184

35

Table 4.3Univariate Analysis

Based on table 4.3 for dependent variable, mean for the work performance is 4.49 shows in range of agree with standard deviation 0.47. Mean for management skill is 4.55 shows in neutral range with 0.44 of standard deviation. Technical skill, the mean equal to 4.41 also in a neutral range with of 0.57 standard deviation. For time management skill, the mean is equal to 4.64 that's in the range of agree with 0.36 standard deviation. In summary the highest mean for all the items of demand is the time management skill equal to 4.64 with 0.36 standard deviation.

4.6429

36018

### **Hypotheses Testing**

MeanTMS

The researcher will use a spearman correlation analysis to test the hypothesis. This is because the data is abnormal, so a spearman correlation analysis will be used. In this research, the Spearman correlation coefficient will be used for the purpose of measuring the strength and the significant relationship between the independent variable and the dependent variable.

Table 4.4: Summary for Hypotheses Testing

Hypo	otheses	Spearman	Results
Trypomeses		1	Results
		Correlation	
H1	There is a significant relationship	r=0.605, 0.000	Supported
	between management skills		
	towards work performance of the		
	upper-level employees		
H2	There is a significant relationship	r=0.535, 0.000	Supported
	between technical skills towards		
	work performance of the upper-		
	level employees		
H3	There is a significant relationship	r=0.635, 0.000	Supported
	between time management skills		
	towards work performance of the		
	upper-level employees		
		·	<u></u>

There was a positive correlation between the two variable work performance and management skill, which is r=0.605, n=35 and p=0.000. There was statistically significant correlation between the average impact of leadership skill toward work performance among upper-level employees at manufacturing industry in Kelantan.

 $H_1$  There is a significant relationship between management skills towards work performance of the upper-level employees.

There was a positive correlation between the two variable work performance and technical skill, which is r=0.535, n= 35 and p=0.000. There was statistically significant correlation between the average impact of leadership skill toward work performance among upper-level employees at manufacturing industry in Kelantan.

 $H_2$  There is a significant relationship between technical skills towards work performance of the upper-level employees.

There was a positive correlation between the two variable work performance and time management skill, which is r=0.635, n= 35 and p=0.000. There was statistically significant correlation between the average impact of leadership skill toward work performance among upper-level employees at manufacturing industry in Kelantan.

 $H_3$  There is a significant relationship between time management skills towards work performance of the upper-level employees.

#### 4 Conclusion and Recommendations

The research results, limitations and difficulties in the completion of this study and recommendations on the impact of leadership skills toward work performance among lower-level employees at manufacturing industry in Kelantan are addressed in this chapter. The research issue being studied and to clarify any new understanding or observations that have emerged as a result of the study problem. Using the research questions or hypotheses raised and the literature examined. The results show that management skill, technical skill and time management skill have a significant impact on work performance.

From the factors given in this study can help employees' leadership in work performance. Also, employees can refer to this study for knowledge to know leadership skills towards work performance of the upper-level employees. This will help employees to focus on what they need to do to attract and gain customer interest in their business. As with other factors, it should also be on the website as an attraction for users to visit the website.

The study's limitations are those design or methodology features that have affected or influenced the interpretation of the results from this study. The goal of the study is to explore the relationship between the management skills, technical skills and time management skills towards work performance of the upper-level employees. The limitation of this study is that respondents are incapable of fully understanding the research material. The participants usually misinterpret the significance of the questionnaire requested. In order to answer the questionnaire, most respondents need guidance. Researchers were also unable to recognize the truthfulness of the respondents when responding to the questionnaire by doing this technique. Based on their comprehension, the respondents answer the question in various ways. Then, the effect would be prejudice and subjectivity will not be accepted.

The research does a study of the impact of leadership skills toward work performance of upperlevel employees at manufacturing industry in Kelantan. Based on the result, few recommendations are suggested to enhance work performance among employees. From this study, the researchers found that leadership skill is very important to work performance. The

suggestion is that upper-level employees should show their best performance to support their lower-level employees. They should improve their work performance like punctual. For the future research must include more variables to get results that will be more reliable.

#### 5 Discussion

Management skills is the skills that can helps the organization achieve its goals through the better management performance that lead by manager Peterson and Van Fleet (2004). Management skill is very important for an organization to grow, expand and sustain their business in the market. If the management skill of an organization is weak, thus the business of an organization will faced failure or difficulty to sustain in the market. An organization will success if their management skill is implementing with efficiency and effectiveness. According to the result in Chapter 4, there is a moderate correlation relationship between management skill and work performance. Therefore, the p value is .000 which is lower than 0.01. For conclude, the management skill has been a role toward work performance. So that management skill will affect work performance.

Technical skill is the ability to perform the specific task that acquired from experience, education and training Imaga (2001). Technical skill includes the intellectual and ability that professional in a specific field. Mostly, technical skill is often related to information technology, mechanical and the other. Technical skill is important for an organization, this is because technical skill can let the operation of an organization more efficient, boost their employees' confidence and make employees more valuable candidates to employers which contribute to organization success. According to the result in Chapter 4, there is a moderate correlation relationship between technical skill and work performance. Therefore, the p value is .000 which is lower than 0.01. For conclude, the technical skill has been a role toward work performance. So that technical skill will affect work performance.

Time management skill is the behaviors that purpose for achieve an effective use of time when performing a goal-directed activities Rapp, Bachrach, and Rapp (2013). Time management skill is very important because it can help the organization saves the money and increases revenue in the performance organization. Besides that, good time management can enables a manager to work smarter, more productive, efficiency, self-discipline, deliver work on time so that they have less stress. According to the result in Chapter 4, there is a moderate correlation relationship between time management skill and work performance. Therefore, the p value is .000 which is lower than 0.01. For conclude, the time management skill has been a role toward work performance. Therefore, time management skill will affect work performance.

### 6 Acknowledgement

The success and outcome of this proposal required a lot of guidance and assistance from many people and I extremely fortune to have got this along the completion of my project work. I would like to share my sincere gratitude to all those help me to completion of this project. During the work, I cope with many challenges duet to my lack of knowledge and experience but these people help me to get over from all the difficulties and in final completion of my idea to a formed sculpture. First and foremost, all respect and gratitude to my supervisor, Cik Nurul Azwa Binti Mohamed Khadri, who provide me her governance and guidance that made I complete this project on time. I extremely grateful to her for still manage guide me despite of her hectic schedule. Lastly, special thank go to Muhammad Syafiq Fakhmi Bin M Anuwar, Nur Atiffah Binti Rosli and my beloved family for their support and guide me when I have a difficulties time to finish this project.

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### FACTORS INFLUENCING INTENTION TO USE E-WALLET AS A PAYMENT SYSTEM AMONG UNIVERSITY STUDENTS ON EAST COAST REGION IN MALAYSIA

#### Nur Asilah Binti Mohd Hazmil and Mohammad Bin Ismail

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: asilah.a17a0411@siswa.umk.edu.my; mohammad.i@umk.edu.my

#### Abstract

E-wallet are becoming famous in online transactions system and changing in money transferring systems. Research related to study the level of intention to use e-wallet among university's students on East Coast Region in Malaysia. Hence, this study has been undertaken to examine the perceived usefulness, perceived ease of use, privacy or security, social influence and trust that influence student intention to use e-wallet. A sample of 200 students from three states: Terengganu, Kelantan and Pahang were involved in the study. The research instrument consisted of several sections on demographics, perceived usefulness, perceived ease of use, privacy or security, social influence and trust towards intention to use e-wallet. The data was analysed using SPSS version 25. Descriptive statistics were used to analyse the data. The study found that perceived usefulness is higher which (mean=4.44) and the second is perceived ease of use (mean=4.22). The findings that perceived usefulness and perceived ease of use give effect of the level of intention to use e-wallet. This study helps the service providers of the digital marketplace further to have better understanding of the usefulness of using e-wallet for transaction purposes.

**Keywords:** Perceived Usefulness, Perceived Ease of Use, Privacy or Security, Social Influence, Trust, Intention to Use

### 1 Introduction

Now, world internet has made life easier for people. Payments are being done using smart devices. One of the best inventions is the electronic wallets (e-wallets) an integral part of electronic payment system. A term of "e-wallet" means that a type of electronic card which is used for transactions made online through a computer or a smartphone. Its use same as credit or debits cards. E-Wallets need to be linked to individual bank accounts to make payments.

Payment is made using a payment instrument. Cheque and cash are examples of payment instruments. However, digital payment is not an instrument but a real term used for many instruments used in various ways. It can be defined as a way of paying for services or goods through electronic media without the use of cash or cheque. It is also known as electronic payment system. The origins of digital payments are linked to the advent of the internet, which is changing the world unlike ever before. If there is no internet, there will be no e-services and online stores. The history of the internet began in 1969 with the Advanced Research Project Administration Network (ARPANET), a military network intended as a communication network during the Vietnam War. However, the turning point came in 1989 when Tim Berners-Lee discovered what is called a "page" or "page" that facilitates access and publication of information on the internet (Angela, 2016).

In Malaysia, there are two main electronic payment systems used, namely the additional payment system (SIPS) which includes electronic funds transfer system and real-time securities

(RENTAS) and retail payment system which consists of three categories. The first category is retail payment systems, such as national check information clearing system, joint automatic teller machine (ATM) system, GIRO Interbank e-debit, financial process exchange, and direct debit. The second category is retail payment instruments such as credit cards, charge cards, debit cards, e-money and retail payment channels such as ATMs, internet banking, mobile banking and payments (Wendy et al, 2005).

Bank Negara Malaysia has issued more than 30 e-wallet licenses in Malaysia which shows that e-wallets have great potential to transform Malaysia into a cashless society even earlier than expected by 2050 (Cheng et al, 2018). According to Chern et al (2018), e - wallet services are well established and widely used in India and China but their presence in Malaysia is still rare. Although cash payments in Malaysia are still the main medium of exchange, trend changes can be seen after the increase in the introduction of cashless payments.

According to Bernama (2017), Governor Tan Sri Muhammad Ibrahim mentioned that the payment method is an important element that can increase the productivity and cost efficiency required for the drastically growing digital economy at the Payment System Forum and Exhibition. Tan Sri Muhammad also stated that advanced technology, low operating costs using QR Codes, as well as the large number of Malaysians holding debit cards and mobile phones should be considered as advantages to optimize this e-payment technology.

### 2 Literature Review

### Intention

Intention is simply defined as how hard persons are willing to try and how much determinations they are planning to use towards performing behaviour (Mamman et al, 2016). From time to time, humans develop and try to make life easier. Many forms have been taken into practice such as trading by bartering and then shifting towards a cash payment known as money. Money was created to make the trades more efficient and convenient. Money also takes various forms in terms of currency. The necessity to seek a more efficient method of payment is gradually being emphasized by many countries as one of the impacts of this digital era (Daniel, Swartz & Fermar, 2004). Money itself is used for many economic activities such as functioning as a unit of measurement and as a payment instrument. The development of money has occurred in the past decades in order to minimize transaction fees that are created from doing transactions. For example, back when money was still in the forms of coins, a transaction with a huge amount and a far location would cost a lot of effort and time to complete (Odior & Banuso, 2012).

#### Perceived Usefulness

Perceived usefulness can defined that a form of external motivation and encouragement refers to the potential acceptance to use certain system that give benefits in e-wallet platform performance (Davis, Bagozzi & Warshaw, 1989). TAM is an initial effort to apply psychological factors to information systems and computer use. It is assumed that perceived usefulness and perceived ease of use are a major influence on one's attitude towards the use of technology and, thus, ultimately, are related to actual use (Davis, 1989). Previous research has proven the validity of TAM in various IT. The TAM model is replicated in various studies to provide empirical evidence on the impact of usability and ease of use on the use of new technologies such as online banking, online purchasing, tele-banking, mobile internet, computer technology, broadband services. Interestingly there is a mutual agreement that the TAM model takes place in explaining individual acceptance of new technologies.

#### **Perceived Ease of Use**

A term of perceived ease of use signifies to "the extent to which using a particular system will be free from effort" (Davis, 1989). Perceived ease of use is one of the variables of the Technology Acceptance Model (TAM) which is developed by Davis (1989) that refers to the degree in which the perception of users towards the use of a particular system will be effortless or simply, easy to handle. And then, users perceived that the system is very simple to use. Same with the perceived usefulness, perceived ease of use is also said to have important effect toward the attitude of usage (Holden & Karsh, 2010; Teo. 2011). Furthermore, perceived ease of use has been considered as a precursor to the perceived usefulness (Davis. 1989).

### **Privacy or Security**

Privacy is described as an individual's ability to personally monitor self-relevant information (Cliquet et al., 2015). It is an important feature that everyone is aware off. Based on the study of (Soodan, et al., 2020), one of the factors that affect the use of e-wallet is privacy and security which is found to be more suggestive. Perceived security is defined as online consumer perception of how they are protected from risk that related to security (Mekovec & Hutinski, 2012). Perceived security as a subjective consumer assessment of the safety of the electronically payment system (Linck, Pousttchi & Wiedemann, 2006). Lack of security and privacy is one of the issues that keep customers away from purchasing goods unless it is protected (Milberg, Smith & Bruke, 2000). However, payment through an e-wallet without security feature may lead an unauthorized access of personal information and a lucrative opportunity for cybercriminals to breach the data (Kaur et al., 2018).

#### **Social Influence**

Social influence has been called in different names as social factors, subjective norms or social norms in different theories. It is defined as the change in behaviour that one person causes in another intentionally or unintentionally. According to Stockman (2017), people chosen to perform a behaviour even if they are not themselves favourable toward its consequences, if they believe one or more important referents think they should use the new system, this makes them sufficiently motivated to comply with the referents. Social influence plays a notable role in various domains of human behaviour such as product and service consumption. And then, social influence also drives human selection behaviours when numerous objects competing for limited attention which leads to the 'rich get richer' dynamics where popular objects tend to get more attentions (Pan, Hou & Lin, 2017) especially in the common context when selecting such as books, movies, restaurants and others.

#### **Trust**

Trust can be described as the inclination to adopt a new service with the impression of ease, security and recognition of risk (Kim, Mirusmonow & Lew, 2010). Trust is also online transaction clarified that the danger in economic operations was lowered by the presumed danger resulting from a confidence and would therefore encourage customers to good will for e-payment (Yousafzai et al, 2005). The trust of consumer, according to Gefen at al (2003) is highly essential and guarantees security with little more assurance that the online vendor will not conduct any unethical or unwanted conduct such as providing inaccurate information, unreasonable sales, issue of personal data or buy operations without the previous consent of any user.

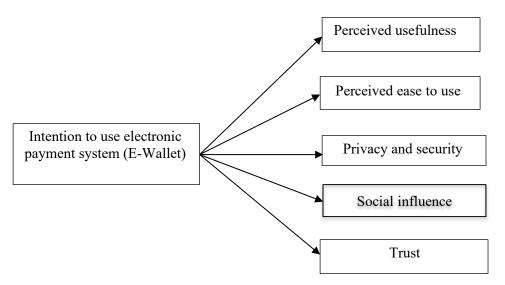


Figure 1: Conceptual Framework

### 3 Methodology

#### **Data collection**

Data was collected by applying online survey (sending Google Form from link to WhatsApp). The target respondents for this study are to those university's students on East Cost in Malaysia like Terengganu, Kelantan and Pahang as respondent is they used mobile phones from an early and they are interested in new technologies. A total of 200 respondents questionnaire are collected university's students from Terengganu, Kelantan and Pahang in Malaysia. A five-point Likert scale was used to access students' intention to use e-wallet.

### 4 Data Analysis

### **Demographic Profile**

The sample illustrates the responses collected from university's students on East Coast Region in Malaysia which were 250 in total. However, total of 200 valid data were analysed. Table 1 shows that total numbers of female respondents were 167 which represent 83.5% of the total sample while male represents only 16.5%. Moreover, most of the students are aged above 23 years old and represents 72.5% of the sample total followed by aged 22 years old (16.0%), aged 21 years old (9.5%) and then 20 years old 2.0%). Furthermore, number of students are from Kelantan were 108 in total (54.0%), Terengganu (33.5%) and Pahang (12.5%).

Table 1: Demographic Profile

Variable	Frequency	Percentage
Gender		(%)
Male	33	16.5
Female	167	83.5
Age		
20 years old	4	2.0
21 years old	19	9.5
22 years old	32	16.0
Above 23 years old	145	72.5

State		
Terengganu	67	33.5
Kelantan	108	54.0
Pahang	25	12.5

#### Structural Model

Table 2: Pearson's Correlation

Variable	Mean(SD)	Perceiv	Perceived	Privacy	Social	Trust	Intention
		ed	ease of	or	influence		
		usefuln	use	security			
		ess					
Perceived usefulness	4.44(0.65)	1	0.856	0.791	0.739	0.838	0.812*
Perceived ease of use	4.34(0.65)	0.856	1	0.880	0.905	0.875	0.805*
Privacy or security	4.17(0.88)	0.791	0.880	1	0.857	0.942	0.885*
Social influence	4.21(0.79)	0.739	0.905	0.857	1	0.857	0.826*
Trust	4.22(0.84)	0.838	0.875	0.942	0.857	1	0.929*
Intention	4.21(0.84)	0.812*	0.805*	0.885*	0.826*	0.929*	1

<sup>\*</sup>p<value 0.05, pearson's correlation analysis applied

There was a significant relationship between perceived usefulness and intention to use e-wallet among university's students on East Coast in Malaysia. This is because the p-value equal to 0.000 and less than alpha value 0.05. Moreover, the value of the correlation coefficient which is 0.812 fell under the coefficient range 0.76 to 1.00. This indicated a very perfect correlation relationship between perceived usefulness towards intention to use e-wallet.

Next, there was a significant relationship between perceived ease of use and intention to use e-wallet among university's students on East Coast in Malaysia. This is because the p-value equal to 0.000 and less than alpha value 0.05. Moreover, the value of the correlation coefficient which is 0.805 fell under the coefficient range 0.76 to 1.00. This indicated a very perfect correlation relationship between perceived ease of use towards intention to use e-wallet.

There was also a significant relationship between privacy or security and intention to use e-wallet among university's students on East Coast in Malaysia. This is because the p-value equal to 0.000 and less than alpha value 0.05. Moreover, the value of the correlation coefficient which is 0.885 fell under the coefficient range 0.76 to 1.00. This also indicated a very perfect correlation relationship between privacy or security towards intention to use e-wallet.

### 5 Discussion

There are some limitations in this study. First of all, only university students studying in the East Coast, namely Terengganu, Kelantan and Pahang were selected as the target population of this study. They are all in their 90s and their age is around 20 to 23 and above. The results of this

study only represent the opinion of the 90s generation but not the general opinion. E-wallet users are targeted not only at young people, but also people of different ages. Users of different ages have different needs and wants, therefore the opinion or acceptance of their E-wallet may differ from the sample of respondents. Moreover, the use of new technologies differs between generation Z, generation Y, generation X and baby boomers. For example, generations Z and Y are more receptive and start using new technologies than generation X and baby boomers. Using new technology is easy for young people, but not for the elderly, it is a challenge for them. After this research, some limitation had being examined throughout the process. Hence, there some suggestions and recommendations can be referred by future scholars to rectify the limitations. First of all, generations and age of target respondents should be widen in future study. Different generation student grew up with different exposure of technology especially financial technology which is related to e-wallet services. Hence, the level of intention and variables that will affect the intention might have some differences in different category of people.

Secondly, for the limitation regarding the education level of target respondent should also being overcome by adding different education level of respondents into the samples. Besides of students of undergraduate, the future could also add in different level of the study. It can be respondents from certificate, diploma, degree, master and PhD. Different education level would have different perception and opinion towards e-wallet services. So, it is suggested that different education level of respondents can be included for more accurate future study.

### 6 Acknowledgements

The researcher would like to thank the Journal of International Business and Management because contributed for the success of this Final Year Project.

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# THE CHALLENGES OF GROWTH AMONG MICRO ENTERPRISE IN RETAIL INDUSTRY

Nur Fadhillah Natasya Binti Jamal and Anis Amira Binti Ab Rahman

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email:natasya.a17a0436@siswa.umk.edu.my; anisamira@umk.edu.my

#### Abstract:

This study investigated the challenges growth among micro enterprise in retail industry in Tawau, Sabah. The research question of this research is what are the business challenges facing among micro enterprises operating within in retail industry and what strategies are employed by micro enterprises in countering the challenges that they face. The objective was to explore the challenges faced by entrepreneurs among micro enterprise and to identify strategic challenges in among micro enterprise. This study follows by a qualitative research design and using a purposive sample method to gather data from respondents. Owner of Family Optical and FS Fashion were target population. The challenges identified in the growth of micro enterprise are lack of support from supplier, lack of operation management, lack of marketing and competition among themselves and large firms. Recommendations have been proposed to these business owners to further improve their business quality.

**Keywords:** Challenges of Growth, micro enterprise, retail industry

### 1 Introduction

The micro enterprises sectors are referred to as economic engines for many countries. Researchers in the field of entrepreneurship agree that the sector is critical to economic growth, job creation and compassion reduction and reduced levels of inequality (Fatoki & Smit, 2011). The sector is very important and plays an important role in marginalized and rural territories, such as retail industry in Tawau, Sabah where the majority of people rely on government grants. Unemployment, compassion and inequality levels are also very high in the territory. It was the result of the role played by micro enterprise that the Malaysian government had also called to support this business and for new entrepreneurs, particularly in rural areas (Fatoki & Smith, 2011).

Micro enterprises are typically defined as small businesses that employ nine or fewer people, and have a balance sheet or turnover less than an example of a certain amount of 2 million or 3 million (Kayanula et.al., 2000). The importance of micro enterprise has also been recognized in EU countries by setting a framework for promoting entrepreneurship, simplifying regulatory and policy environments for micro enterprise and eliminating the remaining barriers to their development. Micro enterprise is seen as the most important driver of economic growth and played an important role in job creation and therefore combat unemployment (Muller et.at, 2017).

In addition, planning deficiencies, unreasonable financing and weak management have been the main cause of small company failures (Longenecker, et al., 2006). Credit shortages have also

been identified as one of the most serious restraints faced by micro enterprise and hindered their development (Oketch, 2000; Tomecko & Dondo, 1992; Kiiru, 1991). Education is one of the factors that positively affect the growth of the firm. Entrepreneurs with larger human capital stocks, in terms of education and or vocational training, are better placed to tailor their enterprises to constantly transform the business environment (King and McGrath, 1998).

### 1.2 Problem Statement

Researchers in entrepreneurship agree that micro enterprise play an important role in the economy. In Malaysia, micro enterprise is very important because they can help reduce socio-economic challenges. However, it is disappointing that the majority of these micro enterprises continue to fail in no time. Their unacceptable high failure rate is the result of the various challenges they face. Therefore, it is important to investigate and propose solutions to these challenges. Micro enterprises face challenges from increased competition, the ability to adapt to rapidly changing market demand, technological change, and capacity constraints relating to knowledge, innovation, and creativity (Minilek Kefale, K. P. M Chinnan, 2012).

Last but not least, there are many reasons why challenges are happening around micro enterprise business sellers. The main purpose of this study is to identify the challenges of micro enterprises in the retail industry in Tawau, Sabah. Based on this study, there are four challenges of micro enterprises in the retail industry in Tawau, Sabah. In the study, interview sessions were conducted and focused on business owners for more information on the challenges they faced while running a micro enterprise business. Themed content analysis is used to analyse interview data. Analytical data suggests the theme reflects these challenges.

#### 1.3 Research Question

- 1. What are the business challenges facing among micro enterprises operating within in retail industry?
- 2. What strategies are employed by micro enterprises in countering the challenges that they face?

### 1.4 Research Objectives

- 1. To explore the challenges faced by entrepreneurs among micro enterprise
- 2. To identified strategic challenges in among micro enterprise

### 1.5 Significance of Study

This study is important for the effective formulation and implementation of policies that seek to develop the micro enterprise in retail industry. There is need for a clear understanding of the challenges hampering the growth and development of these micro ventures if meaningful solutions are to be implemented. Although some research has been conducted in the micro enterprise sector, it remains important to also investigate challenges faced by entrepreneurs operating micro enterprise in the retail industry (Tendai, 2015).

### 2 Literature Review

An according Penrose (1959) theoretically, developed research proposals that the capacity of an internal experienced manager limits the rate at which the firm can grow over a certain period of time. An empirical implication that follows logically from this line of thinking is that the fast-growing firm will ultimately delay its growth over the next time frame as its firm's dedicated

management team, posed to be inelastic at least in the short term, cannot effectively address the increased demand placed on experienced internal managers due to increased complexity as well as time and attention that new managers need from Thus, inefficiency in the firm's current operations will follow if firms maintain a high growth rate. The manager's main role is proposed by the view that "all kinds of productive services, management services are the only type that each firm, because of its nature as an administrative organization, must use" (Penrose 1959:48).

According to this model of learning, owners or managers could raise their efficiency through formal education and training that increases their endowments. Entrepreneurs or managers with higher formal education, work experience and training would therefore be expected to grow faster. The firm grows if successful, closes if unsuccessful (Goedhuys and Hardi, 2002). The other set of growth theories of firms include the 'stochastic' and 'deterministic approaches'. The stochastic model which is also known as the Gibrat's law argues that all changes in size are due to chance. Thus, the size and age of firms has no effect on the growth of small enterprises.

Literature reveals that challenges faced by micro enterprise in developing countries have been learned to be the same to those of their counterparts in developed countries. The only difference between the challenges that confront micro enterprise in developing and developed countries is the fact that the magnitude of their differences weighs more negatively for developing countries. Past studies have shown that a number of factors hinder the survival and growth of micro enterprise.

#### CONCEPTUAL FRAMEWORK



### 3 Methodology

Secondary data has been collected by means of thorough literature studies and to collect key data, this study follows qualitative research designs. The purpose of conducting qualitative research is to gain insight into the perception, feelings and attitudes of entrepreneurs towards the challenges faced. An in-depth interview was conducted to collect major data from respondents. The owners of the company were choosing are target to collect information. Respondent were selected from the each of the company which the researchers selected purposively. Respondents were interviewed using a purposive sample method. Respondents are managers or an owner of the company was choosing. Data collected from interviews are analysed question by question.

### **4 Data Analysis Process**

In this study, researchers used qualitative methods, namely semi structure interviews researchers will interview and explore more about micro enterprise business owners in the retail industry in Tawau, Sabah. The interview is completed using a telephone survey method. Telephone surveys are an alternative from interviews to private, face-to-face interviews, where the creation of collecting relevant information from target respondents through telephone conversations. With this method we can interview respondents and collect data. The study successfully conducted by getting informants of micro enterprise employers in retail industry. The purpose of this data is to support and strengthen qualitative results.

### 5 Research Findings

This chapter expands the discovery and analyses data obtained from individual interviews about the challenges of growth among micro enterprise in retail industry. This data has been extracted and analysed based on the objectives of the study. Information has been gathered by the central assembly interviews that we focus on growth challenges among micro enterprises in the retail industry. This section discusses research findings from interviews. The researchers found there were growth challenges among micro enterprises in the retail industry. There are a number of challenges faced by the company being interviewed. The growth challenges faced by the company FS Fashion and Family Optical are lack of support from supplier, lack of operation management, lack of marketing and competition among themselves and large firms.

#### 6 Recommendation and Conclusion

The authors of this study have obtained some important reserves for improving micro enterprise business. The recommendation for this if a firm does not have the right knowledge or ability to manage the company. It is necessary to use external consultants to help firms to save time, money, manage financial balance and controls. A company requires a clear business structure to be able to utility time, capability and resources to its full potential. With a clear business structure the company will overcome the many internal challenges presented in this review. Government action is crucial if more micro enterprise businesses should be able to develop and grow into a greater contributor to the nation's economic development. This will be able to reduce the risk of hiring new employees for micro enterprise businesses.

The aim of this study is to identify the challenges of growth that occurs among micro enterprise in retail industry. Therefore there is research on micro business growths; the study authors have used the growth challenges available in micro enterprise as a source of study. Through this study the authors clearly stipulate that there are some similarities in the challenge to growing micro enterprise. One of the most frequently developed challenges, both in previous research and in this study is competition. The authors of this study conclude that competition is the most frequently seen challenge to develop in micro enterprise and is the foundation of many other challenges to grow as well. Thus, there are factors that prevent micro enterprises from developing that are not present in SMEs studies, such as marketing and industry acceptance.

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# THE EFFECTS OF STORE ATMOSPHERE IN RESTAURANT TOWARDS CUSTOMER BUYING BEHAVIORAL IN KUANTAN, PAHANG

Nur Farrahanim binti Khalid and Nurul Azwa Binti Mohamed Khadri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: nurhanim12.nh@gmail.com; azwa.mk@umk.edu.my

#### Abstract:

The study aims to identify the effects of store atmosphere in restaurant towards customer buying behavioral in Kuantan, Pahang. It is very important for an organization to ensure sales are doing well. In this research, the researcher choose store atmosphere attributes as the factors which are music, lighting, and layout. In this research, it focuses on three objectives, which is to identify each relationship of independent variables (music, lighting, layout) with dependent variables (customer buying behavioral). 384 respondents were chose from communities in Kuantan, Pahang by using convenience sampling. The findings of the study is three of the independent variables which is music, lighting, and layout have significant relationship with customer buying behavioural

Keywords: customer buying behavioral, store atmosphere, music, lighting, layout

#### 1 Introduction

The development of the business world today is very fast which makes it necessary for entrepreneurs to compete to attract consumers. Entrepreneurs are required to be more innovative and creative in order to survive in increasingly challenging competition. The business conducted is expected to be able to meet the needs and wants of consumers. It is because, consumers have begun to be wise in choosing the products and services they needs and how those products and services can benefit them. Therefore, a business needs to understand the development and needs of consumers. By producing different and unique products and services from competitors, it can attract users to make purchases.

The growth of the food and beverage industry is still recorded as high growth in various countries. Almost around 3.2 million consumers for food and beverages in Malaysia until October 2020. From the Statista website, food and beverages has made revenue for 2020 totally reach US\$84 million. Which it show an annual growth rate (CAGR 2020-2025) of 13.2% that can be concluded the result is US\$156 million by 2025.

The provision of food and beverage places such as restaurants, shops or cafes is rapidly evolving in line with the changing lifestyle of the people in Malaysia. Food and beverage products are offered in various types and shapes by various outlets spread throughout Malaysia. The increasingly busy society, is utilized by creative entrepreneurs in providing food places such as stalls, restaurants, shops or cafes.

Kuantan is the district and capital of Pahang, Malaysia. Kuantan is a large city on the East Coast

of Peninsular Malaysia. Kuantan saw rapid growth as commercial centers in the city were built in large numbers and the population around the city and in Kuantan increased. Kuantan which was once a peaceful city and described as "suitable for the retired" is now increasingly busy and begins to pursue its status as a city. The metropolitan atmosphere in the city of Kuantan is becoming clearer with the opening of large shopping malls and premises tasteful and high class lately.

# 2 Literature Review Underpinning Theory

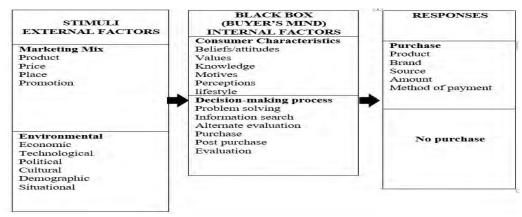


Figure 2.1: Black Box Model

The Model of Consumer Behaviour presented by Kotler (1995: 222) is simple behavior. In this model of behaviour, Kotler give the term black box (black box) for the process decision making and purchase characteristics.

This Black Box contains various factors that are in the person's mind. This includes consumer characteristics, such as beliefs, values, motivation, lifestyle, and so on. The decision-making process is also part of the black box, as consumer realize they have a problem they need to resolve and consider how the purchasing decision can resolve the issue. Because consumers respond to external stimuli, their "black box" choices are based on internal factors and determine consumer response whether to buy or not.

### Previous Study Customer buying behavioural

Psychologically view human behavior as a simple or complex reaction. The meaning of consumer behavior as expressed by Mowen (2002: 6) says, "the study of purchasing units and exchange processes involving acquisition, consumption and disposal, goods, services, experiences and ideas". Meanwhile, according to Swastha and Handoko (2000: 10) said that, consumer behaviour may be defined as the actions of people specifically engaged in the purchase and use of products and services, including the decision-making process in the planning and determination of such activities. From the above understanding, then consumer behavior is the actions and social relationships performed by individual consumers, groups or organizations to evaluate, acquire and use goods and services through the process of exchange or purchase that begins with the decision-making process that determines the actions. Schiffman and Kanuk (1994: 26) argue that the study of consumer behavior is a study of how an individual decides to allocate available

resources such as time, money, effort and energy. (Wang, Siu, & Hui, 2004)

#### Music

Music can be defined as a pleasant voice that influences the conscious and unconscious decisions of the consumer (Banat & Wandebori, 2012). Music played in retail stores greatly influences consumer purchasing intentions. Music style and tempo greatly influence consumers in increasing sales in retail stores. Pleasant music is associated with longer usage times (Holbrook & Anand, 1990). Variety of background music has a significant impact on consumer perceptions and choices (Bruner, 1990). Consumers spend less time on saves when music is played louder than soft music (Smith, Patricia, & Ross, 1966). The effect of rigidity music choices are moderated by gender, with women reacting worse than men to louder music (Kellaris, James & Ronald, 1993). Music generally has a positive effect while tempo music quickly becomes intermediate influencing shoppers' perceptions of shopping malls (Michon & Chebat, 2004). Music has a constructive effect the amount of time and money customers spend because of a good environment (Herrington, 1996).(Hussain & Ali, 2015)

### Lighting

Smith (1989) defines that a well-designed lighting system can provide additional dimensions to the inside, point the customer's eyes to the main sales point, create an atmosphere of joy and a positive effect. Lighting is used to highlight products. This brings pleasure and has a constructive effect on the actions of customer transactions. (Mehrabian & Albert, 1976).(Areni & Kim, 1994) define that when lighting used in retail chain stalls is good color, consumers tend touch products to evaluate quality. Good lighting techniques help create the right atmosphere. Store with appropriate lighting can attract attention buyers to experience the store and evoke a desire to buy. The main purpose using brighter lighting in the grocery store is to attract customers so that they started buying from the store because of their comfort. Some manufacturers are aware the importance of lighting, so they put LED lighting on their shelves, to attract customer attention.

#### Layout

(Abratt & Goodey, 1990)determine product display at retail outlets are a stimulus to attract consumers to create impulse purchase. Arrangement defined as the division of sales area, space used and product arrangement(Banat & Wandebori, 2012). Baker (2002) - quoted in (Mohan, Sivakumaran, & Sharma, 2013)defines, a well-organized store layout increases the buying experience by providing consumer comfort.. A good layout can also make spending more enjoyable, by reducing stress felt in sopping (Baker et al., 2002) and by having a positive effect. (Yoo et al., 1998)

#### **Hypotheses Statement**

H1: There is a significant effects of music in restaurant towards customer buying behavioural in Kuantan, Pahang.

H2: There is a significant effects of lighting in restaurant towards customer buying behavioural in Kuantan, Pahang.

H3: There is a significant effects of layout in restaurant towards customer buying behavioural in Kuantan, Pahang.

#### **Conceptual Framework**

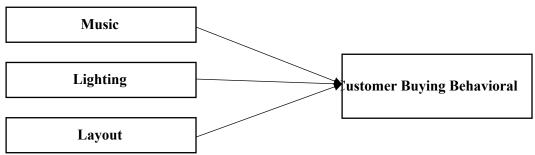


Figure 2.2: Conceptual Framework of the effects of store atmosphere in restaurant towards customer buying behavioural in Kuantan, Pahang.

For the independent variable of theoretical framework and conceptual framework are nearly the same which there are three factors it is music, lighting and layout. The dependent and independent will be explained in this study. For this study, by using the theory there are adapted there are several contextual factors had been identified to examine the relationship between the effects of store atmosphere in restaurant towards customer buying behavioural in Kuantan, Pahang.

# 3 Research Methodology

#### **Data Collection Methods**

This research uses primary and secondary data for complete the study. Primary data is defined as a collection of data derived from researchers from specific objectives to solve the study problem (Malhotra, 1999). For this study, the researcher used two methods to collect the data. It involves the distribution of the Google form questionnaire through social media.

Secondary data is defined as data collected for the same purpose other than problems in hand (Malhotra, 1999). Secondary data is the data collected and recorded by others before the needs of the current researcher. The researchers used secondary data as the second source in conducting this research. For this study, researchers collected data from books, journals and internet database.

Researchers will refer to journals, articles and reports for complete a literature review. The information gathered can help researchers to find out the determinants that may contribute to this study and help develop the framework of this study as well to complete this research. Researchers will browse the internet and websites to find more information and collect electronic journals or articles which can help researchers to conduct research better. The researchers will search the web on Google, Science direct and Emerald Insight to find the information they need

#### **Measurement of The Variables**

The Likert scale is designed to measure the 'attitude' is scientifically accepted and validated way in 1932(Joshi, Kale, Chandel, & Pal, 2015). Attitude can be define as a special way to behave / respond in certain situations that are rooted in relative sustainable beliefs and ideas organization (around object, subject or concept) is obtained through social interaction. This is clear from the discourse mentioned above that thought (cognition), feelings (affective) and actions (psychomotor) all together in various combination / permutation is delivery attitude in a given situation. The question is how to measure the thinking of these subjective priorities, feelings and actions are legitimate and trustworthy method: assistance is offered on a Likert scale.

With the Likert scale, the variable to be measured is translated into an indicator of the variable. Then the indicator is set as the starting point for sorting items instruments that can take the form of questions or statements. Answer each instrument item which uses the Likert scale has a gradient from very positive to very negative. For the purpose of quantitative analysis, the answer will be

marked each question from a value of 1 to 5 it is 1- Strongly Disagree, 2- Disagree, 3-Neutral, 4-Agree and 5- Strongly Agree.

#### **Analysis**

**Descriptive Analysis** - Descriptive analysis is an analysis is to get the mean, standard deviation and rank of customer buying behaviour dimensions. All the customer buying behaviour dimensions were calculated to gather the highest mean.

**Spearman's Correlation Analysis** – Spearman's connection coefficient is a factual measure of the consistency of a monotonic relationship between matched information. . Spearman's correlation coefficient is a measure of a monotonic relationship and the value of do not indicate there is no relationship between the variables

**Reliability Analysis** - Reliability means consistency. It is the degree to which an instrument will give similar results for the same individual at different times. Reliability can take on value of 0 to 1.0, inclusive. Test-retest reliability is one of the methods for checking reliability. Cronbach's alpha is a measure of internal consistency. It is also considered to be a measure of scale reliability. The closer cronbach's alpha to 1, the higher internal consistency of reliability.

**Pilot Study** - Pilot analysis can serve many purposes. The purpose of the Pilot study by Prescott and Soeken (1989) based on a review of current nursing research textbooks including an evaluation of (a) eligibility, (b) adequacy of instruments, and (c) data collection strategy problem and the proposed method. To this they added, (d) answer methodological questions, and (e) plan a larger study. In the newer ones articles, Jairath, Hogerney, and Parsons (2000) contributes to the potential of the sixth pilot study, (f) obtain sufficient preliminary data to justify granting. Although some researchers may questioning what this type of initial work is real pilot study, it is often mentioned enough in practice to be included for the purpose this article.(Hertzog, 2008)

# 4 Data Analysis and Discussion

## **Reliability Analysis**

Pilot analysis is commonly used in order to examine the feasibility of methods, interviews, techniques and questionnaires and how they work with each other in a given fact(Doody & Doody, 2015). Surveyors often interact with a large number of people for a pilot test, so that potential disparities can be analysed within and across groups in the subjects. Before the questionnaire is adopted, a pilot test will be carried out to assess the consistency and exactness of the questionnaire design. According to Hill (1998), 15-30 respondents are enough for pilot study to confirm that respondents understanding and feedback. Hence, a small group of 30 respondents have been chosen to answer the questionnaire. After the pilot test was done, the researchers will implement a reliability test to examine the reliability and exactness of the data collected. The respondents who have done the pilot test will not be considered in the main study. Table 4.1 indicates the results of reliability analysis and all the variables are significant with the Cronbach's Alpha value more than 0.70. It indicated that the strength of association between variables is very good.

Table 4.1: Reliability Test (Pilot Test)

Variable	Number of items	Cronbach's Alpha Pilot Study (n=30)	Cronbach's Alpha Actual Study (n=30)
Music	7	0.866	0.871
Lighting	7	0.891	0.895
Layout	6	0.819	0.816

Customer buying behavioral	6	0.895	0.897
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# **Demographic Profile of Respondents Gender**

Table 4.2: Gender

	GENDER						
		Frequency	Percent	Valid	Cumulative		
				Percent	Percent		
Valid	Male	234	60.8	60.9	60.9		
	Female	150	39.0	39.1	100.0		
	Total	384	99.7	100.0			

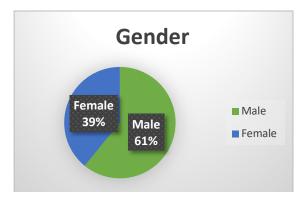


Figure 4.1: The Percentage of Gender

Age

Table 4.3: Age

AGE						
		Frequency	Percent	Valid	Cumulative	
				Percent	Percent	
Valid	Less than 18 years	11	2.9	2.9	2.9	
	19-30 years	269	69.9	70.1	72.9	
	31-45 years	64	16.6	16.7	89.6	
	46 years old and	40	10.4	10.4	100.0	
	above					
	Total	384	99.7	100.0		

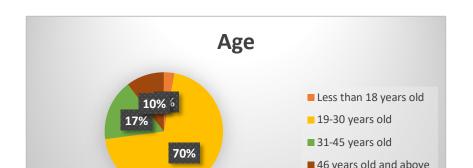


Figure 4.2: The Percentage of Age

## **Marital Status**

Table 4.4: Marital status

MARITAL STATUS							
	Frequency Percent Valid Cumulative						
				Percent	Percent		
Valid	Single	273	70.9	71.1	71.1		
	Married	111	28.8	28.9	100.0		
	Total	384	99.7	100.0			

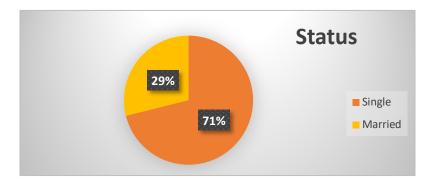


Figure 4.3: The

Percentage of Marital Status

## Race

Table 4.5: Race

RACE							
		Frequency	Percent	Valid	Cumulative		
				Percent	Percent		
Valid	Malay	317	82.3	82.6	82.6		
	Chinese	32	8.3	8.3	90.9		
	Indian	26	6.8	6.8	97.7		
	Other	9	2.3	2.3	100.0		
	Total	384	99.7	100.0			

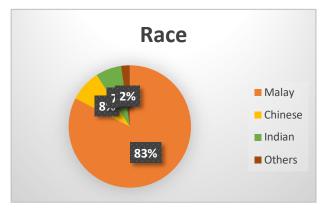


Figure 4.4: The Percentage of Race

## **Level of Education**

Table 4.6: Level of education

	LEVEL OF EDUCATION							
		Frequency	Percent	Valid Percent	Cumulative Percent			
Valid	High school	63	16.4	16.4	16.4			
	Diploma	101	26.2	26.3	42.7			
	Bachelor Degree	157	40.8	40.9	83.6			
	Master Degree	47	12.2	12.2	95.8			
	PhD	16	4.2	4.2	100.0			
	Total	384	99.7	100.0				

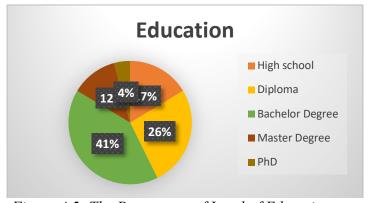


Figure 4.5: The Percentage of Level of Education

# Occupation

Table 4.7: Occupation

	OCCUPATION							
		Frequency	Percent	Valid	Cumulative			
				Percent	Percent			
Valid	Student	120	31.2	31.3	31.3			
	Government	91	23.6	23.7	54.9			
	sector							
	Private sector	117	30.4	30.5	85.4			
	Housewife	17	4.4	4.4	89.8			
	Retiree	11	2.9	2.9	92.7			
	Other	28	7.3	7.3	100.0			
	Total	384	99.7	100.0				

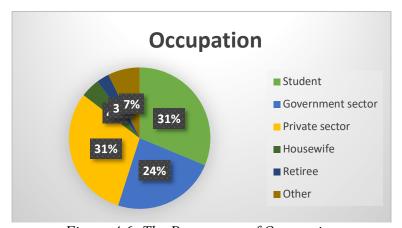


Figure 4.6: The Percentage of Occupation

# Average income (RM) Per month

Table 4.8: Average income (RM) Per month

AVERAGE INCOME (RM) PER MONTH						
		Frequency	Percent	Valid	Cumulative	
				Percent	Percent	
Valid	Less than 1000	113	29.4	29.4	29.4	
	1001-2000	102	26.5	26.6	56.0	
	2001-3000	88	22.9	22.9	78.9	
	3001-4000	54	14.0	14.1	93.0	
	4001 and above	27	7.0	7.0	100.0	
	Total	384	99.7	100.0		

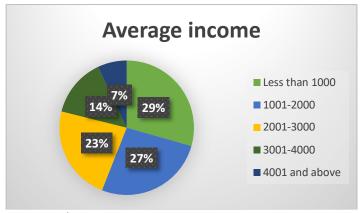


Figure 4.7: The Percentage of Average Income

## Frequency of visiting restaurant

Table 4.9: Frequency of Visiting Restaurant

FREQUENCY OF VISITING RESTAURANT						
		Frequency	Percent	Valid	Cumulative	
				Percent	Percent	
Valid	Once a week	62	16.1	16.1	16.1	
	Once a fortnight	66	17.1	17.2	33.3	
	Few times a	86	22.3	22.4	55.7	
	week					
	Once a month	75	19.5	19.5	75.3	
	Few times a	95	24.7	24.7	100.0	
	month					
	Total	384	99.7	100.0		

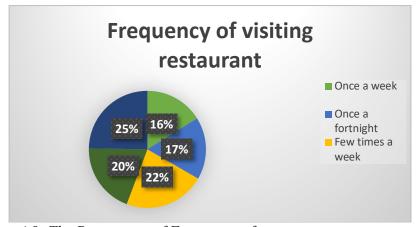


Figure 4.8: The Percentage of Frequency of visiting restaurant

### **Descriptive Analysis**

In descriptive analysis, every section of dependent variable and independent variables has been using the mean of analysis that being choose by the researcher. It is to find out the the effects of

store atmosphere in restaurant towards customer buying behavioural in Kuantan, Pahang. Researcher will find out which the question respondents strongly agreed and strongly disagreed.

Table 4.10: Level of Mean

Level	Mean
Strongly Agree	4.01- 5.00
Agree	3.01 - 4.00
Neutral	2.01 - 3.00
Disagree	1.01 - 2.00
Strongly Disagree	0.01 - 1.00

#### Music

Table 4.11: Music

STATISTICS		
	N	MEAN
Listening to music creates a relaxed atmosphere while in the restaurant.	384	4.39
Pleasant environment created by music makes me spend more time in the restaurant.	384	4.17
The existence of background music increase my well-being and comfort in the restaurant	384	4.23
The right genre of music influences my mood in a positive manner.	384	4.39
The tempo of the music increases my willingness to wait for my food.	384	4.26
The rhythm of the music enhances my enjoyment.	384	4.33
The appropriate volume of the music helps to reduce my stress level.	384	4.26
Valid N (listwise)	384	

Table 4.11 illustrates the music variable. From the result, the respondents are strongly agree about listening to music creates a relaxed atmosphere while in the restaurant which the means shows at the level 4.39. Next, the respondents also strongly agree that pleasant environment created by music makes them spend more time in the restaurant which the mean shows at the level 4.17. Respondents also strongly agree that the existence of background music increase their well-being and comfort in the restaurant which the mean shows at the level 4.23. Then, respondents strongly agree that the right genre of music influences their mood in a positive manner which the mean shows at the level 4.39 and respondents also strongly agree that the tempo of the music increases their willingness to wait for my food which the mean shows at the level 4.26. The respondents are strongly agree that the rhythm of the music enhances their enjoyment which the mean shows at the level 4.33. Then, the respondents also strongly agree that the appropriate volume of the music helps to reduce their stress level which the mean shows at the level 4.26.

### Lighting

Table 4.12: Lighting

STATISTICS		
	N	MEAN
The lighting in the restaurants can pleasing to the eyes, and makes me to stay longer in the restaurant.	384	4.30
Good color of lighting attracts me towards menu offered.	384	4.31
The lighting of the restaurants makes the menu offered more visible and attractive to me.	384	4.33
The different lighting used in each area inside the restaurant is important.	384	4.30
The brightness of the lighting allows me to browse through the menu easily.	384	4.43
The dim of the lighting gave me relaxed feeling.	384	4.19
The attractiveness of the lighting (e.g.: shape and colour of bulb) enhances my perception of the restaurant's image.	384	4.39
Valid N (listwise)	384	

Table 4.12 illustrates the lighting variable. From the result, the respondents are strongly agree that the lighting in the restaurants can pleasing to the eyes, and makes them to stay longer in the restaurant which the mean shows at the level 4.30. Next, the respondents are strongly agree that good colour of lighting attracts them towards menu offered which the mean shows at the level 4.31. Then, the respondents also strongly agree that the lighting of the restaurants makes the menu offered more visible and attractive which the mean shows at the level 4.33. The respondents strongly agree that the different lighting used in each area inside the restaurant is important which the mean shows at the level 4.30 and respondents also strongly agree that the brightness of the lighting allows them to browse through the menu easily which the mean shows at the level 4.43. The dim of the lighting gave them relaxed feeling also strongly agree by the respondents which the mean show at the level 4.19. Then, the respondents also strongly agree that the attractiveness of the lighting, for example is shape and colour of bulb enhances their perception of the restaurant's image which the mean shows at the level 4.39.

### Layout

Table 4 13: Layout

Tubic 1.13. Euyoni				
STATISTICS				
	N	MEAN		
The accessibility of the store layout enhances my positive evaluation.	384	4.47		
The design of the store layout encourages me to walk around and select more food and beverages	384	4.35		
(e.g.: from the fridge or pastries display).				

The efficiency of the store layout eases my entry and exit.	384	4.49
The creativeness of the store layout (e.g.: seating arrangements) encourages me to stay longer.	384	4.33
Attractively arranged store stimulates me to dine-in in the restaurant.	384	4.39
Particularly attractive display will attract my attention and induce my planned purchase.	384	4.39
Valid N (listwise)	384	

Table 4.13 illustrate the layout variable. From the result, the respondents are strongly agree that the accessibility of the store layout enhances their positive evaluation which the mean shows at the level 4.47. Next, the respondents strongly agree that the design of the store layout encourages them to walk around and select more food and beverages, for examples from the fridge or pastries display which the mean shows at the level 4.35. Then, the respondents also strongly agree that the efficiency of the store layout eases their entry and exit which the mean shows at the level 4.49 and respondents also strongly agree that the creativeness of the store layout, for examples is seating arrangements, encourages them to stay longer which the mean shows at the level 4.33. Attractively arranged store stimulates them to dine-in in the restaurant also strongly agree by the respondents which the mean shows at the level 4.39. Then, the respondents also strongly agree that the particularly attractive display will attract their attention and induce their planned purchase which the mean shows at the level 4.39.

## **Customer buying behavioural**

Table 4.14: Customer buying behavioural

STATISTICS		
	N	MEAN
The atmosphere in a restaurant influences my purchase.	384	4.48
I would consider revisiting restaurant that provide the excellent store atmosphere in the future.	384	4.47
I would like to come back to the restaurant in the future.	384	4.42
I would recommend the restaurant to my friends and other.	384	4.47
I would encourage others to visit the restaurant.	384	4.42
I would say positive things about the restaurant to others.	384	4.43
Valid N (listwise)	384	

Table 4.14 illustrates the customer buying behavioural variable. From the result, the respondents are strongly agree about the atmosphere in a restaurant influences their purchase which the mean shows at the level 4.48. Next, the respondents are strongly agree that they would consider revisiting restaurant that provide the excellent store atmosphere in the future which the mean shows at the level 4.47. Then, the respondents also strongly agree that they would like to come back to the restaurant in the future which the mean shows at the level 4.42. The respondents also strongly agree that they would recommend the restaurant to their friends and other which the mean shows at the level 4.47 and the respondents strongly agree that they would encourage others

to visit the restaurant which the mean shows at the level 4.42. Then, the respondents strongly agree that they would say positive things about the restaurant to others which the mean shows at the level 4.43.

## Validity and Reliability Test

Table 4. 15: Results of reliability Cronbach's Alpha for the variables

Variable	Number of items	Cronbach's Alpha Pilot Study (n=30)	Cronbach's Alpha Actual Study (n=30)
Music	7	0.866	0.871
Lighting	7	0.891	0.895
Layout	6	0.819	0.816
Customer buying behavioral	6	0.895	0.897

Table 4.15 shows the Cronbach's Alpha values of the questionnaire were above the acceptance level with the value range above than 0.70. George and Mallery (2003) provide the following rules of thumb which is >0.9 (excellent), >0.8 (good), >0.7 (acceptable), >0.6 (questionable), >0.5 (poor) and <0.5 (unacceptable).

The first independent variable that is Music found to be good reliable (7 items;  $\alpha = 0.866$ ). The second independent variable that is Lighting show a good reliability (7 items;  $\alpha = 0.891$ ). Then the last independent variable that is Layout also show a good reliability (6 items;  $\alpha = 0.819$ ). For the dependent variable that is customer buying behavioural show a good reliability (6 items;  $\alpha = 0.895$ ).

## **Normality Test**

Table 4.16: Summary of Shapiro-Wilk Test

Shapiro-Wilk	Statistics	df	Sig
MeanMusic	0.784	384	0.000
MeanLighting	0.796	384	0.000
MeanLayout	0.745	384	0.000
MeanCBBehavioral	0.722	384	0.000

Table 4.16 shows the summary of Shapiro-Wilk Test for three independent variables (music, lighting and layout) and one dependent variable (customer buying behavioral). All items used in each variable will be involved in this normality test. According to Table 4.1, the value for music is 0.784, lighting is 0.796, layout is 0.745 and customer buying behavioural is 0.722.

#### **Hypotheses Testing**

Spearman's connection coefficient is a factual measure of the consistency of a monotonic relationship between matched information. Spearman's correlation coefficient is a measure of a monotonic relationship and the value of do not indicate there is no relationship between the variables. Table 4.17 shows the measurement scale to describe the strength of relationship between dependent and independent variable.

Table 4.17: Result of Spearman Correlation Analysis

Variable	CBB	Music	Lighting	Layout
CBB	1.0	0.750	0.771	0.836
Music	0.750	1.0	0.894	0.826
Lighting	0.771	0.894	1.0	0.857
Layout	0.836	0.826	0.857	1.0

#### Hypothesis 1: There is a relationship between music and customer buying behavioural.

Based on the Table 4.17, it shows the correlation between music and customer buying behavioural in Kuantan, Pahang. The r value of music is 0.750. The result indicates there is strong positive correlation between music and customer buying behavioural. Besides, the p-value is less than 0.05. This result shows that there is a significant relationship between music and customer buying behavioural. Therefore, hypothesis 1 is accepted. The result shows that music play an important role in influence customer buying behavioural.

# 1 Hypothesis 2: There is a relationship between lighting and customer buying behavioural.

Based on the Table 4.17, it shows the correlation between lighting and customer buying behavioural in Kuantan, Pahang. The r value of lighting is 0.771. The result indicates there is strong positive correlation between lighting and customer buying behavioural. Besides, p-value is less than 0.05. This result shows that there is a significant relationship between lighting and customer buying behavioural. Therefore, hypothesis 2 is accepted.

# 2 Hypothesis 3: There is a relationship between layout and customer buying behavioural.

Based on the Table 4.17, it shows the correlation between layout and customer buying behavioural in Kuantan, Pahang. The r value of layout is 0.836. The result indicates there is strong positive correlation between layout and customer buying behavioural. Besides, p-value is less than 0.05. This result shows that there is a significant relationship between layout and customer buying behavioural. Therefore, hypothesis 3 is accepted.

### 4 Discussion and Conclusion

The objective of this research is to investigate the effects of store atmosphere in restaurant towards customer buying behavioral in Kuantan, Pahang. Store atmosphere is crucial for development of an organization, as it helps to boost sales for the store and indirectly helps to generate revenue for the organization. The researcher used questionnaire method to collect data for this research. Questionnaire was used in this research as researcher will earn instant feedback from respondents. The questionnaire was distributed to the customers in Kuantan, Pahang through Google form. In this study, there are 384 respondents have been selected as sample. The test shows that the reliability analysis of question is acceptable. Most of the respondents were male and age from 19 until 30 years old. Most of the respondent's marital status is single. The respondent mostly have their income less than RM1000 monthly and most of them are students. Besides, most of the respondents are Malay. In addition, most of the respondents visit the restaurant few times a month.

Regression analysis showed that all coefficient sign related with independent variable follow that significant theory. We can conclude that all independent variable are proven related with dependent variable. As for conclusions, we can see that three (3) factors that used in this research

is proven succeeded in this study. From all there (3) independent variable, it can be concluded that layout is the most influence factor that affect customer buying behavioral in restaurant at Kuantan, Pahang. This is because the beta for space is highest than other variable.

# 5 Key Findings

Table 5.1: Summary of Hypotheses Testing Results

Hypothesis	Spearman Correlation	Results
H1: There is a significant effects of music in restaurant towards customer buying behavioural in Kuantan, Pahang.	p=0.00 (p<0.05) r=0.750	There are positive relationship between music and customer buying behavioural in Kuantan, Pahang
H2: There is a significant effects of lighting in restaurant towards customer buying behavioural in Kuantan, Pahang.	p=0.00 (p<0.05) r=0.771	There are positive relationship between lighting and customer buying behavioural in Kuantan, Pahang.
H3: There is a significant effects of layout in restaurant towards customer buying behavioural in Kuantan, Pahang.	p=0.00 (p<0.05) r=0.836	There are positive relationship between layout and customer buying behavioural in Kuantan, Pahang.

# 6 Acknowledgement

I am very grateful for the opportunity given to me to complete this research to be successful and give strength to complete this research that has been assigned to all students. I am also very grateful to be able to complete this research within the time allotted by my supervisor. This research could not be completed without effort and the supervisor also gave me guidance to complete my research. I would also like to thank my supervisor, Miss Nurul Azwa Binti Mohamed Khadri for guidance and encouragement in completing this research and also teaching and guiding in this research. I could not have completed this research without the guidance of my supervisor. Many thanks to our parents and family members who have given me moral support to complete this research. Finally, I would like to thank the University Malaysia Kelantan for providing a valuable opportunity to conduct this research. Finally, thank you and appreciation is given to all parties involved in the preparation of this research directly or indirectly.

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# THE IMPACTS OF PANDEMIC COVID-19 TOWARDS MANAGEMENT BUSINESS RETAIL IN GROCERY STORES AMONG RETAILERS IN PARIT BUNTAR, PERAK

Nur Farzana binti Omar and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: farzana.a17a0442@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

The study aims to identify the impacts of Pandemic Covid-19 towards management business retail in grocery stores among retailers in Parit Buntar, Perak. It is very important for an organization to ensure management business retail in grocery stores are doing well. In this research, the researcher choose grocery stores as the impacts which are unstable financial management, the lack of time management and the insufficient stocks/raw material. In this research, it focuses on three objectives, which is to identify each relationship of independent variables (unstable financial management, the lack of time management and the insufficient stocks/raw material) with dependent variables (management business retail in grocery stores). 150 respondents were chose from retailers of grocery stores by using convenience sampling. The findings of the study is, three of the independent variables which is unstable financial management, the lack of time management and the insufficient stocks/raw material have significant relationship with management business retail in grocery stores.

Keywords: Grocery Store, Time Management, Retailers, Financial Management, Pandemic Covid-19.

### 1 Introduction

There has been a long tradition of concerns about epidemics. Discussions should not concentrate on when an epidemic will occur, nor when there will be a new outbreak according to Stöhr & Esveld, (2004). A chronic and irreversible practical biological occurrence is the incidence that contributes to influenza pandemics. As a result of the development of new subtypes of viruses from viral reunification, pandemics tend to occur at intervals of 10-50 years according to Potter, (2001).

If we are in a pandemic situation, the long-term consequences are very difficult to quantify. While many pandemics have struck retailers in the past, it is difficult to estimate because of unstable financial management, the lack of time management during operations and insufficient stock or raw materials, as these factors have not been thoroughly studied in the past.

Current minimal literature indicates that low asset returns are generally correlated with the main historical pandemic of the last millennium according to Jorda, Singh, & Taylor, (2020). It appears to be less interested in spending and more interested in saving our resources for the post-epidemic era, resulting in slower economic growth.

Many retail firms have been forced to close by the pandemic COVID-19, creating unprecedented

trade disruptions in most retail business sectors. Many short-term problems are faced by retailers, such as those relating to health and safety, supply chain, labor, cash flow, customer demand, revenue, and marketing. However, meeting this obstacle successfully would not guarantee a bright future or a future at all.

This is because it will appear in a world very distinct from the world before the plague when we go through this epidemic. Many markets no longer exist, especially in the field of tourism and hospitality. In the current setting, all organizational roles tend to prioritize and optimize spending or delay activities that will not bring benefit.

There are four objectives of this research:

- 1. To examine the relationship between unstable financial management and the impacts of Covid-19 towards management business retail in grocery stores among retailers in Parit Buntar, Perak.
- 2. To identify the relationship between the lack of time management and the impacts of Covid-19 towards management business retail in grocery stores among retailers in Parit Buntar, Perak.
- 3. To study the relationship between the insufficient stocks/raw material and the impacts of Covid-19 towards management business retail in grocery stores among retailers in Parit Buntar, Perak.

## Significance of The Study

### Researchers

Researcher as this research can help providing information needed by them. Future researcher who conducted research related to this research can take some information from this study

#### Retailers

Retailers is a company that buys products from a <u>manufacturer</u> or <u>wholesaler</u> and sells them to end users or customers. In a sense, a retailer is an intermediary or middleman that customers use to get products from the manufacturers according to Harper, Douglas, (2018).

### 2 Literature Review

### **Management Business Retail in Grocery Store**

Grocery stores play a major role in the purchase of raw materials, with an average weekly retail spend of \$38 according to Glanz & Amy, (2004). Further, grocery stores are expanding their offerings at a category known as " raw material stock solutions, " which includes deli and food provided; ready-to-eat and hot foods, and energy-saving materials and measures such as pre-cut and cleaned vegetables according to Glanz & Amy, (2004). Supermarkets are now contributing almost a fifth of all food is taken out according to Glanz & Amy, (2004).

#### Unstable financial management

Financial management related to business retail in grocery store problems affects the cost of failure according to Ang, James S., (1991). The probability of failure can be increased by taking the risk of the retailer, incomplete management team, limited alternative financing resources, lack of alternative value measurement due to lack of traded securities and replacement problem according to Ang, James S., (1991). Therefore, the problem financial management in business retail is more complex.

#### The Lack of Time Management

Interest in time management is nothing new. The problem is how managing time was already discussed in the 1950s and 1960s, and some authors proposed methods on how to deal with time problems at work and store opening hours according to Drucker, (1967); Lakein, (1973); Mackenzie, (1972); McCay, (1959). They suggest simple solutions such as writing a work plan on paper (called a "to-do list") to improve the work performance and operating hours.

#### Insufficient stocks or raw material

Insufficient stock or raw materials completely is one of the important problems for business retail in grocery store according to Sinha & Sarmah, (2007). Today a competitive retail business environment, stocks on specific suppliers or manufacturers will create opportunities for other competitors and therefore suppliers or manufacturers facing a situation of running out of stock or losing sales must be used effective strategies to retain their customers which is retailers buy some products for their grocery store according to Sinha & Sarmah, (2007).

### Research Hypothesis

In this study, there were three hypothesis that are positively related between the factors that influence tourists' satisfaction towards heritage museums in Kelantan

- H1: There is significant relationship between unstable financial management and management business retail in grocery stores among retailers.
- H2: There is significant relationship between the lack of time management and management business retail in grocery stores among retailers.
- H3: There is significant relationship between the insufficient stocks/raw material and management business retail in grocery stores among retailers.

#### **Research Framework**

Based on the literature review, the conceptual framework has been developed. Which the conceptual framework had included four independent variables and one dependent variable. The independent variables are travel environment, accessibility, infrastructure and heritage attraction while the dependent variable is about the tourist satisfaction to the heritage museums. The conceptual framework is shown as below figure:

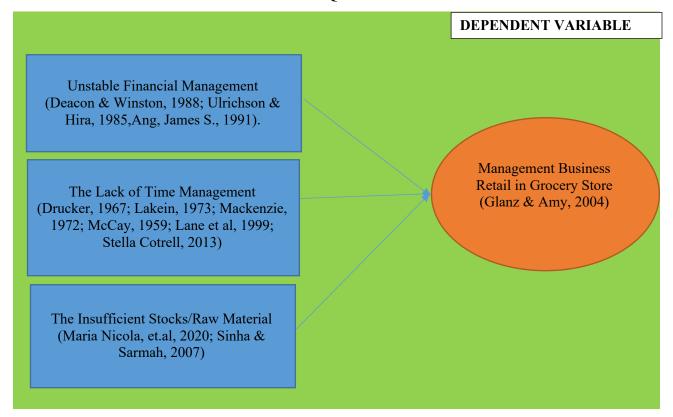


Figure 1: Research Framework

# 3 Methodology Research Design

Research design is an outline for the collection, measurement and analysis of data, based on the research questions of the study according to Sekaran & Bougie, (2009). Descriptive study has been used in order to get data for this research. Descriptive study means the transformation of raw material data into a form that can make people easily understand the data to provide descriptive information. The objective of a descriptive study is to describe according to Sekaran & Bougie, (2009). This descriptive study had been chose to be applied in order to illustrate the impact of Covid 19 towards management business retail in grocery stores among retailers in Parit Buntar, Perak.

#### **Data Collection**

In the first stage, primary data are data that collected by researchers from first-hand sources, using methods like surveys, interviews, or experiments.

The second stage of data collection was a fieldwork but through online platform. The researchers used the Google form questionnaire to be distributed to the retailers at Parit Buntar, Perak. In the questionnaires, the researchers will set one of the questions to identify whether the person is meeting the criteria or not before answering the survey.

#### Sampling

In sampling design, the non-probability sampling used is convenience sampling. According to Lewis, Thornhill (2012) described, in this sampling, there are no other criteria to the sampling

method except that people available and willing to participate. The sample is drawn by a group of people easy to contact or to reach. It is least biased design and offers the most generalized.

# 4 Data Analysis

Data Analysis is a process or attempt to process data into new information to make the characteristics of the data easier to understand and useful for solving problems, especially those related to research. Data analysis can also be defined as an activity undertaken to transform data from research into new information that can be used to draw conclusions. In general, the purpose of data analysis is to explain data for more natural understanding, and then comes to a conclusion. A conclusion from data analysis is derived from a sample that is generally based on hypothesis testing or hypothesis. The researchers had analysis the data by using descriptive statistic, reliability test, and Pearson's correlation coefficient. At the same time, Statistical Package for the Social Sciences (SPSS) will be used in this research.

# 5 Findings

In this study, the reliability test was performed by 150 respondents using the online survey process. It was measured using Cronbach's Alpha Coefficient showing a range from 0.856 to 0.904 which indicated that the result was good to very good where the management business retail in grocery store has the maximum Cronbach Alpha value of 0.930, the insufficient stocks or raw material has the second highest alpha value of Cronbach, which was 0.904, and then to the lack of time management (0.865), followed by a unstable financial management (0.856). Thus, all variables fulfilled the minimum criterion of reliability, as all Cronbach alpha coefficients of all variables were greater than 0.6.

In the Descriptive Analysis for Independent Variables, the maximum mean value was 4.33 management business retail in grocery store, followed by a unstable financial management (4.26) followed by the lack of time management (4.26). The insufficient stocks or raw material 4.19 was the lowest mean value for independent variables. The total mean value was 4.26. It was concluded that the management business retail in grocery store had the biggest effect on the retailers in Parit Buntar, Perak

The researchers carried out the correlation analysis in order to calculate the linear association between the two variables defined as the purposes of this report. A review of Correlation Analysis indicating that the linkage between the insufficient stocks or raw material and management business retail in grocery store is 0.712 which mean that there was a strong positive correlation, while the lack of time management and management business retail in grocery store was in a moderate positive correlation (0.681) and the lowest value of correlation was the unstable financial management and management business retail in grocery store which only 0.653 and was in a weak to no relationship. A correlation table of these variable as showns as below:

#### Correlation

		Intention to Use
Unstable financial management	Pearson Correlation	.653**
	Sig. (2-tailed)	.000
	N	150
The lack of time management	Pearson Correlation	.681**
_	Sig. (2-tailed)	.000

	N	150
The insufficient stocks/raw	Pearson Correlation	.712**
material		
	Sig. (2-tailed)	.000
	N	150

### 6 Discussion & Recommendation

#### The insufficient stocks/raw material

Based on the result of Pearson Correlation, the researcher had identified that there was a significant relationship between the insufficient stocks/raw material and management business retail in grocery store. A strong correlation relationship between the insufficient stocks/raw material and management business retail in grocery store towards retailers. Today a competitive retail business environment, stocks on specific suppliers or manufacturers will create opportunities for other competitors and therefore suppliers or manufacturers facing a situation of running out of stock or losing sales must be used effective strategies to retain their customers which is retailers buy some products for their grocery store according to Sinha & Sarmah, (2007).

### The lack of time management

According to this study, there was a significant relationship between the lack of time management and management business retail in grocery store. A moderate correlation relationship between the lack of time management and management business retail in grocery store towards retailers. Time management also had a problem for business retail which is the availability and use rarely operating time at the most efficient level in business retail according to Lane et al, (1999) position due the pandemic Covid-19.

### Unstable financial management

The result indicated that there was a significant relationship between unstable financial management and management business retail in grocery store. A weak correlation relationship between unstable financial management and management business retail in grocery store towards retailers. Financial management related to business retail in grocery store problems affects the cost of failure according to Ang, James S., (1991). The probability of failure can be increased by taking the risk of the retailer, incomplete management team, limited alternative financing resources, lack of alternative value measurement due to lack of traded securities and replacement problem

#### 7 Recommendation

The researchers discovered from the sample that the insufficient stocks/raw material has a stronger relationship to management business retail in grocery store. Furthermore, the management for retailers will not only be impacted by the insufficient stocks/raw material. Unstable financial management and the lack of time management are also important. This research just needs to know which variables this retailer's compilation of Covid-19 should use. It was discovered that the insufficient stocks/raw material is an independent variable that will convert retailers to make the management while performing the Pearson Correlation Coefficient. In this proposal, the retailer should provide good management to the grocery store, such as product addition. In addition to plans to activate the website for social media by posting about the grocery store business so that people can see. However, it is recommended that more variables be

used by prospective researchers. Finally, only when conducting surveys can prospective studies even use qualitative approaches instead of questionnaires.

#### 8 Conclusion

The goal of this study is to get a clear picture of the study on the relationship between unstable financial management, the lack of time management, and the insufficient stocks/raw material towards retailers to management business retail in grocery store during Covid-19. Do a survey using questionnaires to meet the defined targets and answering the research question. Around the same time, this study has been evaluated and has been able to provide sensible responses to research questions. As the study shows, it can be concluded that despite the limitations discussed above, the design of the study produces reasonable answers and allows us to answer the research questions posed. In brief, future researchers need to continue pursuing this study with a new level of understanding that can affect the impacts of pandemic Covid-19 towards retailers and increase the sample size further.

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# GLOBAL FAST FOOD RESTAURANT AMONG UNIVERSITI MALAYSIA KELANTAN STUDENTS

Nur Hamizah Binti Ghani and Yusrinadini Zahirah Binti Md. Isa@Yusuff

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <a href="mailto:hamizah.a17a0454@siswa.umk.edu.my">hamizah.a17a0454@siswa.umk.edu.my</a>; yusrinadini@umk.edu.my

#### Abstract

The purpose of this study is to identify the factors influencing consumer choice of global fast food restaurant among Universiti Malaysia Kelantan students. The total number of respondents that involve in this study is 361 respondents. This study uses quantitative which questionnaire in a form of Google Form distributed to the respondents. And the data collected will through the test in Software Package for Social Sciences (SPSS). Three factors be as the independent variables which is food quality, convenience, and promotion in this study. The results and finding show that convenience was the highest level of positive significant relationship between consumer choice that be as dependent variable.

Keywords: Fast food, Consumer Choice, Food Quality, Convenience, Promotion

### 1 Introduction

Fast food has been defined as a "general term used for as limited menu of foods that lend themselves to production-lobe techniques; suppliers tend to specialize in products such as hamburgers, pizzas, chicken, or sandwiches" (Bender & Bender, 1995). The fast food industry's growth has been spurred on by globalisation and the general increase in the incomes of the wider global population. More-so in the developing world, more inclusive economic growth has created a new market for the fast food franchise industry, particularly due to the increased demand for and consumption of convenient, quick serving and ready-made meals (Tabassum & Rahman, 2012).

In Malaysia, fast food is a rapidly growing industry especially in the urban areas such as Kuala Lumpur. Moreover, the food diversity in Malaysia is an implicit characteristic of the diversified culture of the country amongst the different regions within the states. There has been a sustained increase in the demand for convenience foods and snacks over a number of years (Traill, 1994). Furthermore, fast food in Malaysia seems to have been well received by Malaysians after the fast food menu adapted into basic Malaysian food requirements to their preparation excluding pork from the menu in line with Islamic teachings because of Malaysian were majority Islamic. Because of that, Malaysia are in their hard working to produces and built their own products and services of fast food franchise. With the local fast food franchise, of course the menu offered by local fast food franchise is a must to follow by the culture of Malaysian which Halal. One of local fast food franchise that has been known well by Malaysian and also famous is brand "Ayamas". And the rest brand of local fast food franchise is not known well by Malaysian. Majority of Malaysian are not knowing about the local fast food franchise brand already existing in Malaysia. This is because of their marketing is low or whatsoever.

In franchise business, it is really important in order to keep consumer loyal toward their products and services. Hence, there are many outlets were opened in many countries include Malaysia. In this sector, it gives so many advantages to whose are involved in franchise which among its

advantages is create high number of consumers. The number of consumers will be increase when the outlets were near around them. For example, in Malaysia we can see McDonalds outlet were everywhere and there have always new consumer. Besides, franchise also strengthen the business which open new outlets at new location. With that, the franchise business always growing up fast and fast suitable with the demand in the market.

With that, consumer will able to achieve the products and services that they want from the franchise brand when the outlet were near around them. Indirectly, that franchise business has provide the convenience to their consumer that will make their consumer to keep loyal toward them. Other convenience that usually provide by the franchise business to their consumer especially in fast food industries is drive thru, Wi-Fi, playground for kids and also place to eat at there or it's called as restaurant.

With all of the convenience that offered by the fast food restaurant, convenience is listed among of the factor's consumer choice of global fast food restaurant. This research will be exposed which factor were salient to be as the factors that influencing consumer choice of global fast food restaurant.

### 1.1 Research Objectives

Below are the research objectives for this research:

- 1. To identify whether food quality affect consumer to purchase global fast food products and services.
- 2. To identify whether convenience affect consumer to purchase global fast food products and services.
- 3. To identify whether promotion affect consumer to purchase global fast food products and services.

### 1.2 Significance Study

The aim of this study is to identify the factors influencing consumer choice of global fast food restaurant among University Malaysia Kelantan students. All of that factors will be showed as a result in this study and will be practiced by the local franchise business in order to get consumer's attention. This is because majority Malaysian are not realized about the existing of fast food local brand franchise business in Malaysia. Thus, local franchise will get place in customer's choice when consumers were in decision making of purchasing fast food franchise products and services. As a result, local fast food franchise will be successfully similarly global fast food franchise. Furthermore, Malaysian can support the local fast food franchise business in order to increase Malaysia's economy.

### 2 Literature Review

### 2.1 Independent Variables

#### 2.1.1 Food Quality

Food quality can be an important element in the fast food restaurants but there is no consensus on the individual attributes that constitute food quality. Therefore, all the food attributes are lumped together in only one variable that is food quality (Sulek & Hensley, 2004). According to Grunert (2005), the food quality attributes are depending on the food type and the individual's food preference itself because the food attributes that constitute quality may change over the time as well in the consumer's mind. Moreover, different individual cognitive determinants on food quality may also lead to the difficulty to understand the consumer behaviour (Van Rijswijk & Frewer, 2008). In addition, consumers are usually poor and confused at predicting the food quality

they needed to perceived and are dissatisfied despite the fact they are situated and unable to make confirmation on their own expectations for a particular food product (Grunert, 2005).

#### 2.1.2 Convenience

Convenience encompasses people's desire to save time and energy while engaging the consumption process, which includes planning, shopping, storage, preparation of food, consumption, cleaning up, and disposal of leftovers and wastes (Gofton, 1995; Scholderer & Grunert, 2005; Yale & Venkatesh, 1986). It also entails the transfer of significant amount of preparation time, culinary skills, or energy inputs from the home to the food processor or distributor (Candel, 2001; Costa, Dekker, Beumer, Rombouts, & Jongen, 2001).

#### 2.1.3 Promotion

Promotion is a key component and a valuable tool for marketers. Moreover, it has been widely used to get a competitive edge and increase the sales and attract consumer's intention. Promotion influence the consumers' quantity and reduce the time for decision making. According to Kotler (1999), sales' promotion is a short-term encouraging strategy to increase sales or purchase of brands. Moreover, it is a strategy which demands short time to increase profits (Banerjee, 2009). This strategy has the ability to attract and retain the customers and build a strong link with the sellers (Ndubisi & Moi, 2006). Furthermore, sales' promotion includes three main strategies namely, push, pull and the combination of pull and push. Push means the product is pushed from distributors to the consumer by different promotions like discounts, personal selling, buy back guarantee, contests and more meanwhile pull means the consumer pulls the products for distributors through different ways like samples, games, coupons, premiums, loyalty rebates and cash refund (Dolak, 2010). Sales' promotion plays an important and significant role in the consumers' purchase intention and making-decision for purchasing a specific product (Neha & Manoj, 2013).

#### 2.2 Hypothesis

- 1. There is significant relationship between food quality and the factors influencing consumer choice of global fast food restaurant.
- 2. There is significant relationship between convenience and the factors influencing consumer choice of global fast food restaurant.
- 3. There is significant relationship between promotion and the factors influencing consumer choice of global fast food restaurant.

2.3 Conceptual Framework

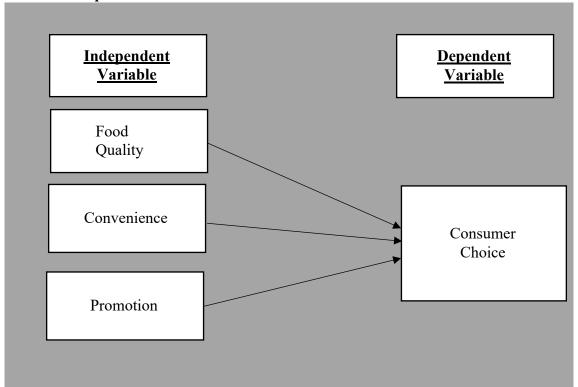


Figure 1: Conceptual Framework of Factors Influencing Consumer Choice of Global Fast Food Restaurant Among Universiti Malaysia Kelantan Students

# 3 Methodology

# 3.1 Research Design

This study used quantitative methods which questionnaire in order to study about the factor influencing consumer choice of global fast food restaurant among Universiti Malaysia Kelantan students. From questionnaire, data will be gathered just once because questionnaire only will be distributed through online medium.

#### 3.2 Population

The exploration of this study is in Universiti Malaysia Kelantan Campus City, Pengkalan Chepa, Kota Bharu, Kelantan. This location was chosen as a population to conduct this study because it is near Universiti Malaysia Kelantan has famous and branded fast food outlet which McDonalds in addition Universiti Malaysia Kelantan City Campus students were majority of McDonalds's customer at there.

However, there has three different faculties in Universiti Malaysia Kelantan City Campus, Pengkalan Chepa, Kota Bharu Kelantan which Faculty of Business and Entrepreneurship (FKP), Faculty of Hospitality, Wellness and Tourism (FHPK) and Faculty of Veterinary Medicine (FPV). The total of population for three faculties were 5 864.

### 3.3 Sample Size

Based on the number of populations collected, 5 864 is the number of total students from all three faculties which are from Faculty of Business and Entrepreneurship (FKP), Faculty of Hospitality, Wellness and Tourism (FHPK) and Faculty of Veterinary Medicine (FPV) in current year which 2020. From that number, the number of sample size can be determined based on table Krejcie and Morgan (1970). 361 students in Universiti Malaysia Kelantan City Campus will be as the

respondents in this research.

#### 3.4 Data Collection

Questionnaire is one of quantitative method and was used as the primary data. The questionnaire has been distributed through Google Form to Universiti Malaysia Kelantan Campus City students to get response on self-administered questionnaire. The purpose of using Google Form is because to make this study non-contrive. In addition, people now are in technology era. Majority people are using the internet and electronic devices such as smartphone or tablet. So, using Google Form is the best way and in the same time it is eco-friendly because can reduce the using of papers. Energy, time, and cost also can be saved. This study also used secondary data. The journals, articles, papers and others has accessed through Internet which Google Scholar. The researcher used Google Scholar in order to save time. Others than that, books also used in this research to studying the factors influencing consumer choice of global fast food restaurant.

# 3.5 Sampling

Non-probability chosen in conducting this research. From non-probability sampling techniques, convenience sampling has been chosen for this research. This sampling techniques were chosen for this research because of the population was already identified which the respondents are from Universiti Malaysia Kelantan City Campus where three faculties namely Faculty of Business and Entrepreneurship (FKP), Faculty of Hospitality, Wellness and Tourism (FHPK) and Faculty of Veterinary Medicine (FPV) were involved in this research

#### 3.6 Research Instrument

In the questionnaire, it has one dual language which Malay and English for respondents to read and answer. For the cover page, the title of the research will be presented and also have a brief introduction first. From there, the respondents will know the aim of the research. There have four section in the questionnaire. For the first section, it is about general information and demographics of respondents. Next, followed by the section two until four which it is about factors influencing consumer choice of global fast food restaurant. In this questionnaire, has provided the construct measurement of the study involving the independent variables of this research which food quality, convenience and promotion while dependent variable is consumer choice.

Table 1: Sources of Questionnaire

Section	Items	Sources	No of
			Item
Section A	Demographic	-	5
	Profile		
Section B	Food Quality	1. Islam and Ullah (2010)	6
		2. Shamah, Mason, Moretti, and Raggiotto	
		(2018)	
Section C	Convenience	1. Islam and Ullah (2010)	10
		2. Lopez (2018)	
		3. Omari, Jongerden, Essegbey, Frempong,	
		and Ruivenkamp	
		4. Harshitha and Manjunath	
		5. Ashraf, Akhter, and Noor (2014)	
Section D	Promotion	1. Herédia et al. (2017)	5
		2. Lopez (2018)	
		3. Al-Majali (2020)	

Section E	Consumer	1. Seo, Lee, and Nam (2011)	5
	Choice		

### 3.7 Data Analysis Techniques

In this study, database Software Package for Social Sciences (SPSS) version 22.0 has been used. Software Package for Social Sciences (SPSS) is a computer software for record any statistical data analysis which looks like a spreadsheet and it can enter, edit, and view the contents of the data file. With the using of Software Package for Social Sciences (SPSS), data management will be recorded effectively, wide range of options and better output organization.

# 4 Data Analysis and Findings

# 4.1 Demographic Profile

There have five question in demographic profile section which is gender, age, faculty, year of study and frequently purchase fast food products. For the results, it shows 26.87% or 97 respondents are male. Meanwhile, the rest from 361 respondents which 73.13% or 264 respondents are female.

Next, age. There have four option answer for this question which is 18-20 years old, 21-23 years old, 24-26 years old, and 27-30 years old. The results show mostly respondents are from 21-23 years old which represent 75.07% or 271 respondents. Meanwhile, for 24-26 years old and 18-20 years old, only 14.96% or 54 respondents and 9.70% or 35 respondents. Lastly, for 27-30 years old, there have only 0.28% or 1 respondents. The total number for respondents is 361 respondents.

Next, faculty. Only three faculty provided as the answer for this question which is FKP, FHPK, and FPV. For the results, highest respondents are from FKP which it has 63.43% or 229 respondents from the total number of respondents which 361 respondents. Respondents from FHPK has 31.86% or 115 respondents meanwhile the rest percentage is for FPV which 4.71% or 17 respondents.

Next, year of study. Year 1, year 2, year 3, and year 4 are the option of the answer that were provided for this question. The results show 7.48% or 27 respondents represents respondents are from year 1 in their studying in Universiti Malaysia Kelantan City Campus. Next, 21.05% or 76 respondents are from year 2 meanwhile 23.55% or 85 respondents are from year 3. Lastly, 47.92% or 173 respondents represent respondents are from year 4 which it is their final year in Universiti Malaysia Kelantan City Campus.

### 4.2 Descriptive Analysis

26 items had tested the descriptive analysis according to their variable and listed on the summary of the mean and standard deviation of computed items in Table 2.

Table 2: Summary of the Means and Standard Deviation of Computed Items according to

Variable		
Variables	Mean	Std. Deviation
Food Quality	4.63	0.45
Convenience	4.50	0.57
Promotion	4.52	0.59
Consumer Choice	4.43	0.70

Table 2 showed that all the independent variable consists food quality, convenience, promotion and consumer choice among Universiti Malaysia Kelantan students. Based on the result, food

quality was the highest mean whereas consumer choice has the lowest mean. The owner of fast food business needs to concern about these three factors to improve the performance of the fast food business in the future in order to attract the customer to make their business as in their list.

## 4.3 Reliability Analysis

Cronbach' Alpha is defined as a statistic to demonstrate the tests and scales that have been adopted for research are fit for purpose. There has a value for Cronbach's Alpha to be acceptable which it has to be more than 0.7 (Perry, Charlotte, Isabella, & Bob, 2004).

Table 3: Reliability Statistics

	Cronbach Alpha	N of Items	Result
Independent			
Variable			
Food Quality (IV1)	0.90	6	Excellent
Convenience (IV2)	0.94	10	Excellent
Promotion (IV3)	0.91	5	Excellent
Dependent Variable			
<b>Consumer Choice</b>	0.91	5	Excellent

Researcher got the Cronbach Alpha's result  $\alpha \ge 0.9$  for all the variables which mean that instruments are reliable and accepted to use based on the Cronbach Alpha Coefficient Size. For all the variables which food quality, convenience, promotion and consumer choice has excellent reliable to use because the Cronbach Alpha value at range  $\alpha \ge 0.9$  which 0.90, 0.94, 0.91, and 0.91 respectively.

### 4.4 Spearman Corrrelation Analysis

Spearman Correlation used in this section in order to examine the relationship between independent variables and dependent variable. This correlation coefficients worked to provide a numerical overview of the direction and the strength of the linear relationship between independent variables and dependent variables. When the r value is 0, it indicates there have no relationship between two variables and when it shows the r value is -1, it can be interpreted as a negative correlation. The r value can interpret the strength of the relationship. The result of correlation between independent variables and dependent variable from SPSS show above in Table 4.

Table 4: The correlation between independent variables and dependent variable.

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Variables	Mean (SD)	Food	Convenience	Promotion	Consumer
		Quality			Choice
Food Quality	4.63 (0.45)	1.000	0.790*	0.745*	0.620*
	, ,				
Convenience	4.50 (0.57)	0.790*	1.000	0.853*	0.838*
	, ,				
Promotion	4.52 (0.59)	0.745*	0.853*	1.000	0.821*
	(111)				
Consumer Choice	4.43 (0.70)	0.620*	0.838*	0.821*	1.000
	(0170)	0.020	0.050	0.021	1.000

### 4.5 Summary

Table 5: Summary of the Hypothesis Results

Number of hypothesis	Statement of hypothesis	Result	Significant Value
$\mathbf{H}_1$	There is significant relationship food quality and consumer choice	between Accepted	0.000
H <sub>2</sub>	There is significant relationship convenience and consumer choice.	between Accepted	0.000
Н3	There is significant relationship promotion and consumer choice.	between Accepted	0.000

### 5 Discussion and Recommendation

The factors influencing consumer choice of global fast food outlet among Universiti Malaysia Kelantan students were examined in this study by distributing a survey in a form of online questionnaire to Universiti Malaysia Kelantan students as the respondents in this research. All the independent variables which is food quality, convenience, and promotion show positive relationship with the dependent variable.

In order to keep the fast food business maintain successful, every owner of the fast food business should improve and practice with all three factors that be as the independent variable in this research which is food quality, convenience, and promotion. Other than that, the company also should give a chance to their workers in order to improve the skills of their workers in providing the services to the customer.

The research has three objectives. To identify whether food quality affect consumer to purchase global fast food products and services is first objective. Second objective is to identify whether convenience affect consumer to purchase global fast food products and services. And the last objective is to identify whether promotion affect consumer to purchase global fast food products and services. For hypothesis results, it shows the positive significant among independent variables (food quality, convenience, and promotion) and dependent variable (consumer choice).

This research will have with few recommendations based on the result in this research. The purpose of recommendation is in order to increase the successful to fast food business industries especially in Malaysia. The recommendations will be based on the independent variables which is food quality, convenience, and promotion and dependent variable which is consumer choice.

Food quality is one of important elements that should be concern in food business industries. In managing food quality, the server should be the one who take care about tidiness and cleanliness. This is because, someone who has the good attitude with tidiness and cleanliness will take a good care with what are he serving with especially serving food. Besides, company should not use the same ingredients that have no freshness to serving to the customers. With that, it will give a bad taste of food and will cause bad food quality. With control those matters in food quality, the performance of the business will be increasing and will took a place in consumer choice.

Next, convenience. As Jekanowski, Binkley, and Eales (2001) stated in their research, the demand for fast food actually depends heavily on the demand for convenience at the fast food restaurant. Convenience make easier to customer who come to purchase the products and services. Talking about convenience, there have many types of convenience include delivery, transport facility, ease entry and exit and others. Delivery is one of important that should be take care by the owner

of business. This is because the name of the business is "fast food" that should be fast as its name. In handling delivery, it should be many workers cooperate together to complete customer's order. For example, one worker should be have at drinks station, one worker should be have at ice cream station, one worker should be have at burger station and lastly the order should be deliver to waitress that are ready to deliver the order to customer who are waiting at their place in the restaurant. With that cooperation, the customer's order can be complete not more than five minutes. With that fast delivery, consumer will not hesitant to purchase the products because the services offered was so worth it. Besides, the ease of entry and exit also should be concern by the owner of the business because this matters actually give a sign of customer mood to purchase the products and service. For example, if the ease of entry is so complicated because the location was so narrow and it make customer hard to find the parking and at the end it will give a bad mood to customer in their choice to make a purchase at fast food restaurant because afraid that they will get summons by authorities.

Lastly, promotion. Talking about promotion, there have many ways to up the promotion about our products and service. The owner of the fast food business has to take a risk in issue large capital because in order to attract big number of customers, there have need a big number of capitals. For example, the promotion should be with make an advertising at the billboard, television, radio others. But for me, the best way of promotion is doing an advertising through online such as on YouTube, Facebook, Instagram and others social media platform. This is because mostly people nowadays have those social media and this is a good opportunity to make a promotion about our products and services. When people see an advertising through online platforms, they also can order theirs through online too if they have internet banking. And this is also making the customer feel easier to order because there has delivery option that provide by the company to customer.

### 6 Conclusion

In conclusion, to study the factors influencing consumer choice of global fast food restaurant among University Malaysia Kelantan is the objective of this research and it has achieved through distributing questionnaire to the respondents in Google Form. Food quality, convenience, and promotion among the determinants that influence consumer choice of global fast food. From the result, all those three determinants show the positive significant relationship. Among those determinants which food quality, convenience, and promotion, the higher result that show positive significant relationship is convenience and it show convenience was the most that influence consumer choice to purchase global fast food products and services.

# 7 Acknowledgement

First of all, I would like to express my highest appreciation to Dr. Yusrinadini Zahirah Binti Md Isa@Yusuff as my supervisor that also lecturer of Faculty of Entrepreneurship and Business in Universiti Malaysia Kelantan. With her guidance, I am finally successfully complete in writing this final year project. She is full with patience in guiding me and she always give me full support and also motivation to me to continuing writing my final year research project.

Besides my supervisor, I am also would like to thanks to my friends who always give many advices and support lots to complete my research project. The friends who that share their knowledge with me and sharing ideas in writing this research project. Furthermore, I am also thankful to my whole family that give me full support that are be as my strength and backbone and also always cheer me up when I am in stress mood in completing this research project.

Lastly, I would like to thank to the management of Universiti Malaysia Kelantan because willing to give the cooperation with me which provides a way to access the material for writing the research project such as online library.

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# FACTORS AFFECTING PURCHASE INTENTION IN SUPERMARKET AMONG CONSUMERS IN BUKIT MERTAJAM, PENANG.

#### Nur Izzati Abdul Rahim and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: izzati.a17a0465@siswa.umk.edu.my; mahathir.m@umk.edu.my

#### Abstract:

This study aimed to investigate the factors affecting purchase intention in supermarket among consumers in Bukit Mertajam, Penang. To collect the data for this study, researcher made online questionnaire through Google form with provide or uses 24 questions. The sample size of this study based on population in Bukit Mertajam was 370 people which they was selected random to respond research questionnaire. This study used Theory of Planned Behaviour (TPB) by analyzing and reviewing the literature related to product quality, sales promotion, attitude, and subjective norms. To assess questionnaire validity, content validity and construct validity were used and its reliability was measured through Cronbach's alpha as 0.958. Therefore, based on the results of this study, the variables of product quality, sales promotion, attitude and subjective norms have a significant relationship with customers' purchase intention in supermarket.

**Keywords**: Purchase Intention, Product quality, Sales promotion, Attitude, Subjective norms, Supermarket

#### 1 Introduction

Consumer is important element for buying and selling process. Consumer can define as a person or a group who intends to order, or purchase and uses the product offered by retailer (Ashmita Dahal Chhetri, 2020). Besides, consumers intention also influence consumer in purchasing product or service. Consumer will selecting or decide to purchase products or services offered if they think or beliefs the product or service can satisfy their needs and wants. According to Dr. Vahidreza Mirabi et al. (2015), purchase intention can define as a situation where consumer decide to buy a certain product in certain condition. Purchase intention of consumer can be changed under the influence of a few factor whether from consumer or product.

Supermarket is a large retail store. It involve self-service basis and offering many categories of product such as grocery product, dairy products and household products. Supermarket has a wider selection and has larger space than grocery stores, but it is smaller and the range of merchandise provide in supermarket more limited than a hypermarket.

This study aimed to identify the factors affecting purchase intention in supermarket among consumers in Bukit Mertajam, Penang. The objective of this study is to examine the relationship between product quality and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. Second objective is to identify the relationship between sales promotion and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. Third objective is to determine the relationship between attitude and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. Forth, the objective is to analyze the relationship between

subjective norms and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

# 2 Literature Review Dependent Variable Purchase Intention

Consumers' buying decision is very complex. Purchasing intention usually related with consumers' behaviour and also their perception and attitude. Purchase behaviour is important for consumers especially when they considering and evaluating of certain product offered by retailer (Dr. Vahidreza Mirabi et al., 2015). Usually, consumer will be driven by their intention after the consumer decide to purchase product or service in certain store. According to Siti Nurafifah Jaafar et al. (2012), purchase intention might be altered by the influence of price, value perception and also quality perception.

# Independent Variable Product Quality

Consumer evaluate product quality based on some of informational cues and then form a set of beliefs about the product. Informational cues involve both extrinsic and intrinsic features related to the product (Cham, T.H et al., 2018). Extrinsic attributes include company reputation, brand image, and price; while intrinsic attributes refer to the physical characteristics of the product such as product characteristics, specifications, design, measurements, shapes, materials used, and perceived durability.

Product quality is a key factor in assessing purchase intention. It is a continuous process of improvement that the continuous changes increase product performance and consequently the satisfaction of customers' needs. Improved the quality of product every moment important to gain belief and attention from consumer. According to Dr. Vahidreza Mirabi et al., (2015), based on their conclusion towards the product quality is if the product has a better quality, customer will be more inclined to purchase it. Also, their study emphasized that product quality has a positive impact on customers' purchase intention.

#### **Sales Promotion**

Promotions can be defined as a form of marketing communication. Marketing communication is one of the marketing activity that seeks to disseminate information, attracting or persuading and alerting the target market of the company. On the other word, promotion is the most important activities play an active role in introducing, inform, and recalls the benefits of a product in order to encourage consumers to buy the product being promoted. Sales promotion can help the retailer to influence the consumer intention to decide purchase the product when visit the supermarket. Sales promotion is a tool to attracting consumer and help to increasing the sales volumes. Thus, sales promotions are adopted by brands to motivate customers' purchases and reward fast responses (Kotler et al., 2004). According to Zoellner and Schaefers (2015), price promotion is one of strategies that frequently used by retailer or marketing managers to improve their sales and performance.

#### **Attitude**

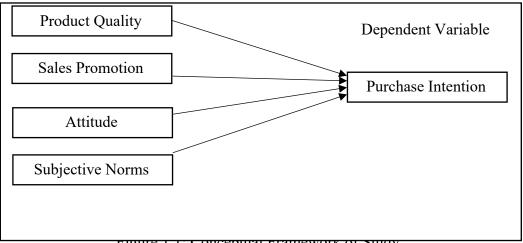
Attitude refer to an evaluation and emotional belief by individual and the behavior describe the certain things and perceptions, which allow people to form fairly reliable behavior to the similar

things. According to Korzaan and Rutner (2003), attitude can define as the psychological emotional and the positive or negative evaluation that arise when an individual involve in the specific behavior. According to Koballa (1988) who was the first psychologists to recognize attitude as the individual mental processes that control a person's ability and actual to responses. This was when the social scientists began to see attitude as a forecaster for behaviour. Consumer attitude and preferences to the purchase of a particular product are based on consumer attitude and personal desirability of performing a behaviour (Mingyan Yang et al. 2014).

#### **Subjective Norms**

Subjective norms refer to the belief that important person or group will support and approve a particular behaviour (Marija Ham et al., 2015). For example, the important person or group such as family or friend can influence his/her intention during make a purchase in supermarket. Subjective norms is seen as a combination of perceived expectations from relevant individuals or groups along with the intentions to comply with these expectations (Marija Ham et al., 2015). Subjective norms are determined by the social pressures felt by others so that a person behaves in a certain way and their motivation to adhere to those views (Marija Ham et al., 2015).

#### Independent Variable



#### rigure 1.1. Conceptual Framework of Study

#### Theory of Planned Behaviour (TPB)

The theory used in this study is theory of planned behaviour (TPB). In 1980, Theory of Reasoned Action (TRA) was introduced by Ajzen and Fishbein and this theory was updated with the Theory of Planned Behaviour (TPB) by Ajzen (1991), it have been used in recent decades to examine desires and behaviour (Ali Maskur et al., 2007).

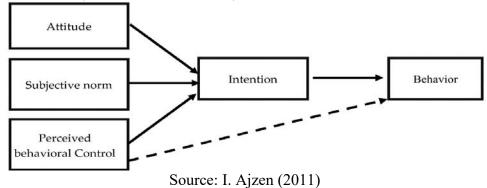


Figure 1.2: Theory of Planned Behaviour (TPB)

### 1.3 Hypotheses Statement

**H0**: There is no significant relationship between product quality and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

H1: There is a significant relationship between product quality and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

**H0**: There is no significant relationship between sales promotion and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

**H2**: There is a significant relationship between sales promotion and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

**H0**: There is no significant relationship between attitude and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

**H3**: There is a significant relationship between attitude and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

**H0**: There is no significant relationship between subjective norms and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

**H4**: There is a significant relationship between subjective norms and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

#### 2 Research Methods

### 2.1 Research Design

Research design is the arrangement of conditions for the collective and analysis of data in a manner that aims to combine relevance to the research purpose with economy and procedure (Inaam Akhtar, 2016). In this study, the researcher used a quantitative approach, by using questionnaire instruments. The structure of questionnaire in study was design to gain the data on purchase intention in supermarket towards the product quality, sales promotion, attitude, and subjective norms. Quantitative analysis is used to measure the issue by creating numerical data or data that can be converted into accessible statistics (Susan E. DeFranzo, 2011).

#### 2.2 Data Collection Methods

In this study, researcher used two methods to collect the data which was primary data and secondary data. The primary data uses in this study is online survey questionnaire as the research instrument. The online questionnaire distributed to respondents live in Bukit Mertajam, Penang to gather the information. The researcher used the Statistical Packages for the Social Sciences (SPSS) to identify and examine the information based on the questionnaires. While secondary data is a data that collected from studies, experiments or surveys which already run by someone else (Stephanie Glen, 2018). The researcher gather the secondary data for a few sources such as used information from website, online journal or article, newspaper and magazines.

#### 2.3 Study Population and Sample size

The population for this study respondents focusing to consumers live in area Bukit Mertajam,

Penang. Bukit Mertajam is the administrative centre of the city of Seberang Perai in Penang. According to Department is Statistics Malaysia (2010), the population in Bukit Mertajam is approximately 13,097 residents. For sample size of this study refer to Krejcie and Morgan (1970) was 370 people. Researcher choose randomly the consumers who live in area Bukit Mertajam, Penang to answering the questionnaire.

Table 2.1: Determining Sample Size from a Given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Source: Krejcie and Morgan (1970)

#### 2.4 Measurement of the Variables

To test the hypothesis that workforce diversity affects organizational effectiveness, the researchers have to measure the work force diversity and organization effectiveness. For the questionnaire in this study, the researcher used nominal scale for Section A which is demographic of respondent. Second is interval scale which uses in section B for dependent variable and Section C for independent variable. The researcher using basic types of measurement which is Likert scale to measure on different point scales such as the ranging from "Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) and Strongly Agree (5).

#### 2.5 Procedure for Data Analysis

The data for this study collected using questionnaire. To analyses these data, the researcher will used Software Package for Social Sciences (SPSS). The data that have been collected will be run three tests that called descriptive analysis, reliability analysis and Pearson Correlation analysis.

#### 2.5.1 Descriptive Analysis

Descriptive analysis is a fundamental component of the process because of the role it plays in helping the researchers to observe the world or a phenomenon, and subsequently, in identifying research questions and generating hypotheses based on what has been observed (Susanna Loeb et al, 2017). Descriptive analysis will be used to describe the basic features of the data from the study and it will provide summarize about the sample and measures

#### 2.5.2 Reliability Test

Reliability is the degree of stability of concepts measurement, and correlation which is a measure of the strength of the relationship between two variables; internal reliability which shows whether or not the respondents' scores on any indicator tend to be related to their scores on other indicators and inter-observer consistency (Bell & Bryman, 2007). The reliability test instrument will used Cronbach's Alpha.

Table 2.2: Value of Cronbach's Alpha.

Cronbach's alpha	Internal consistency	
α ≥ 0.9	Excellent	
$0.9 > \alpha \ge 0.8$	Good	
0.8 > α ≥ 0.7	Acceptable	
$0.7 > \alpha \ge 0.6$	Questionable	
0.6 > α ≥ 0.5	Poor	
0.5 > α	Unacceptable	

Source: David L. Streiner

#### 2.5.3 Pearson Correlation Analysis

The objective of Pearson correlation analysis is to determine whether the correlation coefficient was statically and to identify which hypothesis should be accepted and rejected based on the result shown after measuring all the variable. In this study, the variables will be measure using this test is relationship between product quality, sales promotion, attitude and subjective norms towards purchase intention.

Table 2.3: Strength value of correlation coefficient

Size of Correlation Coefficient	Strength of Correlation
.91 until 1.00 or91 until -1.00	Very strong
.71 until .90 or71 until90	Strong
.51 until .70 or51 until70	Moderate
.31 until .50 or31 until50	Weak
.01 until .30 or01 until30	Very weak
.00	No correlation

#### 2.5.4 Pilot Test

The researcher will target 30 respondents to answering the questionnaire for the pilot test. The purpose of the pilot test is not focusing to answering the specific research questions but to prevent researchers from launching a large scale study without adequate knowledge of the methods proposed (Nancy K. Lowe, 2019).

### 3 Analysis and Discussion

#### **Preliminary Analysis**

Pre-analysis is to checking the reliability of measures, evaluate the effectiveness any manipulation, examining the variables.

#### **Pilot Test**

Pilot test was conducted to test reliability of the questionnaire and distributed to 30 respondents before conducting the actual questionnaire. Reliability is to show whether or not the independent and dependent variable were agreed for the study. Based on table 3.1, it can be concluded that the coefficient Alpha for reliability of dependent variables and independent variable is 0.985.

Table 3.1: Reliability Coefficient Alpha from Overall Reliability (Pilot Test)

Variable	Number of items	Cronbach's Alpha
Purchase Intention	4	0.767
Product Quality	5	0.842
Sales Promotion	5	0.835
Attitude	5	0.915
Subjective Norms	5	0.921
Overall Variables	24	0.958

### **Demographic Profile of Respondents Gender**

Table 3.2: Demographic Profile of Gender

Gender	Total	Percentage (%)
Male	210	56.8
Female	160	43.2
Total	370	100

Based on table 3.2 and chart 3.1, it shows the number of respondents based on group of gender. The total of respondents for this study is 370 respondents. Hence, the highest number of respondent are female with a total 210 respondents (56.8%), follow by male respondent with a total of 160 respondents (43.2%).

#### Age

Table 3.3: Demographic Profile of Age

Age	Total	Percentage (%)
Below 20	45	12.2
21 - 30	177	47.8
31 – 40	95	25.7
41 and above	53	14.3
Total	370	100

According table 3.3 and chart 3.2, the highest numbers of respondents are between ages 21-30 years old with 177 respondents (47.8%). Next, the second highest is among 31 to 40 years old with a total 95 respondents (25.7%) and follow by 41 year old and above with a total 53 respondents (14.3%). While the age around below 20 years old record just 45 of respondents (12.2%). As a conclusion, most of the respondent are among age 21 to 30 year old.

#### Races

Table 3.4: Demographic Profile of Races

Gender	Total	Percentage (%)
Malay	265	71.6
Indian	63	17
Chinese	41	11.1
Other	1	0.3
Total	370	100

Table 3.4 and chart 3.3 shows the number of respondents by races group. The highest number of respondent based on races is Malay with 265 respondents (71.6%). While second highest is India with 63respondents (17%) and it follow by Chinese with 41 respondents (11.1%) and 1 of the respondents is siamese. As a conclusion, most of the respondent are among Malay.

#### **Marital Status**

Table 3.5: Demographic Profile of Marital Status

Marital Status	Total	Percentage (%)
Single	217	58.6
Married	151	40.8
Other	2	0.6
Total	370	100

According to table 3.5 and chart 3.4, it shows the marital status of respondents. Single status record the highest number with 217 respondents. While respondents with married status was 151 respondents (40.8%) and 2 of the respondent with divorce status. As conclusion, most of the respondent response to online questionnaire is single.

### **Monthly Income**

Table 3.6: Demographic Profile of Monthly Income

<b>Monthly Income</b>	Total	Percentage (%)
RM 0 – RM 1000	134	36.2
RM 1000 – RM 2000	116	31.4
RM 2000- RM 3000	101	27.3
More than RM 3000	19	5.1
Total	370	100

Based on table 3.6 and chart 3.5 shows the monthly income of the respondents. Respondents with monthly income RM 0 - RM 1000 score the highest number which is 134 respondents (36.2%) and follow by respondents with monthly income RM 1000 - RM 2000 with a total of respondent is 116 (31.4%). While the number of respondents with monthly income RM 2000 - RM3000 and more than RM 3000 is 101 respondents (27.3%) and 19 respondents (5.1%) respectively.

### Frequency of Purchase Products in Supermarket in a Week.

Table 3.7: Table frequency of purchase in supermarket in a week.

Frequency purchase	Total	Percentage (%)
Once	124	33.5
2 times	178	48.1
3 times	53	14.3
More than 4 times	15	4.1
Total	370	100

Based on table 3.7 and chart 3.6 above, the highest frequency of purchase the product in supermarket in a week is 2 times with 178 respondents (48.1%). While the total of respondent who purchase the product in supermarket in a week once and 3 times was 124 respondents

(33.5%) and 53 respondents (14.3%) respectively. For more than 4 times the total of the respondent was 15 respondents (4.1%).

### 3.3 Descriptive Analysis

### 3.3.1 Dependent Variable and Independent Variable

The study has come out with the review to determine the mean and standard deviation for each segment of dependent variables and independent variables for the descriptive analysis. The table below shows the range of the mean score and standard deviation.

Table 3.8: Descriptive Statistics of Dependent Variable and Independent Variable

Variable	N	Mean	Standard Deviation
Purchase Intention	370	4.58	0.509
<b>Product Quality</b>	370	4.64	0.469
Sales Promotion	370	4.66	0.493
Attitude	370	4.65	0.558
Subjective Norms	370	4.63	0.601

Based on Table 3.8, it shows the number of respondents, mean and standard deviation for dependent variable and independent variable. The highest mean for independent variable was sales promotion with 4.66. Second highest mean for independent variable was attitude with 4.65 and follow by product quality and subjective norms with value 4.64 and 4.63 respectively. The highest of standard deviation for independent variable was subjective norms (0.601) and been follow by attitude (0.558), sales promotion (0.493) and product quality (0.469). While the mean for dependent variable of purchase intention was 4.58 and the standard deviation with 0.509.

#### 3.3.2 Purchase Intention

Table 3.9: Descriptive Statistics for Purchase Intention

Table
3.9
shows
the
means
for

	Item Description	N	Mean	Standard
				Deviation
1	I would like to repeat purchase of products	370	4.52	0.626
	offered in supermarket.			
2	If decide to buy certain product, I will find	370	4.56	0.685
	it in supermarket.			
3	I will spend a few time to evaluate the	370	4.63	0.651
	product before I decide to buy it.			
4	I beliefs to use products offered in	370	4.61	0.691
	supermarket.			

dependent variable which purchase intention in supermarket had the highest mean score, which 4.63. It means most of the respondents agrees that they will spend a few time to evaluate the product before decide to buy it. Next, the lowest mean score was 4.52 which most of respondent in Bukit Mertajam, Penang do not agree that they like to repeat purchase of products offered in supermarket.

#### 3.3.3 Product Quality

Table 3.10: Descriptive Statistics for Product Quality

Item Description	N	Mean	Standard
			Deviation

1	The supermarket provide variety of	370	4.58	0.654
	products with good quality.			
2	I tend to choose products based on quality	370	4.64	0.574
	compare to price.			
3	Most of the products offered in	370	4.60	0.618
	supermarket have satisfactory quality.			
4	I willing to buy products from brand that	370	4.66	0.610
	are often bought because I am confident in			
	it quality.			
5	I will repeat the purchase if I believe with	370	4.73	0.533
	the quality of the product.			

Table 3.10 shows the mean and standard deviation analysis of respondents on independent variable which were product quality. Item "I will repeat the purchase if I believe with the quality of the product" score the highest mean value with 4.73. The lowest value of mean score was 4.58 where respondents disagree that the supermarket provide variety of products with good quality.

#### 3.3.4 Sales Promotion

Table 3.11: Descriptive Statistics for Sales Promotion

	Item Description	N	Mean	Standard
				Deviation
1	I prefer to buy the product when the	370	4.68	0.580
	supermarket do sales promotion.			
2	I tend to buy products with a lowest	370	4.67	0.610
	priced.			
3	I did not spend much time deciding to buy	370	4.57	0.745
	the product during promotion.			
4	Sales promotion attract my attention to	370	4.66	0.649
	buy that products.			
5	Spending during promotion can save my	370	4.69	0.577
	budget.			

Table 3.11 shows the means for the independent variables which is the sales promotion. The highest mean score is 4.69 which mean most of respondent agree that spending during promotion can save their budget. Meanwhile, the lowest mean score is 4.57 which mean most of respondent disagree that they did not spend much time when decide to buy the product during promotion.

#### 3.3.5 Attitude

Table 3.12: Descriptive Statistics for Attitude

	Item Description	N	Mean	Standard Deviation
1	I think purchasing products in	370	4.65	0.635
	supermarket is a good idea.			
2	I like to compare prices and get the value	370	4.62	0.670

	for money.			
3	By purchase products in supermarket can	370	4.68	0.613
	fulfil my need and want.			
4	I like to use products offered in	370	4.66	0.636
	supermarket.			
5	I like the idea of buying the products in	370	4.64	0.673
	supermarket.			

Table 3.12 shows the means for the independent variables which is the attitude. The highest mean score is 4.68 which mean most of respondent agree that purchase products in supermarket can fulfil my need and want. Meanwhile, the lowest mean score is 4.62 which mean most of respondent does not like to compare prices and get the value for money.

#### 3.3.6 Subjective Norms

Table 3.13: Descriptive Statistics for Subjective Norms

	Item Description	N	Mean	Standard Deviation
1	My purchase intention influencing by people around me such my family and friend.	370	4.62	0.689
2	People who are important to me would think that I should use products offer in supermarket.	370	4.58	0.707
3	People who influence my behaviour would think that I should buy the products in supermarket.	370	4.59	0.728
4	I will listen opinion about the product from people around me before decide to buy it.	370	4.68	0.647
5	I will buy the product offered in supermarket if my friends have already used it.	370	4.66	0.676

Table 3.13 shows the mean and standard deviation analysis of respondents on independent variable which were subjective norms. Item 4, score the highest mean value with 4.68 where the respondents will listen to the opinion about the product from people around them before decide to buy it. The lowest value of mean score was 4.58 where respondents disagree that people who important to them would think that they should use product offer in supermarket.

#### 3.4 Validity and Reliability Test

Table 3.14: Reliability Test Coefficient Alpha from Overall Reliability

- J		J
Variables	No. of Items	Cronbach's Alpha

Purchase Intention	4	0.767
Product Quality	5	0.842
Sales Promotion	5	0.835
Attitude	5	0.915
Subjective Norms	5	0.921
Overall variables	24	0.958

Based on table 3.14, the independent variable which is subjective norms was the variable which obtained the highest Cronbach's alpha with 0.921. The second highest level of Cronbach's alpha was attitude with 0.915 and been followed by product quality and sales promotion which was 0.842 and 0.835. The lowest Cronbach's alpha of this study can been seen in dependent variable which is purchase intention which obtained 0.767. The overall results of the above reliability test were considered to be strong accuracy and precision for all independent variables and dependent variable as all alpha values of the Cronbach were above 0.

### 3.5 Normality Test

Normality test is used to determine if a sample of data fits a standard normal distribution. The most commonly used statistical methods such as correlation are based on one basic assumption which is the normal distribution. Normality test through Kolmogorov-Smirnov test and Shapiro-Wilk test was used to determine normality of the data. Therefore, if the value of significant was less than 0.05, it can conclude that variable is not normally distribution

Table 3.15: Output from SPSS (Test of Normality)

Tests of Normality						
	Kolmog	gorov-Smi	rnov <sup>a</sup>	Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
P.Intention	0.226	370	0.000	0.800	370	0.000
ProductQuality	0.249	370	0.000	0.776	370	0.000
SalesPromotion	0.268	370	0.000	0.732	370	0.000
Attitude	0.271	370	0.000	0.679	370	0.000
SubjectiveNorms	0.279	370	0.000	0.680	370	0.000
a. Lilliefors Significance Correction						

Based on the table 4.15, it shows the result of the normality test through Kolmogorov-Smirnov test and Shapiro-Wilk test. The significant value for Kolmogorov-Smirnov test and Shapiro-Wilk test of each independent variable and dependent variable was 0.000 which is less than 0.05, P < 0.05. The result shows the data do not follow a normal distribution. Therefore, the null hypothesis for each variable is rejected.

### 3.6 Hypotheses Testing

3.6.1 Hypothesis 1: Product Quality

Table 3.16: Correlation Coefficient between Product Quality and Purchase Intention

Correlations					
		Purchase	Product		
		Intention	Quality		
Purchase	Correlation Coefficient	1	0.550**		
Intention	Sig. (2-tailed)		0.000		
	N	370	370		
Product	Correlation Coefficient	0.550**	1		
Quality	Sig. (2-tailed)	0.000			
	N	370	370		
**. Correlation is significant at the 0.01 level (2-tailed), Spearman					
Correlation applied.					

Table 3.16 above shows the result of correlation coefficient for product quality and purchase intention. The hypothesis was significant and positive. From the result of table 4.16 shows the p-value is 0.000 which is less than 0.01, this indicates that there is a significant relationship between the product quality and purchase intention in supermarket. The correlation coefficient for product quality and purchase intention in supermarket are 0.550. Therefore, there is a moderate-good correlation significant relationship between product quality and purchase intention in supermarket (P<0.01, r=0.550).

### **Hypothesis 2: Sales Promotion**

Table 3.17: Correlation Coefficient between Sales Promotion and Purchase Intention

Correlations					
		Purchase	Sales		
		Intention	Promotion		
Purchase	Correlation Coefficient	1	0.562**		
Intention	Sig. (2-tailed)		0.000		
	N	370	370		
Sales	Correlation Coefficient	0.562**	1		
Promotion	Sig. (2-tailed)	0.000			
	N	370	370		
**. Correlation is significant at the 0.01 level (2-tailed), Spearman					
Correlation applied.					
	.1 1. 0 1	00" 1 0 1			

Table 3.17 above shows the result of correlation coefficient for sales promotion and purchase intention. The hypothesis was significant and positive. From the result of table 4.16 shows the significant value is 0.000 which is less than 0.01, this indicates that there is a significant relationship between the sales promotion and purchase intention in supermarket. The correlation coefficient for sales promotion and purchase intention in supermarket are 0.562. Therefore, there is a moderate-good correlation significant relationship between sales promotion and purchase intention in supermarket (P<0.01, r=0.562).

#### **Hypothesis 3: Attitude**

Table 3.18: Correlation Coefficient between attitude and Purchase Intention in Supermarket.

Correlations			
		Purchase	Attitude
		Intention	
Purchase	Correlation Coefficient	1	0.552**

Intention	Sig. (2-tailed)		0.000
	N	370	0.370
Attitude	Correlation Coefficient	0.552**	1
	Sig. (2-tailed)	0.000	
	N	370	370
**. Correlati	ion is significant at the 0.0	01 level (2-tai	led), Spearman
Correlation a	pplied.		

Table 3.18 above shows the result of correlation coefficient for attitude and purchase intention. The hypothesis was significant and positive. From the result of table 4.18 shows the significant value is 0.000 which is less than 0.01, this indicates that there is a significant relationship between the attitude and purchase intention in supermarket. The correlation coefficient for attitude and purchase intention in supermarket are 0.552. Therefore, there is a moderate-good correlation significant relationship between sales promotion and purchase intention in supermarket (P<0.01, r=0.552).

#### **Hypothesis 4: Subjective Norms**

Table 3.19 Correlation Coefficient between Subjective Norms and Purchase Intention.

Correlations			
		Purchase	Subjective
		Intention	Norms
Purchase	Correlation Coefficient	1	0.596**
Intention	Sig. (2-tailed)		.000
	N	370	370
Subjective	Correlation Coefficient	0.596**	1
Norms	Sig. (2-tailed)	0.000	
	N	370	370
**. Correlation is significant at the 0.01 level (2-tailed), Spearman			
Correlation applied.			

Table 3.19 above shows the result of correlation coefficient for subjective norms and purchase intention. The hypothesis was significant and positive. From the result of table 4.19 shows the significant value is 0.000 which is less than 0.01, this indicates that there is a significant relationship between the subjective norms and purchase intention in supermarket. The correlation coefficient for subjective norms and purchase intention in supermarket are 0.595. Therefore, there is a moderate-good correlation significant relationship between subjective norms and purchase intention in supermarket (P<0.01, r=0.596).

#### 4 Discussion

#### **Hypothesis 1: Product Quality**

H1: There is a significant relationship between product quality and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

The first research objective of this study is to examine the relationship between product quality

and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. According to the result showed in chapter four, there is a moderate-good correlation significant relationship between product quality and purchase intention where the result of correlation (r) 0.550 and P value less than 0.01. The result expose that there is a significant relationship between product quality and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

#### **Hypothesis 2: Sales Promotion**

H1: There is a significant relationship between sales promotion and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

Third objective of this study is to identify the relationship between sales promotion and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. According to the result showed in chapter four, there is a moderate-good correlation significant relationship between sales promotion and purchase intention where the result of correlation (r) 0.562 and P value less than 0.01. The result expose that there is a significant relationship between sales promotion and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

#### **Hypothesis 3: Attitude**

H1: There is a significant relationship between attitude and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

Second objective of this study is to determine the relationship between attitude and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. According to the result showed in chapter four, there is a moderate-good correlation significant relationship between attitude and purchase intention where the result of correlation (r) 0.552 and P value less than 0.01. The result expose that there is a significant relationship between attitude and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

#### **Hypothesis 4: Subjective Norms**

H1: There is a significant relationship between subjective norms and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

Third objective of this study is to analyze the relationship between subjective norms and purchase intention in supermarket among consumers in Bukit Mertajam, Penang. According to the result showed in chapter four, there is a moderate-good correlation significant relationship between product quality and purchase intention where the result of correlation (r) 0.596 and P value less than 0.01. The result expose that there is a significant relationship between subjective norms and purchase intention in supermarket among consumers in Bukit Mertajam, Penang.

### 5 Recommendations / Suggestion for Future Research

The suggestion for future research is expand the sample size and population. This research had covered 370 respondents from the total population in Bukit Mertajam not overall place in Penang. For the future study, the researcher can expand the population of the study include all the city in entire Malaysia.

Next suggestion is adding more variables. In this study, there are four independent variables which is product quality, sales promotion, attitude, subjective norms and one dependent variable

that is purchase intention. In order to increase the productivity of the future study, the researchers can refer other article to add more related variables. The possible related variables can improve the outcome of the study.

#### 6 Conclusion

This research was conducted to find out about the factors affecting purchase intention in supermarket among consumers in Bukit Mertajam, Penang. The research also aims to identify the relationship between four independent variables which is product quality, sales promotion, attitude, and subjective norms with dependent variable which is purchase intention.

To collect the data for this research, researcher uses online survey questionnaire and distribute it to respondent in Bukit Mertajam, Penang. The sample size for this study based on the population in Bukit Mertajam was 370 refer to the Krejcie and Morgan table 2.1.

The reliability in this study was determine using survey through Google from towards 370 of respondents. It was tested by Cronbach's Alpha Coefficient. The value of Cronbanch's Alpha Coefficient for each independent variable is product quality (0.842), sales promotion (0.835), attitude (0.915), and subjective norms (0.921). Based on the value of Cronbach's Alpha Coefficient for each independent variable, subjective norms shows the excellent results.

The researcher also uses Spearman correlation coefficient to test the data collected or to measure the strength of linear association between two variable which is dependent variable and independent variable as to meet the objective of the study.

### 8 Acknowledgement

First of all, thanks to Allah S.W.T, because had given me the spirit to complete this research within the time given. Even I have facing some difficulties along with this task, I still manage to complete it. I cannot successfully completion of any project requires without helps from another person. I have also taken help from different people for the preparation of this report. So, I need to show our deep gratitude to that helpful person.

First of all, I would like to express my special thanks to my supervisor, Encik Mahathir Bin Muhamad for being such a good guider and encouragement in finishing this research. He had given a good example and knowledge in order to make sure I understand about this task. Not only that, he also make sure, I understand everything before I start doing the study. He also had dedicated his precious time and effort to guide me patiently to complete this research.

Next I would like to thanks and express my appreciation to people who helps me to answer the questionnaires. The respondent had didecated their precious time and given their valuable feeback by filling out the questionnaire. Besides, I would to show my gratitude to my family and friend who had giving their best in giving support for me. Their encouragement keeps me to finish this task in time. Lastly, I would also like to expand my deepest gratitude to those who have directly and directly guided me in writing this study.

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# FACTORS INFLUENCING SALE AND PURCHASE ON SOCIAL MEDIA PLATFORM IN KELANTAN

Nur Sal Shabila Binti Ramli and Siti Afiqah Binti Zainuddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shabila.a17a0490@siswa.umk.edu.my; sitiafiqah@umk.edu.my

#### Abstract:

In this age of new technology, there has been the existence of communication technology through social media which has a great impact on the life of society especially to the younger generation. This includes aspects of business, information sharing, marketing and advertising. Sales and purchases through social media platforms are a new phenomenon that is growing on par with existing physical businesses. Social media platform such as WhatsApp, Facebook, Blog, Instagram and Twitter. Thus, this study aims to identify the factors that influence the sales and purchases of products on social media platforms among the younger generation. Among the factors identified and taken in the sales and purchases of products are the factors of trust, convenience, and appearance of the product. The objective of this study is to identify the factors of product purchases on social media platform. Questionnaires were distributed to a total of 100 respondents in the younger generation category who were identified as involved in product buying and selling activities through social media.

Keywords: Sale and Purchase, Social Media, Trust, Convenience, Appearance of the Product

#### 1 Introduction

Social media is a tool to communicate between communities in cyberspace where it can be used to share information, convey current situations and upload pictures or videos. According to Andreas Kaplan and Michael Haenlein (2010), who stated the purpose of social media as an internet-based group that grows on the basis of Web 2.0 ideology and technology where it allows creation and exchange. The increasing use of social media in society is due to the digital lifestyle that is happening nowadays. The use of social media has grown widely in Malaysia and a user has at least one social media account such as Facebook, Instagram, WhatsApp, Telegram and so on (Sulaiman, Moghavvemi, Jaafar, & Mohd Shuib, 2015). The use of social media has evolved in the business world nowadays where it started out just to socialize virtually. Social media is used as a medium for its users to conduct online sales and purchases and conduct marketing activities. Due to the ability of social media across borders regardless of place and time at any time at a more economical cost able to expand the brand of business products to the global level (Alraja, Khan, Khashab, & Aldaas, 2020; Bataineh, Al-Abdallah, & Alkharabsheh, 2015).

EMarketer estimates, 1.61 billion people will log on to social media sites at least every month, from any electronic device. That is a 14.2% increase in total social networks from 2012, and double-digit growth is expected to continue for another year. By 2017, 2.33 billion people will use social networks. Purchases that occur on social media today are to allow users to evaluate products, make recommendations to friends, and relate current purchases to the future. In addition, social media users who make a purchase can recommend the product to other potential

users. Today's users often rely on the suggestions and opinions of friends or acquaintances in their social media networks.

Furthermore, social media plays an important role in attracting customers to interact with online users. According to Landscape Digital Malaysia (2016) states that there are 47% of adult Internet users surfing social media such as Facebook, Twitter, MySpace, LinKedIn, and others. According to the same report, there are also a large number of marketers (56%) using social media which takes up to 6 hours or more per week. In Malaysia, users spend a lot of time in a day on social media because they can access social media sites through their fingertips such as mobile devices, such as iPhone, iPod, Android, smartphones, etc.

Consumers in Malaysia face a higher level of risk when making online purchases compared to traditional forms of shopping (Ling et Al, 2010). This perception is related to online shopping which will have a critical impact on consumer decision making. According to Haque et. Al (2011) the perceived risk of consumers is a strong index to explain consumer behavior, as consumers are more often more motivated to minimize the potential for failure after pursuing online shopping success. The risks felt by consumers are of great concern and have led to a hot study for many researchers in terms of business perspectives (Kalakota and Winston, 1996). Next, a better understanding of the risks of online shopping as perceived by Malaysian e-shoppers and the risk reduction strategies used by these e-shoppers becomes very relevant.

The risk is thought to be a measure of possible or unexpected dissatisfaction with the purchase decision, based on the buyer's purchase goals. Risk theory is perceived to have traction and play a role in making it easier for marketers to see that force through the views of their customers. At the same time, it is suggested that the perceived risk is stronger to explain consumer behavior because the consumer is morally motivated to avoid mistakes from the use of tomaximise in purchases. Next, risk analysis can be used in resource allocation marketing decisions (Lim 2003; Mitchell 1999).

#### **Research Objective**

The followings are the research objective to be develop for this study:

- 1. To examine the relationship exists between trust and sale and purchase on social media platform.
- 2. To examine the relationship exists between convenience and sale and purchase on social media platform.
- 3. To examine the relationship exists between appearance of the product and sale and purchase on social media platform.

#### **Significance of the Research**

This study describes the factors that influence buying and selling on social media platforms. Aspects involved in this study are product reliability, convenience and appearance. There are several importance to conducting trading activities through social media. Below is a description of the importance of this study.

#### Sale and Purchase

Sale and purchase are an activity that can give satisfaction to sellers and buyers because it can meet their tastes. Therefore, the results of this research can help sellers obtain a source of income from their sales revenue in the right way. This means that sellers should use the right product

sales techniques such as building trust from customers so that they are more confident to buy the product being sold. Next, this research is also to shape prudent purchases by consumers. The purpose is to make the buyer enjoy the products he buys.

#### Social Media

In terms of social media, this study can help business dealings run smoothly as well as provide many benefits. Social media is a web stage wherever people will assemble and share information, photographs, recordings and elective sorts of media with each other. Therefore, the risk borne by the seller is lower in running their business. This is because the seller does not have to incur high costs such as shop rent and salary. Sellers can also market their products to the global market only doing business through social media. For buyers, they can save time when making purchases through social media. They are free to choose the items they want through social media platforms such as Facebook, WhatsApp and Instagram. Therefore, this study can help a little to today's society to make purchases or sales through social media.

#### **Future Research**

Overall, the results of this study will benefit future research in the field of buying and selling through social media platforms. In that field, research can shape its development to see if such sales in terms of trust, convenience and product appearance can be a contributor to the performance of social media platforms. Researchers can suggest some suggestions for making improvements in the future. The goal is to help the next new researcher gain knowledge, ideas and make it a good reference.

### 2 Literature Review

### **Dependent Variable**

#### Sale and Purchase Behavior

Social Media is an application or website that allows users to share content which is a major source for business activities. So, retailers are the parties who supply goods and services to customers and they can effectively utilize this cost-free media. WhatsApp is one of the social media platforms which is commonly used by everyone. For the effective presence of retailers, WhatsApp is very helpful. Some of the social media tools prefer to use are Wiki, Facebook, WhatsApp, Blog, and Twitter. The use of internet technology has become a common practice in the workplace (Chen et al., 2008). The internet enabled communication media, helps organizations to conduct business anytime from anywhere (Chen et al., 2008). A number of studies investigated the use of Facebook for various organizational objectives such as marketing, communication, sales, advertising, innovation, problem resolution, customer service, human resources, information technology, driving cultural change (Bhanot, 2012), advertising on the social network (Beloff and Pandya, 2010; Handayani and Lisdianingrum, 2012) and internet marketing (Congxi et al., 2010).

### **Independent Variables**

#### Truct

Trust Mayer, Davis and Schoorman, in 1995, meant trust initially as: "Concept (meant as a party willing to be vulnerable to the actions of another party in the hope that others would perform certain actions for the trustee, regardless of the ability to monitor or controlling others. The study of Mayer, Davis and Schoorman (1995) is one of the first studies on trust in e-commerce purchases and sees the main belief is one's intention to take risks and perceptions of trustee characteristics. Purchase online will influence consumer trust to provide personal information

where it is a personal security that should be careful to make payment via credit card online. Various ways that sellers can do where among them are sellers who do business online by selling popular brand products in social media where consumer anxiety can be reduced. Confidence can be increased by selling products from popular brands causing branded products to influence the final purchase decision of the targeted customer (Lim & Dubinsky, 2004). The relationship between customers and sellers is very important that needs to be maintained at that time to build strong e-commerce (Kim & Tadisina, 2007). To ensure that fears occur in secured secure trading transactions, the use of their customers' personal information for other purposes should be avoided so that trust from customers can increase in the future. All customer personal information must be kept in the privacy policy. The seller's compliance with the storage of personal information of his customers can further increase the security of the identity of each such customer. Stores that sell in social media platforms can build integrated mechanisms to ensure high security of users' personal information by preventing misuse of information and payment via credit card (Prasad & Aryasri, 2009). One of the most important factors that can prevent consumers from making online purchases is the lack of trust from customers to vendors over the internet (Gefen, Karahanna, & Straub, 2003).

#### Convenience

Copeland introduce the facility in 1923, and labeled either most often purchased by consumers and the goods in the store easily accessible for immediate needs as necessary. Seiderset al., (2000) suggested four opportunities related to retailing to provide convenience to customers: a) Access: The ability for customers to reach the retailer b) Search: Ability to identify and choose the products they want c) Ownership: The ability to get what you want product d) transactions: the ability to change or implement the transaction. Although the facility is one of the positive factors that encourage consumers shopping online, (Ahmad, 2002; Jayawardhena et al., 2007), previous research that considers the facilities as predictive variables affecting the results change as customer satisfaction (Colwell et al. 2008; Seiders et al., 2007), or as one of the facts about the quality of online services, such as accuracy (Hu et al., 2009; Kim and Park, 2012; Prasad & Aryasri, 2009; Udo et al., 2010). According to Wang et al., (2005) facility is one of the factors that most affect the willingness of shopping online. You can shop online at any hour of the day as compared to traditional stores. The online store is open 24/7 (Hofacker, 2001; Wang et al., 2005). According to Berry et al., (2002) and Sieders et al., (2007), ease of service is one of the main factors related to the business and future users. There are many perceptions of when buying or using such services. Ease save effort in the sense that it minimizes physical activity, emotional and cognitive incurred by customers to purchase goods and services online (Berry et al., 2002).

#### **Appearance of the Product**

There is a constant increase in online shopping in the US and there are an increasing number of retail sales as well, so this requires more extensive exploration on the pattern of spending per person. To buy more products online, the products and services they buy must first satisfy customers. To understand what the consumer wants in the website, it is important for researchers to develop and then verify the metrics that can capture the feelings and attitudes of customers who shop online carefully (Straub & Watson, 2001). There are many researchers (Lian and Lin, 2008; Peterson et al., 1997; Bhatnager et al., 2000; Liao and Cheung, 2001) have shown that there may be a wide range of products and variety when sold online. Products factor may be the quality of products or services sold. More often, the products are purchased online with a product purchased from a store brick. The customer decides to buy from any place based on factors such as who is offering the best value for the product (Keeney 1999). Other factors include the availability to customize the product, and the total value of merchandise (Zhu & Kraemer, 2002;

Jarvenpaa & Todd, 1997; Szymanski and Hise, 2000; Keeney, 1999; Torkzadeh and Dhillon, 2002). Research like Szymanki and Hise (2000), Ahn et al., (2004) found that product diversification is a key factor when it gets satisfaction in online purchases.

#### **Hypothesis Statement**

- H1: There are positive relationship exists between trust and sale and purchase on social media platform
- H2: There are positive relationship exists between convenience and sale and purchase on social media platform
- H3: There are positive relationship exists between appearance of the product and sale and purchase on social media platform.

#### **Research Framework**

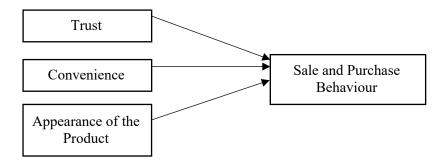


Figure 1: Conceptual framework

This section is present about two variable that is independent and dependent variable. The relationship of sale and purchase behavior on social media platform (Dependent variables) and trust, convenience and appearance of the product (Independent variables). This research is aim to investigate the factor influencing sale and purchase on social media platform are shown in figure 2. This framework for the study was developed to show that this study consists aspect of independent variable which is business performance (Figure 2). The dependent variable in this research is the factor influencing sale and purchase on social media platform is trust, convenience and appearance of the product.

### 3 Methodology

#### Research Design

According to Smith, Thrope, and Lowe (1991), research design is about organizing research activities, including the collection of data, in ways that are most likely to achieve the research objectives. Each component of research design offers several critical choice points (Sekaran, 2001). The purpose of this study will be to know the factor influencing sale and purchase on social media platform in Kelantan. It will be a correlational research design in that it seeks to determine the relationship between these variables. This study will choose quantitative research means will use survey techniques and questionnaires to collect the data. A survey can measure the independent variables, test multiple hypotheses, and infer temporal order from questions about past behaviour, experiences, or characteristics.

#### **Data Collection**

The collection of data is the data compiled for a particular purpose. The research can be started by selecting two methods, namely quantitative or qualitative (Neuman, 2011). Data collection methods used in this study are primary and secondary data. This questionnaire is one of the main data sources for research and secondary data sources including books, journals, internet, articles and electronic library database.

#### **Primary Data**

Primary data is a source collected at hand for a specific research problem using the right methods. Some methods can collect the primary data for research, such as surveys, questionnaires, interviews, observation, and focus groups. In this study, the method that was used in gathering information is primary sources. The primary source method used to collect data is by distributing the questionnaires to the target respondents. In this study, survey method is used and is also the most commonly used method to collect key data. Questionnaire forms are distributed to the respondents to be answered according to their respective experiences. The preparation of a clear and orderly questionnaire will make each respondent answer it more easily in a shorter time. However, researchers use quantitative research methods. Respondents will be selected according to the community who have experience in sale and purchase through social media platforms.

#### **Secondary Data**

Secondary data is a set of data that already exist, as indicated by (Harrell & Bradley, 2009). Secondary data also define as information from secondary sources, which is not directed by the analyst. This is because of the data collected by other researchers for their purposes, but the general research community can reuse it. For examples of secondary sources are scholarly journal articles, books, and so on. Besides that, secondary data also have been used to support the research. Thus, this study aims to identify the factor influencing sale and purchase on social media platform. Mainly secondary data can be obtained and low-priced as compared to primary data.

### Sampling

The sampling technique to be used shows the appropriate method for the purpose in the research study to collect the study sample. Sampling is divided into two types of design, namely probability and non-probability sampling (Bougie & Sekaran, 2010). The sampling method to be used refers to the method chosen to observe the selection of the population to be sampled for the purpose of sample survey. According to Hair (2010), observations must be given attention to the sampling method that has been selected during the process of conducting primary research. Therefore, there are several official lists that have been disseminated for the population of the community around the rural areas where this study will use probability sampling to facilitate the study. The technique used for sampling this cluster divides the population into related groups or groups. Sampling of this cluster refers to those randomly selected to represent the total population and then included in the sample for all selected units. Samples for this study will be selected using cluster sampling techniques to facilitate the required information can be collected. Cluster sampling is a probability sampling method in which refers to a sample which is deliberately chosen to solve the needs of the study. This strategy enables researchers to gather information that is relevant and useful to answer the research question properly. It can refer to the table 3.4, a sample measurement from the Krejcie and Morgan tables.

Sampling techniques showed the methods used in research studies to gather samples. Probability and non-probability sampling are two types of sampling design (Bougie & Sekaran, 2010). Sampling method refer to how the observations were selected from the population to be sampled

for the survey sample. According Hair (2010), attention should be given to methods of sampling during the process of conducting primary research. Because there is an official list of people in rural areas around, this study will use probability sampling. Cluster sampling technique is the division of the population into groups or clusters. Referring to the sampling group randomly selected to represent the total population and then all units in the selected group are included in the sample. The sample was selected using cluster sampling technique. Cluster sampling is a probability sampling method and refers to a deliberately selected sample according to the needs of the study. This strategy enables researchers to gather information that is relevant and useful to answer the research questions. This can refer to table 3.4, the sample size from the Krejcie and Morgan tables.

#### **Population**

The target population is the population of certain elements related to the research group (Zikmund et al. 2003). The population of each place can be used in the study population as all units have certain characteristics, which is the importance of the study researchers. The meaning of the understood population is as a community or group of people in a targeted place involved or selected by the researcher for this study.

Population refers to a group of individuals who share the same characteristics and are eager to support the researchers and be researching them (Mohd Yusof, 2005). The population of interest for this study will be a few participants from a population of seller and buyer that used social media to sale and purchase a product in Kelantan. A total of 384 participants will be identified.

### Sample Size

The sample is a subset of the population studied to be the basis by estimating the facts, situations or results related to the population where it is included in the process of selecting several samples from that sample population. Larger or larger samples may make the sample more representative and more general than the results of this study. The population sample was taken from the manager of the Department of Statistics around Kelantan for the purpose of conducting this study. The Department of Statistics has listed a total population of 1,904,900 in Kelantan.

There are various proposals to determine the sample size. For example, following Krejcie and Morgan (1970), no matter how large the population to be represented, the sample size of 384 is sufficient. According to Roscoe (1975), the sample size is greater than 30 and less than 500 suitable for most who follow the rule of thumb.

#### **Research Instrument**

Table 1: Measurement Variables of Factor Influencing Sale and Purchase on Social Media Platform in Kelantan

VARIABLE	ITEMS	MEASURE
Demographic Profiles	Gender, Age, Religion,	Nominal
	Races, Education, Frequency	
	use of platform for sale and	
	purchase.	
Social Media	Definition, Differentiation	Likert Scale
	sale and purchase on social	
	media platform and face to	
	face, Importance social	
	media, Usage of social	
	media, Recommend to the	
	nearest member.	

Trust	Trust in sale and purchase on social media, Agreement that it is important for providers to have social media, Frustrated with buying and selling on social media with the information available in the social media	Likert Scale
	environment, Social media trust related to suppliers, All product types purchased through social media,	
Convenience	Easy to find the desired product, Enjoy to buying and selling on the platform, Easy to make a profit through this platform, Price display on the product, Payment options.	Likert Scale
Appearance of the Product	Products are sorted by type, Important feature and quality products sold through social media platforms, Sells up to date products, Various types of products sold that meet the market nowadays, Complete the product description filled	Likert Scale

Our steps adapted from previous literature. All items to construct a measurement study of the available measures are adopted and slightly adapted to suit the context of the study. Demographic profile is measured based on a nominal scale. We used a Likert scale from 1 (strongly disagree) to 5 (strongly agree) to measure the construct of the independent variables and the dependent variable.

### 4 Data Analysis

According to Sekaran (2003), the purpose of data analysis include variability and central tendency measures (descriptive), test reliability (measurement scale) and test the hypothesis of the research (inferential analysis). The data collected will be calculated and analyzed using the Statistical Package for the Social Sciences (SPSS) to explain the descriptive analysis, Pearson correlation analysis and multiple regression analysis.

### **Data Analysis and Findings**

The purpose of the study was to find out a study on factor influencing sale and purchase on social media platform in Kelantan.

#### **Demographic Profiles of Respondents**

Table 2: Demographic Profiles of Respondents

Demographic Profiles	Number	Percentage
Gender		
Male	119	31
Female	265	69
Age		
17 years and below	38	9.9
18 - 27 years	158	41.1
28 - 37 years	90	23.4
38 - 47 years	48	12.5
48 years and above	50	13.0
Religion		
Islam	360	93.8
Buddhist	14	3.6
Hindu	10	2.6
Other	-	-
Races		
Malay	344	89.6
Chinese	22	5.7
Indian	11	2.9
Other	7	1.8
Educational Level		
SPM	74	19.3
STPM/ A-Level/ Foundation	46	12.0
Diploma	42	10.9
Bachelor of Degree	119	31.0
Master	14	3.6
PHD	11	2.9
Other	78	20.3
Frequency Use Social Media		
Everyday	78	20.3
Weekly	57	14.8
Monthly	100	26.0
Occasionally	149	38.8

Table 2 summarizes demographic information of the 384 respondents. Female respondents were higher with 69.01% (n=265) respondents as compared to male with 30.99% (n=119). Respondents in age were from group 18-27 years with 41.15% (n=158) respondents. From group 28-37 years with 23.44% (n=90) respondents. Respondents from oldest people of group 48 years and above were 13.02% (n=50) respondents. The respondents from group 38-47 years with 12.50% (n=48) respondents. The lowest number of respondents who responded was from the group of 17 years and below with 9.90% (n = 38). There are 3 religions that are from Islam with 93.75% (n = 360) respondents and so on with Buddhism with 3.65% (n = 14) respondents. Then, the third religion and the least respondents are Hindus with 2.6% (n = 10) respondents. Next, respondents were Malays high with 89.58% (n = 344) of respondents, and followed by the Chinese with 5.73% (n = 22) of respondents. The next respondent was Indian with 2.86% (n = 11) respondents. Respondents from other with 1.82% (n=7) respondents. Respondents in education level were

Bachelor of Degree with 30.99% (n=119) respondents. Second highest were other with 20.31% (n=78) respondents and next were SPM with 19.27% (n=74) respondents. Next, the respondents of STPM with 11.96% (n=46) respondents. Fifthly, the respondents from Diploma with 10.94% (n=42) respondents. The next one for education level is Master with 3.65% (n = 14) respondents and the last one is from PhD with 2.86% (n = 11) respondents. Respondents who answered occasionally with 38.80% (n = 149) respondents. The next highest is the group from monthly with 26.04% (n = 100) respondents and the next is daily with 20.31% (n = 78) respondents. The last one from weekly with 14.84% (n=57) respondents.

#### **Descriptive Analysis**

#### **Social Media**

Table 3: Social Media

	N	Mean
1) I understand the concept of social media that apply sale	384	4.5833
and purchase in Kelantan.		
2) I can differentiate between sale and purchase on social	384	4.5703
media and face to face.		
3) I like to take opportunities through social media for the	384	4.5078
purpose of buying and selling.		
4) I often use social media platforms to buy popular products	384	4.4818
nowadays.		
5) I will suggest social media platforms to sale and purchase	384	4.5234
products or services to my family members and friends.		
Valid N (listwise)	384	

#### **Trust**

Table 4: Trust

	N	Mean
1) Do you trust social media platforms to make buying and	384	4.4245
selling transactions?		
2) Do you agree that it is important for community to have	384	4.4896
sosial media?		
3) Have you ever been frustrated with sale and purchase on	384	4.4167
social media with the information available in the social		
media environment?		

4) Is it true that social media trust today is related to	384	4.4609
providers?		
5) Are most of the types of products you buy through social	384	4.3854
media only?		
Valid N (listwise)	384	

### Convenience

Table 5: Convenience

	N	Mean
1) I am sure that buying and selling through this platform can	384	4.5234
make it easier for me to find the desired product.		
2) I feel safer to sale and purchase through this platform.	384	4.4766
3) I can also generate profits easily through this platform due	384	4.5625
to its increasing use.		
4) The price display on the product makes it easy for me to	384	4.5547
make price comparisons between different social media.		
5) This payment option through online banking can save time	384	4.5339
where previously paid in cash.		
Valid N (listwise)	384	

### **Appearance of the Product**

Table 6: Appearance of the Product

	N	Mean
1) I agree that the products sold on this platform are arranged	384	4.5495
according to the type of product to make it easier for me to		
make a purchase.		
2) I believe that product sales on social media have important	384	4.5000
features that can meet my needs and quality products.		
3) I also believe that most social media platforms sell the latest	384	4.5443
products to compete with existing competitors.		

4) I always make a survey that there are various types of	384	4.5286
products sold which can fill the current market on every social		
media account.		
5) In my observation, the complete of the description for each	384	4.6120
product is filled to make it easier for customers to make the		
right choice.		
Valid N (listwise)	384	

### **Reliability Analysis**

Table 7: Results of reliability Cronbach's Alpha for the variables

Variables	Number of Items	Cronbach's Alpha before item deletion item.	Number of items after item deleted.	Cronbach's Alpha after item deleted.
Trust	5	0.854	5	0.854
Convenience	5	0.839	5	0.839
Appearance of the Product	5	0.871	5	0.871

The first independent variable was that the trust was found to be good (5 items;  $\alpha = 0.854$ ). The next variable is the ease of showing good reliability (5 items;  $\alpha = 0.839$ ) and the last variable is the appearance of the product and also found good reliability (5 items;  $\alpha = 0.871$ ). Cronbach's alpha of each variable did not change after removal. Therefore, these data are considered very suitable for further analysis.

Table 8: Pearson Correlation of Variables

Correlations								
		Social			Appearance of			
		Media	Trust	Convenience	the Product			
Social Media	Pearson Correlation	1	.759**	.787**	.763**			

	Sig. (2-tailed)		.000	.000	.000
	N	384	384	384	384
Trust	Pearson Correlation	.759**	1	.734**	.745**
	Sig. (2-tailed)	.000		.000	.000
	N	384	384	384	384
Convenience	Pearson Correlation	.787**	.734**	1	.875**
	Sig. (2-tailed)	.000	.000		.000
	N	384	384	384	384
Appearance	ofPearson Correlation	.763**	.745**	.875**	1
the Product	Sig. (2-tailed)	.000	.000	.000	
	N	384	384	384	384

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

# Hypothesis 1: There are positive relationship exists between trust and sale and purchase on social media platform.

Based on table 4.17, it shows the relationship between the factors that influence buying and selling on social media platforms that are trust in Kelantan. The trust value of r is 0.759. The results show that there is a high positive correlation sale on social media and trust. In addition, the p value is less than 0.01. These results show that there is a positive relationship between buying and selling on social media and trust. Therefore, hypothesis 1 is accepted. The results show that social media is supported by trust. This shows that most people will rely on buying and selling on social media because of their belief in the judgments made by others.

# Hypothesis 2: There are positive relationship exists between convenience and sale and purchase on social media platform.

Based on table 4.17, it shows the relationship between the factors that influence sale and purchase on social media platforms, namely convenience in Kelantan. The value of r is 0.787. The results show that there is a high positive correlation between sale and purchase on social media and convenience. In addition, the p value is less than 0.01. These results indicate that there is a positive relationship between sale and purchase on social media and convenience. Therefore, hypothesis

2 is accepted. The results show that social media is supported by convenience. This shows that most people will rely on buying and selling on social media because of the facilities that are already available on the platform to sell or buy products or services at a certain time.

# Hypothesis 3: There are positive relationship exists between appearance of the product and sale and purchase on social media platform.

Based on the table 4.17, it shows the correlation between the factor influencing sale and purchase on social media platform which is appearance of the product in Kelantan. The r value of appearance of the product is 0.763. The result indicates there is high positive correlation sale and purchase on social media and appearance of the product. Besides, the p-value is less than 0.01. This result shows that there is a positive relationship between sale and purchase on social media and appearance of the product. Therefore, hypothesis 3 is accepted. The result shows that social media is supported by the appearance of the product. This shows that most people will rely on buying and selling on social media because of the appearance of products that can attract their customers with just a fingertip for sale and purchase.

#### 5 Discussion and Recommendation

This chapter will have more discussions will be collected on the hypothesis in this study. The hypothesis is to test statistics that can be used to determine whether the hypothesis that the sample data are assumed to be true for the entire population. In short, the hypothesis is the hypothesis being tested to determine the relationship between the two sets of data that is between the two variables. Hypotheses have also been tested where they are based on process observations modelled through a random set of variables. Statistical hypothesis testing is statistical inference methods.

Based on the limitations of the study, several recommendations were made to researchers who will most likely be doing similar research in the future. This is in line with the limitations discussed in the previous section. In addition, there is some additional information that can be used by future research that will be done.

First, future research could expand the scope of the study on various types of industries such as manufacturing and services. The difference between the industrial sector will provide different views on the importance of social media use by the public. Research more about the factors that affect the sales and purchases on social media platforms in different industries and assess whether the model is consistent with research studies of other industries.

Second, future research plans examine more variables to get better consideration of the factors influencing sales and purchases on social media platforms such as individual factors and implementation factors that are the most likely determinants that can be compiled in future research. Moreover, it can help the community to increase their understanding and knowledge of the use of social media in their business. This can help those who do business to increase sales and attract more customers through social media platforms.

Third, the total sample size must be removed to generate more revenue and more accurate data. In addition, it is advisable to have more balance in the area of targeted respondents between age and employment for future study and obtain more comprehensive findings also to provide and collect data evenly around the sampling site. Finally, future research should investigate the possible effects of variables such as education, income level, and age society. Analyzing the differences between the demographic profile of respondents would give a better idea about the

nature of the target population for a more comprehensive overview on buying and selling social media platform in Kelantan.

### 6 Acknowledgements

This research project was successfully carried out with the help and cooperation of various authorities. I would like to express my deepest gratitude to the people who guided, assisted and supported me in completing this research.

First, I would like to thank the supervisor, Puan Siti Afiqah binti Zainuddin, who has guided me from the beginning of this project to the end by sacrificing time to guide me throughout this project. His patience and advice ensure that this thesis runs smoothly. I really appreciate what has been done by my supervisor to help me.

Then, I would like to express my deepest appreciation to the respondents who are willing to help by spending their valuable time answering the questionnaires of my research project. In addition, I would like to thank my family, especially my parents, friends and teammates for this project for helping and supporting me until the end of this research project.

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# FACTOR INFLUENCING THE USE OF E-COMMERCE (SHOPEE AND LAZADA) AS A BUSINESS PLATFORM AMONG ENTREPRENEURS IN KULIM, KEDAH

Nur Shahida Binti Mohd Radzi and Nurul Ashykin Binti Abd Aziz

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shahida.a17a0492@siswa.umk.edu.my; ashykin.a@umk.edu.my

#### Abstract:

E-commerce is a process of selling and buying using electronic devices that make it easier for sellers and buyers. E-commerce also helps entrepreneurs to do business globally, save costs and be more profitable than using traditional methods. E-commerce not only gives an advantage to entrepreneurs but it also gives advantages to buyers where with the use of e-commerce consumers will be able to compare offers and have a wide selection of products. Therefore, the objective of this study focuses on the factors that influence the use of e-commerce as well as the advantages and disadvantages of the use of e-commerce among entrepreneurs. In this study, researchers use case study qualitative methods to achieve the objectives of the study. The results show that the main factors that makes e-commerce as an option for entrepreneurs to continue business is to provide convenience, reduce risk and help entrepreneurs to increase their sales during the implementation of the Movement Control Order. There was four theme discovered as the factor of influencing the use of e-commerce as a business platform namely: (i) easy to access; (ii) low financial cost; (iii) trust; and (iv) potential income. Therefore, the use of e-commerce can be considered as an alternative for entrepreneurs to continue their business. Apps like Shopee and Lazada are one of the platforms for entrepreneurs to market their products without limitation and provide double savings.

**Keywords**: Easy to Access, Effectiveness, Competitive Advantage, Remarketing

### 1 Introduction

The increasing use of the internet during the Movement Control Order made e-commerce a platform for entrepreneurs to continue their business. This is because it can benefit entrepreneurs to market their products or services according to current technological advances (Mohamad, 2020). In Malaysia, e-commerce platforms such as Shopee and Lazada are the choice of consumers during MCO when they have a movement limit to visit shopping malls and conventional stores to buy their necessities (Mohamad., 2020). In addition, it also gives savings to buyers with much cheaper fees than buying in supermarkets or stores.

E-commerce becomes an alternative for entrepreneurs to continue their business when they have a movement limit to do promotions to market their products or services during the Movement Control Order (MC0) is implemented (Mohamad, 2020). Most entrepreneurs have changed the way they market their products or services by using apps like Shopee and Lazada to help them increase sales and save costs. These applications make it easy for entrepreneurs to do business without borders so that entrepreneurs can penetrate the global market. (Mohamad., 2020).

The existence of e-commerce is a system where it facilitates customers to make online purchases during MCO. This is because, with the use of e-commerce buyers can make purchases anytime and wherever they are. Buyers can make transactions easier and faster than the traditional way (Wong, 2017).

#### 1.1 Research Problem

The increase in covid-19 cases makes e-commerce a platform for consumers to obtain essential goods. This is because the declaration of the Movement Control Order (MCO) has advised the public to be at home at all times except to meet the basic requirements to prevent Covid-19 infection. Therefore, this declaration has a big impact on entrepreneurs where they have to stop their business temporarily and have to bear the need to pay the debts of suppliers and other utilities (Mohamad, 2020).

During the MCO, entrepreneurs need to change the way of doing business digitally by using e-commerce such as Shopee and Lazada to continue their business (Mohamad., 2020). According to the President of the Malaysian SME Association, Datuk Michael Kang, stated that the increase in the use of digital technology among entrepreneurs increased after the end of the MCO (Mohamad, 2020).

In addition, technological change also affects entrepreneurs who lack knowledge about current technology. Therefore, entrepreneurs who compete in the same market need to have high knowledge, mental strength and management ability to grow their business by using digital methods such as e-commerce more efficiently and quickly (Faradillah Iqmar Omar, 2019).

### 1.2 Research Objectives

The objective of this study is to:

To identify the factor ecommerce usage among entrepreneur around Kulim, Kedah.

### 2 Literature Review

#### 2.1 Buyer Awareness

### 2.1.1 Easy To Access

The use of e-commerce makes information easier to access quickly. Users with internet access can use digital media such as Facebook, YouTube and Email to get information (Kumar, 2017). Therefore, the use of e-commerce can help both buyers and entrepreneurs to carry out sales and purchase activities. Entrepreneurs also believe that business activities can be expanded with the availability of e-commerce facilities (Rosley., 2016).

In addition, e-commerce facilitates entrepreneurs to communicate with customers or suppliers. According to Kotler and Armstrong, increasing the use of current technologies such as e-commerce can help entrepreneurs to conduct business directly to end users as opposed to using traditional methods (Al-Alawi, 2015). Gharegozi argues that e-commerce is very helpful to entrepreneurs in the effort to increase sales and expand business to new markets (Al-Alawi, 2015). E-commerce provides many benefits to entrepreneurs in growing their business. This is because, the use of e-commerce creates a multi-communication channel where information can be disseminated more quickly to the rest of the world at any time. Therefore, this e-commerce platform plays an important role so that information can be disseminated more widely (Kumar, 2017).

The advent of e-commerce has led many entrepreneurs to choose to change the concept of virtual trading. This is because with the use of e-commerce it can facilitate and expedite transactions whenever and wherever they are (Haqim., 2020). Most entrepreneurs are of the opinion that e-commerce is very beneficial to them when it helps in growing the business, facilitating information to be accessed and entrepreneurs can run a border sign business (Haqim., 2020). Therefore many of them choose to do business online during MCO implementation.

#### 2.1.2 Effectiveness

The effectiveness of e-commerce can be assessed by entrepreneurs when they are able to understand consumer behaviour. Every entrepreneur needs to understand the consumer response to the product they offer. This is because, in order to gain customer loyalty, entrepreneurs need to gain the trust of consumers to continue business using this e-commerce platform (Liao, Palvia, & Lin, 2006).

In addition, entrepreneurs also need to determine their target market in order to focus on customers who are suitable for the products they produce. This can also help entrepreneurs to reduce competition by determining their customer category (Ana Ribeiro Carmeiro, 2014). Seybold defines the customer experience as a whole as "consistent representation and perfect execution throughout distribution and interaction as well as relationships with customers" (Ana Ribeiro Carmeiro, 2014).

Entrepreneurs choose to use e-commerce is because it is easier, cheaper, more flexible and suitable for small companies. This is because, the use of e-commerce can increase the competitiveness and productivity of a company (Naul, 2016). Companies do not need to own a large company to convince their customers. This is because, with the use of e-commerce they can convince customers by using a strong and effective network of online services (Haqim., 2020). Therefore, e-commerce is very helpful for entrepreneurs to continue to use it as a platform to make sales and purchases (Norazila Mat, 2016).

### 2.1.3 Competitive Advantage

To achieve the potential of Digital Marketing, entrepreneurs need to use e-commerce platforms such as Shopee and Lazada as the main channels to convey information to consumers. This is because, the use of e-commerce now creates a competitive advantage in various ways. By using this platform, entrepreneurs can determine customer behaviour and feedback on user needs (Kumar, 2017).

The industry approach is a competitiveness that is often associated where the business market depends on the structure of the external environment and the actions of the company in adapting to the environment (Vaida Pilinkiene, 2013). The use of e-commerce gives competitive advantage to entrepreneurs when important resources can be easily accessed. Barney argues, competitive resources must be something valuable, rare, impeccable and irreplaceable for the creation of competitiveness, which is expressed as an improvement in a company's performance (Vaida Pilinkiene, 2013).

Therefore, the use of e-commerce can provide resilience to entrepreneurs to ensure that their products or services are not imitated by competitors (Schmidt, 2016). This is because, competition is an economic principle where it will continue to be challenged to protect and strengthen barriers that prevent competitors from taking on the innovations that have been made (Schmidt, 2016).

### **Latest Development and Strategies**

### 2.2.1 Remarketing

In the use of this e-commerce, remarketing plays an important role in digital marketing. This is because marketers can publish ads that target the appropriate customer categories that their product is (Kumar, 2017). This remarketing is a tactic to display targeted ads to people who have visited or taken action on the entrepreneur's own website. These remarketing platforms will typically display specific ads through the exchange of ads, pages or products that have been used

or searched by users in ecommerce such as Shopee and Lazada (Yield, 2016).

Remarketing is also a form of marketing that is personalized at the right time and place. This is because, remarketing will target customers who repeatedly visit the website or business page (Yegin., 2016). This remarketing also allows entrepreneurs to reach their customers in a highly personalized way. Therefore, this remarketing gives an advantage to entrepreneurs to save costs to do marketing repeatedly (Yegin., 2016).

### 3 Research Methodology

A research method is a strategy, process or technique used to collect data or analytical evidence to reveal new information and create a better understanding of a topic (Debbie Booth, 2020). In this study, researchers use a qualitative approach to collect data on the experiences, behaviours and meanings presented by individuals to researchers. Researchers use interview methods to obtain information from selected individuals such as entrepreneurs from the clothing sector. By using this method, researchers can focus on a number of individuals to understand the opinions of respondents. The use of this qualitative method also helps researchers to analyse and understand the form of data, strengths and methodological weaknesses of each data collected (Jasmi, 2012). Therefore, this qualitative approach helps researchers in exploring the factors that influence the use of e-commerce as a business platform among entrepreneurs from the clothing sector.

Based on the study, the researcher used the qualitative approach of case study to obtain information and data from selected respondents. Researchers chose to use the interview method to obtain data with the number of respondents is 12 people. The respondent is from the clothing sector around Kulim, Kedah.

#### 3.1 Data Collection

In this study, researchers used the interview method to collect data. This is because, this method provides an opportunity for researchers to conduct interviews in more detail based on the guidelines that have been set. Each piece of information mentioned by the respondent is important data for the study conducted (Jasmi, 2012).

Through this method, the researcher will gain a broader understanding as well as be able to delve into the feelings and experiences of the respondents themselves. This interview method is very practical used to obtain accurate information from a small number of respondents. This is because, the study that uses this interview method is an important method and has high validity when researchers obtain information or data directly from the respondents (Margaret C. Harrell, 2016).

### 3.2 Data Analysis

Data analysis is an analytical method used in the study to identify themes, concepts and meanings. In this study the researchers used a semi-structured interview method. This semi-structured interview method helps researchers to develop respondents' answers and ideas by answering open-ended questions posed by researchers (Rahman, 2019). Semi-structured interview methods have a variety of properties and purposes that allow researchers to determine sampling techniques. Through this method, the researcher will get relevant answers that can help the researcher achieve the objectives of the study.

In addition, the researchers also used Atlas.ti software to analyse the interview transcripts obtained. Atlas.ti helps researchers to analyse data where each respondent's answer is analysed and divided according to the code and theme designed. Atlas.ti is used in qualitative research where it is known as a group of maps (Afriansyah, 2017).

### 4 Findings and Discussion

Data analysis in a qualitative study begins by grouping the same data then interpreting to give meaning to each sub-theme and the relationship with each other (Rijali, 2018). For this study, the researchers divided into four themes where all were stated based on the results of the respondents' interviews on the factors that influence the use of e-commerce among entrepreneurs in the clothing sector. The four themes are easy to access, low financial cost, trust and potential income.

### Theme 1: Easy to Access

Based on the data obtained, the researchers found that the factors influencing the use of e-commerce such as Shopee and Lazada as business platforms among clothing entrepreneurs are easily accessible. This can be proven when most respondents think that e-commerce provides many facilities to them, especially when the MCO is implemented. While the MCO is being implemented, the public is advised to limit movement so that the transmission of the covid-19 epidemic can be stopped. Therefore, many choose to use e-commerce as a platform for them to make purchases and sales.

Here are the reviews of entrepreneurs who have the opinion that e-commerce facilitates them:

R1- "... for me by using this Shopee I find it easier to gain customer trust..."

R3- "... sometimes customers are looking for me... so I think Shopee is easier..."

R8- "... For me Shopee and Lazada make it easy for me to attract customers..."

R10- "... Easy to get customers... nowadays not everyone likes to come to boutiques..."

"... Now there is an increase... sales are getting okay..."

R12- "... so sometimes it's raining cannot do business... from there thinking to do business online...", "... so customers do not See... doing business online many new customers know the existence of my boutique..."

Based on these reviews, researchers can ensure that the factor that influences the use of e-commerce among entrepreneurs is because it is easy to access both entrepreneurs and users themselves. The use of e-commerce such as Shopee and Lazada gives them a lot of convenience, this is because e-commerce is easily accessible anytime and wherever they are. Therefore, entrepreneurs are advised to use e-commerce as a business platform to continue their business because it can be done anywhere, especially during the implementation of this MCO.

### **Theme 2: Low Financial Cost**

Entrepreneurs also argue that low financial costs while using e-commerce are also a factor why they choose to switch traditional sales methods to online. With the use of e-commerce, entrepreneurs can save costs such as rental costs, utility costs and marketing costs. During the MCO, entrepreneurs need to wisely manage their finances so as not to incur losses to them. The use of e-commerce is very helpful for entrepreneurs to manage their finances by making savings to continue their business. Therefore, entrepreneurs are encouraged to change the way of business towards digital to help them in continuing the business.

Here are some reviews from entrepreneurs on saving while using e-commerce platforms to continue their business:

R1- "... easier for me to promote goods..."

R3- "... moreover this Shopee helps me to save costs... like rental costs... emm electricity..."

R6- "... save possible costs... during this MCO as a business I need to manage my finances wisely..."

According to the three respondents above, they changed the way they sell using e-commerce

platforms such as Shopee and Lazada is because it helps them to save costs as well as facilitate the marketing process of their products. Many entrepreneurs choose to use e-commerce platform to continue their business is to save costs especially during MCO. This is because, e-commerce such as Shopee and Lazada have a system where it provides convenience to entrepreneurs to do business more easily while saving costs. This change in the way of doing business digitally will impact entrepreneurs in an effort to increase their sales during the MCO.

#### **Theme 3: Trust**

The advantage of using this e-commerce is when entrepreneurs gain the trust of customers to make purchases on their products. Customer trust and confidence greatly affects entrepreneurs in an effort to increase their sales. Therefore, entrepreneurs need to ensure that every product offered must be of quality so that customers believe in making a purchase. Customers' trust in the business makes it an important factor in increasing sales.

Here are the opinions of clothing sector entrepreneurs who use e-commerce as their business platform:

R1- "... easier to gain customer trust in my products and goods"

"... This is because while live I can communicate directly with customers ..."

R6- "... in terms of quality... price... that's what I need to take care of so that customers do not run away..."

Based on these respondents, researchers can analyse that trust, communication and quality of goods are very important. This is because it affects the increase in their sales. Entrepreneurs need to gain the trust of their customers so that they can retain regular customers and attract new customers. Entrepreneurs also need to maintain the quality of their products so that customers are satisfied buying on their platform. Customer satisfaction is the priority of entrepreneurs to ensure that their business can continue during the MCO.

#### **Theme 4: Potential Income**

The use of e-commerce is very helpful to entrepreneurs in saving costs as well as increasing their sales. This is because, using e-commerce entrepreneurs do not need to do manual marketing where a lot of costs are required. E-commerce such as Shopee and Lazada make it easier for entrepreneurs to promote while increasing sales faster. The increasing use of digital technology gives entrepreneurs the opportunity to change the way they do business where they will be easier to gain customers. Therefore, the use of e-commerce greatly affects entrepreneurs to continue their business while increasing their sales from time to time.

Here are some entrepreneurial reviews on the use of e-commerce that help them to continue business during MCO:

R6- "... a lot of response from customers... especially when I do business on Facebook... Shopee... Lazada..."

"Wholesale... so easy for me to market all over Malaysia..."

"... I also do not need to do promotion or marketing continuously... because the Shopee system itself will do..."

R11- "... from the beginning of this online business, sales increased day by day... compared to trading in the night market..."

According to the entrepreneur, with the use of e-commerce such as Shopee and Lazada helps them to get customers. They argue that after using this platform their business is gaining popularity and sales are increasing day by day. This proves that e-commerce like Shopee and Lazada help them in generating revenue and increasing current sales. Therefore, entrepreneurs need to change the way their business towards digital so that they can generate more income.

#### 5 Discussion

Based on the data and information obtained, the researchers argue that the respondents chose ecommerce as a business platform is because it has many advantages over disadvantages. Many entrepreneurs think that e-commerce is very easy for them to do business. This is because it is easily accessible by traders and consumers whenever and wherever they are.

E-commerce provides many benefits to entrepreneurs especially when MCO is implemented. With the use of e-commerce, entrepreneurs can save costs, increase sales and expand their business globally. Therefore, this online business is very impactful to entrepreneurs in order to continue their business during MCO.

Based on a recent study by (Kumar, 2017) claims that the use of e-commerce greatly affects entrepreneurs to continue their business with the latest technological developments. According to (Kumar, 2017) states that online marketing and retailing is growing rapidly. This is because many consumers no longer visit the shops to get necessities and they even prefer to use digital devices.

The use of e-commerce facilitates entrepreneurs to communicate with consumers where entrepreneurs can continue business and increase sales while consumers have different options and price comparisons (Haqim., 2020). In addition, digital marketing campaigns also allow entrepreneurs to share their brand and experience with a product (Kumar, 2017)

### 6 Limitation and Conclusion

According to the study conducted, researchers use qualitative methods to achieve the objectives of the study. However, there are limitations where researchers only focus on clothing entrepreneurs around the Kulim area. This causes researchers to face obstacles to obtain more information or data related to the study. In addition, a small number of respondents limited the data obtained by researchers. The small number makes it difficult for researchers to deepen the experiences, challenges and risks faced by respondents.

Therefore, the researchers found that this study needs to use other methods to achieve the objectives of the study. Researchers can also further develop data or information when the data is obtained from several other samples that are appropriate to the sample that has been set by the researcher.

In conclusion, this study shows that the convenience factor, easy access and cost savings are the main factors entrepreneurs choose to use e-commerce as a business platform. The use of e-commerce also gives many advantages to entrepreneurs where entrepreneurs can expand their business globally. Therefore, entrepreneurs need to change the way they do business, especially when the Movement Control Order is implemented to continue their business while helping them to increase sales.

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# THE FACTORS THAT INFUENCE CONSUMERS' BUYING DECISION AMONG UMK STUDENTS

Nur Syafiqah Binti Abdul Satar and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: syafiqahsatar97@gmail.com; munirah@umk.edu.my

#### Abstract:

Retailing has long existed in industries include Malaysia. By providing the needs and wants of consumers will consider their buying decision. The retail industry is one that contributes to the national economy. To maintain the industry and sustainable competitive advantage, many aspect must be taken into account such as providing good product quality at reasonable and affordable price. Thus, aggressive promotion activities will help present well the products and create brand equity to consumers. It also influences consumer to make a purchases. This study aims to identify the factors that influence consumers' buying decision at supermarket among UMK students. The purpose of this study is to explore the factors of product, image and promotion that influence consumers' buying decision. This study will help researcher to understand the factors that influence consumers' buying decision. For research methods, the quantitative and cross-sectional will be used for this study by distributing questionnaires to 370 respondents through answering in Google form. The data were measured by descriptive analysis to find out which part of the questions was most agreed by the respondents by looking at the mean value. Then, the Spearman correlation will be used to measure the relationship between the two variables to achieve the objectives of the study. The results showed that all the relationships between variables had a strong positive correlation where the p<0.05.To conclude that all retailers need to pay attention to these factors where product, price and promotion in improving every term in their business in order to continuously competitive advantage.

Keywords: Product, Price, Promotion, Consumers Buying Decision

### 1 Introduction

Retailing is a business activity that has been practiced long (Ismail, Kumaran, Sarifuddin, Gorondutse, & Sabarudin, 2018) includes Malaysia. Currently in the retail industry in Malaysia is growing raptly through the past a few years and many competitors in that field (Al-Suraihi, Al-Suraihi, Ibrahim, Al-Tahitah, & Abdulrab, 2020). Retail activities continue to expand and become the subsector contributing to the national economy (Ismail et al., 2018). The retail industry in Malaysia is well developed and positively towards Malaysia's economic growth (Al-Suraihi et al., 2020). Retail Group Malaysia (RGM) has increased its 2019 growth forecast for the country's retail sales to RM108.3 billion at 4.9% from 4.5% that was expected for the first quarter and stronger expansion in the second quarter to increase in economic activities in the latter part of the year with an expected sales growth rise to 5.8% for 2019 (Al-Suraihi et al., 2020). The result shows that retail industry in Malaysia is growing well and positively towards the growth of the Malaysian economy.

The increase in supermarkets and hypermarkets was a contributing factor to this situation (Hassan & Rahman, 2012; Hassan, Sade, Rahman, & Management, 2013). Therefore, supermarket is an important business that can fulfil consumer needs and wants. Retailing started as a local activity that involved the transaction where buyers and consumers intend to consumer product through a

distribution that covers a wide spectrum of consumer channel in which most businesses are exploring (Hassan et al., 2013). The retail activities includes in providing and selling the goods and services to the end consumer. In general, retailers play a very important role in ensuring that goods or services are sold to final consumers. Therefore, they are considering as one of the main supply chain components other than manufacturer, warehouse, wholesalers or distributor and supplier. After that, these distributors will supply the finished goods to retailers in smaller quantities such as in 7-eleven convenience stores, Mydin hypermarket stores, supermarkets and so on until consumers can purchase and consume. According to Kotler (2013), states that the retail sales activities of products and services are to the end users which involving the private use and not for business purpose.

Retailing businesses are offering the goods and services that can fulfil needs and wants of consumers but the difference can be seen products from the product, prices and promotion. There are many local and international retailers such as Tesco, Giant, Jaya Grocer, AEON, IKEA, Mr DIY, 99 Speed Mart, etc (Al-Suraihi et al., 2020). The increase in supermarkets and hypermarkets Ali et al., (2010) stated that the retailers are divided into large retailers and small retailers. Large retailers are retailers that operate on a large scale, including supermarkets, hypermarkets and so on (Reutterer & Teller, 2009) compare to small retailers store are mostly operate in brick-and-mortar in a small space. Malaysia retail sector consists of a huge number of small shops that offered a variety of goods and services (Al-Suraihi et al., 2020).

Increase in income will increase the purchasing power and consumers able to meet their needs and wants. Buying decision occur before consumers make a purchase. Purchasing decisions are individual activities that are directly involved in the decision to make the purchase of the products offered by the seller (Usman, Nadila, & Decisions, 2019). Thus, they will consider and caution something they desire to buy before they make a payment. The consumer decision-making process can be described as the phases that consumers go through in making a final purchase decision (Hanaysha Jalal, 2018). Furthermore, consumers also tend to go through five senses which sight, touch, sound, smell and taste the products or services. The choices made by consumers before making a purchases are started after the consumer has the will to buy (Nadila, Usman, & Decision, 2020). These decisions can be influenced by marketers by providing information about their products or services that may inform consumer's assessment process (Hanaysha Jalal, 2018).

In addition, retailing has been important in business in ensuring retailers can meet consumers demand and also retailers are able to create and increase the value of goods and services to the end consumers. The demand of consumers and development of innovation in information of processing becomes more important day after day and it competitive environment that will contribute and enhance to the development (Graf et al., 2013; Myllyla, 2019). Among the importance of retailing in industry is provide a variety of product and service assortments, bulk breaking, inventory holding and providing services to end consumers. These important of retailing can meet the consumer needs and wants as well as ensuring the satisfaction of consumer.

Thus, the purpose of this research was identifying the factors influence consumers' buying decision at supermarket among UMK students.

### 1.1 Research Objectives

Below are the research objectives for this research:

- 1. To determine the relationship between product and consumers' buying decision.
- 2. To determine the relationship between price and consumers' buying decision.
- 3. To determine the relationship between promotion and consumers' buying decision.

### 1.2 Significance of Study

The main purpose of this study is identifying the factors influence consumers' buying decision at supermarket among UMK students. Thus, the significance of this study will help researcher conduct the research by using a quantitative method which questionnaire will be distributed to the respondents in gaining the data and information which is more strong shreds of evidence. Beside, this study also beneficial to future researchers especially for final students that will conduct their final year project to refer towards this study because not many research about the factors influence consumers buying decision.

Besides, the significant of this study also can give advantages to small retailers. The results that will shows at the end of this study can help retailers identify the needs and wants of consumers which consumers tend and love to make purchases in supermarket. Besides, this study also helping retailers in improving their marketing strategies to attract more consumes to visit their stores, growing the business and sustainable competitive advantage.

### 2 Literature Review

### 2.1 Independent Variables

#### 2.1.1 Product

Product is an element that can influence consumer buying decision and behaviour. Product is a foundation that must know in developing a marketing strategy. Furthermore, product also is one of the marketing mix which is 4Ps. Product quality have been choice of consumer in considering before make a purchase.

Product quality play an important role which is it will determine the satisfaction of consumer. Product quality is a factor that supports buying decision(Nadila et al., 2020). With the quality obtained in a product, it can give added value to the product itself (Usman et al., 2019). Since consumers buy satisfaction in form of the benefits they expect to receive from the product, to design effective marketing programmes, organizations need to know what kinds of products they are offering consumers (Gikonyo, 2020). Therefore, product quality is often considered to be a major contributor to the development of a firm's competitive advantage. Product quality is extent to which a product succeeds to meet the needs of its customer (Gikonyo, 2020).

Packaging is important role for the product to ensure the goods in a good condition and retain the quality. The packages also must be safe, high quality and can attract exciting of consumers. Product package contains visual and sensual attributes which communicate to consumer (Gikonyo, 2020). A product package is a container that has a direct contact with the product, protects, preserves and identifies the product (Ampuero & Vila, 2006). Furthermore, the package design not only improves the visibility of the product but also helps the consumer to recognize the product easily. Packaging is also not only focus on design but ability to convey the information.

Branding will impact to brand awareness which consumers are able to recall or recognize the

name of brand. Without branding, it's hard for consumer to identify the products or services. It is difficult for a consumer to identify a product without a brand name or brand identity (Gikonyo, 2020). Therefore, it is important that the branding should be aligned with the product so as to build brand equity and product credibility (Smithson, 2015). Thus, the name, term, symbol, design, sign, colours and uniqueness are important role in order to make consumers remember it and also differentiate the products and services from competitors.

According to the previous study of (Usman et al., 2019) which is effect of products, promotion, price and location of buying decision shows that product in terms of diversity of products, innovation and quality have the effect on buying decision. It proves that quality of product plays an important role in attracting consumers to buy.

#### 2.1.2 Price

Price plays an important role which that can attract consumer whether they want to buy or not. In other words, consumers usually were sensitive with the price. Most of consumers desire a good quality of product with affordable price. They also stated that purchasing decisions are based on how consumers look at the price and what they consider the current actual price (Usman et al., 2019). It can be concluded that the prices greatly affect a consumer's decision to buy a product (Usman et al., 2019).

Value base pricing also important for consumer to ensure the money they invest are worth. Value establishment can be defined as the offer of benefits of equal or superior value to the sacrifices incurred by the purchaser for or product and service (De Toni, Milan, Saciloto, & Larentis, 2017). Value based pricing is product driven and price is based on perceived product value (Gikonyo, 2020). Price affects a firm's competitive position in the market and its market share hence it has a considerable bearing on a company's revenues and net profits (Gikonyo, 2020).

Penetration pricing is like when the firm decides to set the price below the value of the service to the customer, thus ensuring a larger customer base. Penetration strategy is the process of setting a price at a lower price for new products or services hence breaking even. Use of penetration pricing may lead to increase in sales volume and market share(Gikonyo, 2020). Also, Penetration pricing strategy is also used by organizations to promote complementary products (Gikonyo, 2020).

Consumers then form expectations about future price discounting, based on their previous exposure to such activity at the point of buying (Gikonyo, 2020). When consumers encounter frequent discounted brand and expect to find it regularly offered at a discount (Shamout & Science, 2016). Nowadays, consumers are more aware about the price discount. Price promotion usually attract consumer interest indirectly it will affect to the increasing of sales of company.

Based on previous study conducted by (Gikonyo, 2020), influence of marketing mix on consumer buying behaviour in the retail supermarkets in Nairobi country shows the results that price have a relationship with consumer buying behaviour. It shows that price will determine on consumer decision in making purchasing and evaluate the price whether worth to buy or not.

#### 2.1.3 Promotion

Promotion has being important element in order to increase the sales of company. Sales promotions increase sales for the company (Usman et al., 2019). To hold a sale, the company must determine the appropriate promotional tools to promote the products of the company (Usman et al., 2019).

Personal selling is more to traditional way to promote the products or services. The successful firms in the business world are those that are able to successfully study consumer behaviour and determine the factors that affect the development of marketing strategies (Gikonyo, 2020). Personal selling is one of the best marketing strategies which is directly contact face-to-face between buyer and seller indirectly create a good relationship. Therefore, consumers will consider and decide to purchase products displayed in retail store. This way will influence consumers to make buying decision.

Public relations are responsible for constructing and promoting the news and information that will be published for being read by the public, including the consumer (Gikonyo, 2020). Therefore, since the state of mind of the consumer is an important variable in the buying action process (Saliagas & Kellaris, 2015). It is essential to understand how public relations act and prepare the information, in addition to how the publishers present it to the readers (Gikonyo, 2020). Thus, public relation being as a factor that can influence consumers' buying decision.

Advertising seeks to promote products by means of publicizing them through kinds of media e.g. print and electronic (Haider & Shakib, 2018). The platform or social media that usually companies uses are Facebook, Instagram and website. These platforms are common advertising tools used by companies in advertising their products and services in terms of information, price and so on. By using these new era advertising, it will facilitate the consumer to reach the information and also able to access anywhere and anytime. The internet contains all of the information that was available from traditional media and, when used together with personal devices such as tablets and smartphones, consumers are able obtain information anywhere, anytime (Woo, Ahn, Lee, Koo, & Systems, 2015).

New media is a digital technologies that can connect with internet where people can communicate to each other. There are various mediums that firms are using to communicate to their existing and potentials customers about their products and services (Gikonyo, 2020). these includes word of mouth, social media, sponsorship, experimental marketing etc (Gikonyo, 2020). These elements of promotion could help companies to increase their sales as well as influencing the buying decision of consumers.

From the past research conducted by (Gikonyo, 2020), this paper was investigating influence of marketing mix on consumer buying behaviour in the retail supermarkets in Nairobi country. The result of this study showed significant relationships between promotion and consumer buying decision. Promotion activities such as advertising, personal selling and new media can give impact on consumer buying decision which they interested in the promotions offered.

### 2.2 Dependent Variable

### 2.2.1 Consumers' Buying Decision

Buying decision involves consumers make a choices before making a purchase any products or services they desire to buy. It also can describe as a journey for consumer face before they make a purchase. Consumer decision making is basically a problem-solving process whereby a growing number of products are circulating in the community so consideration is needed for the community in making Buying Decision (Nadila et al., 2020). Decision making is the activities of individuals who are directly involved in obtaining and using the goods offered (Usman et al., 2019). Understanding the buying decision is important for marketers and salespeople or every organization in order to align the sales strategy accordingly. It will helps in set the marketing plan that convinces consumer to buy the products or service because it meets the needs of buyer.

Purchase decision involves a sequence of choices formed by a consumer before making a purchase which starts once he/she has a willingness to fulfil a need (Hanaysha Jalal, 2018). They go through several stages of consideration and look for other alternatives (Nadila et al., 2020). Studies suggest that customers generally go through a five-stage decision-making process whenever they make a purchase (Furaiji et al., 2012). Those five stages are problem recognition, information search, and evaluation of alternatives, purchase decision and post-purchase evaluation. Consumer behaviour involves the psychological processes that consumers go through in recognising their needs, finding ways to solve these needs, making purchase decisions (e.g., whether to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans (e.g., by engaging in comparison shopping or actually purchasing a product) (Furaiji et al., 2012). These stages will determine whether consumer willing to buy or not. When someone wants to buy something expensive, important and risky they usually do it with caution (Nadila et al., 2020).

### 2.3 Hypothesis

- H1: The product has significant effect relationship on consumers' buying decision.
- H2: The price has significant effect relationship consumers' buying decision.
- H3: The promotion has significant effect relationship on consumers' buying decision.

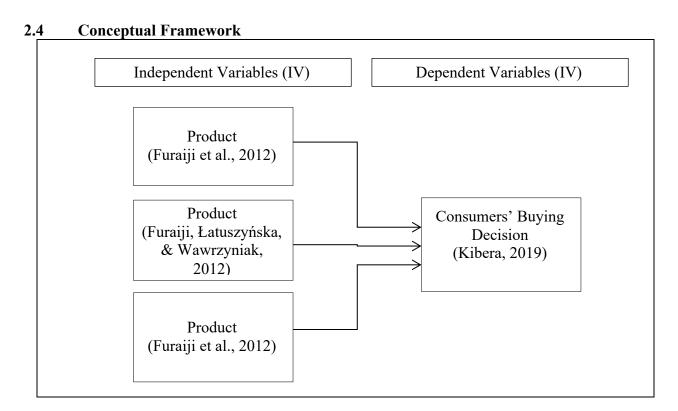


Figure 1: Conceptual Framework of the Factors That Influence Consumers' Buying Decision at Supermarket among UMK students.

### 3 Methodology

### 3.1 Research Design

The study was investigating the factors that influence consumers' buying decision. The cross-sectional used by distributing the questionnaire which it takes only one-shot in gathering the data. Hence, in order to obtain data for this research, the quantitative study had been used by distributing the questionnaire. The collected data will run by statistical SPSS version 22 to analyze the results from the data of questionnaire which related to the study. The questionnaire might be distributed by Google form in a few days, weeks or months in order to complete answering questions. This method will help in saving time and cost.

### 3.2 Population

The study was about investigating the factors that influence consumers' buying decision at supermarket among UMK students. Therefore, students from Universiti Malaysia Kelantan will be respondents in order to obtain the data. To be more specific, students of UMK will be choose as respondents for this study. Basically population of UMK is 10 186 students for last update on 25 October 2020 (Sources Bahagian Pentadbiran Akademik UMK). There are three campuses namely Kota, Bachok and Jeli which consists of 5 864, 2 395 and 1 927, respectively.

### 3.3 Sample Size

Based on total of population, it will determine the sample size of the study which the total targeted respondents. So, sample size for this study will be 370 which mean it is total of respondents for this study based on table Krejcie and Morgan (1970).

#### 3.4 Data Collection

In order to achieve research objective, the research will used primary data which the data will be gathered from questionnaire data to get response on self-administered questionnaire. Primary data is easy way in obtain the data in the same time save the time, cost and more efficient especially during the pandemic outbreak nowadays. In addition, this method also helps to achieve a large number of sample sizes or respondents in a short time. Therefore, the source of primary data will be collected by distributing the questionnaire to students of UMK via Google form. Furthermore, secondary data also will use for this research. Before conducting the research, previous study will be reference in order to get more information that associated with the research. The materials that will use are article from Google scholar, journals and books.

### 3.5 Sampling

For sampling techniques, non-probability will be used in this research. It is because the targeted respondents have been identified which participants have all the characteristics of the study population in the sample. Thus, the sample had already known which is population are students as respondents from UMK. Convenient sampling is type of sampling non-probability techniques because it is accessibility, geographical proximity availability at a given time or the willingness of respondents to participate in this study. In addition, this sampling method will help in conducting the research in large number of surveys and cost effectively.

#### 3.6 Research Instrument

In this study, the questionnaire will be used to distribute to respondents in order to obtain data. Therefore, the questionnaire will be designed into four sections which A, B, C and D. Section A will be covered a general information of respondents. Second, section B covered based on first independent variable which is about influence of product on consumers' buying decision. Then,

section C will cover based on second independent variable which is about influence of price on consumers' buying decision. For section D covered based on third independent variable which is about influence of promotion on consumers' buying decision. Lastly, section E will recover dependent variable which is consumers' buying decision. Table 1 below shows the source of questionnaire.

Table	- 1 ج	Source	of (	Questionn	aire
I aon	<i>-</i> 1.	Source	OI (	Zucsuomi	anc

Section	Section Description		No. of Items
Section A	Demographic	(Furaiji et al., 2012)	5
Section B	Section B Product		7
Section C	Price	(Furaiji et al., 2012)	7
Section D	Promotion	(Furaiji et al., 2012)	7
Section E	Consumers' Buying Decision	(Kibera, 2019)	7
	33		

### 3.7 Data Analysis Techniques

After the data was collecting, the next step will be analysed them in order to test the research hypothesis. To analyse the data, "Software Package for Social Sciences" (SPSS) version 22 will be used. SPSS Statistics is a software program for statistical data analysis. There are many advantages or benefits using the SPSS. Among the advantage are effective data management, wide range of options and better output organization. SPSS is also commonly used for business. The collected data has been run through three tests namely descriptive analysis, reliability analysis and Pearson correlation.

### 4. Data Analysis and Findings

#### 4.1 Demographic

The demographic profile of the respondents included the information of gender, age, years of study, faculties and frequency of going to supermarket in a week. In term of gender, the results show that respondent involve in the research are female that is about 298 respondents or 80.54%. Meanwhile, there are about 19.46% of male, which is 72 respondents involved.

Furthermore, the respondents from the group of age is from 21 - 23 years old which the result is 73.24. While others group of age which is 19 - 20 years old and 27 years old and above are 7.30%, 18.38% and 1.08%, respectively. Beside, the frequency of respondents of UMK students based on their year of study are most of the students that dominate in this research are from year 4 with 241 respondents which is 65.14%. The second respondents that dominate are from year 3 which is 59 respondents or 15.95 involve. Other two respondents which year 2 and 1 are 49 respondents, 13.24% and 21 respondents, 5.68%, respectively.

Next, the frequency of respondents based on faculties that involve for this research are from UMK students from 3 campuses which is Kota, Bachok and Jeli. Faculty from FKP are most dominant which is 248 students are involve with percentage of 67.03%. meanwhile, FHPK, FPV and FTKW are 73 respondents, 19.73%, 12 respondents, 3.24% and 16 respondents, 4.32%, respectively. While others faculties FAE, PBI, FIAT, FSB and FBKT are 11 respondents, 2.97%, 3 respondents, 0.81%, 3 respondents, 0.81%, 2 respondents, 0.54% and 2 respondents, 0.54%, respectively.

Lastly, the frequency of respondents going to supermarket in a week is that once is the most dominant which 132 respondents with percentage of 35.68%. The second dominant that respondents vote is 2 times which 99 respondents with percentage of 26.76%. Meanwhile, 3 times and more than 4 times are 53 respondents, 14.32% and 86 respondents, 23.24%, respectively.

### 4.2 Descriptive Analysis

Descriptive analysis had been running in SPSS to understand the variability of every each variable and listed out summary of the mean and standard deviation of variables in Table 2.

Table 2: Summary of the Mean and Standard Deviation of Variables

Variables	Mean	Std. Deviation
Product	4.47	0.518
Price	4.46	0.550
Promotion	4.43	0.619
Consumers' Buying Decision	4.55	0.519

### 4.3 Reliability Analysis

The Table 3 below show the reliability test of all variables after distributed to 370 respondents in order to see the validity of variables. Based on Cronbach alpha, all the variables are more than 0.7 which is reliable and accepted. For product and price variables have very good to be accepted to use because the Cronbach alpha value at range 0.9>a≥0.8 which is 0.88 and 0.87. Meanwhile, for promotion and consumers' buying decision have excellent value of Cronbach alpha in range of a≥0.9 which is 0.92 and 0.93, respectively.

Table 3: Reliability Statistics of All Variables

Variables	Cronbach's Alpha	N of Items	Results
Product	0.88	7	Very Good
Price	0.87	7	Very Good
Promotion	0.92	7	Excellent
Consumers' Buying	0.93	7	Excellent
Decision			

#### 4.4 Spearman Correlation Analysis

Correlation hypothesis will be used for hypothesis testing to determine whether there is significant relationship between two variables. In order to have a significant value between two variables, p-value must below than 0.05.

Table 4: The Correlation between Independent Variables and Dependent Variable

Variables	Mean (SD)	Product	Price	Promotion	Consumers' buying decision
Product	4.47 (0.52)	1	0.837	0.820	0.782**
Price	4.46 (0.55)	0.837	1	0.844	0.822**
Promotion	4.43 (0.62)	0.820	0.844	1	0.791**
Consumers' Buying Decision	4.55 (0.52)	0.782	0.822	0.792	1

<sup>\*\*</sup>p-value<0.05, spearman correlation analysis applied

Based on Table 4 above, for independent variable of product, there is a strong positive significant relationship between product and consumers' buying decision (p<0.05, r=0.782). Meanwhile, the independent variable of price there is a strong positive significant relationship between price and consumers' buying decision (p<0.05, r=0.822). Lastly, the independent variable of promotion there is a strong positive significant relationship between promotion and consumers' buying decision (p<0.05, r=0.791).

### 4.5 Summary

Table 5: Summary of the Hypothesis Results

Number of Hypothesis	Statement of Hypothesis	Result	Significant Value
H1	The product has significant effect relationship on consumers' buying decision	Accepted	0.000
H2	The price has significant effect relationship consumers' buying decision	Accepted	0.000
Н3	The promotion has significant effect relationship on consumers' buying decision	Accepted	0.000

Tables 5 showed the acceptance of all hypothesis in this study. For H1, relationship between product and consumers' buying decision is significantly positive and accepted. This is because the p-value is less than 0.005 which is 0.000. Meanwhile, for H2 which is relationship between price and consumers' buying decision is significantly positive because the p-value is less than 0.05 which is 0.000. Thus, H2 is accepted. Lastly, p-value for H3 is 0.000 which is accepted because it is less than 0.05. Therefore, H3 is accepted and there is positive significant relationship between promotion and consumers' buying decision.

### 5 Discussion and Recommendation

From the research, product has a positive significant relationship with consumers' buying decision at supermarket among UMK students. For product, there is significant value of product which p=0.000. According to Gikonyo (2020) research, product has a significant relationship with consumers' buying decision with p=0.025. The finding was supported by Ismail (2018) where the

quality of product able to be addressed to the satisfaction of consumers. At the same time, the trustworthy also could influence and attract consumer intention to buy the product. Hence, the previous has identified that product has relationship with consumers' buying decision. Therefore, the alternate hypothesis (H1) was accepted.

From the research, price has a positive significant relationship with consumers' buying decision at supermarket among UMK students. For price, there is significant value which p=0.000. From the previous finding by Giao (2020), there is significant relationship between price and consumers' buying decision which p value was 0.000. According the finding by Al-mamun and Rahman (2015), consumers are concerned about assessing the benefits of product they paying for. Beside, consumer also will compare the price include reasonable and affordable price with the quality of product. Therefore, the research has identified that price relationship with consumers' buying decision. Therefore, the alternate hypothesis (H2) was accepted.

From the research, promotion has a positive significant relationship with consumers' buying decision at supermarket among UMK students. For promotion, there is significant value between promotion and consumers' buying decision which p=0.000. According to the finding by Usman (2019), it show that the promotion has a significant relationship which the the significant value was 0.017. From the research Gikonyo (2020) said that promotion can attract and influence consumer to make a decision in buying. Consumers will have intention to buy the product or service when there are various promotional sales. From that finding, it can conclude that promotion has relationship with consumers' buying decision. Therefore, the alternate hypothesis (H3) was accepted.

The purpose of this research is to explore further about the factors that influence consumers' buying decision at supermarket among UMK students. In future, researcher that desire to conduct research in investigating the consumers' buying decision, the research should conduct to focus on every group of people as respondents. Therefore, the results will be more quality. Besides, there are still a lot of factors that can influence consumers' buying decision. Hence, the researcher can refer to this study to expand more idea to achieve the objective of the research.

Besides, the results of all independent variables which is product, price and promotion are has significant relationship with consumers' buying decision. Therefore, retailers should improve on product, price and promotion in many terms such as the quality, reliability, reasonable price and sales promotion in order to attain consumers over many geographical locations. This is because most of the consumers will concern and consider the things they will buy especially product based on price and promotion attributes. In short, marketing strategy is important in business which it affected to the growth of organization in a long term.

### 6 Conclusion

After undergoing this study in a few months and have obtained results the researcher has been discover and identify that product, price and promotion influencing consumers' buying decision at supermarket among UMK student. As a conclusion, the purpose of this study has been success in achieving the objective. This study might help a lot to the performance of retailing sector in the future in enhancing the organization to ensure the business is growing. Even though this study have a small sample size, there is still hope for this research will used as a reference in the future research that covering bigger population which it would be more information.

### 7 Acknowledgement

There are many parties that I truly appreciated and want to say thank you during completing of this research. First of all, in particular Universiti Malaysia Kelantan had provided the courses that give the students including me a lot of advantages. The university also has provided an opportunity for me and all students to experience conducting their own research.

Then, here I owned many thanks and fully respect to my supervisor, Puan Munirah Binti Mahshar. I would like to thanks for her abundantly guidance, assistance and encouragement that she constantly gives to me and ensuring my report of research is good. She deserves receive a special thank you from me for her patience, caring, generosity and guidance when supervising my work despite all the mistakes that I made throughout the making of the research report and for enabling me to proceed with this research study.

Last but not least, I would also to thank my family members for giving me support and understanding of the current situation that the world is currently facing as covid19 disease causes all students must undergo online learning. Not forgetting also to my colleagues who are involved either directly or indirectly for helping me a lot in completing my research. Without them, completing this research alone would not be an easy task for me to complete in such a simple situation.

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# THE IMPACT OF SELF-SERVICE KIOSKS ON CONSUMERS PURCHASING BEHAVIOUR IN KEPALA BATAS, PULAU PINANG

Nur Syahirah Binti Suhaini and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: syahirah.a17a0505@siswa.umk.edu.my; munirah@umk.edu.my

#### Abstract:

Self-service technologies (SST) have become ubiquitous in modern life. The research project aims to determine the impact of self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang. This research would also show if consumers perceived SST as a supportive role or already become a vital role in daily life. This study includes three independent variables: perceived usefulness, convenience, and time to measure consumer purchasing behaviour on SST. Secondary data was used for the literature review; the proposed research framework was the results after analysing information from many researchers' literature review. TAM model was adopted for the study. This cross-sectional study analyzed reliability test, descriptive analysis, Pearson correlation, and multiple regressions. This research found that perceived usefulness, convenience, and time are positively related to SST consumers' purchasing behaviour. This study comes out with some limitations and recommendations to provide a better viewpoint for future researchers. This study's findings contribute to business management and the government over Malaysia's behaviour overusing self-service technologies.

**Keywords**: self-service kiosk, consumers purchasing behaviour, perceived usefulness, convenience, time

#### 1 Introduction

Self-service Technology (SST) was introduced to the world due to the revolution of technology. A more recent and cost-effective approach to reducing waiting times has been introducing self-service technologies (SSTs) into the service delivery process. SSTs have been defined as technological interfaces that allow customers to produce services without a service employee's involvement (Meuter et al., 2000). The self-service industry has used the simultaneous reductions of waiting-times and operating costs as a selling point for SSKs (Avery, 2008; IBM, 2009).

Self-service kiosks were known as an interactive kiosk, which is mentioned by Mexen (2015). Nowadays, the interactive kiosks can be found in many places likes airport, banks, mall, hotels and also can be found in a fast-food restaurant. Some examples make self-service kiosks becoming one of the important platforms for people. For example, Maybank in Malaysia has executed the first self-service Automated Teller Machine (ATM) in 1981, mentioned by Mexen (2015). The cash deposit machine and cheque deposit machine have also been introduced as a self-service machine in the banking industry. Not only that, but according to Mexen (2015), the self-service laundry also had started operating in Malaysia 30 years ago. One of the examples of self-service laundry is Cleanpro Express Sdn. Bhd., which is the biggest self-service laundry franchisor in South East Asia, includes Malaysia.

Self-service kiosks give many benefits to consumers likes by using this platform. Consumers can be saving their time from wasting time by waiting too long when purchasing the product and reducing their stress when they need to deal with the staff. Besides, self-service kiosks also operate 24/7. Self-service kiosks are also operating as interactive information kiosks that can give satisfaction to the consumers. Self-service kiosks are a technology that providing information and offering other services to consumers by multimedia digital content. With that, self-service kiosks in Malaysia are widely used in many industries such as banks,

airports, fast food restaurants, the retail industry, etc. Consumers' purchasing behaviour and experience of using self-service kiosks in Malaysia are different in their attitudes. Moreover, every consumer in all countries has different perspectives and other purchasing behaviour. Researchers aim to determine the impact of self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang, from this study.

### 1.1 Significance of the Study

This study contributes to identify the impact of self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang. This study includes a short overview of the research's importance and provided the three categories; government, retail industry, and consumers. These factors help determine if any significant relationship impacts SST's attitude, influencing behaviour intention, and SST use. This study can give high-value information to the government to determine Malaysians willing to purchase products by using self-service kiosks or not. This study also could significantly impact Malaysia's retail industry for retail industry, which can understand the effect of using self-service kiosks to buy goods on customer buying behaviour from this analysis. Lastly, this study will be a helpful and good guideline for consumers who choose self-service kiosks as their platform to purchase products. It will also be useful for consumers because self-service kiosks can benefit consumers, helping consumers save their time buying products. This study also can help consumers to improve their knowledge about self-service kiosks.

### 2 Literature Review

### 2.1 Theory of Planned Behaviour (TPB)

According to the researcher (McEachern, Schroder, Willock, Whitelock, & Mason, 2007), the Theory of Planned Behaviour (TPB) is one of the principal models used to determine and understand consumer purchasing behaviour. However, one criticism of the model does not consider the consumer's moral obligations without worrying about the evidence increasing. No matter the moral responsibility and ethical ideologies, inform consumer attitudes and consumer purchase behaviour, as mentioned by (McEachern et al., 2007).

According to (Johari et al., 2010), it is important to understand and examine consumers' behaviour when using machines or technology like self-service kiosks. The Theory of Planned Behaviour (TPB) might be useful to identify consumer's purchasing behaviour. TPB is the extension of Theory Reasoned Action (TRA). As mentioned by (Johari et al., 2010), the theory is about the intentions and perceived behaviour control of technology acceptance to predict behaviour. This is because direct human contact is disappearing, and the existences of machines or technology are more expansive in this current world. As studied by (Johari et al., 2010), the human attitude is about the self-service task's negative or positive evaluation.

Besides that, resource availability, such as the self-service kiosks, is connected with the behaviour (Collier & Sherrell, 2010). This is because factors included in the resources are accessibility, time and effort availability, payment options, and other additional resources that need to be made more accessible. So, those factors are cover by the idea of convenience, as stated by (Collier & Sherrell, 2010). This theory is used to understand the behaviour and fill up the relevant gap in this research.

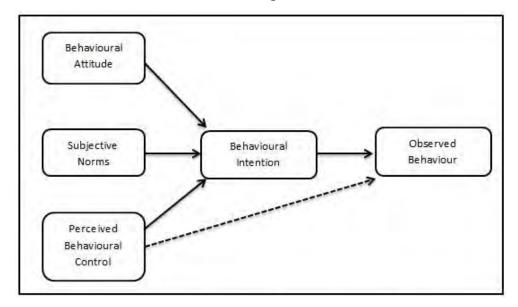


Figure 1: Theory of Planned Behaviour

### 2.2 Technology Acceptance Model (TAM)

According to (Srinivasan 2014), Technology Acceptance Model (TAM) is an information systems theory that explains how consumers want to accept and use a specific technology. The researcher stated that TAM's main reason is to understand the impact of external factors on beliefs, performance, and intentions. The researcher also says that to understand new technology, a user to the receptiveness, a TAM model is most widely used by the researcher. TAM is the most widely recognized empirical study through validations, applications, and replications (Legris, Ingham, and Collerette 2003). However, Chuttur (2009), who did the overview study on TAM, has found that this model could be better established if the gap on lack of rigidness and relevance were fulfilled (Chuttur, 2009).

Bobbitt and Dabholkar (2001) modify TAM by incorporating the previous self-service experience over an individual's attitude towards using the technology. In this study, a slightly modified TAM model will be carried out to fill up the relevance gap to figure out perceived factors influencing the acceptance and adoption of SST. As stated by (Srinivasan 2014), the TAM model focused on two theoretical constructs, which are perceived usefulness (PU) and perceived time (PT). Refers to (Rose & Fogarty, 2006) based on the Theory of Reasoned Action (TRA), the researchers had stated that Technology Acceptance Model (TAM) has stabling being a robust model, powerful and economic model for predicting the acceptance of the staff in the information's technology domain. The researcher also describes explaining and indicating consumers' acceptance of new computer and information technology in the organizational contexts as a mature research area due to models like TAM.

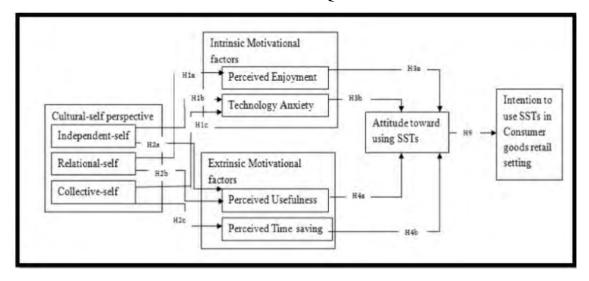


Figure 2: Technology Acceptance Model (TAM) for Perceived Usefulness (PU) and Perceived Time (PT)

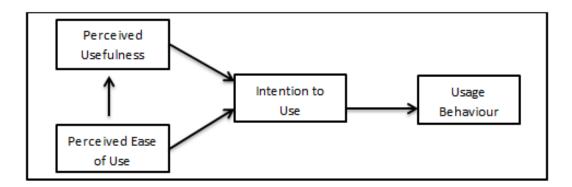


Figure 3: Technology Acceptance Model (TAM)

#### 2.3 Consumers Purchasing Behaviour

Consumers' purchasing behaviour is directly linked to the satisfaction of using self-service technology. As stated by (Currtouter 2005), the researcher read that consumers' decisions are influenced by the service providers that provide self-service technology like self-service kiosks. This is because every service provider's goals are to attract many customers by implementing current technology. This is important as it determines people's feelings about different technologies, as mentioned by (Curran & Meuter, 2005). Thus, it can be stated that consumers' purchasing behaviour plays an important role in any company that provides services, especially self-service kiosks, that very useful for today's society. One of the important factors is to offer better services. According to (Dabholkar, Michelle Bobbitt, & Lee, 2003), many service providers hope that adapting technology-based self-service offering better service to consumers.

### 2.4 Perceived Usefulness

Perceived usefulness has been defined as the degree to which a person believes in using a particular technology system to improve productivity, performance, and effectiveness (Davis, 1989). According to (Elliott et al., 2012), perceived usefulness is reflected in the benefits individuals associate with technology. Besides in appear industry, such as banking, airport, and trading industry also have the similar outcome, identified perceived usefulness as one of the

significant drivers for attitude toward an SST (Cho, 2011; Liu, Huang, and Chiou, 2012; Esman et al., 2010) Dabholkar and Bagozzi (2002) mention it isn't easy to measure perceived usefulness in SST as SST consumers do not own the technology. However, they use the technology unless this construct is measured consistently and accurately on a performing task. Refers to (Rose & Fogarty, 2006), the researcher also has the same opinion (Elliott et al., 2012) that perceived usefulness strongly influences consumers' acceptance of using self-service technology. As mention by the researcher, perceived usefulness is the factor that can influence technology acceptance and also reasonable that can influence subsequent continuance of the technology.

#### 2.5 Convenience

According to (Collier & Sherrell, 2010), previous research about 'convenience' focuses on full-service perspectives, which is traditional services. The rapid growth of technology has changed the perspectives which are to self-service technology. This is because the convenience of self-service technology makes consumers easy to use. Furthermore, convenience is defined as the utilization of self-service technology that needs the consumers' perceived time and effort, as stated by (Collier & Kimes, 2013). Convenience can also be interpreted that the location, operating hours, and availability of SST influence consumers' perceptions that are using self-service technology, which is mentioned by (Collier & Sherrell, 2010). Besides, convenience is also focused on the time and effort that utilize a transaction process before, during, and after a transaction, as mentioned by (Collier & Kimes, 2013). This means that the process between consumers and self-service kiosks uses time and effort when doing the self-service task.

#### **2.6** Time

Time is considered to be a scarce resource, which should be carefully spent. This study also stated that the more valuable the consumer's time, the more negative their perception of those wastes. The increase in waiting time decreases satisfaction. (McGuire et al. (2010). According to Kokkinou and Cranage (2013), waiting lines are common in many service settings where capacity is fixed as peak-time demand can exceed the available supply. Kokkinou and Cranage (2013) indicate that waiting-time reduction has been a significant objective of service providers. The more recent and cost-effective approach to reducing waiting times has introduced self-service kiosks into the service delivery process.

### 2.7 Research Hypothesis

The research hypotheses developed from the questions and objectives of the study are:

H1: There is a significant relationship between self-service kiosks' perceived usefulness and consumers' purchasing behaviour in Kepala Batas, Pulau Pinang.

H2: There is a significant relationship between self-service kiosks' convenience and consumers' purchasing behaviour in Kepala Batas, Pulau Pinang.

H3: There is a significant relationship between self-service kiosks' time and consumers' purchasing behaviour in Kepala Batas, Pulau Pinang.

### 2.8 Conceptual Framework

The theoretical framework is important because it provides a rationale for predictions about the relationships among variables of a research study and plays a role in guiding the research study's entire process, Ram Sharan Mehta, (2018). This is to recognize the variables of impact self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang. Figure 1 below shows the conceptual framework of this study. It consists of perceived usefulness, convenience, time, and consumer purchasing behaviour.

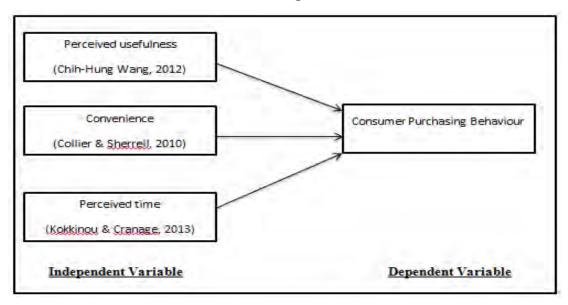


Figure 4: Theoretical Framework of the Study

### 3 Research Methodology

### 3.1 Research Design

This study used a quantitative method where construct a survey questionnaire to collect data. The questionnaire was distributed online to be answered by anyone and anywhere (Debois, 2016). In this research, quantitative research will measure the independent variables for self-service kiosks' impact on consumers' purchasing behaviour via a questionnaire survey. This study's population or focus groups stay and use the self-service kiosks in Kepala Batas, Pulau Pinang.

#### 3.2 Data Collection Methods

According to (Johnson & Turner, 2003), the data collection method is a simple technique used as a method of data collection to collect empirical research data. There are two types of data are collected, which are primary and secondary data. In this study, the primary data is collected in a questionnaire, collecting the data from our target respondents. A self-administered questionnaire is applied to require respondents to complete the questionnaires. The results are tabulated and interpreted using the data from this questionnaire. This study's secondary data is the information created and collected by other researchers (Muhajan, 2017). Several relevant literature kinds of research from different sources, such as Google Scholar, the UMK E-journal Portal, and other databases, forming a triangulation of data to be used with the primary data collected for this research. In this study, the method that was used in gathering information is primary sources. The primary source method used to collect data is by distributing the questionnaires to the target respondents. Besides that, secondary data also have been used to support the research. Thus, this study aims to identify the impact of self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang.

### 3.3 Sample Size

In this research, researchers will use the non-probability sampling technique is used for sample selection. The convenience method is also adopted; this research questionnaire link is distributed on social media, blogs, and e-mail. To achieve a reliable and valid sample, Krejcie & Morgen (1970) used to determine the sample. A sample size of 378 is sufficient for the study. Respondent's opinion was collected and recorded through a questionnaire as primary data to complete this research.

### 3.4 Research Instrument Development

Researchers developed an online questionnaire to collect data. Measurement scales of the research model constructs were adopted from previous studies. This study used 5- point Likert scales, moving from "strongly disagree "to "strongly agree" to measure the items. The questionnaire had two versions, which are English and Bahasa Malaysia.

### 3.5 Data Analysis

The data collected from the respondents through the questionnaire is analysed using through Statistical Package for the Social Science (SPSS) software. This is due to SPSS being user-friendly and allowing the researchers more flexibility to evaluate the research design (D'Amico, Neilands, & Zambarano, 2001). This study involves the descriptive, reliability analysis, Pearson's correlation analysis, and multiple regression analysis. Therefore, it also can subsequently carry out statistical analysis and data interpretation. The mean, standard deviation, and percentage were used to measure and describe the descriptive summary statistics.

### 4. Findings and Results

### 4.1 Demographic Profile of Respondents

A set of personal characteristics, gender, race, age, marital status, and education level, has been examined and presented in the table below. The questionnaire was distributed online by using the communication application. 378 sets of questionnaires were collected.

Table 1: The Demographic Characteristic of the Respondents (Source: Developed from research)

Demographic	Category	Frequency	Percentage
Characteristic		(N)	(%)
Gender	Male	102	27.0
	Female	276	73.0
Race	Malay	339	89.7
	Chinese	22	5.8
	Indian	13	3.4
	Other	4	1.1
Age	19 years old to 20 years old	55	14.6
	21 years old to 22 years old	60	15.9
	23 years old to 24 years old	198	52.4
	25 years old and above	65	17.2
Marital Status	Single	340	89.9
	Married	37	9.8
	Divorce	1	0.3
Education Level	Pre-university / STPM / A-level	43	11.4
	Diploma	84	22.2
	Degree	238	63.0
	Master / PhD	4	1.1
	Others	9	2.4

Source: Developed from research

Table 1 shows that female respondents are dominant in this study. The majority of the respondents were Malay and followed by Chinese and Indian. Most of the respondents are age between 23-24 years old. The highest number of respondents falls under the category single, and the second-highest status is on married status, followed by divorce. Besides, the respondents mostly come from having a degree of education qualification, which are 238 respondents.

### 4.2 Descriptive Analysis

Table 2: The Descriptive Statistics of Independent Variables and Dependent Variable (Source: Developed from research)

Description	Mean	Standard Deviation
Perceived Usefulness	4.1942	.55553
Convenience	4.1794	.58314
Time	4.2646	.58274
Consumers Purchasing Behaviour	4.2233	.60034

Source: Developed from research

Table 2 shows the mean and standard deviation of independent and dependent variables. Mean of independent variables, and the highest mean is the time, which is 4.2646 and followed by perceived usefulness, which is 4.1942, and the lowest is convenience, which is 4.1794. The dependent variable in this research is 4.2233.

Descriptive statistics uses a five-point Likert Scale, which starts from "strongly agree" to "strongly disagree." It calculates and summarizes depend on data. Descriptive statistics will analyse standard deviations, means, median, mode, and other arithmetic information. George and Kumar (2012) mean values that greater than 3.0 to 4.5 is a positive trend. Table 3 showed that the three variables are 3.0 to 4.5, which considered as high interpretation of precautions, and it shows that the majority of respondents agree on the questions in the questionnaires relating to which are perceived usefulness, convenience, and time (independent variables) are relating to consumers purchasing behaviour (dependent variables).

### 4.3 Reliability Analysis

The reliability test is conducted to determine respondents' understanding of all items, and it could be measured by using Cronbach's Alpha values (Hair et al., 2012). Cronbach's Alpha is used to determine the items' stability and consistency, and if the variables are reliable in the questionnaire. If the value of Cronbach's Alpha is 0.9 and above, it shows that the questionnaire is reliable. If the value is less than 0.60, the association's strength is considered a poor relationship. Table 1 present the results of the reliability test in this study from all variables.

Table 3: Reliability Statistics of Independent Variables and Dependent Variable (Source: Developed from research)

Variable	N	Cronbach's Alpha	Result
Perceived Usefulness	378	0.813	Good
Convenience	378	0.830	Good
Time	378	0.871	Good
Consumers Purchasing Behaviour	378	0.874	Good

Source: Developed from research

Table 1 shows that the value of Cronbach's Alpha is range from 0.813 to 0.874. The values indicated that all the variables in this study are reliable and valid since the Cronbach's Alpha value exceeds 0.7, as suggested by Hair et al. (2012).

#### 4.4 Pearson's Correlation

This Pearson Correlation Coefficient Analysis was adopted to examine the relationship between variables and evaluate the relationship's strength. Table 4 is the outcomes of the Pearson Correlation Coefficient Analysis for the dependent variable, which is the intention and independent variables, which are perceived usefulness, convenience, time, and consumer's purchasing behaviour.

Table 4: Summary of Pearson's Correlation (Source: Developed from research)

			•	/	Consumers
		Perceived			Purchasing
		Usefulness	Convenience	Time	Behaviour
Perceived	Pearson	1	.791**	.707**	.718**
Usefulness	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	378	378	378	378
Convenience	Pearson	.791**	1	.783**	.745**
	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	378	378	378	378
Time	Pearson	.707**	.783**	1	.694**
	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	378	378	378	378
Consumers	Pearson	.718**	.745**	.694**	1
Purchasing	Correlation				
Behaviour	Sig. (2-tailed)	.000	.000	.000	
	N	378	378	378	378

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

As stated in hypothesis 1, there is a significant relationship between self-service kiosks' perceived usefulness and consumers' purchasing behaviour in Kepala Batas, Pulau Pinang. Table 4 showed that the correlation coefficient between perceived usefulness and consumer's purchasing behaviour is 0.718, with a p-value of 0.000 < 0.05. Hence, hypothesis 1 (H1) was supported. There was a high positive relationship between perceived usefulness and consumer's purchasing behaviour. Next, hypothesis 2 stated that convenience significantly affected customers' purchasing behaviour in Kepala Batas, Pulau Pinang. The table above showed the correlation coefficient between convenience and consumer's purchasing behaviour is 0.745, with a p-value of 0.000 < 0.05. Hence, hypothesis 2 (H2) was supported. There was a high positive relationship between convenience and consumer's purchasing behaviour. Hypothesis 3 stated that there is a positive perfect significant relationship between time and customer's purchasing behaviour. Table 4 showed that the correlation coefficient between time and consumer's purchasing behaviour is 0.694, with a p-value of 0.000 < 0.05. Hence, hypothesis 3 (H3) was supported. There was a high

positive relationship between time and the consumer's purchasing behaviour.

### 4.5 Multiple Regression Analysis

The independent variable in this study, which is perceived usefulness, convenience, and time were entered into the same regression equation to predict either there, was any significant relationship with the consumers purchasing behaviour in Kepala Batas, Pulau Pinang.

Table 5: Summary of Multiple Regression Analysis (Source: Developed from research)

Variable	Simple Linear Regression		ssion	Multiple Linear Regression		
	b	t-stat(95%CI)	p-value	b	t-stat(95%CI)	p-value
Perceived	0.78	20.00(0.70,0.85)	< 0.001	0.32	5.44(0.20,0.43)	< 0.001
Usefulness						
Convenience	0.77	21.68(0.70,0.84)	< 0.001	0.35	5.63(0.23, 0.48)	< 0.001
Time	0.72	18.69(0.64, 0.79)	< 0.001	0.23	4.13(0.12,0.33)	< 0.001

Source: Developed from research

Table 4 shown a summary of multiple regression analysis. There is a significant effect of perceived usefulness, convenience, and time towards customers purchasing behaviour (p<0.05). In every unit increase of perceived usefulness, customers purchasing behaviour will increase by 0.32. In every unit increase in convenience, customers purchasing behaviour will increase by 0.35. In every unit increase in time, customers purchasing behaviour will increase by 0.23.

### 4.6 Hypothesis Testing

The hypothesis on the significant relationship between perceived usefulness, convenience, and time with consumers' purchasing behaviour was tested using Pearson correlation analysis. All hypotheses were accepted at 0.01 significant levels.

### 5 Discussion

This research was about self-service kiosks' impact on consumers' purchasing behaviour in Kepala Batas, Pulau Pinang. The sample size that the researchers need in this research is 378 respondents, according to Krejcie and Morgan (1970) table, which is 102 male and 276 female respondents that were filling up the questionnaires. Based on the survey data, females' total number is more than male respondents because Pulau Pinang is more dominant by females than males. The researchers used primary data to conduct this research by a distributed set of questionnaires to get feedback from the target respondents.

From the data collected by distributed the questionnaire, all the respondents (100%) that fill up the questionnaire admit that they heard and know about self-service kiosks. This research was carried out to determine the impact of self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang, like perceived usefulness, convenience, and time. The researchers have found a significant relationship variable in this study based on respondents' results.

This study's dependent variable is consumers purchasing behaviour on self-service kiosks in Kepala Batas, Pulau Pinang. Consumers' purchasing behaviour is defined as the decision process and acts of people involved in buying and using a product. According to (Schiffman & Kanuk, 2012), customer purchasing behaviour is the customer searching for, purchasing, evaluating, and

<sup>\*</sup>Normality assumption was fulfilled/met

disposing of products and services that satisfy their expectation of needs. Self-service kiosks are one of the technologies in Self-Service Technologies (SST) and are known as an interactive kiosk. According to (Lee, Fairhurst, & Lee, 2009), a self-service kiosk is a technology that providing information and offering other services to the customers, which is by multimedia digital content. This is because the current generation prefers to do things by themselves than waiting for service.

According to independent variables in descriptive analysis, the highest mean value was time, which is 4.2646 and followed by perceived usefulness, which is 4.1942. Lastly, the lowest mean value is convenience, which is 4.1794. Meanwhile, the mean value for the dependent variable in this research is 4.2233. The researcher had done the correlation analysis to measure the linear relationship between two variables that had started in the study's research objectives.

Based on the result in chapter 4, researchers agree that independent variables like perceived usefulness, convenience, and time impact the dependent variable, which consumers are purchasing behaviour on self-service kiosks. The correlation analysis has shown the significant relationship between perceived usefulness, and consumer's purchasing behaviour, which is the significant p-value is 0.00 that less than 0.05 (p<0.05). Pearson's Correlation between the relationships is 0.718, which indicates a strong positive perfect linear correlation. This shows that there is a significant relationship between perceived usefulness and consumer's purchasing behaviour.

Next, the correlation analysis showed a significant relationship between convenience and consumer purchasing behaviour, which is the significant p-value is 0.00 that less than 0.05 9p<0.05). Pearson's Correlation for the relationship is 0.745, which indicates a strong positive perfect linear correlation. This shows that there is a significant relationship between convenience and consumers. Lastly, the correlation analysis has shown the significant relationship between time, and consumer's purchasing behaviour, which is the significant p-value is 0.00 that less than 0.05 (p<0.05). Pearson's Correlation between the relationships is 0.694, which indicates a strong positive perfect linear correlation. This shows that there is a significant relationship between time and the consumer's purchasing behaviour. Hence, according to (Kokkinou & Caranage, 2013), time is considered a scarce resource for every person and should be spent wisely. This study showed that an increase in waiting times could lead to a customer satisfaction decrease.

#### 5.1 Limitation

The first limitation is time is a very common limitation for many studies. For this research, I was only given around four months to complete the research paper. Therefore, I had limited time to do research and collecting data. I could not get many respondents to distribute a questionnaire because some are unwilling to cooperate with the survey. Due to the lack of respondents, I had to use an online survey, Google form.

Next, the respondent must have a strong internet connection for the online Google Form, such as Wi-Fi or mobile data, to answer the online questionnaire. If the Wi-Fi or data connection is limited to access, the survey is not fully answered and became incomplete. Then it will cause the respondent to need to fill the questionnaire again. Moreover, sending the online questionnaire through Whatsapp and other social media. I had to send the link to the questionnaire frequently to get respondents. Most of them will answer when they have free time. To ensure I reach my total target respondents, I keep spreading the link via Whatsapp group and personal message and choose a suitable time to fill in the online survey.

Lastly, different consumers have different behaviour on purchasing using self-service kiosks. This

is because self-service kiosks have many types, such as ATM machines, airport check-in, prepaid reload, etc. Different customers may be experienced the different performance of self-service kiosks. Therefore, the outcome would be different compare with the previous research. This research might be influenced by the culture that shapes current consumer behaviour, which results in different outcomes on the relationship between the models. As so, the results of this study might not apply to other countries.

#### 5.2 Recommendations

The first recommendation is to research other self-service technologies instead of self-service kiosks such as e-banking, online shopping, and so on. It can generate more knowledge about other self-service technologies and be easier for future researchers when researching the technologies. This is because of the acceptance of self-service technologies among the Malaysian people and other country people also plays an important role in this current world.

There are some opportunities that researchers have found at the end of this study to improve the quality of this research in the future. As this study only focuses on the people in Kepala Batas, Pulau Pinang, therefore in future research, the research can broaden the target population by expanding to other cities and states. Not only that, but the research also can be conduct by having more respondents from any country. This can increase the quality of this research in the future.

Besides that, this research in the future can conduct in the qualitative method instead of a quantitative method. The qualitative method is primary data collected from the interview session between the researcher and the respondents, two-way communications. This is because the qualitative method can generate high reliability as there is sharing knowledge or perceptions of this study from the other parties. In the future, the data can be used as guidance for the research.

The government should encourage the public to actively using SST available to enjoy the benefits of convenience, giving adequate support to the design and development team on SST, review and perform process improvement where SST can better fit into the role to serve the public. Besides that, the government also needs to encourage the private sector to establish a solid ground on providing SSTs services to the public by reducing the chances of SST interface failure, making mistakes, and performing poor quality service that could cause the public to be disappointed frustrated. The new way of business operating model would be contributing to the Malaysian economy.

Finally, future researchers depend on the three independent variables: perceived usefulness, convenience, and time in hypothesizing consumers' purchasing behaviour. Other independent variables in similar research must also include perceived enjoyment, ease of use, and many other similar research variables. This is because adding additional independent variables in the regression equation will explain more of the dependent variables' variations than fewer independent variables.

#### 6 Conclusion

This study is focused on the impact of self-service kiosks on consumers purchasing behaviour in Kepala Batas, Pulau Pinang. This study's outcome can be used by retailers to identify the importance and impact of self-service kiosks on consumers' purchasing behaviour. This is because it can help to increase sales performance in the retail industry. The Malaysian government can also use the data to determine the acceptance of self-service technologies among Malaysian people and their impact.

The minimum requirement of reliability analysis has been satisfied with the entire variable's analysis since the Cronbach's Alpha coefficients value shows above 0.6. The independent variable, which is perceived usefulness, convenience, and time, shows a significant relationship to the dependent variable, which consumers are purchasing behaviour. Based on the hypothesis result, all the H0 have been rejected while H1, H2, and H3 have been accepted in this study. The most important part is this study determined that people in Pulau Pinang are aware of self-service technologies, especially self-service kiosks. Many of them are adopting the technology in their daily lives. This study has been complete successfully.

In conclusion, the researcher can study the relationship between independent variables towards dependent variables. This research also can define the real way to analyse the data. Some of the study's limitations can give the researcher a chance to give more recommendations to improve the research quality.

### 7 Acknowledgement

First, I would like to show my thankfulness to my supervisor, Mrs. Munirah Binti Mahshar, for her abundant guidance, assistance, and encouragement to complete this research. Next, I appreciate my family members and friends who help me with my data collection; in showing support, they took further steps to share the questionnaire link to their extended friends and family. Thank you for your helping hands and share my stress during my data collection period. I won't know how difficult it is until I realized it in action. My family members always are the biggest supporters of my life. I feel sorry that I am not around and could not help up much during the critical time, and I feel in touch as they have given me all the supports and loves during my difficult period. Finally, I also want to acknowledge my thankfulness to any individuals who were directly or indirectly involved during the making of this research.

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## FACTORS INFLUENCING THE USAGE OF OMNI CHANNEL IN RETAIL INDUSTRY

### Nuraimi Farhana Binti Mohd Hanip and Tahirah Binti Abdullah

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: anaamy93@gmail.com; tahirah@umk.edu.my

#### Abstract:

The aim of this study is examining the factors influencing the usage of Omni channel in retail industry in Malaysia. Furthermore, this study discussed about the cause that influence retailers to use or not use Omni Channel in their business which is the trend in Omni channel, customer experiences and supply chain managements. The quantitative methodology is implemented for this study and the result shows that all the variables are supported by the carried analysis.

Keywords: Omni Channel, retailers, supply chain management, customer experiences, retail industry.

#### 1 Introduction

Omni channel retailing refers to an operational model that is synchronized where all channels are aligned to the customers and performed consistently by the company. In other words, Omni Channel retailing is a type of retail involving online and offline methods of shopping available to consumers in the most convenient way. Besides, Omni channels are commonly utilized by sellers nowadays as there is an increase in numbers of customers using numerous and multiple channels to satisfy their shopping journey. For example, Tesco is one of the retailers that utilise Omni Channel. Over the years, there are many major transformations happening around the world which are from brick-and-mortar stores to online shopping, from walk-in to the store for shopping to cash on delivery and others. Besides, sellers have increased the number of purchasing channels which are known as Omni channels – for example, physical stores, kiosks, vending machines, websites, apps, smartphones, tablets, and others. Thus, sellers can maximise profits and give satisfaction to the customers (Chatterjee, 2010). Technology and digitalization have rapidly grown to something advanced which gives customers to the whole new level of shopping and customers experiences. With the emergence of the mobile channel, tablets, social media, and the integration of these new channels and devices in online and offline retailing, the landscape has continued to evolve, leading to profound changes in customer behavior (Verhoef et al., 2015). For a certain amount of time, it became seamless between channels and sellers shifted their strategy of selling into Omni channel strategy.

#### 2 Literature Review

Customer Experience Theory

One of the early theories about Omni Channel is Customer Experience Theory which is predicted on the hypothesis that when a customer does "more" the customers become "more" valuable.

According to Hillstrom (2018), the data used to support the theory is highly fraudulent, to say the least. Typically, those promoting the theory average historical spend for all customers buying from one channel (i.e., \$100) and compare it to average historical spend for all customers buying from multiple channels (i.e., \$900). Those who promote the theory look at the ratio of spend (900 vs. 100) and say that the Omni channel buyer is worth 9x as much and then paint a picture where the "brand" is encouraged to convert as many customers as possible to as many channels as possible because the opportunity is a 9x increase in customer spend.

Online			Retail Or	rders		
Orders	0	1	2	3	4	5
0		\$38.65	\$68.93	\$95.09	\$117.48	\$138.66
1	\$31.16	\$68.23	\$99.54	\$123.91	\$147.35	
2	\$54.72	\$90.79	\$122.13	\$147.67		
3	\$76.79	\$114.81	\$145.08			
4	\$98,59	\$135.95				
5	\$120.17					
Online N	Y Demano	l vs. 12mc	Buyer O	rders (up	to 5 Order	rs)
Online			Retail Or			
Orders	ō	1	2	3	4	5
0		\$14.92	\$20,29	\$23.81	\$25.10	\$27.86
- 1	\$27.82	\$40.13	344.17	\$47.30	\$48.56	
2	\$50.39	\$61.58	\$66,37	\$89.89		
3	\$71.82	\$84.70	\$88.95			
4	\$93.08	\$105.81				
5	\$114.81					
Retail NY	Demand	vs. 12mo	Buyer Or	ders (up t	o 5 Orders	5)
Online			Retail O	rders		
Orders	0	1	2	3	4	5
0		\$23.74	\$48.64	571.29	\$92,38	\$110.80
1	\$3.34	\$28.09	\$55,37	\$76.60	\$98.80	
2	\$4.34	\$29.21	\$55.76	\$77.78		
3	\$4.97	\$30.11	\$56,12			
*2						
4	\$5.51	\$30,14	-910-1210-			

Table 2.2 represents the Retail Demand of 2018 in New York

. Thus, in aligning with the discussion above, the following propositions are suggested:

#### **Hypothesis 1**

- H<sub>0</sub> There is no relationship between the Omni Channel utilise by the seller with trends?
- H<sub>1</sub> There is relationship between the Omni Channel utilise by the seller with trends?

#### **Hypothesis 2**

- H<sub>0</sub> There is no relationship between Omni Channel utilise by the seller with customer experience?
- H<sub>2</sub> There is relationship between Omni Channel utilise by sellers with customer experience?

#### **Hypothesis 3**

H<sub>0</sub> There is no relationship between Omni Channel utilise by sellers with supply

chain management?

H<sub>3</sub> There is relationship between Omni Channel utilise by sellers with

supply chain management?

#### 2.1 Trend in Retail Industry

Over the past few years, showrooming has become a trend and practice among consumers in which a buyer uses shopping malls, brick and mortar stores (physical store) and retail as an online's seller showroom. Many retailers are concerned about this new trend which gives disadvantages to them and a brilliant step was taken by Target as they were attempting to negotiate with suppliers to provide exclusive products to prevent showrooming (Zimmern 2012). The idea of claiming exclusivity and getting the right of the product is considered a brilliant verdict to the retailers as they are not willing to let online retailers use their brick-and-mortar stores as a showroom for their product and undercut their prices (Zimmerman 2012). A study 0 from Zimmerman (2012) reflects that this trend is growing and gives negative results to the profitability of brick-and-mortar operation which many forecast it to continue in future time. According to Verhoef et al. (2007), consumers have a habit of obtaining product information in one channel (for example reading product reviews online) and then making actual buys in another place (for example local store). The customers are free to compare the prices and they are not obliged to buy the product at the store where they get the information about the product.

#### 2.2 Customers Experience with Omni Channel

According to Micah Solomon (2015) "Omni channel customer experience" can simply be shorthand for seller customer's ability to order from seller in one channel (for example via online), pick up through another (for example at a brick-and-mortar store) and if necessary, return via yet another (for example from seller porch or a drop-off point). But an Omni channel customer experience also stands for the ability of your customer to be in contact with your company via a variety of channels and to essentially be able to pick up where they left off on one channel and continue the conversation on another. It would be so much beneficial to the customer because they have option in getting the item or for return the product. the outcomes would be the customer will repeat on buying from the same seller and the seller gain customer's trust and loyalty.

There are two basic challenges when input is coming in via myriad channels. First and foremost, seller have a responsibility (and a business need) to make sure to respond: to respond quickly, helpfully and humanly to input from customers, regardless of the channel it comes in on. But a secondary business need, one that is necessary to achieve true, sustainable omni channel communication as part of an omnichannel customer experience is to learn how these channels come together to create the customer experience, and how a more seamless communication landscape can be created.

Apart from that, now that customers have many ways to connect with seller, the seller need to understand how these channels come together to create the customer experience. They have to look at all the customer touch points together – not apart. Customers appreciate having a connected experience. It increases customer loyalty. It's also important to drive effortless customer care by identifying and removing inefficiencies in our systems.

### 2.3 Supply Chain Management

According to an article written by Mark Quadros (2020), only 28% of retailers provide storespecific stock availability online. The ones that do are likely on the omnichannel-train already.

After inventory management, returns are the second area most affected by the proliferation of sales channels. Having a simple, customer-friendly return policy can have a huge impact on the sales experience for the customer. People love the option of being able to buy items online and return them in-store. For them, there's no difference. And why should there be? Other than that, what happens when a retailer is holding stock of specific SKUs for one channel — say, for its brick-and-mortar stores — yet visitors to its website are getting an "out of stock" message for those same goods? Without the right systems and process, it's a problem that goes undetected, hurts sales and has the potential to erode customer confidence and brand loyalty. The product was there. It just couldn't be sold. Therefore, to overcome the problem, all inventory processes must be centralized, making it easier to have a clear view of stock movement and related needs.

### 3 Research Methodology

This study highlighted the factors influencing the usage of Omni Channel in retail industry in Malaysia. Therefore, a quantitative methodology was adopted for the present study. The sample are withdrawn from sellers in Kelantan. To collect the data for this study, a simple random sampling technique was used. Convenience sampling involves selecting sample elements that are most readily available to participate in the present study and can provide the information requires (Heir, 2011). Besides that, this study also utilized questionnaires as a survey to the targeted respondents. In overall, the number of respondents who participated in this study was 345 sellers. This data was analysed using Statistical Packages for the Social Sciences (SPSS).

### 4 Finding and Discussion

Demographic Profiles of Respondent

The demographic information is included gender, age, ethnicity, nationality, type of business and number of workers. The demographic information will be showing the frequency and percentage of sellers. Table 1 shown the respondent profile. There were 46.1% for male and 53.9% for female. Most of the respondents were in the aged category of between 18–30-year-old, followed by the respondent in the aged category of between 41-50 year old, from respondent aged between 31-40 year old and lastly 51-60 year-old. Among the 345 respondents, there were 59.1% respondents are Malay, 20.0% respondents are Chinese, 19.1% respondent are Indian and 1.7% are others. Next, 89.1% of respondents are Malaysian and 13.9% are foreigners. For the type of business, 20.0% respondent involve in clothing business, 14.8% of respondents involve in hardware business, retails 18.3%, food and beverages 27.8%, cosmetic products 16.5% and 2.6% is others (floristry, gold and jewelleries)

	SELLER'S RESPONI	DENT
	FREQUENCY	%
Gender		
Male	159	46.1
Female	186	53.9
Age		
18 - 30	138	40.0
31 - 40	69	20.0
41 - 50	78	22.6
51 - 60	60	17.4
Ethnicity		

Malay	204	59.1
Chinese	69	20.0
Indian	66	19.1
Others	6	1.7
Number of workers		
0-1 people	99	28.7
1-2 people	135	39.1
2-4 people	84	24.3
More than 4 people	27	7.8
Type of business	<b>CO</b>	20.0
Clothing	69 51	20.0
Hardware	51	14.8
Retail	63	18.3
Food and beverages	96	27.8
Cosmetic product	57	16.5
Other	9	2.6

Table 2

#### Correlation analysis

According to the result shown in the table 3, factor of trend in Omni Channel had the lowest ranked Beta value among the independent variable which was .113. Meanwhile, customers experience Beta value at the second rank which is .253 and supply chain management was rank at first rank with Beta value .283. The supply chain management was ranked at first where the Beta value .283 which mean the supply chain management had the strongest positive effect on the influencing the usage of Omni Channel in retail industry. It is also can be said that it was the most important independent variable in measuring the factors that influencing usage of Omni Channel in retail industry in Malaysia.

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	Unstand	ardized	Standardized		
	Coeffi	cients	Coefficients		
Model	В	Std. Error	Beta	t	Sig.
1 (Constant)	1.641	.092		17.843	.000
Trend in	.049	.021	.133	2.354	.019
Omni					
Channel					
Customers	.082	.018	.253	4.453	.000
Experience					
Supply	.143	.025	.283	5.709	.000
Chain					
Manageme					
nt					

a. Dependent Variable: DV

#### **Testing of Hypothesized Model**

No of	Statement of hypothesis	Result
Hypothesis		
H1	There is a positive relationship between the Omni Channel	Supported
	utilise by the seller with trends	
H2	There is a positive relationship between Omni Channel utilise	Supported
	by the seller with customer experience	
Н3	There is a positive relationship between Omni Channel utilise	Supported
	by the seller with supply chain management	
	by the seller with supply chain management	

#### Table 4

#### 4 Discussion and Conclusion

The findings showed all 3 hypotheses were supported. The relationship between supply chain management and dependent variable showed the strongest relationship ( $\beta$ =.283), customer experience( $\beta$ =.253) and lastly trends ( $\beta$ =.133). Each hypothesis was analysed based on the regression results and confirmed or denied. Three of the predictors were significant. This research has shown an increased explanatory of the factors influencing the usage of Omni Channel in retail industry in Malaysia compared to previous research. It also provides guideline for future research to concentrate on the strengths and terminate the weaknesses. As with any studies, there are some drawback in this research such as sample chosen was limited to sellers in Kelantan with low education background. Thus, future study is suggested to sellers with educated background sellers who used to gadget because it is quite hard to make them answer the google form without help and other variable that related to the factors influencing the usage of Omni Channel in retail industry in Malaysia.

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# THE IMPACT OF BACKGROUND MUSIC ON CONSUMER SHOPPING BEHAVIOUR

#### Nur Aini Bt Suhaemi and Anis Amira Binti Ab Rahman

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: nuraini.a17a0933@siswa.umk.edu.my; anisamira@umk.edu.my

#### Abstract:

A hypermarket is a retail store that combines a department store with a supermarket. Hypermarkets offer a one-stop shopping experience to shoppers. Background music is known to influence people's behaviour. But sometimes sounds are put together in purposeful ways to create a specific atmosphere or to express ideas or emotions. This research is to investigate the impact of background music on consumer shopping behaviour at hypermarket among UMK students. By using convenience sampling technique, total 357 respondents are ready to use for further analysis. All data collected were analysed using SPSS v.26. From all factors that have been listed, the researcher conclude into 3 types of independent variables which is the tempo of music, the genre of music and the rhythm of music. This study utilized a survey research design. The population of this study was from students from University Malaysia Kelantan City Campus. This analysis of this study was conducted by quantitative methods using the google from questionnaires. For the findings, all of them showed significant positive relationship with the consumer shopping behaviour.

Keywords: Hypermarket, Tempo, Music Genre, Rhythm, Consumer, Music

#### 1 Introduction

Consumer buying behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behaviour (Ramya & Ali, 2016). Music is a collection of coordinated sound or sounds. Making music is the process of putting sounds and tones in an order, often combining them to create a unified composition. Music can alter moods, which alters behaviors (White & Stone, 2018.); in particular, music like ability (valence) exerts a positive influence on consumers' mood (Lang, 2015). Music is made of sounds, vibrations, and silent moments, and it doesn't always have to be pleasant or pretty. This study aims to observed the impact of background music on consumer shopping behaviour among UMK students.

There are three objectives of this research:

- 1. To determine whether the tempo of music influence the consumer shopping behaviour at hypermarket among UMK students.
- 2. To identify how music genre affect the consumer shopping behaviour among UMK students.
- 3. To examine how music rhythm gives an impact toward consumer shopping behaviour among UMK students.

#### 1.1 Significance Of The Study

This study provides the various research objectives related to the the impact of background music on consumer shopping behavior. For researcher, this study become an opportunity to apply a theoretical knowledge in practically ways by conducted and produced an own research paper rather than just accept any of speculation produced by the internet. For researcher, this study become an opportunity to apply a theoretical knowledge in practically ways by conducted and produced an own research paper rather than just accept any of speculation produced by the internet. This study gave for future researcher as they can use this research and guidelines especially to help them making some comparisons on their research proposal.

#### 2 Literature Review

#### 2.1 Consumer Shopping Behaviour

Consumer buying behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behaviour (Ramya & Ali, 2016). Many Atmospherics or some elements of it, such as music and odour, can negatively impact consumer decision making process (Luca Petruzzellis, 2009). This could cause confusion in the customer overwhelmed by atmospheric cues, leading to an unpleasant shopping experience and dissatisfaction. Background music is known to influence people's behavior. Numerous experimental studies have shown that different background music and structural components of the music (sound level,tempo ,tonality..) affected consumer's behaviour (Yi & Kang, 2019) by varying the sound level of the same music played in two supermarkets, have found that customers spent significantly less time in the markets during loud session than did the customers during the soft sessions. The type of background music played also has an effect. Empirical studies cited above seem to attest that background music has a positive impact on consumer's behavior. Background music is played in clothing stores, shopping malls, grocery stores, cafeterias, restaurants, hotel lobbies and even in restrooms and elevators.

#### 2.3 The Tempo Of Music

Tempo can be defined as the pace or speed at which a section of music is played. Tempos, or tempi, help the composer to convey a feeling of either intensity or relaxation. The lower the number of beats per minute, the slower the tempo will feel. Inversely, the higher the number of beats per minute, the faster the tempo will be (Liz Manlusoc, 2016). The fast tempo music makes consumers more likely to opt for smaller- immediate benefits at the expense of larger-delayed benefits by changing how long the future delay is perceived to be (Kim & Zauberman, 2019). Fast tempo music slows the walking pace of shoppers at grocery stores and increases sales (Caldwell Clare, 1999).

#### 2.4 The Genre Of Music

The music genre refers to a 'conventional category that identifies pieces of music as belonging to a shared tradition or set of conventions' (Michel et al., 2017). Music can be divided into different genres in a number of ways, such as popular music and art music, religious music and secular music. The artistic nature of music speaks that these classifications are often subjective and controversial, and that certain genres may overlap. Genre and style are two separate terms, and that secondary characteristics, such as subject matter, can also distinguish between genres. The genre of music selected for testing may play a significant role in the resulting stress response.

Loud music negatively influenced sales but music genre did not (Kim & Zauberman, 2019). The genre of music influence consumer shopping behaviour.

### 2.5 The Rhythm of Music

Rhythm may be defined as the way in which one or more unaccented beats are grouped in relation to an accented one. Rhythm can exist without melody, as in the drumbeats of so-called primitive music, but melody cannot exist without rhythm (Peter, 2016). In music that has both harmony and melody, the rhythmic structure cannot be separated from them. Melody and rhythm are intimately connected. In music, rhythm is simply defined as the "beat" or pulse of music. In performing arts, rhythm is the timing of events on a human scale; of musical sounds and silences that occur over time, of dance steps, or the metre of spoken language and poetry. In certain performing arts, such as hip hop music, the rhythm of the lyrics is one of the most important elements of the style.

#### 2.6 Research Hypothesis

In this study, there were three hypothesis that are have a positive relationship between the impact of background music on consumer shopping behaviour

- H1: Background music tempo has a positive influence on consumer shopping behaviour.
- H2: Background music genre has a positive influence on consumer shopping behavior
- H3: Background music rhythm has a positive impact on consumer shopping behavior.

#### 2.7 Research Framework

The conceptual framework is the researcher understands of the variables in studies that related to each other. In this investigation, the researcher want to identify the factors influencing consumer shopping behaviour among UMK students. Based on the conceptual framework, the independent variables of this study were consisted of three factors influencing, which were tempo, music genre and rhythm. These factors were associated with impact of background music on consumer shopping behavior which was the dependent variable of this study.

This conceptual framework can conceptualized in Figure 1.

The tempo

Consumer shopping behavior

The rhythm

Figure 1: Conceptual Framework

#### 3.1 Research Design

Research design is essentially a study plan that specifies the process to be followed by researcher to achieve their research goals or test the hypothesis developed for their studies. The objective of this study is to analyze the impact of music background music on consumer shopping behavior at hypermarket among UMK students area Kelantan. It created with the brief highlight method used in the data collection by the sample selected for the study. In this following chapter, the appropriate methodology used in this study on the consumer shopping behavior will be discussed. There have two type of research design, which is qualitative and quantitative design. In this study, the researcher used the quantitative research design method.

#### 3.2 Data Collection

Data collection methods are important, because how the information collected is used and what explanations it can generate are determined by the methodology and analytical approach applied by the researcher (Paradis et al., 2016). We had used a quantitative research method through this research. Quantitative method was known as one of the questionnaire surveys. Quantitative methods were used to explain a scenario or phenomena by collecting and analyzing numeric or mathematical data appropriately. The focus was on many participants as opposed to a few, so that a larger pool of data can be obtained by using quantitative research methods so that a diverse range of opinions can be explored and analyzed. Specifically, survey research was used in this study to better understand usage and attitudes

In this research, the researchers are using the primary data and secondary data. Secondary data is important, as just a recent survey, which can adequately represent past improvements and/or trends cannot be performed. The secondary that researcher used are based on collection sources are government publications, websites, books, journal articles, internal records etc. (Ajayi, 2017).

#### 3.3 Sampling

According to (Etikan et al., 2016), convenience sampling is one of the main types of non-probability sampling methods. A convenience sampling also made up for respondents who are easy to reach and randomly selected from sample. A non-probability sampling that procedure used to select samples, when the subject in the population do not have equal chance to be selected as research respondents.

Table 1 : Krejcie and Morgan (1970)

Source: Krejcie and Morgan (1970)

### 4 Data Analysis

Data analysis is a method used by researchers to analyse data using statistical methods and to

discover knowledge analytically. Data analysis can be state as a process or way of applying a systematic order or technique to describe, illustrate, condense, recap and also evaluate the data. In analysing a data, there are a few issues that should be consider which is currently selecting data collection methods and appropriate analysis, drawing and unbiased reference, data collection methods and others. That issue should be considered as it determined whether the date that been collect are reliable enough to be use in study. For this study, there are many quantitative data analysis methods; we prefer to use reliability analysis using the Statistical Package of Social Science (SPSS). The information will be collected via the questionnaire and systematically processed and coded according to the analysis procedure. We analyse data gathered using version 26.0.0 of SPSS software. The SPSS would process the data and display the relationship between dependent variable and independent variable in numbers after all accurate data was key in into SPSS.

#### 5 Findings

The researcher analysed the relationship between three independent variables, which are the tempo of music, the music genre and the rhythms, whereas, the dependent variable consumer shopping behaviour. The result shown that all three independent variables have significant relationship with the consumer shopping behaviour among UMK student. The Pearson Correlation Coefficient has been done to prove from the research that independent variables, have a positive relationship between dependent variable.

Current research is also very important to identify the impact of background music on consumer shopping behavior. Thus, this study will influence future research in studying related matters where the latest research will provide basic knowledge to future researchers on the impact on consumer shopping behavior as well as the factors that influence it.

The questionnaires about the impact of background music on consumer shopping behaviour, researcher agree that the three independent variables influenced the dependent variable. The first objective is to determine whether the tempo of music influence the consumer shopping behaviour at hypermarket among UMK students. The result show there has a significant relationship between the tempo and consumer shopping behaviour. The p-value this variable show .000, is lower than 0.05, which is mean that significant. The correlation coefficient between the tempo of music and consumer shopping behaviour show 0.738, which positive significant relationship between the variable.

The second objective to identify how music genre affect the consumer shopping behaviour among UMK students. From the result, there has a significant relationship between income level and impulse buying behaviour during covid-19. The correlation coefficient between the music genre and consumer shopping behaviour was 0.761, that have positive significant relationship between the variable. While the p-value this variable show .000, which is lower than 0.05, which mean that it is significant.

Next, the third objective is to examine how music rhythm gives an impact toward consumer shopping behaviour among UMK students . Based on chapter 4, show there has a significant relationship between the rhythm of music and consumer shopping behaviour. The p-value this variable show .000, which is lower than 0.05, which mean that it is significant. The correlation coefficient between the rhythm and consumer shopping behaviour was 0.727, which illustrate that positive significant relationship between the variable.

Table 2: The Pearson Correlation Analysis	Table 2:	The Pearson	Correlation	Analysis
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		Co	orrelations		
		The Tempo	The Music	The	Consumer Shopping
		(IV1)	Genre	Rhythm	Behavior
			(IV2)	(IV3)	(DV)
IV1	Pearson	1	.808**	.745**	.738**
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	357	357	357	357
IV2	Pearson	.808**	1	.838**	.761**
	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	357	357	357	357
IV3	Pearson	.745**	.838**	1	.727**
	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	357	357	357	357
DV	Pearson	.738**	.761**	.727**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	357	357	357	357

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

#### 5 Discussion & Recommendation

According on the result from chapter 4, there is a positive relationship between the tempo of music and consumer shopping behaviour. The researcher gained a significant value were p-value is 0.000 less than 0.05 for the hypothesis. Therefore, the tempo was influencing the consumer shopping behaviour. The Pearson correlation shows the relationship between the tempo and consumer shopping behaviour is positive. The result show the tempo give impact to the consumer shopping behaviour. Therefore, the researcher has accepted the H1 which is there is a significant relationship between the tempo and consumer shopping behaviour.

For the second hypothesis, the result indicate that there is significant relationship between the music genre and consumer shopping behaviour among UMK students. Then, Pearson correlation also shows the relationship between the music genre and consumer shopping behaviour is positive. The result show that the music genre give impact to consumer shopping behaviour. Furthermore, according the table 4.10, the result showed significant result, which is the p-value is 0.000 which less than 0.05. So, the researcher has accepted the H2 which is there was significant relationship between the music genre and consumer shopping behaviour among UMK students.

For the third hypothesis, the result indicates that there is a significant relationship between the rhythm of music and consumer shopping behaviour. Then, Pearson correlation also show the relationship between the rhythm of music and consumer shopping behaviour is high positive. This result show that the rhythm of music was important because the appropriate music rhythm make

the customer feel clam. Besides, the result showed significant result that the p-value is 0.000 which less than 0.05. So, the researcher has accepted the H3 which is there is a positive significant relationship between the rhythm of music and consumer shopping behaviour.

#### 6 Recommendation

From the limitation as mentation earlier, some recommendation have been suggest to improve the quality of research. Firstly, In the questionnaires, extra questions may be included to ask the respondents to fill in whether they have ever faced impulse buying behavior before. In this study, researcher only ask people who ever faced the impulse buying behavior during covid-19, but not include the customer how also faced the impulse buying behavior before covid-19 to answer these questionnaires.

Furthermore, That respondents are only expected to complete the questionnaires once. This reminder could be place at the header in google form of the questionnaires to remind all the respondents. In addition, if respondents want to contact the researcher with the questionnaires to explain their doubts, the best approach is to indicate contact numbers and emails in Google form on the first page to facilitate respondents.

A part from that, although long questionnaires might reduce respondent's interest to answer the questionnaires, it is unavoidable in order to reach the research objective. It is necessary to collect data required to test the hypothesis. The only way to reduce the respondent's negative feelings is by designing the interesting layout that can get the respondent's attention to continued answer the questionnaires.

Lastly, future researcher are also suggest to diversify the study and not only focusing on a small group of respondents. Based on this study, researcher was realized that population of this study came from very small population, which is from Selangor, Negeri Sembilan, Kedah and Pulau Pinang. This due to the time restriction that the researcher faced in completing this study. Therefore, future researcher are suggest to broaden the study by widening the size of the population from other state also. This will make the study more reliable since it has a larger size of sample size.

#### 7 Conclusion

This study was accomplish to determine the impact of background music on consumer shopping behaviour where the respondent were from UMK student. There are 357 respondent from two faculty in University Malaysia Kelantan City Campus. Based on chapter 4, it shown the result of hypothesis for independent variable, which are the tempo of music, the music genre and the rhythm of music. The researcher have been recognizing the relationship between three independent variables and dependent variable. The all three hypothesis were accepted. The hypothesis (H1) was accepted since there are significant relationship between the tempo of music and the consumer shopping behaviour. While the correlation coefficient between the tempo and the consumer shopping behaviour show 0.738. Next the second hypothesis (H2) also accepted because there are significant relationship between the music genre and consumer shopping behaviour and the correlation coefficient shown 0.761. Furthermore, the third hypothesis (H3) also were accepted since there is a significant relationship between the rhythm of music and consumer shopping behaviour while the correlation coefficient between these variables shown 0.727.

### 8 Acknowledgment

First, Alhamdulillah, thank Allah for encouragement, chance to start on my research thesis, and effectively conclude this long and difficult trip. Nevertheless, it would have been possible without many people's kinds support and help. My heartfelt thanks go out to all of them.

I would also like to express my appreciation to my supervisor Dr. Anis Amira bt Abd Rahman and my examiner Dr.Shah Iskandar Fahmie, for being lost without their support and continuous monitoring. They provided me the requisite path details so any potential mistakes may have arisen from the research. Their vast expertise, observations, opinion, and energy was a huge benefit to me. It is because of the support and love it is possible to complete this research.

Secondly, thanks to my parents that have supported me financially to do this research proposal. Other than that, they never ending support and motivation is one of the reason we could finish this research proposal. Next, I take this time to share my sincere appreciation and special thanks to all respondents for their help in answering the questionnaires. Your input is greatly valued, because it lets me make my work on this subject more credible. Last but not least, also thanks to my friends for their loving support and motivation during finishing this research project.

A dedicate a deep sense of gratitude to Universiti Malaysia Kelantan especially to the Faculty of Entrepreneurship and Business (FKP) for giving us the chance and a precious time to complete this research and opportunity to prepare the project.

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### A STUDY ON CUSTOMER SATISFACTION TOWARDS PRODUCTS AND SERVICES OF TESCO AT ALOR SETAR

Nuraliah Syafiqah Aisyah binti Muhamad Rodzi and Raja Rosnah Raja Daud

Faculty of Entrepreneurship and Business University Malaysia Kelantan, Malaysia

Email: aliah.a17a0517@siswa.umk.edu.my; rosnah.d@umk.edu.my

#### Abstract:

The purpose of this study is to find out customer satisfaction with Tesco products and services. The value of customer satisfaction comes from the widely accepted concept that it must satisfy customers in order for the company to be efficient and profitable. Tesco Customers General know the satisfaction of Tesco products and services using the factors that require them to choose it has not been explored. This study aims to see the impact of quality, product quality and price felt through customer satisfaction on Tesco products and services. Quantitative data collection method had judgemental sampling technique has been used. This study uses cross-sectional design where development questionnaires and deadlines to 150 respondents with go to Tesco at Alor Setar and then, the customers must be answer questionnaire through google form. A total 124 of customer's Tesco were tested using questionnaire and being analysed by using Spearman rank correction with Statistics Package for the social science (SPSS). The results indicates that all the elements have significant relationship with customer satisfaction towards products and services at Tesco. Finally, as customer satisfaction studies on products and services are reduced, it is hoped that more such studies can be done in the future.

**Keywords:** Product quality, Service quality, Price, Customer satisfaction towards products and services at Tesco

#### 1 Introduction

This study is conducted to determine the factors that affect customer satisfaction towards products and services of Tesco. The value of customer satisfaction is derived from the widely accepted concept that it must satisfy customers in order for a company to be efficient and profitable, and there are many advantages from this as follows (Clemes, Gan, Kao and Choong, 2008). It has a great impact on the durability of customer ties with service providers.

For foreign hypermarket operators, Malaysia is no longer a viable arena, with a very bleak outlook in the coming years as larger operators such as Tesco Plc's continue to pull the shutters down due to high operating costs and the dwindling appetite of customers. VP Datuk Liew Bin of the Malaysia Retail Chain Association said the overall view shows that it will be difficult for foreign brands to survive in the region. For instance, Carrefour SA was the last hypermarket to pull out of the market and now we have news that Tesco is doing the same. Currently, Malaysia and Thailand are the only countries in Asia where Tesco has stores. It has 1,951 stores in Thailand and 60 hypermarkets and nine convenience stores in Malaysia.

This research was done because the researchers wanted to know in more detail how the services and goods they provide are handled by Tesco. Tesco has once managed to draw buyers by offering

relatively cheap commodity prices and it can also be said that traders want to purchase products in bulk with Tesco. Therefore, researchers want to explore whether the cheap price on the commodity is claimed to have quality or not quality. In addition, Tesco has all sorts of items for the food segment, from raw materials to dry goods, then the category of sports equipment, children's toys, appliances and even clothing is available for shopping for their customers. Like most of the items on show for sale, all of these products are of high quality. This is therefore a topic for researchers and a source for researchers to review Tesco's goods and services.

This study will be investigating the factors that affecting customer satisfaction towards products and services of Tesco at Alor Setar. Specially, the objectives of this study are:

- i. To examine the relationship between service quality and customer satisfaction.
- ii. To examine the relationship between product quality and customer satisfaction.
- iii. To examine the relationship between price and customer satisfaction.

#### 1.1 Significant Of The Study

This study was conducted to measure the relationship between factors that customer satisfaction towards product and service at Tesco. This research will contribute to the deeper understanding about service quality, product quality and price in the customers and staffs at Tesco.

This research study also will assist researcher to do the improvement on their issue. The three of the factors which are service quality, product quality and price will have a positive and significant relationship with customer satisfaction towards product and service at Tesco. Further research should be undertaken to build on this finding is the study and hopefully improve on the understanding and meaning of the relationships. Results of this study will recommend that factors involved three element which play a big role and will significantly contribute to the positive customer satisfaction towards product and service at Tesco. The study may have some implications in the selection of customer satisfaction, vary answer from the respondents and small data collection by the researcher.

The researcher is therefore conducting this study since little attention is paid to the customer satisfaction based on service quality, product quality and price. This research also focuses on explaining the influence of service quality, product quality and price on customer satisfaction towards products and services. This research will also provide Tesco with valuable insight in order to establish a proper product and services strategy. The need to look at this topic in the current research is in the context of emerging market. It also allows Tesco to build a better to customers of product and services and offers new perspectives on how to promote the product to certain customers. Last but not least, the retailers and Tesco can improvement for their services, products and quality to get more satisfaction from their customers.

#### 2 Literature Review

The main issues will determine by the definition of customer satisfaction, related theory and model on customer satisfaction and three factors that affecting customer satisfaction among customer's Tesco. Besides that, theoretical underpinning about customer satisfaction, the literature on selected variables which are independent variables and dependent variable.

#### 2.1 Dependent Variable

Satisfaction can be divided into two approaches, either as a transaction-specific satisfaction (Olsen & Johnson, 2003) or as a combined satisfaction / post-consumption satisfaction and overall judgement on buying actions (Johnson, Anderson and Fornell, 1995; Engel, Blackw and Fornell, 1995; Engel and Blackwell, 1982; Hunt, 1997; Oliver, 1997). Transaction-specific satisfaction is the very own measure of the client's experience and reaction to a specific service encounter (Cronii and Taylor, 1992). The customer who experiences a product or service at this time expresses this reaction. In the meantime, accumulated satisfaction applies to the overall assessment of the user experience by the customer to date, and to the accumulation of interactions with services offered to them from day-to-day (Johnson, Anderson and Fornell, 1995).

Then, the previous study in hospitality and tourism industry, it was crucial to understand customers' responsive factors that related to their spending involvement and repeated purchases. The customers got chances to interact with a product or services by this industry during their spending involvement. It was supported by Orel, F. D., and A. Kara, (2014), customer satisfaction was total equal gratification with a goods (product or services) involvement. Thus, customer satisfaction was been thought as a significant predecessor of loyalty for a long term. However, previous studies defined the customer satisfaction in numerous ways. According to Caruana, A., (2002), it was the customers' reaction towards the product or service whether the product or service can fulfill their needs or wants. Besides, customer satisfaction was important factors that lead the customers to repeat sales, spread the good word of mouth and maintain customer loyalty. Alternatively, this study accomplished to explore three factors towards customer satisfaction at Terengganu Equestrian Resort (TER), Terengganu. These factors were service quality, product quality and price of the goods or services by TER.

#### 2.2 Independent Variables

#### 2.2.1 Service Quality

In order to provide its customers with a solid, long-term connection, the quality of service has received significant attention from the service provider. For companies operating in the service sector, the quality of service was a reasonable benefit (Bartlett, and Han, 2007). Previous researchers defined service quality from separate viewpoints, depending on the service provided by the service provider. In the attempt of a service provider to distinguish its services from its adversaries, service quality is a critical instrument (Ladhari and Morales, 2008). In retailer selfcheckout study, the consumer expectation of the service provider versus customer awareness of the actual service from the service provider was theorised as service quality (Orel, and Kara, 2014). Service quality researchers have used SERVQUAL, the model for assessing service quality, extensively (Parasuraman, Zeithaml, and Berry, 1994). This model indicated that five components comprising tangible, reliability, responsiveness, assurance, and empathy could be rated for service quality (Bakti and Sumaedi, 2015). Moreover, several studies have shown that the standard of service contributes to customer satisfaction (Akbar and Parvez, 2009). If the experience of the consumers with a product and service and these products and services exceeded their needs, the customers feel happy (Parasuraman, Zeithaml, and Berry, 1994). Consequently, the customers assessed the practical and functional characteristics of the service offered by service providers (Gremler and Brown, 1996). Practical characteristics focused on what was delivered, but the functional characteristics focused on how, why, who and when it was given (Gremler and Brown, 1996).

Even the study of Cronin and Taylor (1992) found it a key antecedent to customer satisfaction. Service quality not only play vital role to satisfy customers (Grzinic, 2007). But also regarded as a market value oriented and a way to place the product in a vibrant environment (Kaul, 2005). In

certain respects, recognising the customer's desire for service quality is helpful in this respect (Shahin, 2002).

Service quality has a positive impact on customer satisfaction for mobile services in the next previous study and helps to generate the requisite competitive advantage by being an efficient differentiating factor (Leisen and Vance, 2001). Quality represents the expectations of customers regarding a product or service (Parasuraman, Zeithaml and Berry, 1998). A conceptual model of service quality was offered by Zeithaml, Berry and Parasuraman (1996) and found that service quality influences specific behaviours that indicate whether clients will stay loyal to or leave an organisation. However, five dimensions of service efficiency, such as tangibility, reliability, responsiveness, assurance and empathy, are calculated (Zeithaml and Bitner, 2000). Oyeniyi and Abiodun (2011) found that meeting with customer service increases the intent and satisfaction of customers. They also iterated that for building customer relationships, quality customer service is important, which in turn would contribute to customer loyalty, retention and preference. Research by Uddin and Akhter (2012) shows that the quality of service and fair price indirectly affect the consumer loyalty of a mass service industry (i.e. mobile phone operators) through perceived value. Perceived value plays a mediating function between consistency, fairness of charge and fulfilment. The study shows that fair prices have a positive direct influence on customer satisfaction, while the standard of service does not have a major direct impact on customer satisfaction.

#### 2.2.2 Product Quality

In addition to the physical dimensions of a company attracting or deterring selection, it has been proposed that the physical design of a company can also affect the degree of success that customers achieve within one (Darley and Gilbert, 1985). This includes research into the "service climate," which is the "designed man-made environment," and how it impacts both customers and workers in the service process (Bitner, 1992)

Product quality was another aspect of consumer satisfaction in this research. One of the essential elements for consumer loyalty was the accepted product consistency of previous observed studies (Gremler, D. D., and S. W. Brown, 1996). Some firms have supplied consumers with both goods and services. Therefore, several research centred on service quality as these service providers were concurrently selling a commodity (Kim, M., Vogt, C. A., and B. J. Knutson, 2015). Quality is product performance, which results in customer satisfaction freedom from product deficiencies, which avoids customer satisfaction. In brief, quality is zero defect doing it right first time and meets the requirements of customer. All service should be aimed at meeting the customer's requirements by eliminating non-quality traits (Erdil and Yildiz, 2011).

In addition, in the previous report, Tata Motors is committed to achieving leadership in the automotive industry through corporate excellence while retaining principles and dignity to enhance the quality of life of the communities served by Tata Motors (Hanno, Christian, 2009). Tata Motors Company provides high quality vehicles to meet the highest quality requirements and customer needs in India. In designing their goods, their goal is to be Indian leaders in value and satisfaction. In the automotive industry, consistency is an elusive notion. It is the entirety of a product or service's features and characteristics that bears on its ability to meet particular needs (Winder, 1996 and Chavan, 2003). If a product meets the standards of the customer, the customer will be satisfied and will feel that the product is of reasonable or even high quality. Although studies have been going on for more than two decades on the manner in which quality affects customer satisfaction, much of the research on how quality affects satisfaction and loyalty in the past has concentrated mainly on pure goods (e.g. Garvin 1988, Gronroos 1983, Steenkamp 1990)

or pure service environments (e.g. Brady and Cronin 2001, Oliver 1997, Parasuraman et al. 1985).

#### 2.2.3 Price

In the service context perceived price is playing significant role in decision making. Customers' perception of price has been studied in terms of price perception (Munnukka, 2005; Varki and Colgate, 2001), price fairness perception (Bolton et al., 2003), and price equity (Bolton and Lemon, 1999). Price is an important element in consumers' purchases; therefore it has a large influence on consumers' judgments regarding service (Herrmann et al., 2007). Perceived price and fairness plays an important role in selection of bank because price structure is relatively complex than other service contexts, like education, hotel and other. The price of the goods on the menu will also have a huge effect on consumers because the price will attract or repel them (Monroe, 1989). And then, especially because price functions as a quality indicator (Lewis and Shoemaker, 1997)

The price was one of the primary principles that reflected the customer's way of buying (Han, H. and S. S. Hyun, 2015). Previous studies have agreed that service quality and product quality function as important customer satisfaction components (Gremler, D. D., and S. W. Brown, 1996). In the decision-making activities of clients, price awareness among customers plays a crucial role (Jiang, P., and B. Rosenbloom, 2005). Observed research analysed the consumer's knowledge of a company's price and compared it to the cost of its competitors in order to establish promising goals and loyalty to that company (Kim, B., M. Choi, and I. Han, 2009). Therefore, whether costly or cheap, fair or unjust, the price provided by the firm acts as a benchmark for the continuation of the transaction by the customer or not. Market knowledge of the price charged by a business or service provider has given customers the advantage of comparing and deciding whether or not a good price was offered by the company or service provider (Watchravesringkan, K., R. N. Yan, and J. Yurchisin, 2008).

### 3 Research Hypothesis

Based on the research objectives and research framework, the research hypotheses for this study were developed. The software SPSS is modified to better explaining on customer satisfaction towards product and service of Tesco which are service quality, product quality and price included in explanations. The present study has put a focus on the understanding of the relationship between product quality, service quality, price and customer satisfaction towards products and services of Tesco. The details justification on the hypotheses development is discussed in the next sub-points.

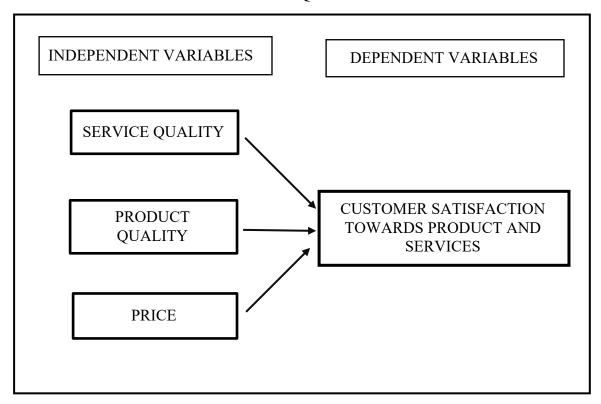
H1: Service quality is positively associated with customer satisfaction towards products and services of Tesco

H2: Product quality is positively associated with customer satisfaction towards products and services of Tesco.

H2: Price is positively associated with customer satisfaction towards products and services of Tesco.

### 4 Conceptual Framework

By referring the literature review and research problem the research framework has been conducted to investigate the connection between the independent variables and dependent variables and it shown in Figure 1.



### 5 Methodology

### 5.1 Research Design

According to Jahoda, Deutuch and Cook (1951), a research design is the arrangement of condition for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy and procedure. Research design is the plan, structure and strategy and investigation concaved so as to obtain ensured to search question and control variance. Henry Manheim (1980) says that research design not only anticipates and specifies the seemingly countless decisions connected with carrying out data collection, processing and analysis but it presents a logical basis for these decisions. However, Gall and Borg (2003) stated that before structuring the appropriate research design, the researchers need to become familiar with all the research design namely qualitative and quantitative approaches. Therefore researchers must aware of the situation and make some justification before choosing the right research paradigm.

The study is develop to examine the relationship between service quality, product quality and price and customer satisfaction towards products and services of Tesco. Thus, quantitative approach is the most suitable researched paradigm that should be used to test hypotheses in this study. Additionally, the quantitative approach was used to act as fulfilments to the results of the hypotheses testing. This is because 24 results will not be influenced by the emotions and opinions of the researcher but purely derived from the data that are provided by the respondents (Hair et al., 2007). Furthermore, the strength of the quantitative analysis lies on its ability in analyzing mass and large group of data in a short period of time and at relatively low cost (Sekaran, 2005).

Consequently, this study involved a large number of respondents from customers of Tesco. Therefore, a quantitative approach is more different for this study as tis approach will enable to test the hypothesis of this study. However, it may neglect some contextual details of respondent's personal interpretation in time experiences and in-depth experience explanation (Miles and Huberman, 1994).

#### **5.2** Data Collection

Data collection can be classified into two which are primary data and secondary data. In this study, quantitative data collection technique will be applied. The data will be collected through the online platform using Google form and share the survey link in websites such as Facebook, Instagram, and Twitter, 124 questionnaires will be distributed to the respondents.

#### 5.3 Sampling

The present study opts for judgement sampling under non-probability sampling due to the researcher wants to obtain specific information from the specific respondents. The present study chooses to Malaysian citizen only consumers that experienced in purchases services and products of Tesco within the range of age between 21 to 55 years old. The choice of the respondents' age between 21 to 55 years old is because this group falls under group young generation that sufficiently knowledgeable to make decisions and have purchasing power. Furthermore, the choice of the judgemental sampling technique is appropriate for the present study since it is the most usable and feasible method to gather the type of information that is needed from a specific type of people that are best placed to provide the information to the researcher (Cavana et al., 2001).

#### 5.4 Data Analysis

Data analysis procedure is important to explain the basic feature in the study and it helps the researchers to summarise the data or measure in the sample (Christensen et al., 2014). The collected data was analysed by using Statistical Package for the Social Sciences (SPSS). SPSS is a programming language for conducting statistical analysis. It is a software to show the relationship between independent variables and dependent variables in the method of regression, correlation or factor analysis. It was very convenience and simple way for the researchers to convey the responses from the respondent with the way coded accordingly before being transferred into data file for the subsequent analysis procedures.

### 6 Finding

Frequency Analysis is the simple analysis from this research where had been analysed exactly. This part has been described more detailed about the respondent's profile. Part A from the questionnaire is about demographic profile of the respondents such as gender, race, age group, marital status, education level, monthly income level, the duration of using products and services of Tesco and the frequency of respondent visiting to Tesco. The analysis of respondent's demographic has been presented into various forms of tables and bar charts.

Table 1: Summary of Demographic Profile of Respondents

Items	Frequency (n=124)	Percentage %
Gender		
Male	50	40.3
Female	74	59.7
Race		
Malay	101	81.5
Chinese	14	11.2
Indian	8	6.5
Others	1	0.8
Age Group	61	49.2

21			
34 - 41 years old   42 - 49 years old   15   12.1	21 – 25 years old	21	16.9
42 - 49 years old   15   12.1     >50 years old     Marital Status	26 – 33 years old	18	14.5
So years old   Marital Status   Single   77   62.1	34 – 41 years old	9	7.3
Marital Status       77       62.1         Single       47       37.9         Others       0       0         Education Level       SPM       30       24.2         STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       Selow RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM3000 - RM3999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         Below than one years       14       11.3       1.5         1 - 5 years       24       19.4       11.3         1 - 15 years       24       19.4       11.1         1 - 15 years       21       16.9         29       23.4       16.9         29       23.4       10.5         More than 15 years       0       0         Weekly       13       10.5         Monthly       51       41.1	42 – 49 years old	15	12.1
Single       77       62.1         Married       47       37.9         Others       0       0         Education Level       SPM       30       24.2         STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       8       8         Below RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM2000 - RM2999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       26       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       29       23.4         Daily       0       0       0         Wee	>50 years old		
Married Others       47       37.9 Others         Education Level SPM       30       24.2         STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       8       24.2         Below RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM2000 - RM2999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       29       23.4         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Marital Status		
Others       0       0         Education Level       30       24.2         SPM       30       24.2         STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       30       24.2         Below RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM3000 - RM3999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         Below than one years       14       11.3       1.5         1 - 5 years       24       19.4       11.3         1 - 5 years       36       29.0         More than 15 years       21       16.9         29       23.4       14         How often do your go to Tesco?       20       23.4         Daily       0       0       0         Weekly       13       10.5         Monthly       51       41.1	Single	77	62.1
Education Level         SPM       30       24.2         STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level         Below RM1000       42       38.9         RM1001 – RM1999       30       24.2         RM2000 – RM2999       27       21.8         RM3000 – RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Married	47	37.9
SPM       30       24.2         STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       Below RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM2000 - RM2999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       Below than one years         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       29       23.4         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Others	0	0
STPM       14       11.3         Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       Below RM1000       42       38.9         RM1001 – RM1999       30       24.2         RM2000 – RM2999       27       21.8         RM3000 – RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       Below than one years         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       29       23.4         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	<b>Education Level</b>		
Diploma       28       22.6         Bachelor of Degree       52       41.9         Monthly Income Level       8       24.9         Below RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM2000 - RM2999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	SPM	30	24.2
Bachelor of Degree   52   41.9	STPM	14	11.3
Monthly Income Level       42       38.9         Below RM1000       42       38.9         RM1001 - RM1999       30       24.2         RM2000 - RM2999       27       21.8         RM3000 - RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         Below than one years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       0       0         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Diploma	28	22.6
Monthly Income Level       42       38.9         Below RM1000       42       38.9         RM1001 – RM1999       30       24.2         RM2000 – RM2999       27       21.8         RM3000 – RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       0       0         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Bachelor of Degree	52	41.9
RM1001 – RM1999       30       24.2         RM2000 – RM2999       27       21.8         RM3000 – RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Monthly Income Level		
RM2000 – RM2999       27       21.8         RM3000 – RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Below RM1000	42	38.9
RM3000 – RM3999       15       12.1         Above RM4000       10       8.1         How long have you been using products and services of Tesco?         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	RM1001 – RM1999	30	24.2
Above RM4000       10       8.1         How long have you been using products and services of Tesco?       14       11.3         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       36       29.0         More than 15 years       21       16.9         More than 0 your go to Tesco?       29       23.4         How often do your go to Tesco?       0       0         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	RM2000 – RM2999	27	21.8
How long have you been using products and services of Tesco?         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?       0       0         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	RM3000 – RM3999	15	12.1
Tesco?         Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Above RM4000	10	8.1
Below than one years       14       11.3         1 - 5 years       24       19.4         6 - 10 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	How long have you been using products and services of		
1 - 5 years       24       19.4         6 - 10 years       36       29.0         11 - 15 years       21       16.9         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Tesco?		
6 - 10 years       24       19.4         11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	Below than one years	14	11.3
11 - 15 years       36       29.0         More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	1 - 5 years		
More than 15 years       21       16.9         29       23.4         How often do your go to Tesco?         Daily       0       0         Weekly       13       10.5         Monthly       51       41.1	6 - 10 years	24	19.4
29   23.4	11 - 15 years	36	29.0
How often do your go to Tesco?         0         0           Daily         0         13         10.5           Monthly         51         41.1	More than 15 years		16.9
Daily       0       0         Weekly       13       10.5         Monthly       51       41.1		29	23.4
Weekly       13       10.5         Monthly       51       41.1	How often do your go to Tesco?		
Monthly 51 41.1	Daily	0	0
	Weekly	13	10.5
Rarely 60 48.4	Monthly	51	41.1
	Rarely	60	48.4

The summary of the demographic profile. Regarding to the Table 4.1, it illustrate that 50 male respondent and the rest, 74 respondents are female out of 124 respondents. Thus, the percentage of male is 40.3% and another 59.7% is female. In the term of race shows, the race frequency of 124 respondents. The majority of the respondents are Malay which is 81.5% or 101 respondents. Secondly is 11.2% or 14 respondents is from Chinese. 6.5% or 8 respondents are from Indian. Last but not lease, the other race is only 1 respondents or 0.8% who was willing to answer the questionnaire. Meanwhile, the age frequency of the respondents. From 124 respondents, there are 49.2% who are 21 until 25 years old which equivalent to 61 respondents. Next, 16.9% are ages 26 until 33 years old which are 21 respondents. Then, there are 14.5% responds the survey are aged between 34 to 41 years old which are 18 respondents. After that, there are 7.3% responds the survey are aged between 42 to 49 years old which are 9 respondents. Lastly, there are 12.1% responds the survey are aged over than 50 years old which are 15 respondents. Then, the frequency of marital status of among the respondents. From 124 respondents, there are 62.1% who is still single which equivalent to 77 respondents. Then, 37.9% is married which are 47 respondents. Furthermore, shows the frequency of education level among the respondents. Out of 124 respondents, 24.2% education level is SPM which are 30 respondents. Next, there are 11.3%

education level STPM which are 14 respondents. Then, there are 22.6% education level Diploma which are 28 respondents. After that, there are 41.9% education level Bachelor of Degree which are 52 respondents that responds the questionnaire. After that, regarding of Table 4.6 shows the frequency of the monthly income that was obtained by the customers of Tesco at Alor Setar. Based on the data collected, there are 33.9% responds the questionnaire for monthly income level below than RM1000 which are equivalent to 42 respondents. Then, 24.2% responds for RM1001 until RM1999 which are 30 respondents. Next, there are 21.8% monthly income level from RM2000 to RM2999 which are 27 respondents. After that, there are 12.1% responds for monthly income level RM3000 until RM3999 which are 15 respondents. Last but not least, the lowest percentage are 8.1% responds for monthly income level above RM4000 which are 10 respondents the customer of Tesco at Alor Setar. Based on table above, the frequency of how long the respondents have been using the products and services of Tesco. From 124 respondents, there are 11.3% responds using the products and services of Tesco below than one year which are 14 respondents. Next, 19.4% have been used the products and services from 1 until 5 years which are equivalent 24 respondents. The highest percentage is 29% who responds from 6 until 10 years using products and services of Tesco which are 36 respondents. After that, there are 16.9% stating that they have been using products and services from 11 to 15 which are 21 respondents. Lastly, the second highest percentage 23.4% who responds the survey are above 15 years old using products and services of Tesco which are 29 respondents. Last but not lease, the table shows the frequency of how often the respondents go to Tesco. From 124 respondents, none of them have go to Tesco daily. Next, 10.5% are often go to Tesco weekly which are 13 respondents. Then, the second highest percentage is 41.1% who responds the survey are often go to Tesco monthly which are 51 respondents. Lastly, the highest percentage 48.4% responds the survey are rarely go to Tesco which are 60 respondents.

#### 7 Discussion

The hypothesis to found out the relationship between dependent variable which is customer satisfaction towards products and services of Tesco and independent variables. There are three independent variables which were product quality, services quality and price.

#### 7.1 Research Objective 1

The first objective was to examine the relationship between service quality and customer satisfaction. Therefore, the researcher proposed a hypothesis which stated that there is a significant relationship between service quality and customer satisfaction.

#### 7.1.1 Relationship between services quality and customer satisfaction

The relationship between service quality and customer satisfaction towards products and services of Tesco at Alor Setar. Null hypothesis was rejected after Pearson Correlation testing was conducted. It means that this study accepts alternate hypothesis (H1). From the result of the significant value (p < 0.01), this indicates that there is a positive relationship between service quality and customer satisfaction towards products and services of Tesco. Based on the Table 3.2 "Guilford's Rule of Thumb", the positive value of Pearson Correlation 0.577 indicates that the strength of relationship between product quality and customer satisfaction towards products and services of Tesco are moderate.

#### 7.2 Research Objective 2

The second objective was to examine relationship between product quality and customer satisfaction. Therefore, the researcher proposed a hypothesis which stated there is a significant relationship between product quality and customer satisfaction.

#### 7.2.1 Relationship between product quality and customer satisfaction

The relationship between product quality and customer satisfaction towards products and services of Tesco at Alor Setar. Null hypothesis was rejected after Pearson Correlation testing was conducted. It means that this study accept alternate hypothesis (H2). From the result of the significant value (p < 0.01), this indicates that there is a positively relationship between product quality and customer satisfaction towards products and services of Tesco. Based on the Table 3.2 "Guilford's Rule of Thumb", the positive value of Pearson Correlation 0.559 indicates that the strength of relationship between product quality and customer satisfaction towards products and services of Tesco are moderate.

#### 7.3 Research Objective 3

The third objective was to examine relationship between price and customer satisfaction. Therefore, the researcher proposed a hypothesis which stated that there is a significant relationship between price and customer satisfaction.

#### 7.3.1 Relationship between price and customer satisfaction

There is a positive relationship and good correlation between twp variables (r=0.00, p<.01). The relationship between the variables is stated as 0.725 respectively, which furthers reinforces the relatively strong relationship between price and customer satisfaction towards products and services of Tesco.

#### 8 Recommendation

The future research, this research only involves 124 customers of Tesco at Alor Setar. This is not fully representing profile of the whole population of customer of Tesco in Malaysia. This is more relevant to the future research to get the best result in the end, because by collect of the good result, future research may gain feedback or respond by the respondents. Thus, other location is recommend and preferable by doing this research. This is because it can help to get more opinion and research will become more widespread.

However, this study should use quantitative method by distributing questionnaire to the respondent which may lead to accuracy. A combination of interviews and questionnaire survey method is not encourage to provide because the explanation of customer satisfaction towards products and services of Tesco at Alor Setar to become not successful. In this research, researcher just focus only three customer satisfaction which is product quality, service quality and price. So future research must add on the customer satisfaction and not only focus the three of these customer satisfaction to be gain the best result and successful of the research.

#### 9 Conclusion

In this research, there are three independent variables included the product quality, service quality and price. In order to conduct this research, the researchers collected the data by using questionnaires. The questionnaires were distributed to 124 customer of Tesco at Alor Setar. This area was chose by researcher because it is nearby and it will make easier for researchers to do the research. Besides that, almost residents in Alor Setar often go to Tesco, so it will be a bonus for researcher to do this research. The aim of conducting this study was to find out customer satisfaction with Tesco products and services. The findings of the research showed that product quality, service quality and price have positive relationship with customer satisfaction towards products and services of Tesco.

These three variables are important factors that needed to be concerned by every branch of Tesco. Customer would repeat purchase and Tesco will be successful if they take into consideration with all of this. So, Tesco are suggested to retain or improve their product quality, service quality and price.

#### 10 Acknowledgement

First and foremost, all praise to Almighty Allah, the most gracious and most merciful God for the blessing, health, strength and patience that he bestowed upon us throughout this exciting Degree journey. Indeed, all this is only by His permission.

First of all, we would like to express our deep and sincere gratitude to our research supervisor, Dr. Azila binti Jaini, for her invaluable guidance, patient, encouragement, and suggestions in the improvement of this research. It was a great privilege and honour to study under her guidance. We are forever grateful to have given the opportunity to work with such a great lecturer.

Our foremost gratitude goes to our parents for the love, strength, prays, caring and sacrifices for education and preparing us for our future. Without their support, we cannot be to where we are right now. Also, we would like to express our thanks to our friends for their support, help and encouragement to finish this research. I have no valuable words to express my thanks, but my heart is still full of the favours received from every person.

Next, we would like to dedicate our gratitude to University Malaysia Kelantan (UMK) for giving us the opportunity to complete this research. We are thankful for the assistance and necessary support that had be given to us.

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# CUSTOMER SATISFACTION USING ONLINE SHOPPING DURING PANDEMIC COVID-19 IN KUALA TERENGGANU

Nuramira Syafiqah Binti Mazuki and Yusrinadini Zahirah Binti Md. Isa@Yusuff

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: amira.a17a0518@siswa.umk.edu.my; yusrinadini@umk.edu.my

#### Abstract:

Since COVID-19 hit the world, online purchasing has increased dramatically. It not only in Malaysia, but it also happened around the world. Because of the sudden demand from customers, the sellers and logistic company cannot meet the satisfaction of all customers simultaneously especially during Movement Control *Order (MCO). It is because the employees who are allowed to work have been limited to each company.* Therefore, the logistic company unable to expedite the delivery of goods and it cause in dumping at the courier office. Because of that, this study performed to identify the factor that affecting customer satisfaction towards the online purchasing especially during pandemic COVID-19. This study is using quantitative method which is in a structured questionnaire to 384 respondents in Kuala Terengganu, Terengganu. This study also analyse the factor of customer satisfaction towards online purchasing especially during pandemic COVID-19 which are the punctuality of delivery time, goods safety and information security, and services that offered affecting the customer satisfaction. This study uses preliminary analysis, descriptive analysis, reliability test, normality test, Pearson or Spearman Correlation and hypothesis testing. The result that receive from this study is showing that an increase in online purchases higher that offline purchases. In this way, customers can reduce the risk of Corona Virus infection that is spreading around the world. Covid-19 pandemic managed to change the customer trust towards depending more on online platform especially during lockdown and quarantine. Therefore, despite not being able to go out shopping in the physical store, customers can shopping using online shop and this can prevent COVID-19 infection to the community. Overall, the online purchasing is statistically significantly with customer satisfaction. Future research should consider about the variety of services that can be done by the seller other than use the courier company to deliver the goods. This is to ensure the goods that reach to customers are punctual and safe. Different methodologies, such as focus group, method and interview, may also be used in future research.

**Keywords:** Customer Satisfaction, Pandemic COVID-19, Punctuality of Delivery Time, Goods Safety and Information Security, Service that Offered.

#### 1 Introduction

In the era of IR 4.0, the use of internet network is very important and it not only for social, but it also for education, business and so on. The daily use of the internet in life has a huge impact on society. The cause of increasing number of COVID-19 cases, the use of internet networks is increasing especially in the use of shopping platforms. Using this internet network, it also can make people around the word connect each other especially for those who are far abroad.

In this global pandemic outbreak, by using an online platform, individuals will prevent this disease, so that this epidemic may be less severe. Using the online portal, individuals can prevent

current physical store congestion, preserve the Standard Operating Procedure (SOP) so that we can minimise COVID-19 infection in Malaysia. Because of its versatility, free, informal and synergistic, the internet is also a utilitarian tool for disseminating data to consumers. As the use of the internet grows, many new ways of communicating with the world are being added. Online shopping is one of the Internet 's biggest contributions (Ali, Samsuri, Sadry, Brohi, & Shah, 2016).

Customer satisfaction can be characterised as a component of the product and service that sellers offer to meet the expectations of customers. In addition, it can also be defined as a consequence of a satisfying level of consumption-related satisfaction expressed by a product and service. The satisfaction of customers can also be recognised as the customers' inner feeling of contrasting their desires with the accomplishment of the purchase and past purchase experience of customers.

So that, after elaborating the output of the goods and services, the customers can display their emotion as pleased, angry, upset and so on. In fact, customer satisfaction is very significant because it represents the performance judgments of customers that relate to the consumption experience. The loyalty of customers is very important to an organisation's survival and it is the greatest online shopping challenge.

According to Rita, Oliveira, and Farisa (2019), consumer satisfaction is an indicator of the customer's confidence that a service is likely to lead to a favourable sensation. It is also the product of the interactions of consumers during the purchasing process, and it plays a key role in shaping the future actions of consumers, such as online buying and loyalty. Satisfaction is one of the most significant indicators of performance in the online business-to - consumer (B2C) world.

Finally, when consumers are happy with the goods or services they are purchasing, they prefer to buy from the same vendors or businesses again. The evidence for a positive relationship between consumer satisfaction and repurchasing intent has been found in many studies. If consumers have a high degree of faith in the website, they are more likely to decide to buy it. In addition, if clients had previously experienced purchases from a website and had a positive purchasing experience from it, then they would possibly buy back from the same website.

There are there factors that have identified as a major barrier in customers' satisfaction in online shopping especially during pandemic outbreak in this study. For example, punctuality of time delivery, goods safety and information security and service offered by sellers and couriers. Firstly, the researcher finds that the punctuality of delivery time is one of the factors that can measure the level of customer satisfaction especially at the time COVID-19 was spreading. Secondly, goods safety and security is also one of the important things to measure the level of customer satisfaction using online shopping. It is because if the customers information such as personal information like name, address, phone number and customers' bank information such as account number misused, the customers will in danger and it possibility to lose their money in bank account. Therefore, the sellers must honest and do not abuse customers' personal information for self-interest.

The last factor in this study is the service offered by sellers and Courier Company. The good services will make the customers more satisfied and the probability to them to repeat the order form the same company is high. It is because; when the sellers get the trust from customers its mean they will get the new customers after that. This is because the Word of Mouth (WOM) of each customer is high.

#### 2 Research Methods

For the purpose of this study, a survey was carried out to find out the customer satisfaction using online shopping during pandemic COVID-19 in Kuala Terengganu. A few questions have been built in a Google Form to collect the data. This questionnaire given randomly to 384 people who use online platform to shop and they must stay at Kuala Terengganu. This questionnaire distributed through a link and it will be answered by respondents using their own gadgets whether smartphone, tab, laptop or others. The link for the questionnaire is given to 384 respondents via social media such as Facebook, Instagram, Telegram and WhatsApp. The respondents can click on the link that provided by researcher and they can answers the entire question given.

Before the questionnaire given to the respondents, the researcher has done Pilot Test to 30 respondents first. It is to increase the validity and reliability for the questionnaire. The researcher found out that the result of Cronbach's Alpha for Pilot Test is exceeds 0.70 to all the dependent variable and independent variables that the researcher studies. Next, after the Pilot Test, the researcher distributes this questionnaire to 384 random respondents to collect the new data. The constructed questionnaire based on the past sources from (Dian Palupi Restuputri, Ilyas Masudin, & Citra Permata Sari, 2020; Francisca & Hapsari, 2018; Rita et al., 2019).

Table 1: The Questionnaire Items

Punctuality of Delivery Time		
Code	Description	
Q1_Punctuality	Sellers post the parcels on the time.	
Q2_ Punctuality	The operating hours for parcel delivery only on office hour.	
Q3_ Punctuality	The courier provides several estimated delivery time options.	
Q4_ Punctuality	The operating hours delivering by the sellers at weekends and weekdays.	
Q5_ Punctuality	The services involved by courier are related to the speed and accuracy of drivers and their means of transportation in delivering goods.	
Q6_ Punctuality	Can be delivered to all location without additional cost.	

Goods Safety and Information Security			
Q1_Safety	I feel safe in my transaction with the online shop.		
Q2_Safety	The online shop has adequate security features.		
Q3_Safety	This site protects information about my bank information.		
Q4_Safety	I trust the online shop to keep my personal information safe.		
Q5_Safety	I trust the website administrators will not misuse my personal information.		
Q6_Safety	Q6_Safety It protects information about my web-shopping behaviour.		
Q7_Safety	The product was damaged during delivery.		
Q8_ Safety	The ordered products arrived in good condition.		
	Services that Offered		
Q1_Services	I can file complaints or ideas on this site.		
Q2_ Services	Q2_Services This site delivers unrivalled freedom to exchange thoughts.		
Q3_Services	It takes a short time to shop on this site.		
Q4_ Services	Provide accurate information about the features and quality of the		

	products.		
Q5_ Services	Provide various type of information (payment, shipping, return).		
Q6_ Services	I am satisfied with the offer that is available on this site.		
Customer Satisfaction			
Q1_Satisfaction	I am satisfied with this online shop.		
Q2_Satisfaction	The online shop is getting close to the ideal online retail.		
Q3_Satisfaction	The online shops always meet my needs.		
Q4_Satisfaction I will make more purchases through this online shop in the future.			
Q5_Satisfaction	Q5_Satisfaction I will increase purchases through this online shop.		
Q6_Satisfaction	Q6_ Satisfaction I will not to shop again from this online shop.		
Q7_Satisfaction	I will re-visit this online shop in the future.		

In Table 1, the questionnaire items for each structure of this study are summarised. One of the non-probability samples was used to obtain the potential participants identified from different mailing lists using the convenience sampling method (Sherah Kurnia & Chien, 2003). The survey respondents were asked to indicate whether they agree or disagree on a Five-Point Scale for each item, which are:

- 1-Strong Disagree
- 2-Disagree
- 3-Neutral
- 4-Agree
- 5-Strongly Agree

In order to determine the consistency for each construct used in the questionnaire, Cronbach's Alpha was analysed. In this study, the researcher use five statistical techniques to test the data which are Pilot Test, Reliability Test, Normality Test, Multiple Linear Regression and Hypotheses Test. Hypotheses Test is to test the three hypothesis which are H1, H2, and H3.

- H1: The punctuality of delivery time significantly influenced the customer satisfaction using online shopping especially during pandemic outbreaks.
- H2: The goods safety and information security significantly influenced the customer satisfaction using online shopping.
- H3: The services that offered significantly influenced the customer satisfaction using online shopping.

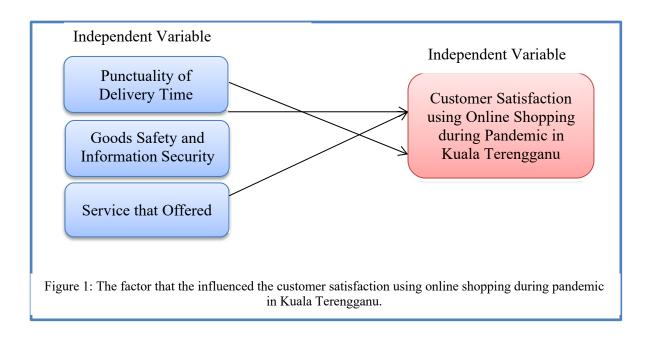
Next, the reliability of the questionnaire can be accessed by Cronbach's Alpha. Cronbach's Alpha is need to be 0.7 and above.

Table 2: Cronbach's Alpha for Reliability Test

Variables	Number of Item (N)	Cronbach's Alpha
Customer Services	7	0.701
Punctuality of Delivery Time	6	0.701
Goods Safety and Information Security	8	0.709
Services That Offered	6	0.728

In this study, the researcher analysed three of independent variables which are Punctuality of Delivery Time, Goods Safety and Information Security, and Services That Offered, and the dependent variable which is Customer Satisfaction using Online Shopping during Pandemic COVID-19 in Kuala Terengganu. Table 2 shows the result of Reliability Test for Dependent Variable and Independent Variables are acceptable.

Figure 1 above shows the framework for both dependent variable and independent variable. There are punctuality of delivery time, goods safety and information security, and services that offered by seller and courier company. The factor of punctuality of delivery time evaluate based on the customer satisfaction when they using online shopping especially during pandemic to make sure either the parcels arrived punctually or not. After that, this research also identified that the factor of goods safety and information security influenced the customer satisfaction using online shopping. It is because goods safety and information security is the important point to make sure the customer satisfaction. Lastly, the factor of services offered also influenced the revisit that shopping platform and repurchase the goods when using online.



Lastly, the researcher does this study to fulfil the three objectives. Firstly, the objective that highlighted is to study the level of punctuality of delivery time for delivering goods and services to customers that can affect the level of customer satisfaction using online shopping during pandemic. Second, the objective in this study is to make sure that goods safety and information security can give an influence in make sure the level of customer satisfaction using online shopping during pandemic. The third objective is to identify the services that offered can affect the level of customer satisfaction using online shopping during pandemic.

### 3 Analysis and Discussion

The purpose of this study is to identify the customer satisfaction towards online purchasing during pandemic COVID-19 in Kuala Terengganu. The focus of this study is to identify the factors that affecting customer satisfaction towards online shopping which are Punctuality of Delivery Time, Goods Safety and Information Security, and Services that Offered. The data used in this study were primary data and secondary data. The primary data is to be originally collected, while the

secondary data is simply a compilation from the available published sources. In this study, primary data was collected via Google Form that answered by respondents.

Through this study, it was found that the population in Kuala Terengganu that age around 18-30 years old is more likely to choose online platform as a medium to shop especially during pandemic. It is because the people age around 18-30 years old more skilled in using gadgets such as smartphone, laptop and so on compared with people age more than 50 years old. Therefore, age is the factor that affecting the online purchasing.

Through the studies that conducted, the researcher found that there three factors that influence the customer satisfaction which are Punctuality of Delivery Time, Goods Safety and Information Security, and Services that Offered. The result of this study found out that the use of online platform to shop highly recommended especially during pandemic COVID-19. Online shopping is not a new thing for Malaysian, but since COVID-19 hit the world, the use of online platform surged up unexpectedly. The researcher found out that in future, the use of online platform especially for shopping will rise higher. It is because Malaysian have begun to know all the advantages of using the online platform to them. Beside from preventing Coronavirus infection, these online shopping also can save their time and energy for shop. Actually, online purchasing has many advantages, beside offer the lowest price; it also offers many services that can customers choose.

Next, the researcher found out that punctuality of delivery time is the important things to make sure their customer satisfaction. If the seller offer the good services for their customers, their customers will re-visit their online shop in future. Besides, they also can promote that shops to their contact and it will added the customers that purchase in their shops. Besides that, the most important thing in using online shop is security either goods or information. It is the sellers' duty to make sure the entire customer's personal information such as bank account, address, and phone number is safe. If the sellers fail to make it safe, they will lose many customers because of the strong viral power by customers. It is because the customer trust is very important in the business especially online business.

Sellers or Courier Company must offer the good services to their customers to make sure their customers are satisfied. The important service that can offer is website design for online shop. If the website design is not customer friendly, the customers will find other online shop that more easily and friendly. It is because they will more satisfy with the services that make them easy and give them the advantages.

This study found out that customer satisfaction had a positive impact on punctuality of delivery time, goods safety and information security, and services that offered. When the customers satisfy with the services, they will re-purchase in the future. From this study, it was found that the customers less satisfied with the punctuality of delivery time. It is because, when the COVID-19 hit world, the sellers late to post the customers' parcel that they purchase. Because of the most people use online platform to shop, the parcel which has been posted by sellers is experiencing dumping at courier office. It is because of lack of employees in Courier Company that can make the parcels not arrive on time to the customers.

Lastly, this research is found that the services that offered are satisfied. The services that offered by online retailer is ability for customers to make complaints about the sellers and courier company. Besides, this online retailing makes the customer easily to shop. It is because all the detail such as price, size, material and others has been given by sellers. It can make the customers

easy to choose the products that they want. Next, the payment, shipping and return products are very easy to customers. It is because sometimes, the customers receive the damage goods or they do not satisfy with those goods. So that, they can return the goods to the sellers and they can choose either the goods return or money return. Overall, the customers satisfy with the services that offered especially using online platform during pandemic.

#### 5 Conclusion and Future Research

This study is focus on customer satisfaction that use online platform to shop during pandemic COVID-19 in Kuala Terengganu. The organization can use this research to determine the customer satisfaction towards online purchasing not only during pandemic but also for future. The minimum requirements for reliability analysis has been met from the overall study of variable, because of the Cronbach's Alpha are more than 0.7. The dependent variable identified as customer satisfaction and the independents variable identified as punctuality of delivery time, goods safety and information security, and services that offered. Based on the hypothesis result in this study, all H0 is rejected, while H1, H2, and H3 are accepted. It is prove that the customer satisfaction affected by punctuality of delivery time, goods safety and information security, and services that offered. This research was successfully completed.

The future researcher can able to conduct research in different areas and more extensively area in Malaysia. Every state in Malaysia is different and it has different culture and thinking as well as the different satisfaction. Future research can find out more information about the customer satisfaction in the other state for future proof. The future researcher can know the important things about the customer satisfaction not only during pandemic but for new norm. Next, future researcher is recommended to expand the sample size and population to get more accurate and varied study results. This study conducted only in Kuala Terengganu and the future researcher recommended expanding to other state or districts. This is to improve the result that receives by the future researcher. To get the accurate result in future study, the researcher must collect the data in a longer time. It is because, the large sample size, the longer time was taken to get the good and accurate result.

Besides, the future researcher must consider to use qualitative to the study. It is because using this way, the future researcher can get the accurate result and they can get the more experience about customer satisfaction. Interview with respondents is better to make the future researcher know what makes respondents more satisfied with the online shopping. Therefore, the use of qualitative method is better to get the different responses from the respondents.

The organization as well as logistic company or retailing company recommended learning about the customer satisfaction from the small thing to big thing. It is because customer satisfaction is the determinant of the progress of an organization. Besides, this study finds out that if the organization offers low customer satisfaction to their customers, they will lose their customers because of customer service is half of the important thing in customer satisfaction. Customer trust also can make the increasing of new customers because of Word of Mouth (WOM) from past customers. Lastly, the organization must know about the customers' needs and wants to make sure the organization can improve their services to their customers next time.

### 6 Acknowledgements

Alhamdulillah and thank the Almighty that blessing me in order to finish this Final Year Project (FYP) with success. I would also like to thank to all the people who have lend me their continuous support, encouragement and guidance throughout the period to doing this Final Year Project

(FYP).

First, I am grateful to my supervisor, Dr. Yusrinadini Zahirah binti Md. Isa @ Yusuff for the support, supervision and valuable guidance during I do my Final Year Project (FYP) and also my examiner, Dr. Nur Ain Ayunni binti Sabri.

Secondly, I am grateful to my family for their continuous support, encouragement and committing their resources towards my education this far. Their sacrifices accorded to me have enabled me come this far.

Next, I salute the entire University Malaysia Kelantan fraternity for giving me conductive environment to thrive academically and for providing me with the resource I need to see me through my Proposal of Final Year Research Project (PPTA1). I also want to thank to my friends that support me when I complete my Proposal of Final Year Research Project (PPTA1).

Lastly, I would like to thank all of those who had contributed to this Final Year Project (FYP), whether directly or indirectly. In addition, I would not have been possible to complete this project without the kind support and help of many individuals and organizations. Thank you very much.

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# EXPLORING FACTORS OF PURCHASING COSMETICS AMONG UNIVERSITY' STUDENTS IN KELANTAN

Nurshahirah Binti Ajmin and Nurul Ashykin Abd Aziz

Faculty of Entrepreneurship and Business University Malaysia Kelantan, Malaysia.

E-mail: <a href="mailto:shahirah.a17a0873@siswa.edu.my">shahirah.a17a0873@siswa.edu.my</a>; <a href="mailto:ashykin.a@umk.edu.my">ashykin.a@umk.edu.my</a>

#### Abstract:

Year after year, the cosmetics and skincare industry expanded exponentially. Malaysia has a rapidly rising in beauty and wellness sector (Hassali, Al-Tamimi, Dawood, Verma, & Saleem, 2015). Many new cosmetic and skincare businesses are entering the local market in Malaysia, as well as a founder and a cosmetic brand. The aim of this study is to explore the factors of purchasing cosmetics among university students in Kelantan. The word 'cosmetics,' which means adornments, being derived from the Greek word 'cosmeticos'. Materials for embellishment or beauty enhancement have also been known as cosmetics. This study is using qualitative case study method that has been employed in the form of semi-structured in depth interview. Eight participants which comes from different university institution in Kelantan are involved in the interview sessions to get their information and opinion about the factors of purchasing cosmetics among university students in Kelantan. Findings shows there are four themes had discover as the factor of purchasing cosmetics among university students in Kelantan because of celebrity endorsement or Insta-famous review, brand awareness, price fairness and attitude.

Keywords: cosmetics, purchasing, brand awareness, celebrity endorsement, price, attitude

#### 1 Introduction

Cosmetics and skincare were popular as beauty products from customers were strongly requested. Thus, our local population also rises quickly in economic terms. The total capital of the cosmetics industry is typically millions of dollars from cleansers, toners, serum, moisturisers, powders, lipsticks, clothing, blushes and mascaras. These lists continue to be transformed into new and improved products, which sustain the consumer response continuously. In addition, the cosmetics industry has grown beyond the market, particularly for women, including males and females. When emerging technologies and services changed, sales of cosmetics and skin care grew exponentially. This is because societies are aware of their appearance and well-being enhanced demand for cosmetics (Hassali et al. 2015; Lau, de Run & Jee, 2017).

There is already a steady growth of the cosmetics industry in mature and developing markets, like Malaysia (Hassali et al., 2015). There are several social media platforms which facilitate the company's ability to market and reach customers including Facebook, Instagram and TikTok which are now the most successful digital marketing and many businesses company has used to show customers its product. Social networking has changed the behaviour and knowledge and sharing of goods, with more and more customers searching for product vision and analysis through online social media tools and platforms (Nadeem et al.,2015). Although various cosmetics has been released, however negative effect are still issued, the brand or the original products can be misrepresented, in particular for the customers who use counterfeit cosmetic products, including the presence of such counterfeit cosmetic products.

Based on this issue the following research question is propose:-

"What are the factors of purchasing cosmetics among university students?"

The objectives of this study is:-

To identify the factors of purchasing cosmetics among university students.

### 1.1 Problem Statement

Although entrepreneurs have published multiple brands, the issue of imitation of popular cosmetic products still has a negative impact on traders or businessmen. Bad effects do occur, particularly for customers using artificial cosmetic products, despite the presence of certain artificial cosmetic products, which could be misrepresented by the brand or the original cosmetic products.

### 2 Literature Review

### 2.1 Celebrity Endorsement Or Insta-Famous Reviews

Presently, celebrity endorsement and unfamiliar reviews have been recognised by advertisers as an effective advertising method. There are various ways to materialise celebrity sponsorship, give testimony for goods, be the actor/actress in publicity or even be a spokeswoman for corporations (Schiffman, Kanuk, & Wisenblit, 2010). Cosmetic advertisers have been steadily marketing their goods by using celebrities' endorsements. Celebrity sponsorship is a significant factor in brand awareness creation and helps to assess the perceived value and sensitivity of a brand (Younus, Rasheed, & Zia, 2015). It has been found that celebrity endorsement impacts shampoo purchases directly (Bhakar, Bhakar, & Dubey, 2015; Younus, Rasheed, & Zia, 2015). The celebrity who endorses the substance and cosmetics promoted should, however, be reasonably logically important so that this endorsement is successful in attracting more customers (David & Benedikte, 2004).

In the meantime, consumer focus is commonly introduced with many local cosmetic product use of these advertising devices. Marketers are now trying to make publicity more interesting, appealing and noticeable to audiences. One way to do this is with the sponsorship of celebrities. Choi et al (2005) suggests celebrity personalities, traits and breathtaking pictures. Celebrity sponsorship in modern marketing is therefore very widespread (McCracken, 1989; Choi and Rifon, 2007). Indeed, about 56% of Malaysians are able to spend on their favourites while 30% will purchase the items that they endorsed (Anon, 2011). This advertising tool thus profoundly impacts the buying of cosmetic products from consumers especially students, young generation. For customers in today's world the media's position has become very critical. Therefore, the views on television and the Internet adversely impact users. You want to look like a favourite star or hero that leads you to buy (Blomert, 2009). In addition, the quantity of online feedback is also used to measure product success since they reflect product output in the market (Mayzlin & Chevalier, 2006). The number of feedback can be the number of customers involved in recent purchasing and product experience (Chatterjee P., 2001). The range of feedback shows increasing the confidence of online shoppers and reducing the unpleasant sense that such items are vulnerable to harm (Buttle, 1998).

### 2.2 Brand Awareness

Aaker (1991) is defined brand awareness as the willingness of potential purchasers to understand and recall that a brand forms part of a specific product category. The cosmetic product is considered on the list if consumers are aware of cosmetic brand products. Another element of brand identity is brand name. Brand image means a consumer's view of a specific brand (Keller, 1993). The organisation uses a brand image for presenting its product and a group image. The brand profile of Loudon & Della Bitta (1988) describes the way buyers look at goods and reduces

purchasing risks. Brand image can be defined as perceptions that consumers associate with a particular brand (Keller, 1993). According to Kotler and Keller (2009, 203) and Asch and Wolfe (2001, 25), the process by which people select, organize and interpret information in the mind is called perception. With the help of perceptions people create a meaningful picture of the world. Noel (2009, 94) notes that before perceiving anything, people have to first be exposed to an object and also pay attention to it. This chain of events of exposure, attention and perceiving is played out many times during one day. In terms of studying consumer behaviour, people's perceptions are more important than reality because perceptions are what actually affect a consumer's behaviour.

Asch and Wolfe (2001, 25) notes that the way consumers are behaving influences their own knowledge of the situation when a customer understands a need or a willingness to buy something. Because any person has a subjective way of shaping opinions, there can be various forms of interpretation of the same object or situation. Brand reputation is among the beneficial considerations for consumer evaluation before a product is bought. (Newsletter, 1988). A brand appearance plays an important part in customer first experience. Not only does brand image affect the way buyers view a product, but it decreases the purchasing risks (Loudon & Della Bitta, 1988). The method of assigning the brain ability to certain inputs is, according to Kotler and Keller (2009, 203). People must select the stimuli that they take care of, since the mind can only absorb a small amount of information at one time. This process, by which most stimuli are examined, is called selective focus. Certain focuses are targeted and some of them unintended. In other words, people pay attention to things intentionally and implicitly. When something is focused, unconscious, also recognised as inferred, without a person making a concerted effort to take care of it, time is allocated. (Kotler and Keller 2009, 81-203).

Students tend to notice the prompts they need to consciously and deliberately devote their attention. An individual who needs to buy facial foam will usually concentrate more on facial washing advertising than a person who does not need the substance. People also pay more attention to stimulation, which means that they would pay more attention to skin care items, particularly between students, in a cosmetics store than in a food stores. A third attention recipient is discounts when it comes to the use of disc capacity. People are more susceptible to stimuli whose variations are greater than their average size (Kotler & Keller 2009, 204.).

#### 2.3 Price Fairness

Price fairness can be described as 'a market judgement and related emotions that indicate whether it's appropriate, necessary, or justifiable to differentiate (or lack of difference) between the price or price of a comparable other party' (Xia, Monroe, & Cox, 2004, p. 3). We generally equate the price of the goods themselves as a customer. Price fairness has also been shown to lead to price understanding, which in turn influences behavioural intentions (Petrick, 2004a; 2004b). In a review of Semuel & Chandra (2014) when buyers want to purchase a commodity, price is very critical. If the product is pricey, this can affect buyers who are interested in purchasing the product. Price is possibly the most important consideration among users, particularly students. However, the price of a product does not influence the desire of the customer to buy a product as it is in brand loyalty (Rahim, 2018). Consumer trust may also be created by contrasting prices with the costs and qualities that are taken into account. It is also one of the strongest consumer satisfaction metrics (Singh & Pattanayak, 2014). For each procurement of goods and services, customers have only desired the best price. The consumer will not be pleased if the set price does not represent the worth of a good. Pricing is important because it contributes to the use or rendering of products and services to customers. Quality prices are also related to (Kotler & Keller, 2009).

Alfred (2013) notes that some consumers will not paid more than a certain amount, irrespective of the form of commodity it might be, while others will buy it. In order to buy a product, it must achieve the desired level of efficiency. Any types of high price goods are known to be high quality and vice versa. The perception as an external influence, as reported by Ralston (2003), is essential to customers in decision making before they buy the product. In short, price is used as a measure of consistency of the product. It can result in greater satisfaction if a product exceeds expectations (Alfred, 2013, Kotler & Keller, 2009; Ralston, 2003). If the worth of the viewed product exceeds the cost, note that the buyer buys the product (Yee & Sidek, 2008). When the price is affordable for them, the customer would purchase cosmetics product.

### 2.4 Attitude

Attitude means thought, patterns and responses to something like object or concept (T.E.O Yuan Sim et al, 2012). The attitudes of customers are formed through personal experience, truthfulness, friendly and seller knowledge (L.I.M. Ying San et al, 2012). Some consumers know and understand each ingredient in cosmetics because they realise the long-term effect on your skin, avoiding the risk on your skin and money as well. Some consumers, however, were not concerned with the long-term skin effect. In a short period without regard to the long term impact or in potential, they just needed a beauty and light skin. As one's behaviour is the product of a neurological mechanism, it cannot be explicitly tested, but what is said and done can be assumed (Suprapti, 2010, in Tommy, 2012). According to Rodda (2004), when consumers use a beauty product that does not suit their skin, skin might be more susceptible. Not all consumers have the same skin conditions and they need to know the exact makeup or products that complement their skin in order to reduce skin damage. Customers also plan to purchase cosmetic products, particularly in women, because of skin problems. There are certain skin conditions, including wrinkles, dry skin, dirty skin, white head, dark head and dull skin. Because the whole problem affects the customer purpose, particularly carriers or students. The process for evaluating any good and service is a mindset in the field of marketing. The previous research indicates that buyer expectations influence buying decisions and when a purchase is carried out (Fishbein & Ajzen, 1975).

## 3 Research Methodology

"The framework or plan for the study, used to provide a guide to collecting and analysing data," as described in Churchill and Iacobucci (2005, P.74), research design were three forms of research that are exploratory research, descriptive research, and casual research. Exploratory analysis seeks to gain knowledge and perspectives and helps to identify the real issue, raise understanding and prioritise more research. Descriptive analysis reveals the traits of various individuals and is used to determine the proportion of individuals who act in a particular way. You need a straightforward explanation of who, when, where, and how analysis is conducted. The association between two variables is often illustrated in case of a causal analysis. This is the most appropriate for research in laboratory and field. This study may be put in the first category, i.e. exploration, as the quest, survey, interview and analysis of a chosen case requires a literature. The study aims more directly, i.e. to gather evidence and to assess the impact of cosmetics on the consumers by systemic analysis. It would be also correct to conclude that the exploratory design of the research was carried out on the basis of its purpose, in particular for smaller and more detailed purposes, to overcome large and vague problems.

The aim of exploratory research is to gather a wealth of information and to collect materials using several different techniques (Patel & Davidson, 2003, p. 12-13). Eriksson and Wiedersheim - Paul (1991, p. 155) demonstrates that research in discovery is ideally suited where a challenge is difficult to classify and the researcher is unsure on which significant models, properties, or

relationships (ibid). Kinnear & Taylor (1996, p. 127) It also states that at the early stage of the testing process exploratory experiments are more satisfactory. This study was early in exploratory analysis, as the researcher wanted to study the issue to collect knowledge so that the research issues could be dealt with. Study in fields in which there is already much information that can be described by models is descriptive. The researcher focuses on various issues through descriptive study, such as he/she may concentrate on all aspects or focus on the interaction between different aspects. This method uses only one strategy in gathering information (Patel & Davidson, 2003, p. 12-13).

The study was also analytical to a certain degree, as we used data obtained to characterise the present scenario. The researcher would first investigate the subject and collect a lot of knowledge and then describe the trends. Qualitative approach is the analysis technique applied in this research. There are two classes of techniques for analysis, qualitative and quantitative methods, according to Denscombe (2000, p. 203). The aim is to generate, adapt and analyse the information collected by the researcher (Patel & Davidson, 2003, p. 12). Newman and Benz (1998, p. 16) describe qualitative analysis as 'a complete explanation of the environment, events, entities and experiences.' Qualitative analysts examine objects in their natural world, trying to explain the meaning they add to them in their own natural surroundings (ibid). Near proximity to the topic of analysis determines quality studies, the goal being to face up to the situation.

Consequently, the aim of qualitative methods is to gain a better interpretation of the problem rather than a general knowledge method. (Holme & Solvang, p.100, 1991). This research methodology is categorised as qualitative, since it is intended to achieve a better understanding of the consequences and influences that motivate university students to buy cosmetics. A qualitative methodology was also most suitable for our analysis, as answers to the questions of research could not be quantified and numbers measured.

#### 3.1 Data Collection

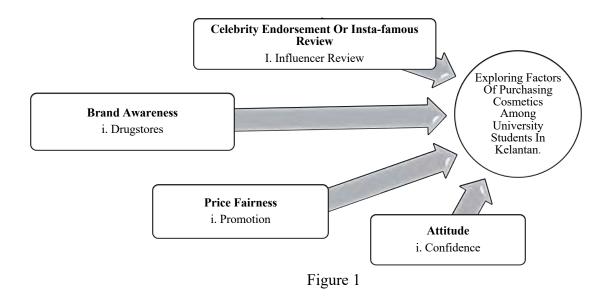
Data collection that has been use in this study is primary data. Primary data is described as "data obtained by the investigators, by means of such instruments as interviews, observations and questionnaires, rather than merely dependent upon available data sources, by Wilson (2010, pp. 135-136). There are several explanations why the primary data has to be obtained, according to the author (Wilson, 2010). For eg, when there is not enough existing secondary data available or when there is not enough and insufficient existing secondary data for the analysis. On the other hand, secondary data are data originally gathered by other scientists for other purposes. A variety of references can provide secondary data: general papers, theses, articles, scholarly journals, text books, blogs, dictionaries, etc. In addition, the university library and the website provided secondary data from academic papers, theses, textbooks to create the history and formulate the theorical chapter of the studies. The researcher's knowledge will save time and expenses and address the researcher's problems while looking for primary data.

A purposive sampling was selected to provide the data collection with a sampling methodology that is descriptive of qualitative analysis methods. The analytical method of sampling, also called the judgement survey, is to make the participant's conscious choice depending on the attributes that the sampling process. This approach is non-random and does not contain underlying theories or a set number of participants. In short, the researcher decides what needs to be understood and seeks individuals who, on the basis of expertise or experience, can and are prepared to provide information. In the purposive sampling of individuals or groups that are experienced and well educated about phenomena of interest (Ilker Etikan et al., 2016).

### 4 Findings and Discussions

Qualitative descriptive research refers to a number of methods intended to synthesise the sensory properties of language technology. Descriptive analysis uses an expert analyst group to detect, describe and evaluate product sensory properties (Mukesh Kumar, Salim Abdul Talib and Ramayah, 2013). The role is quantitative and contributes both to characteristics and the whole to statistically comparable profiles. However, different needs require different approaches (Retiveau Krogmann, Stapleton, & Civille, 2017). As a result, qualitative approaches in descriptive analysis have advanced and become more popular (12th Pangborn Sensory Science Symposium, 2017). Qualitative analysis allows researchers to generate information and facts in depth and meaningfully (Wainer, 2000).

This study provides 8 informants which involves students from different institution. Most of them are frequently using cosmetics product as daily routine. For the present study, the findings are segmented into four thematic categories where all of them are revealed based their experience on factor of purchasing cosmetics among university students. There are four dominant themes had been identified during the discussions: (i) celebrity endorsement or insta-famous review; (ii) brand awareness; (iii) price fairness; and (iv) attitude. Each of thematic categories is discussed in the following sections:



#### Theme 1: Celebrity Endorsement and Insta-Famous Review

For this theme, consumers highlighted that celebrity endorsement or insta-famous reviews is the factor that influence them to buy cosmetics or skincare. There only one sub-theme has found in this analysis which is influencer reviews. This category are described in detail as following below.

#### i. Influencer reviews

Based on findings from interview sessions, most of the students explain that influencer reviews is the strong factor that influence them to purchase cosmetic and skincare for themselves. It is because they believe the product that reviewed from a famous influencer is a good product. Below is the informants' quotations which has been prepared and analysed from the interview sessions that will support this sub-theme:-

## IF1- "Influencer."

IF2- "From twitter, that is the reason based on influencer. He said the product is good so we

were like.. okay lets try..."

IF3- "Emmm, influencer, also blogger, insta-famous. That's it."

IF5- iF5- "Okay, I actually after used the product I have mentioned earlier, I was more careful in choosing the product. I will look at **feedback from influencers** as well first. But if I go to the store, I will actually see the price. Because the price of the product always varies according to the promotion that the store makes. Usually, if there is a promotion I will buy more. Haha (laughs)"

IF6- "... Sometimes the ambassador of the product is influence me to purchase a product."

IF7- "The most influence person on my purchasing behaviour is **an actor** named Izzue Islam. I always follow his media social and his review on a product that he use. I really love his skin and its lead me as a men to have a smooth skin like him. He is my favourite actor actually."

This quotation shows that most of the informant agree that influencer reviews is the factor of purchasing cosmetics among students. In the informant 7 quotation, he explain that his intention on purchasing skincare is because of his favourite actor review and he is adore to his favourite actor skin. Besides, informant also shows that they are coincidently see the reviews and it touch their sense to buy that product. This illustrate that people especially students is easy to trust a product through a review from trusted sources, famous influencer and also favourite actor or actress.

#### **Theme 2: Brand Awareness**

For this theme, informant highlighted drugstores as their place to buy cosmetics or skincare product. Informants believe that they can trust on the brand which sold only at the drugstores. It will be support with the result in researcher's findings.

### i. Drugstores

Based on findings, researcher found one sub-theme in brand awareness which is drugstore. All of the eight informants admit that they purchase cosmetics and skincare in drugstores. To prove this sub-theme, researcher have prepare informants' quotations from interview session as following below.

IF1- "Watson also Guardian"

IF2- "Okay, I usually purchase it at **Watson**. But, if there's no Watson at my places I prefer go to aaa.. Shoppee **or Guardian**. That's it."

IF3- "Emm.. At drugstore, Guardian, Watson."

IF4- "Usually, I will buy at **Watson and Guardian** because it is one stop centre shop and I can bought what I need in one places while survey on another product."

IF5- "I bought it at Watson, or the Guardian or at a regular store."

IF6- "The best cosmetics product would be product in convenient store such as **Watsons**, **Guardians** and etc. Why I said so because at these store, people have choices of cosmetic products."

IF7- "I usually buy at Watson."

IF8- "From clinic, hospital and convenient store such as **Guardian** because it guarantee their safety on the consumer when they use and consume it."

All of these quotations shows that all of the informants admit they purchase cosmetics from drugstores. This illustrate that university students are aware about the counterfeit products. Informant 4 said that drugstores is a one stop centre shop which she purchase her needs in one places. It will ease consumer's purchasing because they do not have to go to another places to buy their needs. As we all know, drugstores provide all health and beauty product in one places. Thus, the products has been approved from Ministry of Health Malaysia. Same goes to informant 6, she also said so. The result of this study shows that students are choose to buy cosmetics in the drugstores because it gives more benefits to consumers. It is one of the factor that influence students' purchasing on cosmetics and skin care products.

#### **Theme 3: Price Fairness**

When buyers are going to purchase a good, price is really important. This will effect customers who are interested in purchasing the product because the product is costly. Prices are possibly important among users, especially students. In this theme, researcher found a sub-theme which is promotion.

#### i. Promotion

On this sub-theme, 4 out of 8 informants believe that promotion is one of cause that influence them to purchase cosmetics or skincare. Promotion is a must to a business in order to attract more target customers and also rise up the sales of a product. Quotations below will support this sub-themes strongly.

IF2- "I think because of **promotion**, it will be cheaper than regular price. So I will buy that product."

IF3- "Yes, for example **promotion**, sometimes they make a review..."

IF4- "...I really care about Price, Brand, Promotion and Ingredient."

IF5- "Okay, I actually used the product I mentioned, I was more careful in choosing the product. I will look at feedback from influencers as well first. But if I go to the store, I will actually see the price. Because the price of the product always varies according to the **promotion** that the store makes. Usually, if there is a **promotion** I will buy more. Haha (laughs)... They make many campaigns such as new year promotions, promotions for each festival & promotion according to the theme which they provides."

This shows half of informants agree that promotion of a product influence their purchasing. Most of informant are aware about promotions and informant are showing their interest to a product when the day of promotional activity held. Informant 2 explain when there is promotion on a product, the price will be cheaper than usual price. It shows that university student use this opportunity to save their money. One of these informant also shows that she is aware of promotional campaign. All of these four informants are agree this sub-theme is influence them on purchasing intention of a cosmetics and skincare product.

#### **Theme 4: Attitude**

Attitude signifies feeling, pattern, or reaction to something like object or concept (T.E.O Yuan Sim et al, 2012). The attitudes of customers are derived from personal experience, acquiring truth, friendly and seller knowledge. There are one sub-theme in the theme of attitude which is confidence that highlighted in the interview session.

#### i. Confidence

Based on the interview session, researcher found that this sub-theme which is confidence has been highlighted in the most of informants' quotation. A confidence is an important part in a person life. As to support this, researcher will analyse and explain the quotations below.

- IF1- "To increase self-confidence."
- IF2- "Students wants to increase their **self-confidence** when they goes to class, walk in campus."
- IF3- "Because to increase self-confidence."
- IF4- "I believe that using make up and cosmetic make me feel more confident..."
- IF5- "Okay, in my opinion there are many factors aaa .. why do university students buy cosmetics. First, I think cosmetics or skincare is a necessity because we are very exposed to the external environment. With the activities that u organize, aaa .. students involvement. So I think students need to take care of appearance because we have to deal with classes, presentations and so on. And all that requires a lot of **confidence**. If we are not confidence, then what we did that day will not perform. Because we face a lot of people, right, if other people take care of their appearance, why don't we? Because for me, skin care makes us feel clean. Haa like that."
- IF6- "I personally think having healthy skin is important because that will improve your self-

### esteem ... "

Six out of eight informants mention, they use cosmetics and skincare in order to improve their self-confidence. We can conclude that university students are very concern about their appearance because of they had to face many people during study and self-confidence is needed. Some of them explain it is very important to take care of skin health and wear some make-up to increase their self-confidence. It is very important because we understood that confidence is a needed to a university students because during study they cannot avoid from group assignment, presentations and so on. As conclusion, this shows that informant agree and believe that confidence is one of the factor which lead them, to purchase the cosmetics or skincare product.

#### 5 Discussion & Conclusion

Based on the data and information analysed, it shows that most of the participant are conscious about their purchasing intentions on cosmetics and skincare products. According to the findings one of the factors that affect cosmetic purchasing among university students at Kelantan is celebrity endorsement or unorthodox analysis. In this theme, one sub-theme, influencer reviews, is founded in this study. It shows clearly that feedback from an influencer or famous people can have an impact on the minds of people, particularly younger people, such as university students. Moreover, university students are introduced to several technologies, social media, where various marketing instruments have been announced via an interactive network. These popular celebrities affected the purchasing habits of the customer significantly, making it the most appealing advertisement weapon today. The key purpose of advertising and the implementation of this strategy is to convince customers to select goods (Ahmed Rahim, 2015). There are many cosmetics and the brand has been released and several authorities can widely prove the product benefits by paying input from popular influencers, especially celebrities. Erdogan (1999) concludes that many popular figures have encountered others.

Brand awareness is the second element. Brand awareness is, according to the results, one of the dominant influences in influencing student purchases of cosmetics. There is a topic of this problem that is pharmacy. A Drugstores is an American term for a pharmacy shop, according to Wikipedia. There are numerous cosmetics brands from many international brands in the drugstore, including local products which are assured safety. As can be seen in the discussion in the previous chapter, students actually illustrate that whatever kind of cosmetics brand they offer, customers will still mention, the drugstores name for example Watson, Guardian, etc. The powerful brand will boost the customer attitude of the brand's association of brands according to Ukpebor and Ipogah (2008). The impact of the brand on consumer preference and custody, through identification and differentiation of product and origin, and in the creation of additional values, can mainly be seen, as argued by Vranesević and Stancec (2003).

Promotion is the sub-theme in price fairness. 50% of the students interviewed claimed that marketing is one of the reasons purchasing cosmetics. Y. Castagnol describes promotion as a selling activity consisting of the temporary added benefit of a good or service that provides a special profit to the buyer's accurate and observable intent (Castagnol, p. 1972). Students are mindful of promotion because the costs can be cheaper than on an everyday price. So that we can see, a university student's price is really relevant because they have to save money and minimise their purchasing on unnecessary items. To support this finding, the price identified by Bruce N et al, (2006) is closely associated with customers' selling promotional expectations as the promotion of purchases basically means lowering market prices or the amount of money spent by buyers.

Lastly, confidence is the only sub-theme in the attitude theme that highlighted from findings. Most of the informant said that they use cosmetics and skincare to increase their confidence level.

When we have to meet other people outside, confidence is necessary, it is vital to improve ourselves in the modern age where something has to be noticeable in order to accomplish goals in our lives. To support this, Miller & Cox (1982) notes that cosmetic products such as foundation, mascara and blush are a simple and easy way to boost your self-look and establish confidence.

In conclusion, this study shows that the factor of purchasing cosmetics is as stated above. There are advantages and disadvantages in using cosmetics and skincare. Therefore, consumers has to study and make a research about the ingredients of cosmetics and skincare before made decision to purchase it because there are certain cosmetics product are not suitable for our skin.

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# CONSUMER ATTITUDE CHANGES TOWARDS ONLINE SHOPPING AMONG GENERATION Z

Nurul Ain Binti Mohd Salim and Raja Rosnah Raja Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: nurulain.msalim@gmail.com; rosnah.d@umk.edu.my

#### Abstract:

Online shopping has been a trend in today's society since the use of the internet has increased in the last 10 years. Items and services sold online using various channels such as social media (facebook, twitter, instagram), websites (web) and advertised in individual blogs or specific groups. The main purpose is to attract consumers to browse and buy goods or services offered by traders. Furthermore, online shopping has been further simplified with electronic payment via online banking or credit card. According to the Economic Report 2013/2014, the increasing number of internet users and online shoppers illustrates the vast market potential for online businesses. In addition, it is important for businesses to focus on mobile phone customers as their number far exceeds internet users. The report also mentions that Malaysians spend more time surfing the internet than other media such as television, radio and newspapers with the widespread use of the internet for social networking.

**Keywords**: Attitude, online shopping, generation z, behaviour, media social and internet.

### 1 Introduction

In this era of globalization, electronic marketing is a pretty great revolution. Maximum business organization runs with technological change. Buying or marketing online is the use of technology for better marketing performance. And most retailers plan strategies to meet the demands of online shoppers and most retailers study consumer behavior in the field of online shopping, to see consumers 'attitudes toward online shopping (Umar and Nasir, 2011).

In a consumer behaviour context, an attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object. (Michael, 2011). Although attitudes are actually a way of thinking, we know that a person has an attitude only by what he or she says or does. Attitude are learned. This means that we are not born with the attitudes relevant for our purchasing behaviour. (Leon and Leslie, 2008). Attitudes are derived from past experience and they direct future behaviour. It is important to remember, however, that they are just tendencies to behave, and can be affected by the situation (Putit, 2015). In general, the more favourable the attitudes a market segment has towards a brand, the more likely the consumers are to buy it. But because attitudes are only tendencies to behave, all aspects of the situation, including attitudes, must be taken into consideration in order to make predictions. (Shiffman and Leslie, 2010).

According to a study conducted by the Department of Statistics Malaysia involving a total of 31,433 households covering 96,225 individuals aged 15 years and above found a total of 56.0 percent of respondents using computers. The findings of the study also revealed that 57.0 percent use the internet with the frequency of internet use at least once a day (60.3%) while a total of 94.2 percent of respondents surveyed using mobile phones. In terms of types of goods and services

purchased through the internet consists of clothing, bags and shoes (50.4%), food and beverage (49.7%), tourism and travel products (35.4%), accommodation services (28.7%) and personal accessories (27.9%) (Portal Tourism Satellite Account, 2019).

The online payment agency, PayPal, in collaboration with Nielsen Company researchers, revealed that in 2010 alone, about 1.1 million Malaysians were willing to spend an average value of RM2, 461 to purchase products online (Harian Metro, 2013). Meanwhile, the 2013/2014 Economic Report stated that the number of internet users in Malaysia is expected to increase to 25 million people by 2015 compared to 18 million people in 2012. Statistics also show that more internet users in Malaysia are buyers than sellers with the size of online transactions Malaysia is expected to reach RM5 billion by 2014 compared to RM1.8 billion in 2010. According to the report, Malaysia is among the three core countries in Asia for average online spending over the past 12 months and this is driven by tourism services, particularly flight tickets and hotel bookings (Portal MCMC, 2018). Therefore, based on current developments, this study aims to examine consumer demographics, consumer purchase preference, consumer benefit perception and consumer lifestyle towards online shopping among generation z.

### 2 Literature Review

The main aim of his study is to predict attitudes changes towards online shopping among generation z. as highlighted earlier, the phenomenon of online shopping is still emerging among generation z. The present study adapts the notion of Theory of Reasoned Action Model (TRA) as the underpinning theory in constructing the proposed conceptual framework. The following subheadings discuss further the background of the theories and justification on the choice of TRA theory in the present study.

#### **Hypothesis**

The present study has put a focus on the understanding on the relationship between consumer demographics, consumer purchases preference, and consumer lifestyle and the attitude toward online shopping. The details justification on the hypothesis development is discussed in the next sub-points.

H1: Consumer demographics has a positive effect on attitude towards online shopping We would like to study demography in terms of age, gender, income and education as are there any differences while consumers shop online, differences within the age groups such as does online shopping attracts elder people or younger people. Studies have shown that online shoppers mainly consist of people with Higher education and income and working in middle to senior management or professionals (Kehoe, 1998; Hoffman, 1996).

H2: Consumer purchases preference has a positive effect on attitude towards online shopping. Examination of preferences and purchase decision-making for micro packs remains a less thoroughly explored area and hardly any comprehensive study has been conducted so far to a bridge the gaps in the existing literature (Preeti Mehra, 2016). The survey revealed that consumers have strong preference for trustworthy online store. This is consistent with findings by (Chua, 2006) who concluded online consumers in Malaysians still lack confidence and trust in utilising the Internet as a shopping channel as they are very concerned about issues related to privacy and trust when dealing with online retailers. According to (Enrique, 2008; Kim and Song, 2010; Xie, 2011), perceived usefulness was proven to have significant impact on the preference to purchase via internet.

H3: Consumer benefit perception has a positive effect on attitude towards online shopping. Customer perception refers to the customers opinion. It summarises how customers feel about brand including every direct or indirect experience they have had with company (Carley Stec, 2019). (Benedict, 2001) study reveals that perceptions toward online shopping and intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by exogenous factors like consumer traits, situational factors, product characteristics, previous online shopping experiences, and trust in online shopping.

H4: Consumer lifestyle has a positive effect on attitude towards online shopping. Existing literature has emphasised upon utilising lifestyle information to understand consumers in different cultures (Plummer, 1974). In order to make the necessary accommodation to different economic conditions, a change in ways of living will always follow. Hence, the authors suggest that segmentation in terms of lifestyle should (Lawson & Todd, 2002) be based on social stratification. Armstrong (1992) studied the prediction of consumer behavior by experts and novices.

### **Demographic Profile of Respondents**

A descriptive analysis was conducted on the data of section A for the purpose of summarize the background information on demographic profile of the respondents that involved in this study. For descriptive analysis (demographic), the researcher has come out with this analysis to find the percentage of demographic for 150 respondents which are from generation z. The demographic profile of respondents has been showed in section A of the survey. There are 6 questions in section A that were asked regarding gender, age, status, level of education, occupation and average income per month. In order to examine this demographic information of this demographic profile at the respondents has been utilized. The following discussion explain on the respondent's demographic and information that were obtained.

Table 4.2: Gender

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Male	37	24.7	24.7	24.7
	Female	113	75.3	75.3	100.0
	Total	150	100.0	100.0	

Based on the sample collected through the distribution of questionnaires, female respondents slightly outnumber male respondents, accounting for 75.3 percent as against 24.7 percent, respectively.

Table 4.3: Age

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	12-15 years old	1	.7	.7	.7
	16-19 years old	37	24.7	24.7	25.3
	20-23 years old	112	74.7	74.7	100.0
	Total	150	100.0	100.0	

and 16 to 19 years (24.7%), 0.7 percent were from the 12 to 15 years group and minimal respondents fell within the range of 8 to 11 years.

**Table 4.4: Status** 

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Single	135	90.0	90.0	90.0
	In relationship	9	6.0	6.0	96.0
	Married	6	4.0	4.0	100.0
	Total	150	100.0	100.0	

From the status groups, the single status the highest percentage (90.0%), followed by in relationship (6.0%) and married status (4.0%).

**Table 4.5: Level of Education** 

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Secondary School	16	10.7	10.7	10.7
	Certificate	13	8.7	8.7	19.3
	Diploma	46	30.7	30.7	50.0
	Degree	75	50.0	50.0	100.0
	Total	150	100.0	100.0	

The majority of the respondents have first degree as their highest educational qualification achieved (50.0%). Followed by diploma (30.7%) and secondary school (10.7%), 8.7 percent were from certificate level of education.

**Table 4.6: Occupation** 

			_		Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Student	120	80.0	80.0	80.0
	Government Worker	6	4.0	4.0	84.0
	Private Sector	19	12.7	12.7	96.7
	Employee				
	Unemployed	5	3.3	3.3	100.0
	Total	150	100.0	100.0	

In occupation, most of the respondents are from students (80%), followed by private sector employee (12.7%), the remaining government worker (4.0%) and unemployed (3.3%).

Table 4.7: Average Income

	Table 4.7. Average medic							
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	Less than RM1000	120	80.0	80.0	80.0			
	RM1001-RM2000	21	14.0	14.0	94.0			
	RM2001-RM3000	7	4.7	4.7	98.7			
	RM4001 and	2	1.3	1.3	100.0			
	above							

Total	150	100.0	100.0	
10181	130	100.0	100.0	

For average income, the majority of the respondents are income less than RM1000 (80.0%). Followed by income RM1001 to RM2000 (14.0%) and income RM2001 and RM3000 (4.7%). The balanced 1.3 percent from income RM4001 and above.

Table 4.8: Frequency used online shopping platform

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	once a month	69	46.0	46.0	46.0
	once every 3 months	46	30.7	30.7	76.7
	once every 6 months	19	12.7	12.7	89.3
	once a year	16	10.7	10.7	100.0
	Total	150	100.0	100.0	

In table 4.8 shows the majority of the respondents are used once a month frequency used online shopping (46.0%) and once every 3 month (30.7%), 12.7 percent were used once every 6 month and minimal respondents fell within once a year.

**Table 4.9: Payment Method** 

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Credit Card	10	6.7	6.7	6.7
	Cash	11	7.3	7.3	14.0
	Online Transfer	129	86.0	86.0	100.0
	Total	150	100.0	100.0	

The majority of the respondents used online transfer for payment method (86.0%). Followed by cash (7.3%) and credit card (6.7%)

4.10: Delivery Method

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Sent at home	147	98.0	98.0	98.0
	Taken at store	3	2.0	2.0	100.0
	Total	150	100.0	100.0	

From the delivery method groups, send at home (98.0%), and the balance is taken at store (2.0%).

<b>Descriptive Analysis</b>
<b>Descriptive Statistics</b>

	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Information sufficient	150	1	5	3.86	.777	185	.198
and very accurate							
on time delivery	150	2	5	3.49	.895	.069	.198
ordering product easily	150	1	5	4.33	.764	-1.090	.198
provide more option and choice	150	1	5	4.01	1.000	952	.198
customer support	150	1	5	3.99	.909	857	.198
more knowledge and information	150	2	5	3.99	.839	332	.198
little search effort	150	1	5	4.11	.868	958	.198
safe to pay money	150	1	5	3.58	.992	455	.198
still often purchase from online shopping	150	1	5	4.15	.833	930	.198
selection of goods	150	2	5	4.33	.773	817	.198
daily busyness influence	150	1	5	3.91	1.068	697	.198
look consumer feedback	150	3	5	4.59	.625	-1.280	.198
more responsibility and make better choice	150	1	5	4.08	.871	898	.198
spend money on the things that are avaluable to me	150	2	5	4.16	.836	659	.198
seeking experience share with others	150	1	5	3.83	1.026	642	.198
have enough knowledge about computer and internet	150	2	5	4.01	.890	548	.198
read the policies, terms and conditions	150	1	5	4.01	1.013	837	.198
convenience of website	150	1	5	4.17	.825	769	.198
lifestyle	150	1	5	3.87	.978	440	.198
continue to be faithful online shopping	150	1	5	3.93	.977	596	.198
Valid N (listwise)	150						

The overall results show that the distribution of the sample is normal. Thus, the sample is acceptable and can be regarded as normal distribution through the random sample from the population. The residual between the observed value and predicted value must be relatively small to be fitted into the model, thereby indicating that the sample is representative of the population.

### 5 Conclusion

The researcher has explained the detail of the data analysis and findings such as preliminary

analysis, demographic profile of respondents, descriptive analysis, validity and reliability test, normality test and hypothesis testing which applied in this research. The researcher were analyze the data obtained through the questionnaires from respondents and perform the results of data analysis. The preliminary analysis explain about the process of a small group of 30 respondents have been chosen to answer the questionnaire. After the pilot test was done, the researchers will implement a reliability test to examine the reliability and exactness of the data collected. For descriptive analysis (demographic profile and consumer purchase preference) is to summarize the background information and for DV & IV, the researcher compared the mean between dependent variable and independent variable for every question. For the validity and reliability analysis, the researcher use to measure the Cronbach's value for each variables. The hypothesis testing were tested by Spearman's Correlation Analysis to measure the relationship between independent variables and dependent variable.

### 6 Discussion

The hypothesis is for a statistical test that can be used to determine whether the hypothesis assumed for a sample of data is true for the whole population. In summary, a hypothesis is a hypothesis that is tested to determine the relationship between two sets of data. The hypothesis can also be tested based on observations of a process modelled through a set of random variables. Statistical hypothesis testing is a method of statistical inference.

### 7 Implication

This study will enrich the literature on the online shopping in Malaysia context using Theory of Reasoned Action (TRA) model. First, the result of the study can serve as an indication or trend not only certain products can be sold through online but can cover a much wider rangers among generation z context. Secondly, it is expected that result from this study can help online retailers draw further marketing strategy to attract more consumer through online shopping among generation z context. They can know their weaknesses and try to improve or change their business strategy so that they can attract more online buyers to visit their website and buy their products and services. As benefits perception is the most significant influencing factors on attitude, one of the important implications of this study to practice is that the merchant needs to ensure that the websites to be developed to facilities online shopping and be easy to use by the consumers and must be able to demonstrate the benefits of shopping online to consumers.

Thirdly, the survey revealed that consumers have strong preference for trustworthy online store. This is consistent with findings by Chua (2006) who concluded online consumers among generation z still lack confidence and trust in utilizing the internet as a shopping channel as they are very concerned about issues related to privacy and trust when dealing with online retailers. As such, an online store merchant of similar nature can make use of such info to improve their website design and devise their marketing strategy in promotion their online store. In the internet marketing context, internet consumers will favour sites that represent a merchant with the consumer is already familiar from traditional channels. As such, the merchant should actively promote their online channel option to their existing consumers who frequently visit their current retail store. This is because the reputation of the physical store will most likely influence the perceptions of an online site. Concurrently, in order for consumers to engage in trust related internet behaviour like this online shopping, the merchant must make trust-building interventions such as posting a privacy policy, use a third-party seal, interact with customers, advertise its good reputation, link to other reputable sites, or offer guarantees on product delivery and quality. It is also very important for internet merchants to ensure that consumers have a positive shopping experience each time the consumer visits their online stores.

In addition, it also indicated that there are opportunities out there where many people can become entrepreneurs or technopreneurs as encouraged by the government, without heavy investment compared to traditional retailers. Last but not least, this study could serve as a reference and guides for the future researchers who would like to study about the similar topic.

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## AWARENESS OF SYSTEM POINT - OF - SALE (POS) AMONG RETAILERS IN PONTIAN

Nurul Amira Binti Kamaruddin and Nurul Izyan Binti Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: amira@gmail.com; izyan.md@umk.edu.my

#### Abstract:

Enticing retailer or wholesaler experience is the fundamental key to their company's success and there are certain criteria for the right technology for successful marketing to achieve this experience. Point of sale (POS) systems monitor the execution of retail transactions, often assess the payment due for the purchased products/services, document the receipt of funds, recording the receipt of funds, recording the completion of the transaction and the receipts issued. Minimizing clerical costs, reducing the stock-out situation, increasing flexibility, improving sales, reducing time, are some of a company's fundamental goals. In this paper, the efficacy of POS data in the management of the supply chain is studied at the retail level. The retailer in Pontian is selected and a questionnaire is used to collect information. The independent variable are performance expectancy, effort expectancy, facilitating conditions, social influence and the dependant variable is awareness system POS. The thesis offered an insight into the procedures that the researcher would follow in the methodology section in order to successfully carry out the analysis and draw a successful conclusion. The data analysis segment provided the participants' answers with regard to the current research subject.

**Keywords**: Point of sale, POS, retailers, performance expectancy, effort expectancy, facilitating conditions, social influence ,awareness

### 1 Introduction

POS system is a technology that is often used by the retail industry. For that reason, most of the establishments in this industry implement point of sales systems (POS) technology with the intention of make their services faster and gain more control over diverse operational aspects (Vineet Kaushika,2020). POS distributors usually provide a security measure to the systems in order to protect the data. However, it is important to take additional measures, protections especially when it will be handled by employees with different job categories. Unfortunately, few establishments operating under the F&B industry have the financial resources to protect these systems. Also, many of these businesses are understaffed which affect the good supervision of the systems use (Hardi Emrie,2015).

(Abubakar,2017) As a business owner are always looking for ways to minimize the cost and maximize the profit. In order to better compete with larger retailer and keep track of sales and inventory, may be in the market for a point-of-Sale (POS) system for your small business. POS has undergone technological innovation changes from traditional POS to POS System. Because of that, researchers want to see the extent of retailer awareness at Pontian on the use of POS.

Due to that, there is a POS, POS systems as well as are run on Apple or Android devices. Not to be confused with e-menus (those iPads customers order on at their tables), which can only order

and must still be integrated with a POS (Rosanna Passavanti,2018). Cloud-based POS are often apps. In contrast to the traditional system, cloud-based POS tools are web hosted solutions that store information in a secure online environment and it can be accessed from virtually anywhere. It is also easily accessible that managers and owners don't need to be physically present at the outlet in order to update tools. It works better for managers, who can access sales and analytics from wherever they are. (Eleonora Pantano,2018)

POS also has an advantage to retailers. (Kartik Kalaignanama, 2018) POS systems streamline retail operations by automating the transaction process and tracking important sales data. Basic systems include an electronic cash register and software to coordinate data collected from daily purchases. Retailers can increase functionality by installing a network of data-capture devices, including card readers and barcode scanners. Depending on the software features, retailers can track pricing accuracy, inventory changes, gross revenue, and sales patterns. (Kevin Mun, Weng Cheong,2020) (Obioma Uchendu,2018) Customers can also interact directly with POS systems, particularly in the retailing industry. The problem that retailers now, need to be aware of with the availability of innovative technologies need to be present in their business because it gives them more advantage.

#### 2 Literature Review

### 2.1 Performance Expectancy

Performance expectancy is defined as the degree to which an individual believes that using the system will help him or her to attain gains in a job (Shin, 2019). Within each of the individual models tested, the variables related to performance expectancy were the strongest predictor of intention to use the target technology. People who worked exhibited a high of IT acceptance and use influenced by performance expectancy (Kijsanayotin, 2019). Zhou et al. (2010) found that performance expectancy, task technology fit have significant effects on user adoption.

H1: There is significant positive relationship between performance expectancy to use POS system

### 2.2 Effort Expectancy

Effort expectancy is defined as the degree of ease associated with the use of the system. According to Venkatesh et al. (2015), this factor was derived from the perceived ease of use factor as proposed in Technology Acceptance Model (TAM). Park and Ohm (2014) have shown that the user-friendliness of POS system exerted positive significant influence over the adoption of POS because the lesser effort was required to use. Prior studies suggested that effort factor played a crucial role in determining is effort expectancy has to do with the use of technology.

H2: There is significant positive relationship between effort expectancy to use POS system

#### 2.3 Social Influence

Social influence referred to the degree to which individuals perceived that significant others, such as other retailer believed they should use a technology (Martin & Herrero, 2015). They tend to influence the behaviour of the person to adopt or use POS. Venkatesh et al. (2016) also described social influence as the extent to which an individual concern about opinion and perception of others who were important to the person. Individuals who desired social acceptance likely comply with others' expectations, and it might contribute to individual factor to use the POS system (Gruzd et al., 2016).

H3: There is significant positive relationship between social influence to use POS system

### 2.4 Facilitating Conditions

Facilitating conditions are defined as the degree to which an individual believes that an organizational and technical infrastructure exists to support the use of the system (Venkatesh et al., 2015). Indeed, using POS system usually require a particular kind of skill, resources and technical infrastructure (Alalwan ,Dwivedi, & Williams, 2016). Therefore, user could be more motivated to use POS if they have a certain level of support service and resource as well as perceive POS system as compatible with other technologies already used by them. Theoretically, the impacting role of facilitating conditions on the usage factor toward using POS (Alalwan, Dwivedi, & Williams, 2016).

H4: There is significant positive relationship between facilitating conditions to use POS system

### 2.5 Awareness of System POS

Point of Sale (POS) software system has become an integral part of retail industry. A point of sale system, or POS, is the place where your customer makes a payment for products or services at your store. The POS serves as the central component for your business; it's the hub where everything like sales, inventory and customer management merges (Agnes Teh Stubbs 2019). According to Patriccia Amanda, (2017)they did a study adopted POS has its own advantages and uses for retailers. POS makes faster check out of customers by scanning items increases throughput of customers at the cash register. At busy times this reduces the chances of a customer seeing a long line and not making a purchase. Faster approval of charge purchases via either dial up or always on connection increases the speed of the transaction thereby reducing the chance of a customer seeing a long line and not making a purchase.

### 2.6 Conceptual Framework

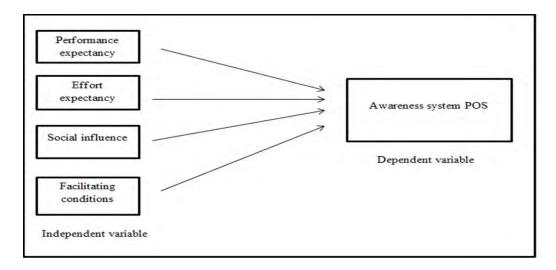


Figure 1: Theoretical Framework

system among retailers. This section explains the proposed theoretical framework. The research framework as illustrated in Figure 2.1 has two components, first is independent variable that is performance expectancy, effort expectancy, social influence, facilitating conditions and second is awareness use POS system serve as dependent variable.

## 3 Research Methodology

#### 3.1 Research Design

This is a quantitative study, the data will be calculated through statistical, analytical, or mathematical analysis, then analysed with computational techniques by collecting data via questionnaire or surveys. The potential relationship within this study is established. To collect the data from target respondents, a collection of questionnaires will be produced in questionnaire form. The questions will be generated by secondary data obtained from previous research on similar topics in order to gather information such as the demographic profile, the opinion of respondents, and the factors that awareness in POS among retailers.

#### 3.2 Data Collection Methods

In researcher users, primary data collected through questionnaire for this study. Questionnaire method was conducted due to it could increase the efficiency and effectively. To be more accurate for this study, the retailer in Pontian were targeted in this research. The main reason for collecting data from them is that they can provide the information needed by researchers about awareness use POS system. Second, secondary data is data that has been collected and recorded by others and available from other sources. Researchers also use reference materials such as books, journals to get information on the subjects studied by researchers.

### 3.3 Sample Size

The sample size is determined by the ability for the researcher to get participant contribute in the research. Since all participant's retailers in Pontian will be selected, because choosing this target population area is time consuming to get more accurate results and achieve high data collection speed. The researcher selects a table (Krijcie & Morgan,1970) to determine the number of respondents required. The number of the of respondent that will be fill out the online questionnaire is 181 respondents (Krijcie & Morgan,1970).

### 3.4 Procedure For Data Analysis

The analysis that involved in the analysis data collection of this study descriptive statistics, reliability statistics and correlation analysis.

### 3.4.1 Descriptive Analysis

Based on Mukesh et al. (2013), descriptive research describes a phenomenon, situation or characteristics of organization or people and the objective of descriptive research is to describe the acceptance of new concept to respondent.

#### 3.4.2 Reliability Analysis

The used of reliability analysis is to test the consistency and the stability of responds. For the reliability test, we will be using Cronbach's alpha.

#### 3.4.3 Pearson's Correlation

Pearson's Correlation is often referred to as Pearson's Product Moment Correlation and this is also the most common method for calculating the correction. The researcher would like to use

Pearson's Correlation in this analysis to measure the linear relationship degree between two variables, which is between dependent variable and independent variables.

### 3.4.4 Multiple Regression Analysis

A procedure that is used to calculate the linear relationship between a dependent variable and two or more independent variables is multiple linear regression. The multiple linear regression will be tested in this study as a result of performance expectancy, effort expectancy, facilitating conditions and social influence use the POS system. The higher the independent variable percentage influences the dependent variable, the higher the relationship between dependent variable and independent variables.

## 4 Research Findings

## 4.1 Frequency Analysis

In this study, there are six questions were asked under respondent's demographic section such as gender, age, occupation, and salary per month of retailer in Pontian.

Table 1: Respondents of Demographic Profile

VARIABLE	FREQUENCY	PERCENTANGE (%)	
Gender			
Male	92	50.8%	
Female	89	49.2%	
Total	181	100%	
Age			
20 – 29-year-old	99	54.7%	
30 - 39-year-old	42	23.2%	
40 –49-year-old	21	11.6%	
50 – 59-year-old	11	6.1%	
60 – 69-year-old	8	4.4%	
Total	181	100%	
Academic			
SPM	67	37%	
STPM/MATRIC/DIPLOMA	27	14.9%	
DEGREE	44	24.3%	
MASTER	22	12.2%	
OTHER	21	11.6%	
Total	181	100%	
Business Area			
Small Town	91	50.3%	
City	90	49.7%	

Total	181	100%	
Know about POS			
Yes	168	92.8%	
No	13	7.2%	
Total	181	100%	
Use POS			
Yes	137	75.7%	
No	44	24.3%	
Total	181	100%	

From the table 1 Respondents of Demographic Profile. The majority gender there have 92 respondents are male, and 89 respondents are female. In this survey, this result indicates men little more than female. Respondents from male, which consist of 50.83%, while the female respondents 49.17% out of the total respondents.

Besides, there of the respondent is at age 21 to 29-year-old which is 99 people and 54.7% from the total of respondent and the second is 30 to 39-year-old that which is 23.2% (42 people). Where, the total respondents, 40 to 49 years old is 21 (11.6%), 50 to 59 years old is 11(6.8%) and lastly age 60 to 69-year-old is 8 (4.42%). Next, respondent's academic the majority respondents are SPM with total of 67 (37.02%) respondent and followed by Degree which consist of 44 (24.31%) respondent. The rest of the respondents are STPM, Master and other which consist of 27 (14.92%), 22 (12.15%) and 21 (11.60%) among the total respondent. After then, respondent business area there have half of the respondent's retailers at small town 91 (50.28%), and 90 (49.72%) respondents at City.

Addition, respondent is question about "Have you know the POS system?". The respondents 168 (92.82%) are answer Yes, and 13 (7.8%) respondents answer No. lastly for question about "Do you use the POS system?". The respondents 137(75.69%) are answer Yes, and 44 (24.31%) respondents answer No and not use POS in their business.

## **Reliability Analysis**

Table 2: Reliability of Coefficient Alpha for the Dependent Variable and Independent Variable

VARIABLE	NUMBER OF ITEMS	COEFFICIENT	STRENGTH	
Performance	5	0.929	Excellent	
Effort	5	0.931	Excellent	
Social	5	0.927	Excellent	
Facilitating	5	0.923	Excellent	
Awareness	5	0.929	Excellent	
Total	25	0.984	Excellent	

Table 3 shows the reliability for the dependent and independent variable. From the table, we can

conclude that the Cronbach's Alpha for the overall reliability is 0.984 which is determined as excellent according to the rule of thumb of Cronbach's Alpha Coefficient. The result shown is reliable and it is accepted in this study. Reliability, performance, effort, social and facilitating are the independent variable in this study which shows the Cronbach's Alpha value of 0.929, 0.931, 0.927 and 0.923. The results shown are considerably accepted and excellent. Awareness in POS system among retailers is the dependent variable in this study and its Cronbach's Alpha value shows 0.929 which is excellent. Since the Cronbach's Alpha value for the variables has exceeded 0.6, it shows that the questionnaires are highly reliable and result is acceptance.

#### **Pearson's Correlation**

Table 3: Summary Result of Pearson Correlation

Hypothesis	Result	Findings of Data Analysis
H1: There is significant positive	r = 0.923**p = 000	H1: Accepted
relationship between performance	High positive (negative)	
expectancy to use POS system		
H2: There is significant positive	r = 0.887**p = 000	H2: Accepted
relationship between effort expectancy	High positive (negative)	
to use POS system		
H3:There is significant positive	r = 0.888**p = 000	H3: Accepted
relationship between social influence	High positive (negative)	
to use POS system		
H4 There is significant positive	r = 0.857** p = 000	H4: Accepted
relationship between facilitating	High positive (negative)	_
conditions to use POS system	, ,	

Table 2 shows the Pearson's Correlation coefficients. The correlation coefficients for awareness of system POS and performance expectancy was 0.923 and it shows that the strength of awareness of system POS and performance expectancy is high positive correlation according to rule of thumb for interpreting the size of a Correlation of Coefficient. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between awareness of system POS and performance expectancy.

Moreover, the correlation coefficients for awareness of system POS and effort expectancy was 0.887 and it shows that the strength of correlation between awareness of system POS and effort expectancy is high positive correlation. The P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between awareness of system POS and effort expectancy.

In addition, the correlation coefficients for awareness of system POS and social influence was 0.888 and it shows that the strength of correlation between awareness of system POS and social influence is high positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between awareness of system POS and social influence.

Lastly, the correlation coefficients for awareness of system POS and facilitating condition was

0.857 and it shows that the strength of correlation between awareness of system POS and facilitating condition is high positive correlation. Besides that, the P value which was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between awareness of system POS and facilitating condition.

### **Multiple Regression**

Table 4: Coefficients Analysis

Model		Unstandard	lized Coefficients	Standardized Coefficients	Sig.
		В	Std. Error	Beta	
1	(Constant)	0.196	0.123		0.112
	Performance	0.653	0.084	0.659	0.000
	Effort	0.141	0.099	0.140	0.158
	Social	0.171	0.099	0.162	0.087
	Facilitating	0.019	0.087	0.018	0.827

The result show in table 4, the factor such performance, effort, social and facilitating were significant since the p-value were less than 0.05. The equation of regression can be written as follow.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Where

Y Awareness

X<sub>1</sub> Performance Expectancy

X<sub>2</sub> Effort Expectancy

X<sub>3</sub> Social Influence

X<sub>4</sub> Facilitating Condition

Hence, the equation becomes

$$Y = 0.196 + 0.653 X_1 + 0.141 X_2 + 0.171 X_3 + -0.019 X_4$$

Unstandardized coefficients beta represents the strength of the effects of every single of the independent variables to the dependent variable. The higher the value of the beta coefficient, the stronger the effect of independent variable towards dependent variable. According to the Table 4, the most influence independent variables in awareness of system POS was performance expectancy variable ( $\beta_1$ = 0.653). The social influence ranked at second rank ( $\beta_2$  = 0.171) and followed by the status effort expectancy ranked at third rank ( $\beta_3$ = 0.141). The lowest facilitating condition towards counterfeit products was the personal gratification ( $\beta_4$  = 0.141).

### 5 Discussion

The study was conducted identify the awareness in POS system among retailers. The study is to identify the most effective impact that bring awareness in POS system among retailers. The

researcher was identified 181 responses to perform data collection by the online questionnaires. In this research, the researcher had managed to collect data using the research instrument (online questionnaire) and after analyzing the data using IBM SPSS Statistics version 23, the result for the tests was obtained. The analysis of data includes descriptive analysis, reliability analysis and Pearson Correlation Coefficient.

### 5.1 Performance Expectancy

The correlation between performance expectancy to use POS system. From the table, it shows that there is a significant relationship between performance expectancy to use POS system because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for performance expectancy to use POS system is 0.923\*\* means there is a moderate relationship between performance expectancy to use POS system. It shows that performance expectancy very give effect to use POS system. Hence, the H1 of objective 1 which is to identify the relationship between of performance expectancy to use POS system is accepted. Zhou et al. (2010) found that performance expectancy, that perceived usefulness, perceived enjoyment, trust, cost, network influence, and trust have significant influence on consumers POS system.

### 5.2 Effort Expectancy

Next, the correlation between effort expectancy to use POS system. From the table, it shows that there is a significant relationship between effort expectancy to use POS system because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for effort expectancy to use POS system is 0.887\*\* means there is a moderate relationship between effort expectancy to use POS system. It shows that effort expectancy very give effect to use POS system. Hence, the H2 of objective 2 which is to identify the relationship between of effort expectancy to use POS system is accepted. Park and Ohm (2014) have shown that the user-friendliness of POS system exerted positive significant influence over the adoption of POS because the lesser effort was required to use.

#### 5.3 Social Influence

After then, the correlation between social influence to use POS system. From the table, it shows that there is a significant relationship between social influence to use POS system because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for social influence to use POS system is 0.888\*\* means there is a moderate relationship between social influence to use POS system. It shows that social influence very give effect to use POS system. Hence, the H3 of objective 3 which is to identify the relationship between of social influence to use POS system is accepted. Chong (2016) proposed that social influence played an important role in determining users' factor in the study of POS among retailers.

### 5.4 Facilitating Condition

Then, the correlation between facilitating condition to use POS system. From the table, it shows that there is a significant relationship between facilitating condition to use POS system because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for facilitating condition to use POS system is 0.857\*\* means there is a moderate relationship between facilitating condition to use POS system. It shows that facilitating condition very give effect to use POS system. Hence, the H4 of objective 4 which is to identify the relationship

between of facilitating condition to use POS system is accepted. Huang, 2015 found that the facilitating conditions had a positive and significant influence on perceived ease of use and perceived usefulness. It's served as a critical indicator for the of a new technology to retailer because they not only helped users learn to use the POS in a shorter period of time but also minimized the problems they may encounter when using it.

Lastly, there is to investigate the most factor that influence awareness to use POS system. Based from table 4.14, it shows the summary of the Multiple Linear Regression result and it can be concluded that to find out the most factor (performance expectancy, effort expectancy, facilitating conditions, social influence) that influence awareness to use POS system. As a conclusion, there is a significant the most factor is performance expectancy (p<0.05) that influence awareness to use POS system but according to the beta value, in this analysis, the most dominant variables that the most factor is performance expectancy that influence awareness to use POS system will be the propensity to trust as it has the higher value of beta compared with the other variable. H. S. Martín & Herrero, 2015 found that the POS system is positively influenced by, the levels of performance expected with regard to the transaction and the level of innovativeness of users. The innovativeness construct has a most effect on the relationship between performance expectancy using POS system.

### 5.5 Hypothesis Testing

Table 5: Hypotheses Result

Hypotheses	Objective	Result
$H_1$	To investigate the relationship between performance expectancy and toward the	Accepted
	awareness of using the POS system.	(Most Factor)
H <sub>2</sub>	To examine the relationship between effort expectancy and toward the awareness of using the POS system.	
H <sub>3</sub>	To identify the relationship between social influence and toward the awareness of using the POS system.	Accepted
H <sub>4</sub>	To investigate the relationship between facilitating conditions and toward the awareness of using the POS system.	Accepted

#### 6 Recommendations

Based on the findings of the research to conducted, it can be a reference to the researchers to assist them conduct the research due to the data collected and obtained the information is analyzed accurately. The suggestion is that researchers need to identify problems as well as explore many studies related to this research.

Furthermore, for future researchers who plan to collect more data and information from respondents in different ethnic groups. This collection can achieve the higher accuracy in data

analyzing of the study. In addition, by including the different ethnicity the research project will be more persuasive.

Not only that, in terms of the use of questionnaires, most respondents do not longer like to contribute and cooperate due the questions are too hard to understand and the use of sentences is too long, so researchers should avoid this. Researchers must to ensure that the questionnaire set should be simple, comprehensive, precise, and easy to understand for the respondents to answer and help fill out the questionnaire to be more smooth and effective.

### 7 Conclusion

As conclude, the researcher title is "Awareness of System POS among Retailer in Pontian" and the number of respondents in this researcher is 181 respondents. The findings in this research clearly show that there is a strong relationship between the three independent variables, performance expectancy, effort expectancy, social influence, and facilitating condition. For awareness of system POS among retailer which are the dependent variables in this research. The findings of this research show that the most factor influence for awareness of system POS among retailers is performance expectancy. Finally, the researcher also discusses the implications and some limitations faced by the researcher while conducting this research. Not only that, but the researcher also stated suggestions that can help to improve the research in the future. In conclusion, researcher is expected to obtain good feedback from relevant businesses in improving the use of POS system.

### 8 Acknowledgements

The author would like to acknowledge the cooperation, assistance, guidance, support and motivation of various individuals who have made it possible for me to conduct this research. The author would like to thank to all participating in this study also deeply grateful to supervisor, Dr Nurul Izyan binti Mat Daud, for her guidance, patience and support. I also want to thank to my family in helping me encourage in running this research paper. I am grateful to all other member at the Faculty of Entrepreneurship and Business for support, encouragement and, facilitation. Last but not the least, I would also like to thank all the respondents and key informants for answering my questions enabling me to complete this study.

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# THE USE OF TECHNOLOGICAL INNOVATION ON RETAILING STORE EFFECT ON CONSUMERS PURCHASING

### Nurul Husna binti Zainal and Nurul Izyan binti Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: husna.a17a0578@siswa.umk.edu.my, izyan.md@umk.edu.my

#### Abstract:

Technological innovation will have a significant impact on retail. The use of a large number of benefits enjoyed by retailers using technologies such as cost reduction, increased consumer satisfaction, flexible job introduction and finally in the field of market dominance and increased company competitiveness (Gil et al., 2014). The retail industry is one of the sectors connected to the revolution because of continuous technological advances (Priporas et al., 2017). Although retailers traditionally lack modern ability and typically adapt to innovation, products and services are available and increasing rapidly to support consumers and retailers with technology and creative systems and digital sales (Pantano, 2014). The aim of this paper is to deepen the study of retail technology innovation and explore the direct effect of innovation in the areas of level of satisfaction, image storage and consumer value to stimulate corporate economic efficiency (Townsend, 2010). There are several other key issues identified related to store image, satisfaction and consumer value that will use of technological innovation in the retailing.

Keywords: Consumer Value, Retailing, Satisfaction, Store Image, Technological Innovation

### 1 Introduction

Innovation is usually linked with technology-based change. Innovation not only pose challenges for retailing but also creates new effective solutions to improve consumer experience and retail management (Imtiaz, Eissa.A & Mosab, 2019). The level of innovation that may occur vary between firms operating in the same industry in terms of the nature and volume of successful innovations (Cao, 2014). Moreover, by providing new instruments to add value to the consumer experience, the rapid development of information and communication technology has fundamentally changed business conditions (Thiesse et al., 2009). In this study, technological innovation will have a significant impact on retail. The use of a large number of benefits enjoyed by retailers using technologies such as cost reduction, increased consumer satisfaction, flexible job introduction and finally in the field of market dominance and increased company competitiveness (Gil et al., 2014).

As Cyber Monday statistics show, smartphone use, in particular is driving retail e-Commerce sales with the rapid growth of technology. The mobile share of e-Commerce retail sales reached \$ 1.4 trillion in 2017, which is 58.9 percent of the total. It is expected to hit \$ 3.5 trillion by 2021, which will account for 72.9 percent of all retail e-commerce revenue. Outstanding growth in the e-Commerce retail sector, widespread use of information technology, increase mobile internet connection, and increased investment will increase market share. The aim of this paper is to deepen the study of retail technology innovation and explore the direct effect of innovation in the areas of level of satisfaction, image storage and consumer value to stimulate corporate economic efficiency (Townsend, 2010). The objectives of this study are to:

- 1. To determine the relationship between store image on technological innovation.
- 2. To determine the relationship between satisfaction on technological innovation.
- 3. To determine the relationship between consumer value on technological innovation.

### 2 Literature Review

### 2.1 Store Image

Store image management is a key strategic tool to achieve competitive advantage (Delgado et al., 2014). According to Kumar et al., 2014, this concept gets a lot of attention from academics and the world today and is associated with consumer perceptions of the business world (Morschett et al., 2005). The study began in the 1950s, and the literature is very extensive. A large number of authors use Martineau's classic conceptualization concept (1956) as a basis for which he describes the picture or "the way the mind of the buyer envisions the store partly through the quality of its function and partly through its psychological attributes".

Therefore, the image of the store represent the identify or personality of a store because it is a mixture of values and expectations centred on customers' tangible and intangible elements associated with the business (Ailawadi and Keller, 2000; Hartman and Spiro, 2005). According to Shen, 2010, a number of variables or attributes have been recognized as contributors to image formation and, in particular, atmosphere, product display, service, pricing facilities and more. Based on (Beristain and Zorrilla, 2011; Delgado et al., 2014; Gil et al., 2017) as a result of this different approach, various attributes have been considered as part of the sales point image, although most studies retain accessibility-related attributes, space organization, comfort and convenience as key technology components to enhance their store image.

H1: Store image have a positive effect on technological innovation in retailing.

#### 2.2 Satisfaction

For retail managers, satisfaction is the key goal and a definition that is of great interest in market research (Coil et al., 2007). From a specific or cumulative approach (Boulding et al., 1993) and a cognitive or affective approach (Oliver, 1997), satisfaction has been defined in the literature. An approach shared by several writers is an analysis of satisfaction with a concrete encounter (Spreng et al., 1996; Giese and Cote, 2000). However, fulfillment refers to a collection of cumulative interactions in the retail sense (Jones and Suh, 2000; Sivadas and Baker-Prewitt, 2000). A decision on a pleasurable level of consumption-related fulfillment is happiness from a cognitive perspective (Oliver, 1997). Store satisfaction in this line refers to a subjective judgement that meets or exceeds expectations in the store (Helesen et al., 2010), and the principle of expectation dis-confirmation is most widely accepted in the literature. The affective viewpoint notes that a summary of emotional responses of varying severity is happiness (Giese and Cote, 2000). Therefore, we consider customer satisfaction with the technology to be a cumulative evaluation, affective and cognitive.

H2: Satisfaction have a positive effect on technological innovation in retailing.

#### 2.3 Consumer Value

Values are also easily equated with satisfaction even though the contract is different. This is because value takes sacrifices in exchange into account, while satisfaction is not (Grace and O'Cass, 2005) and this is because value occurs at different stages of the purchase process, while satisfaction is post-purchase (Oliver,1997). Research on value has traditionally focused on technology and little on the retail context, focusing on a variety of perspectives, such as the value of in-store experience (Terblanche and Boshoff, 2004) the value of the shopping process (Mathwick et al., 2002) or the value of general shopping experience (Babin et al., 1994). A study by Sharma et al., 2012, presents empiric retail studies that traditionally focus on more beneficial aspects of the shopping process, but more recent literature shows that consumers have motivations that go beyond buying a product.

H3: Consumer value have a positive effect on technological innovation in retailing.

### 2.4 The Use Of Technological Innovation

Technological innovation provides opportunities for entrepreneurs to find new organizations and create a competitive position as a source of employee advantage. The impact of innovation may not be so obvious that it is too late for providers who use older knowledge to compete with new competitors. Thus, the underlying technology and technological innovations can have a profound effect on the dynamics and evolution of organizational population competition. Ecological research linking the technological cycle with population dynamics, albeit limited in scope, provide strong support for this assertion (Baum, 1996).

New technologies can increase efficiency, build on existing knowledge and strengthen the position of incumbents or destroy competencies, making existing knowledge obsolete and making it possible for newcomers to become superior competitors in terms of technology. Technology advances return to additional enhancements to dominant technologies. While the universality of this technological cycle is debated, it has proven to illuminate various industries.

#### 2.5 Conceptual Framework

A theoretical framework has been developed and present in Figure 2.1. It used to examine the relationship among three variables such as:

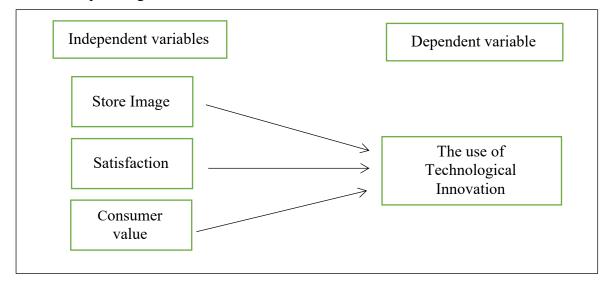


Figure 1 : Conceptual framework

### 3 Research Methodology

### 3.1 Research Design

Research design is an important element in methodology. This is "a study design to provide a specification of the procedure that must be followed by the researcher to achieve the objectives of the study or test the hypotheses formed for the study" (McDaniel & Gates, 1999). Study design can ensure that the evidence generated from the data can answer research questions confidently and convincingly (Lewis, 2015). The target respondents for this research are residents in Parit Buntar, Perak. Researchers use independent variables and dependent variables to construct questions. This study uses descriptive research analysis to identify the role of technological innovation on store image, satisfaction and consumer value in retailing among resident Parit Buntar, Perak.

#### 3.2 Data Collection Method

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Data collection methods can be divided into two categories that is primary data and secondary data.

### 3.3 Study Population

Population refers to the whole group of people, events or interesting things that the researcher wants to investigate (Kumar, Abdul Talib & Ramayah, 2013). The target population of this research is in Parit Buntar, Perak. But considering the cost and time limit, this study focuses on residents in Parit Buntar. The total population in Parit Buntar, Perak is 97,975 (Portal Rasmi Majlis Daerah Kerian, 2017). The reason for choosing this target population area is less time consuming to get more accurate results and achieve high data collection speed. The target population for the research is the customer from in Parit Buntar, Perak. The number of the of respondent that will be fill out the online questionnaire is 382 respondents (Krijcie & Morgan, 1970).

#### 3.4 Sample Size

The sample size is a subgroup of the population, by examining the sample, the researcher should be able to draw conclusions from the general to the interested population "(Sekaran & Bougie, 2013). Sample sizes were selected based on sample size calculations using Krejcie and Morgan sample size determination tables. They have simplified the process of determining the sample size for a limited population developed in 1970. It is the number of respondents chosen from population by researchers. The number of populations in Parit Buntar, Perak was 97,975. Due to the sample size of a known population of Krejcie and Morgan (1970), there will be 382 will be chosen as the respondents. Study will be used a convenience sampling.

#### 3.5 Sampling Techniques

Sampling technique is the process of selecting a sufficient number of elements from the population. Sampling design for this study is a non-probability sampling. Non-probability sampling is a sampling technique in which the researcher decides in sample based on subjective judgment of the researchers rather than random selection. Convenience sampling is chosen in conducting the sampling method as it's allows researchers to identify respondent. It is also

referred to the researching subjects of the population that are easily accessible to the researcher (Etikan et al., 2016). Convenience sampling is affordable, easy and the subjects are readily available.

#### 3.6 Research Instrument Development

The survey questionnaire was used as a measurement tool by the researchers to obtain data in this study. Questionnaires were used to ask respondents to give their opinions by answering the questionnaire. Questionnaires printed in bilingual. Nominal scales will be used for Sections A, B, C, D and E in the questionnaire for this study. This questionnaire was made with simple and standard words for respondents who easily understand the questions in the questionnaire. Moreover, this question is made based on the objectives and questions of this study. Questionnaire made as a closed question, which is a Likert type scale. Respondents can choose the answer that is closest to their point of view.

#### 3.7 Measurement of The Variables

The questionnaire will be used as an instrument in this study. The measured scale used by the researcher is the Likert scale. A Likert scale will be used to measured targeted respondents responses based on the use of technological innovation on retailing store effect on consumers purchasing.

#### 3.8 Procedure for Data Analysis

Once the information was collected from the respondents, the researcher began to collect and analyze the questionnaire. Respondents' feedback was converted to numerical values before entering the data in the spreadsheet. The Statistics Package for Social Sciences (SPSS) is selected and applied to collect and analyze the information collected. SPSS Statistics is a software package used for interactive statistical analysis, or batch. The statistical analysis for the study included the descriptive analysis, reliability analysis, Pearson correlation analysis and multiple analysis. Result of analysis came out and the discussion, conclusion also can be proceed.

#### 3.8.1 Descriptive Analysis

Descriptive statistics help researchers to simplify large amounts of data in a sensible way. Each descriptive statistics reduces lots of data into a simple summary. For instance, consider a simple number used to summarize the use of technological innovation on retailing store effect on consumers purchasing based on store image, satisfaction and consumer value.

#### 3.8.2 Reliability Analysis

Reliability analysis is a way of estimating the quality of the measurement procedure used to collect data in a research. Reliability is concerned with consistency or how far the questions used in a survey which is the same kind of information each time respondent has been asked. Reliability is concerned with consistency or how far to the questions used in survey which is the same kind of information each time respondent has been asked.

### 3.8.3 Pearson Correlation Analysis

Pearson correlation analysis is used when it believed there is a linear relationship in data. In this study, Pearson correlation analysis was used to determine the relationship between store image, satisfaction and consumer value.

### 3.8.4 Multiple Regression Analysis

Multiple regression was computed to ascertain the best linear combination of store image, satisfaction and consumer value in the use of technological innovation on retailing store.

### 4 Research Finding

In this chapter shows that data questionnaires in SPSS.

#### 4.1 Demographic

Table 1: Demographic respondent profile

Variables	Frequency	Percentage%
Gender		
Male	127	33.2
Female	255	66.8
Total	382	100
Age		
15-25	186	48.7
26-35	97	25.4
36-45	71	18.6
45 >	28	7.3
Total	382	100
Education		
STPM	51	13.4
Matriculation	22	5.8
Diploma	80	20.9
Degree	122	31.9
Others	107	28.0
Total	382	100
Occupation		
Student	159	41.6
Unemployed	33	8.6
Employee	155	40.6
Housewife	35	9.2
Total	382	100
Retail Store	-	
Food	153	40.1
Household goods	82	21.5
Electronic goods	77	20.2
Textile	70	18.3
TOTAL	382	100

Table 1 shows that respondent of demographic profile. First, based on the sample obtained by the questionnaire distribution, the total sample have been collected reached a total of 382. From the sample collected, the respondents were majority female respondent which has dominated a total of 255 in total, and the rest were male respondent. 66.8% of the respondents were female and only 33.2% were male. For age, the population of Parit Buntar in the age range of 15 to 25 years is the

majority in this study. Next, based on the data collected, the highest academic qualification which was Degree and Matriculation has recorded as the least number between STPM, Diploma, and others. After that, the highest occupation which was students and unemployed has recorded as the least number between employee and housewife. Last but not least, the highest retail store which was foods and textile has recorded as the least number between household goods and electronic goods.

### 4.2 Reliability

Table 2: The Actual Result of Reliability

Variable	Cronbach's Alpha	N of item	Result
Dependent variable			
Technological Innovation	0.904	5	Excellent
<b>Independent variable</b>			
Store image	0.740	5	Good
Satisfaction	0.748	5	Good
Consumer value	0.906	5	Excellent

Table 2 showed the Cronbach"s Alpha for technological innovation was 0.904 and it indicated as a "excellent" result because it closed to 1.0. Besides that, consumer value obtained a "excellent" result in the reliability test, which was 0.906 respectively. The Cronbach"s Alpha for store image and satisfaction was 0.740 and 0.748 respectively, there was considered as "good" reliability. Generally, the items will be acceptable when the result of Cronbach"s Alpha was more than 0.70. Based on this statement, all of the items in this research can be accepted and there was positively correlated with each other.

#### 4.3 Pearson Correlation

Table 3: The correlation between independent and dependent variables

		Technological innovation	Store image	satisfaction	Consumer value
Technological innovation	Pearson Correlation	1	.418**	.521**	.876**
	Sig. (2-tailed)		.000	.000	.000
	N	361	361	361	361
Store image	Pearson Correlation	.418**	1	.518**	.343**
	Sig. (2-tailed)	.000		.000	.000
	N	382	382	382	382
Satisfaction	Pearson Correlation	.521**	.518**	1	.494**
	Sig. (2-tailed)	.000	.000		.000
	N	361	361	361	361

Consumer value	Pearson Correlation	.876**	.343**	.494**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	361	361	361	361

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows that there is a positive fair significant relationship between store image and technological innovation (p <0.05, r = 0.418). Next, there is a positive good significant relationship between satisfaction and technological innovation (p<0.05, r = 0.521) and there is a positive perfect significant relationship between consumer value and technological innovation (p <0.05, r = 0.876).

#### 4.4 Multiple Linear Regression Analysis

Table 4: Table of Coefficients Analysis

	Coefficients <sup>a</sup>						
		Unstandardize	d Coefficients	Standardized Coefficients			
Mode	l	В	Std. Error	Beta	t	Sig.	
1	(Constant)	628	.203		-3.098	0.002	
	Store image	0.181	0.049	0.107	3.715	0.000	
	Satisfaction	0.109	0.050	0.068	2.177	0.030	
	Consumer value	0.822	0.029	0.806	28.431	0.000	

a. Dependent Variable: Technological innovation

Table 4 showed the table of coefficient analysis. There is a significant effect of store image toward technological innovation (<0.05). In every unit increase of store image, technological innovation will increase by 0.18. Next, there is a significant effect of satisfaction toward technological innovation (<0.05). In every unit increase of satisfaction, technological innovation will increase by 0.11. Last but not least, there is a significant effect of consumer value toward technological innovation (<0.05). In every unit increase of consumer value, technological innovation will increase by 0.82.

#### 5 Discussion

In this research, the researcher had managed to collect data using the research instrument (online questionnaire) and after analyzing the data using IBM SPSS Statistics version 23, the result for the tests was obtained.

The first objective of this study is to determine the relationship between store image and technological innovation among the residents of Parit Buntar, Perak. The strength of the correlation between store image to technological innovation is a moderate positive correlation. Based on Gil et al., 2017, found that various attributes have been considered as part of the selling

<sup>\*</sup>p-value < 0.05

point picture, although most studies maintain attributes related to accessibilities, space organization, comfort and convenience as key technology components to enhance store image. This study has a positive effect on the store image

The second objective is to determine the satisfaction of the relationship between satisfaction and technological innovation among the people of Parit Buntar. The strength of the correlation between satisfaction with technological innovation is a simple positive correlation. Store satisfaction refers to subjective assessment that meets or exceeds store expectations (Helesen et al., 2010). Therefore, satisfaction with technology is considered a cumulative, effective and cognitive assessment. This study has a positive effect on satisfaction.

The last objective is to determine the relationship between consumer value and technological innovation among the people of Parit Buntar. The strength of the correlation between satisfaction with technological innovation is high positive correlation. Research on value has traditionally focused on technology with a focus on various perspectives, such as the value of in-store experience (Terblanche and Boshoff, 2004). This study has a positive impact on consumer value.

There is a significant effect of store image toward technological innovation (<0.05). In every unit increase of store image, technological innovation will increase by 0.18. Next, there is a significant effect of satisfaction toward technological innovation (<0.05). In every unit increase of satisfaction, technological innovation will increase by 0.11. Last but not least, there is a significant effect of consumer value toward technological innovation (<0.05). In every unit increase of consumer value, technological innovation will increase by 0.82.

#### 5.6 Hypotheses Testing

Table 5: Hypotheses testing

Hypotheses	Objective	Result
H1: Store image have a positive impact on technological innovation in retailing.	the p-value for store image had indicated 0.000, which p<0.01, meaning that there is significant relationship between store image and technological innovation.	Accepted
H2: Satisfaction have a positive impact on technological innovation in retailing.	the p-value for satisfaction had indicated 0.03, which p<0.01, meaning that there is significant relationship between satisfaction and technological innovation.	Accepted
H3: Consumer value have a positive impact on technological innovation in retailing.	the p-value for consumer value had indicated 0.000, which p<0.01, meaning that there is significant relationship between consumer value and technological innovation.	Accepted

Based on the table 5, it can be concluded that the store image, satisfaction and consumer value have a significant relationship between the use of technological innovation in retailing.

#### 6 Recommendation

This study focuses on the use of technological innovation on retailing store effect on consumers purchasing toward resident Parit Buntar, Perak. Clear research should be out in the Parit Buntar, Perak area as it has been shown that there is no wide-range research done in Parit Buntar. Future studies in other universities and elsewhere can use the proposed model. For future studies, the number of respondents should be increased and distributed elsewhere not only in Parit Buntar but also in each district in Perak to get a clearer study on the factor of the use of technological innovation on retailing store effect on consumers purchasing. This study can also be useful for future researchers as they can utilize it as a source of perspective and rules in leading comparative research, as they can direct exploration of research the factors that successfully influence the use of technological innovation on retailing store effect on consumers purchasing.

### 7 Conclusion

In conclusion, the results of this study have contributed useful information on the use of technological innovation on retailing store effect on consumers purchasing and success factors to future researchers as a reference for their study. In addition, this study provides an understanding of the use of technological innovation in retail stores effect on consumers purchasing. Retail stores can improve a business to increase its effectiveness in the use of technology. This study involved the resident of Parit Buntar. A total of 382 respondents to complete this study. The results for correlation is that there is a positive fair significant relationship between store image and technological innovation (p <0.05, r = 0.418). Next, there is a positive good significant relationship between satisfaction and technological innovation (p<0.05, r = 0.521) and there is a positive perfect significant relationship between consumer value and technological innovation (p<0.05, r = 0.876). Finally. This study is expected to obtain good feedback from relevant businesses in improving the use of technological in business. Although there are some limitations to this study, its is hoped that the first step taken in studying the use of technological innovation on retailing store effect on consumers purchasing is important for further justification.

### 8 Acknowledgement

The success and the final outcome of this assignment required a lot of guidance and assistance from people that I truly appreciated and are extremely privileged to have along the completion of this assignment. Everything I have done just because of the endless supervision, help and encouragement I will never forget during this semester. Here, I would like to thank the supervisor for the Retail Research Project, DR. NURUL IZYAN BINTI MAT DAUD for the guidance and help given to me. Although there are flawless and mistakes that I have made throughout the completion of this research study. Not forgetting also many thanks to the family who helped a lot to provide complete facilities to me while completing this project due to the pandemic problems that hit the country that caused me to stay at home to complete this final project. I would like also to thank the friends behind me for their encouragement in completing this project. Therefore, without them the process of completing a task would probably be quite challenging.

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# THE EFFECT OF PERCEIVED RISK TOWARDS ONLINE CONSUMER BUYING BEHAVIOR AMONG STUDENT IN UNIVERSITI MALAYSIA KELANTAN, CITY CAMPUS

#### Nurul Shafinaz Binti Sahul Hamid and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shafinaz.a17a0595@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

The purpose of this study to examine the relationship between perceived risk towards online consume buying behavior among student in UMK City Campus. The study covers the student from Universiti Malaysia Kelantan, City Campus and the target respondents is from the first year until fourth-year student of Faculty of Entrepreneurship. Three types of risk were examined in this study that is perceived financial risk, perceived product risk, and perceived non-delivery risk. The survey was conducted for data collection using online questionnaire distributed. Sample size of 341 respondents were gathered and the data was analysed using SPSS software. The demographic statistics, reliability test and correlation analysis was analysed. The findings indicated that perceived financial risk, perceived product risk and perceived non-delivery risk have a significant relationship with online consumer buying behaviour. The findings provide a useful context in explaining the barriers in online shopping.

Keywords: Perceived Risk, Risk Dimension, Online Consumer, Buying Behavior, Online Shopping

### 1 Introduction

Internet has become important tool to our daily life. The development of the technology has made more people connected to the internet. Start from searching information, sending emails, using social media and so on, everything will be using internet. Due to the development of the internet, it has strongly impact the worldwide marketing environment and internet has provided the companies with the ability to expand their business reach consumer through e-commerce (Alkailani and Kumar, 2011). These technologies offer consumer an additional channel for information, service and purchasing, as well as potentially increased the choice, more convenience among retailers and save cost. Due to the development of the technology, consumer is now more likely to buy things online instead of going to the offline store. Thus, the reason for shopping online has been cited for time efficiency, avoid the crowds, and available to shop for 24 hours. Moreover, through online shopping everyone can purchase product in faster way and have more alternatives to order various type of product or services with much cheaper price. Online shopping also has become a suitable way to make a purchase whether you are at home, office, or any places (R Bashir, I Mehboob, WK Bhatti, 2015). For developed countries every stores have its websites which they can buy from there. Despite of the online shopping, people going through the risk while buying online. Most of the consumer enjoy buying products online but they need to know whether the online platform can be trusted to shop. When consumers shop on internet,

they cannot touch, feel and watch for real of the products before they purchase the products (Li & Huang, 2009).

Previous research has noted that clearly understanding what motivates consumer. To shop online can inform the strategy, technology and marketing decision as well as web. Site design. Despite the significant growth and optimistic future growth of online shopping, the negative aspects were also becoming frequently associated with this alternatives shopping method. Online shopping had greater risk that consumer need to take responsibility such as product risk, financial risk and non-delivery risk. Stated that in online environment, in contrast to a physical one, greater risk and less trust is expected due to the fact that there is major difficulty in evaluating a product or services as there is no visual or tangible indications about the quality of the product no face-to-face interaction with the staff and the purchased is affected by security and privacy issues (Laroche, et al.,2005). Hence, it assumed that people may feel a certain degree of risk when purchasing a product through online shop. This portrays that consumers have low and no confidence towards online shopping. Thus, the consumer perceived risk when shopping in online stores, when compared to shopping at the bricks and mortar store (Hong, Nawi, and Zulkifli, 2019).

Therefore, the aim of this study is to investigate the effect of financial risk towards online consumer buying behaviour. To investigate the effect of product risk towards online consumer buying behaviour. Lastly, to investigate the effect of non-delivery risk towards online consume buying behaviour.

#### 2 Literature Review

Online consumer buying behavior: Online purchasing of goods or services through e-commerce platforms referred as online consumer buying behavior. A study conduct stated that people who shop online were less technically at risk compared to those who shop at the offline store (Wai, Dastane, Johari and Ismail, 2019). Online shopping involves consumer to search, select and purchase the goods and services to meet his needs and wants. For the matter of fact, consumers experiencing high risk when they shopping through the online shop compared to traditional brick and mortar store.

Perceived risk: when facing a buying situation, consumer perceives a certain degree of risk that involved choice of particular brand and how to purchase it. Stated that perceived risk is a fundamental concept in consumer behaviour that implies the consumer experience pre-purchase uncertainty and the degree of expected loss resulting from the purchase and the use of a product (Naiyi *et al.*, 2004). The idea of perceived risk has been captured through the use of various scales by measuring the perception of dangerous that occur (Masoud *et al.*, 2013). Perceived risk also is a measurement of unanticipated disaffection and disappointment purchased decision that based on the purchased target, hence it is a strong pointer of consumer behaviour because consumer likely to lessen the possible failures rather than seek for the purchase accomplishment (Wai, Dastane, Johari and Ismail, 2019). According to Ariff *et al.*, (2014), perceived risk is the possibility of loss in achieving a favourable outcome while consumers doing online shopping, indicating individuals feeling of uncertainty with the possibility of negative outcome in their online purchasing. Generally, there are many type of perceived risk that have been experiencing by consumers in online shopping.

Financial risk: Consumer might be worried regarding online safety and security in the use of their credit or debit card and the disclosure of the consumer personal information. Abrar, Naveed, & Ramay, (2017) stated that the probability of suffering monetary loss as a result of purchasing a

product or services is termed as a financial risk. Financial risk also defined as potential net loss of money and will include the consumer sense of insecurity regarding online credit card or debit card usage, which has evidenced as a major obstacle in online purchasing (Masoud *et al.*, 2013). Financial risk is the perception that a certain amount of money may be lost or required to make the product work properly. Financial risk also referred to the probability of not getting the lowest possible price for the selected product from a particular online shop. According to Wai, Dastane, Johari and Ismail, (2019) financial risk often occurs in the first phase of online shopping; right after the customer make an online order.

H1: Financial risk has a positive significant effect on online consumer buying behaviour

Product risk: Product risk relates to the performance or the quality of goods and services that consumer choose through online shopping. According to Abrar, Naveed, & Ramay, (2017) stated that product risk as likelihood is a chosen product that will fail to meet the formerly anticipated requirements. Product risk is a generally about a purchased product that may fail to function as it is originally expected (Ariff *et al.*, 2014). The loss that incurred when a brand or product does not perform as expected, is largely due to the shopper's inability to accurately evaluate the quality of the product online. The product problem is more towards goods that do not have the after-sales service. Wai, Dastane, Johari and Ismail (2019) indicates that there is a product or performance risk in the online environment or concerns that products are not functioning properly and performing poorly is increasing between online shop. According to Forsythe & Shi, (2003) the incapability of touching, feeling, testing or trying the products before they purchased are the primary concerns when purchasing online, and those concerns will increase the product risk perceived by consumer.

H2: Product risk has a positive significant effect towards online consumer buying behavior

Non-delivery risk: the probability of not getting the product after completing the online transaction and making payment to the online store describe as the non-delivery risk. According to Abrar, Naveed, & Ramay, (2017), they stated that consumers quite often find uncertainty while dealing with new online merchants while making the payments due to the risk that vendors will not deliver the product to them. A variety of factors may impact whether the goods by the consumer, for example like improper deal with the goods while in the process of the delivery (Wai, Dastane, Johari and Ismail 2019). According to Naiyi *et al.*, (2004) consumers ere concerns with the delivery process, for example the product may get damaged during transportation, delivered to the wrong address or in some cases, delayed. The consumers fear about the delivery will be delayed due to a various circumstance, such as the delivery company would not deliver the product within the time framed agreed with consumer (Ariff *et al.*, 2014). Hence when consumer decide to purchase the product online, they will be facing the non-delivery risk.

H3: Non-delivery risk has a positive significant effect towards online consumer buying behavior

### 3 Research Methodology

#### 3.1 Sampling and Data Collection

The data collection method that being used is online questionnaire. This study targeted on student UMK, City Campus that use online platform to buy product online. Next, a simple random sampling is selected in determining the data of UMK student from the sample size 341 student. The study is designed to collect data from 200 valid samples based on minimum sampling theory (Sekaran, 2016).

#### 3.2 Research Construct

This study use research construct as abstracts ideas in measuring survey questions. This questionnaire was adopted and combined by investigating the past research and the expert's suggestion. The research construct below consists of 5 items independent variable (perceived financial risk, perceived product risk, perceived non-delivery risk) and dependent variable (online consumer buying behavior), and several items that selected from past research.

Table 3.1: Adoption of question details

Variables	Question Item	Source
Dependent Variables: Online Consumer Buying Behavior	5	<ol> <li>Wai, K., Dastane, O., Johari, Z., &amp; Ismail, N. B. (2019).</li> <li>Javadi, M. H. M., Dolatabadi, H. R., Nourbakhsh, M., Poursaeedi, A., &amp; Asadollahi, A. R. (2012).</li> </ol>
Independent Variable: Perceived Financial Risk	5	<ol> <li>Forsythe, S., Liu, C., Shannon, D., &amp; Gardner, L.</li> <li>C. (2006).</li> <li>Naiyi, Y. E. (2004).</li> </ol>
Independent variables: Perceived Product Risk	5	Forsythe, S., Liu, C., Shannon, D., & Gardner, L. C. (2006).
Independent variables: Perceived Non- Delivery risk	5	Wai, K., Dastane, O., Johari, Z., & Ismail, N. B. (2019).

#### 3.3 Data Analysis Method

The data that have been collected in the study will be analysed using the computer software which is Statistical Programme for Social Science (SPSS) version 26.0. Furthermore, descriptive analysis, reliability analysis and Spearman Correlation Coefficient has been conducted in this study. For reliability analysis, Cronbach's Alpha for variables is acceptable since it ranges from 0.6 to 0.8. This is also supported by Cronbach (2016) when Cronbach's Alpha is higher, meaning that the internal consistency of the item from the scale also high. For Spearman Correlation all of the variables is significantly affected. The significant value for. Independent and dependent variable is below 0.01 (p-value<0.01).

### 4 Analysis and Discussion.

### 4.1 Sample Characteristics

This section is discussed on the sample characteristics of 341 respondents who is using online platform to purchased product online and their buying behaviour among UMK student. Apart from that, this section presents the findings on the gender, age, year, course, online platform used, and how often buying online.

Table 4.1: Sample Characteristics

Sample Characteristics	Frequency (341)	Percentages (%)
Gender		
Male	139	40.8
Female	202	59.2
Age		
19 – 21	139	40.8
22 – 24	168	49.3
25 - 27	34	10.0
Year		
1	87	25.5
2	80	23.5
3	82	24.0
4	92	27.0
Course		
SAB	77	22.6
SAE	48	14.1
SAK	74	21.7
SAL	64	18.8
SAR	78	22.9
Online Platform Used		
Facebook	86	25.2
Instagram	102	29.6
Shopee	123	36.0
Lazada	20	5.9
Mudah.my	5	1.5
Taobao	2	0.6
WhatsApp	2	0.6
Sociolla	1	0.3
Zalora	1	0.3
How often buying online		
1-2 times	147	43.1
3-4 times	161	47.2
5-6 times	33	9.7

### 4.2 Reliability Analysis

Table 4.2 shows the indicates result of reliability analysis in the independent variable (perceived financial risk, perceived product risk, perceived non-delivery risk) and for dependent variable (online consumer buying behaviour) for this study. The result of the Cronbach's Alpha for perceived financial risk 0.750, followed by product risk the Cronbach's Alpha value is 0.730 and both variable indicate as acceptable for this study. For non-delivery risk the Cronbach's Alpha value is 0.883 which indicate as good result. For dependent variable that is online consumer buying behaviour the result of Cronbach's Alpha is 0.669 that indicate as questionable. Online consumer buying behaviour has a questionable result due to the low consistency between independent variable and dependent variable. Hence, it shows that all of these variable is acceptable and reliable to be test in this research.

Table 4.2: Reliability Analysis

Variables	Number of item	Cronbach's Alpha Coefficient	Internal Consistency
Perceived Financial Risk	5	0.750	Acceptable
Perceived Product Risk	5	0.730	Acceptable
Perceived Non- Delivery Risk	5	0.883	Good
Online Consumer Buying	5	0.669	Questionable
Behaviour			

### 4.3 Spearman Correlation Coefficient

Table 4.3: Correlation Analysis

Variable		Financial risk	Product risk	Non-delivery risk	Online buying behaviour
Financial	Correlation Coefficient	1.000	0.440**	0.764**	0.513**
risk	Sig. (2-tailed)	•	.000	.000	.000
Product	Correlation Coefficient	0.440**	1.000	0.344**	0.571**
risk Sig.	Sig. (2-tailed)	.000	•	.000	.000
Non- delivery	Correlation Coefficient	0.764**	0.344**	1.000	0.430**
risk	Sig. (2-tailed)	.000	.000		.000
Online buying	Correlation Coefficient	0.513**	0.571**	0.430**	1.000
behavior	Sig. (2-tailed)	.000	.000	.000	

According to table 4.3 shows the correlation analysis based on Spearman Correlation (r), in which shows the degree of association among independent and dependent variable. Based on the result below, the correlation coefficient (r) of each variable is r = 0.513 for financial risk, meanwhile for product risk is r = 0.571. For non-delivery risk the correlation coefficient r = 0.430 and all the variables show a strong relationship between independent variable and dependent variable. On top of that, the significant value for all variables is less than 0.01 (p-value<0.01). Hence, the affiliation among the three variables and online consumer buying behaviour is significant between independent variable and dependent variable.

Table 4.4 Interpretation Table of Spearman Rank Order Correlation Coefficients

Spearman (p)	Correlation	
≥ 0.70	Very strong relationship	
0.40-0.69	Strong relationship	
0.30-0.29	Moderate relationship	
0.20-0.29	Weak relationship	
0.01-0.19	No or negligible relationship	

The result above shows that all the independent variables is significantly affect towards independent variables. Thus, financial perceived risk such as fear of. Losing only and. The probability of disclosing debit or credit card information has positive effect towards online consumer buying behavior, this finding is compatible with the findings of (Forsythe & Shi, 2003)<sup>68</sup>, in these studies, financial risk is important factor for not shopping online. Next for. The study results of product perceived risk are the difficulty of quality judgement of product, touching and examining the actual product over online shop are consistent with the findings from previous studies that stated perceived product risk is important significant factor for not shopping online (Forsythe & Shi, 2003)<sup>69</sup>. It indicates that the perceived of non-delivery risk is significantly affect towards online consumer buying behavior. Consumer do not shop online because they are not sure whether the ordered merchandise will be delivered or not but the lack of efforts in deliver the product will reduce the trust in online seller.

#### 5 Recommendation and Conclusion

This study intended to measure the impact on three of the perceived risk that is perceived financial risk, perceived product risk, and perceived non-delivery risk towards online consumer buying behaviour among UMK, City Campus students. It can be concluded that the objectives of this study have been achieved by testing the effect of perceived towards online buying behaviour. This research confirming that all the variables has a positive significant with online consumer buying behaviour. On the other hand, the outcome of this study recommended that online seller should organise a better online shopping platform. A better online shopping should enhance a good and better platform in order to have the consumer to shop well. Besides that, by having better online shopping platform, the seller can improve the service for their customer and have more information about their consumer needs and wants as they know they can improve their online shop.

Besides that, for product risk, the risk can be reducing by displaying a clear information. In order to make sure that consumer have more trust to buy the product. Financial risk is what consumer would want to avoid because they know, their financial information must be secure by the online seller. Hence, online seller should be alert in every transaction that happen in online platform in order to reduce the effect after buying. Lastly, for delivery service should be taking care as the delivery is important. Therefore, the status of the delivery should be update all the time to make sure that consumer will keep up to date. In addition, the delivery option also should be increase to make it easy for the consumer to shop online and have their product delivered safely.

Online shopping likely to have greater risk that can effect online consumer buying behaviour. It

69 Ibid

<sup>&</sup>lt;sup>68</sup> Forsythe, S. M., & Shi, B. (2003). Consumer patronage and risk perceptions in Internet shopping. *Journal of Business research*, *56*(11), 867-875.

is important for the online shopper to understand the characteristics and behaviours of the new market and meet what consumer needs. Online seller should determine the risk perceived by their consumer in order build their marketing strategy in understanding the consumer. This research is highlighted the common scenario that happen in community who love to buy things online. The consumer is perceiving risk while buying online, such as perceived financial risk, perceived product risk, and perceived non-delivery risk. In Malaysia, online shopping context, it was confirmed that the negative effect of perceived risk influences the attitude of online shopping. Therefore, further investigation is necessary to provide empirical justification, thus allowing a better understanding of the reason of these differences. In addition, this study shows that the need to attempt for future studies, to consider the influences of individual characteristics of the respondents such as gender and experience on the composition of perceived risk dimension and analyse their different influences on online consumer buying behavior.

### 6 Acknowledgement

First and foremost, I would like to express my appreciation to everyone who have been helping me since the first day I started my final year research project. I would like to express the most gratitude to my supervisor, my family, my friends and to all respondents for supporting me.

I am very thankful to Dr Nur Ain Ayunni Binti Sabri who provide me all the information, guiding me, give me an advice in the process of writing this research. She has been motivating me and encouraging me in finishing my final year research project.

I also would like to express my indebtedness and appreciation to my respondents that willing to participate in the survey despite of their busy schedule of classes. Lastly, thank you to my family and friends that have been supporting me from far. This final year research project would not complete without them.

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### FACTOR INFLUENCE CONSUMER'S PURCHASING BEHAVIOR DURING PANDEMIC COVID 19

#### Nurul Syuhaidah Binti Rozlan and Tahirah Binti Abdullah

Faculty Of Entrepreneurship And Business, Universiti Malaysia Kelantan Malaysia

Email: syuhaidah.a17a0604@siswa.umk.edu.my; tahirah@umk.edu.my

#### Abstract:

The aim of the study was to investigate the factors influencing consumers purchasing behavior among student Universiti Malaysia Kelantan during the coronavirus disease (COVID-19) pandemic. The study measured the influence of product factor, price factor, and psychological factor on consumers' purchasing behavior during the coronavirus disease (COVID-19) pandemic. The research collected data by online survey method through a structured questionnaire with five-point Likert scales from 346 students. Results exhibited that price factor, product factor had a relationship and positive association with consumers' purchasing behavior during pandemic Covid-19.

Keyword: influence factor, consumer purchasing behaviour, Covid-19, online shopping

#### 1 Introduction

Consumer purchasing behaviour defined as the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Word "they" refer to individuals, groups, and organizations. Consumer purchasing behavior refers to the actions taken online and offline which is a physical store by consumers before buying a product or service. This process may include consulting search engines, engaging with social media posts, or a variety of other actions. For example in the United Kingdom (UK), most people in the UK use the internet every day and spend six hours online. First factor that influences consumer purchasing behaviour in the UK consumer is the price and price as a key deciding factor for 59% of British shoppers. So it is not surprising price comparison is widespread (Evans, 2019). The second is most UK consumers are loyal shoppers and this can be through social media advertising, personalized services, or unique in-store experiences. 65% of UK shoppers identify themselves as loyal shoppers who prefer to shop with retailers and sellers they are already familiar with and have experience with it (Baumber, 2018).

Third is most UK consumers support their local product. UK consumers respond well to advertising campaigns, especially on social media. So, 40% of those who have interacted with a brand online prefer to spend more on online platform (Evans, 2019). (Baumber, 2018) 29% of the consumer like a fast and reliable delivery is a main reason their shopping at the same store. Customers also prefer free any of charge delivery from sellers, 80% of all online purchases received free deliveries and expect some form of parcel tracking after making their orders. Another top reason UK shoppers buy from the same stores is a free product return policy (Baumber, 2018).

The objective of the study is to identify the factors that influence consumer purchasing behavior during the pandemic. In 2020, the world has rapidly changed in terms of economics, society, and

politics because of the spread of a dangerous disease that began in Wuhan, China which is Coronavirus or known as a COVID-19. The obvious thing that changes during a pandemic is in a business firm. Most countries such as China, Brazil, Spain, and Italy had implemented the lockdown procedures to stop the transmission of COVID-19 from spreading. Malaysia also has duplicated these procedures. The occurrence of this pandemic has a profound effect on both the positive and negative to the retailing industry, especially small shops. Thus, it has changed the way retailers conduct business operations by complying with the standards operating procedure (SOP) provided by the government. For example, SOP is limiting the operating hours, compliance with social imprisonment, wearing a face mask, taking and recording body temperature, online transactions, use of hand sanitizer, and limit of customer quantities in a premise.

COVID-19 rapidly changed customer behavior, this is because during the pandemic most consumers are required to stay at their home working from home if necessary, avoiding using public transport and practice of social distancing from friends and community. So their purchasing behavior also changes by focus on online shopping. During the pandemic, they will spend less and buy what they need. In response to this rapidly evolving public health crisis, consumers are changing how they live and work and what and how they buy. They have reason to believe some of these fundamental shifts will have long-lasting effects on consumer purchasing behavior.

### 2 Literature Review Model of Buyer Behaviour

According the theory of buyer behavior represents an approach to predict and analyze the method that consumers usually use in making their purchase decisions. In many cases, a consumer will use a generic decision making model. The first step generally represents them conducting research on varied products and prices. In most cases the process is prompted by replacing a product the consumer already owns that has become outdated or not function (Ramya & Ali, 2016).

According to this model, stimuli in the form of both the external environment and the elements of the marketing mix enter the buyer's 'black box', after that it interacts with the buyers characteristics and decision processes to produce a series of outputs in the form of purchase decisions. The task faced by the marketing planner involves understanding how the black box operates, for which two principal components of the box must be considered firstly the factors that the individual brings to the buying situation and secondly the decision processes that are used.

### **Consumer Buying Behaviour**

In the marketing context, it is quite difficult to make a purchase decision as a result of so many available options. Consumer behavior defined as study of people needs, wants, motivations, and thought processes used in choosing one product over another that can fulfil their satisfaction. Other than that, to study the patterns of purchasing different goods and services (Auf, Meddour, Saoula, & Majid, 2018). Online stores ensure consumers get a benefit by conveniently providing different types of products and services. Through e-payment, the transaction was easier than other time which is consumer can pay anywhere and anytime and it is benefit of e-commerce. (Neger & Uddin, 2020). Shopping online is include social media platform such as Twitter, Facebook, Instagram and e-commerce platform such as Lazada and Shopee are the key sources that fanned the rush among people to stockpile basic household goods.

Thus, since the penetration of technology and business trends has changed to online the behavior is important to study. In the era of information technology, the internet has given an open new window and advantage for the peopel to use internet technology to buy and sell online products

where physical involvement is not necessary. The online shopping business is not something secret of sale products therefore it is essential to analysis consumers behaviors towards products shopping and payment online because there is not physical interaction between them (Ahmad, 2018). A consumer engages in purchasing activities several times per day. The purchase itself is the only visible evidence of a more complex process that a consumer goes through for every decision he or she makes. However, every purchase decision is different and requires different amount of time and effort (Lautiainen, 2015).

Price is defined as an activity to decide the amount payment consumer to pay for something which is a product and service offered for sale (Oxford Manpower Dictionary 2002). Pricing is the process of determining and applying prices to goods and services (Al-Salamin & Al-Hassan, 2016). Product, place, price, and promotion is a element in Ps of marketing and it is perhaps the most important because it can helps companies generate revenue especially retailing sector . Prices are determined by the balance of supply and demand and set with a certain degree of confidence that consumers will pay for the product and service (Al-Salamin & Al-Hassan, 2016). Pricing is the only clear factor that produces money and provides an obvious signal of success or failure of products and services.

Anything that offers to market to get some attention or consumption including physical objects, services, organizations, and desires (Andreti et al., 2013). Good quality of the product know as a defect, damage, and fault free product that can be identified by eight key dimensions. For example product performance, product features, confirmation of product, the durability of products, serviceability, reliability of the product, and perception of quality (Neger & Uddin, 2020). The product can be describe as a pack of benefit of advantages that a marketer presents to the customer for a price. The product can also include the shape of a service like train travel and communication. Thus, the product is the one of main element of the marketing mix that give impact to consumer. (Thabit & Raewf, 2018).

According to Maslow's hierarchy of needs, purchase decision including motivation perception, learning, beliefs and attitudes. Friend and family often influence other people in term of consumers' purchase decisions. The marketer needs to know and analyze which people are involved in the buying decision or target market. Marketer also need know what role each person plays, so that marketing strategies can also be aimed and target at these people. Psychological factors can be divided into 4 categories which is motivation, perception, learning as well as beliefs and attitudes.

Motivation is the strength of internal energy that directs and influences a person's activities to achieve and fulfill customer needs, wants, and goals. According to Maslow articulating the hierarchy of needs has five levels of essential needs. First is that Basic needs come at the bottom of the hierarchy which is a physiological need, while at the top of the hierarchy is the need for self-actualization. Even so, this need does not have to be fully achieved. (Auf et al., 2018).

Perception describes as a producer which an individual need to selects, manage, organize, and interprets the world around you through the information which been received in order to do something that makes sense. How individuals act at certain period of given time is decided by the perception of a situation, selecting, managing, organizing and interpreting the information in a way to construct a meaningful experience. Individuals also tend to interpret with information which they already understand or familiar with. People experience, selective attention, and selective distortion know as a three different important of perceptual process. (Al Shishani, 2020). In case of selective attention, marketers have to provide the good marketing if want to attract customer intention. While, in case of selective distortion, customers try to interpret the

information obtained to support what the customer already believes. Similarly, in the event of selective selection, marketers strive to keep the information that can supports customer trust. (Gajjar, 2013).

Learning can be defined as changes in individual behavior from previous experience. In every situation, perception is a change according to previous experience of purchasing, because this is one of our preparations or expectations and the framework in which we attempt to place and organize new stimuli. In other words, need to learn from past experience and try to maintain balance or consistency by relating and interpreting new stimuli in terms of past or learned stimuli (Durmaz, 2014). Learning always goes through actions, when we take actions, we learn. Learning implies a change in the behaviors resulting from a certain experience. Learning reshapes the behaviors of individuals by acquiring the information and living the experience (Al Shishani, 2020).

- H1: There is a relationship between price and consumer purchasing behavior.
- H2: There is a relationship between quality of product and consumer purchasing behavior.
- H3: There is a relationship between psychological and consumer purchasing behavior.

### 3 Research Methodology

This research used questionnaire methods to collect the information by distributing the data process to the respondent. The questionnaire was focused on factors that influence consumer purchasing behaviour during pandemic. Information was collected by a distributed questionnaire to the student Universiti Malaysia Kelantan (UMK). Statistical procedures are a method of analysing or representing statistical data, a procedure for calculating a statistic by using SPSS, originally named the Statistical Package for the Social Sciences. A sample is then a representative subset of the target population. A total of 346 respondents will be participating in this research investigating with 346 questionnaires given to the student. The sample will be distributed to the student with different programs out of the total of population size of the study.

### 4 Findings and Discussion

Table 1: Demographic Profile of Respondent

VARIABLES	FREQUENCY	PERCENTAGE
		(%)
GENDER		
Female	238	68.8
Male	108	31.2
AGE		
19-20	27	7.8
21-23	261	75.4
24-26	58	16.8
YEAR OF STUDY		
Year 1	17	4.9
Year 2	47	13.6
Year 3	125	36.1
Year 4	157	45.4
COURSES		
Bachelor of Entrepreneurship (Commerce) with	91	26.3

Honour (SAK)		
Bachelor of Entrepreneurship (Islamic banking and finance) with Honour (SAB)	82	23.7
Bachelor of Entrepreneurship (Logistic and Distribution Trade) with Honour (SAL)	71	20.5
	89	25.7
Bachelor of Entrepreneurship (Retailing) with Honour (SAR)		
	13	3.8
Bachelor of Entrepreneurship with Honour (SAE)		
ETHNICITY BACKGROUND		
Bumiputera Sarawak	3	0.9
Chinese	36	10.4
Indian	23	6.6
Malay	284	82.1
PRODUCT PURCHASE CATEGORY		
All	1	0.3
Clothing/Shoes	129	37.3
Cosmetic	37	10.7
Electronics/software	17	4.9
Food and beverage	141	40.8
Skincare	2	0.6
Stationery/Book	19	5.5

This study involved 346 consumers from Universiti Malaysia Kelantan. A total of 108 (31.2%) of them are men and the rest of the 234 (68.8%) are women. The majority of the respondents are Malays where the total respondents were 284 (82.1%), followed by other which is Bumiputera Sarawak 3 (0.9%) respondents, 36 (10.4%) Chinese respondents and 23 (6.6%) Indian respondents. Students with aged between 21 - 23 years old are the most number of respondents involved in online purchasing which is 261 (75.4%) respondents, followed by students aged between 24-26 years old (n=58, 16.8%) and only a small number (n=27, 7.8%) who were actively engaged in online purchasing. 125 (45.4%) of the respondents involved in online purchasing was students from year 4 (the highest), followed by students from year 3 125 (36.1) students year 2 (13.6) respectively had 47 respondents and student year 1( the lowest) of the respondent involved in online purchasing behavior which 17 (4.9%). Based on the data, most of the students courses Bachelor of Entrepreneurship (Commerce) with Honour (SAK) (n=91, 26.3%) were involved actively in online purchasing during MCO, followed by students from Bachelor of Entrepreneurship (Retailing) with Honour (SAR) (n=89, 25.7%), students from Bachelor of Entrepreneurship (Islamic banking and finance) with Honour (SAB) was (n=82 23.7%), students from Bachelor of Entrepreneurship (Logistic and Distribution Trade) with Honour (SAL) (n=71, 20.5%) and last is student from courses Bachelor of Entrepreneurship with Honour (SAE) (n=13,3.8%). During the pandemic Covid-19, product category that students purchasing from online platform is was the higher is food and beverage (n=141, 40.8), followed by clothing and shoes (n=129, 37.3%), Cosmetic was (n=37, 10.7%), Stationery/Book (n=19, 5.5%),

Electronics/software (n=17, 4.9) and last is Skincare (n=2, 0.6%)

Table 2

Coefficients <sup>a</sup>							
				Standardiz			
				ed			
		Unstand	ardized	Coefficien			
		Coeffi	cients	ts			
			Std.				
Mode	el	В	Error	Beta	t	Sig.	Impact
1	(Consta	1.261	.232		5.440	.000	
	nt)						
	IV1	.276	.053	.291	5.257	.000	Accepted
	IV2	.350	.057	.348	6.142	.000	Accepted
	IV3	.088	.054	.097	1.628	.105	Rejected

#### Coefficients

As illustrated in Table 2, the results show that two out of three factors are significantly related to consumers' purchasing behaviour during pandemic Covid-19. In contrast, the rest of the one factors have no significant relationship with consumers' purchasing behaviour during pandemic COVID-19. Price factor ( $\beta 1 = 0.276$ , t = 5.440), quality of product factor ( $\beta 3 = 0.350$ , t = 6.142), psychological factor ( $\beta 7 = 0.088$ , t = 1.628) significantly related to consumers' purchasing behaviour during pandemic Covid-19 pandemic at p < 0.05. Therefore, the hypotheses H1 and H2 are accepted. Conversely, H3 are rejected as psychological factor have no significant connection with factor influence consumers' purchasing behaviour during pandemic Covid-19.

Table 3: Descriptive analysis

= **** - ** - ***					
Variable	mean(SD)	Behavior	Price	Quality of	Psychological
				Product	
Behavior	4.5464	1	0.524	0.554	0.470
Price	4.5854	0.524	1	0.510	0.571
Quality of	4.6069	0.554	0.510	1	0.596
Product					
Psychological	4.5909	0.470	0.571	0.596	1

### H1: There is a positive relation between price and consumer purchasing behavior during a pandemic crisis.

The relationship between price and consumer purchasing behavior during pandemic Covid-19 was investigated using Pearson correlation coefficients. As indicated in Table 2, the strong relationship was found to exist between price and factor influence consumer purchasing behavior (r = 0.492, P-value = 0.000). Since the average score is p < 0.01, hypothesis 1 is accepted.

### H2: There is a positive relationship between quality of product and consumer purchasing behavior during a pandemic crisis.

The relationship between attitude toward quality of product and consumer purchasing behavior during pandemic Covid-19 was investigated using Pearson correlation coefficients. As depicted in Table 2, the strongest linear relationship was found to exist between quality of product and

consumer purchasing behavior (r = 0.554, P-value = 0.000). The positive correlation coefficient of 0.73 indicates that as the score for quality of product and consumer purchasing behavior. Therefore, it showed that quality of product are highly and significantly correlated with consumer purchasing behavior. Since the average score is p < 0.01, hypothesis 2 is accepted.

### H3: There is no positive relationship between psychological factor and consumer purchasing behavior during a pandemic crisis.

The relationship between attitude toward psychological factor and consumer purchasing behavior during pandemic crisis was investigated using Pearson correlation coefficients. From the results, the weakest relationship was found to exist between psychological factor and consumer purchasing behavior during pandemic (r = .470, P-value = 0.105). Since the average score is p < 0.01, hypothesis 3 is rejected.

#### 5 Conclusion and limitation

Consumer buying behavior is the study on the customer traits and how the customer behaves while purchasing and selections process to fulfil his needs or wants and what motivates the consumer to buy a certain product. The conclusion, this research specifies two independent variables which is price and quality of product having significant influence toward consumer purchasing behavior during pandemic Covid-19. However, the other one independent variables, psychological factor have no positive significance with the consumer purchasing behavior. Eventually, this study could be helpful to several parties, especially the future researchers and marketers. Limitation in this study is testing only the significant relationship between the factors and it is not focused on any particular group of consumer. The study has some limitations within the need to be interpreted carefully.

This study focused only on university Malaysia Kelantan, so results derived from this study may not be generalized for other university. This finding is clearly indicated that university Malaysia Kelantan student has positive purchasing behavior toward online shopping. However influencing factors has significant impact on student's online shopping behaviors. This study only focus and carried out measure in university Malaysia Kelantan Malaysia respondents. It signifies that the results may only applicable in the small sample size. Carrying out and figure this study in other university may generate and develop different results. Students in other university may also have different factor influence toward consumer purchasing behavior during pandemic Covid-19. Therefore, this study should be develop or expanded to different university and include measurement across different of students behavior.

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## THE IMPORTANCE OF SERVANT LEADERSHIP DURING COVID-19 PANDEMIC

Nuur Sufiah Syahirah Binti Mohamad Ruzidi and Anis Amira Binti Ab Rahman

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: Sufiahsyahirah951210@gmail.com; anisamira@umk.edu.my

#### Abstract:

Leadership is an important roles in contributing to better organizational outcomes efficient support from leaders will motivate the employees to increase the level of quality in performing the duties and also will increase full focus in the workplace. Servant leadership as a leader to serve the employees and improve employees' performances. The main objectives of the study is to understand the importance, characteristics, and challenges for leaders of servant leadership. The main focus of the study is directed at the educational organizations in Kelantan. A qualitative approach is used to interview informants at school environment during Covid-19 Pandemic. The big challenges for administrator to the staff and students from home. An important finding in this paper is many school principals are not ready to face this condition so that the leaders as a servant leader take the responsibilites to manage the employees work from home and in the organization. The leaders have to face the challenges during pandemic to lead the organization with procedures and SOPs. This paper concludes that servant leadership are really needed created by the leaders who can considered will take the responsibility in managing the employees in the organization.

**Keywords**: leadership, servant leadership, Covid-19 pandemic, organization, employees perfomances

#### 1 Introduction

Leadership is considered important in contributing to better organizational outcomes. In other words, efficient support from a leader will motivate employees to increase the level of quality in performing the duties and will increase full focus in the workplace. In the process of leadership that influences the efforts of what needs and wants of employees and will be facilitated and collective pursue their objectives (Yukl, 2010). However, as a leader should be more responsible to help and guide all employees to achieve goals and ensure that goals are in line with the goals of the organization. The good leadership must focus on the specific behaviors of their employees' needs to ensure the employees achieve job-related tasks. On the other hand, the leadership behaviors will also have a positive relationship with the supportive performances. Servant leadership is one of most popular types of leadership today. Moreover, servant leadership is a conceptual leadership that leader that serves as a leader to serve the employees to improve employees' performances. There are employees to ensure that employees will improve the performances. The leader will treat the employee as servant and do not know how to handle it. It

<sup>&</sup>lt;sup>70</sup> Cahyono, Y., Jihadi, M., Arifin, Z., Purnamasari, W., Wijoyo, H., & Riau, S. D. (2020). Do Servant Leadership Influence Market Performance

<sup>71</sup> Asamoah, G. (2018). Understanding servant leadership, (September)

is different from people who act like leader. The leaders must be able to change to be more successful in attitude and charisma. The different between servant leadership and other type of leadership is in the servant leadership because the leaders act like a servant who cares about other people and the priority of the action to serve others (Andre & Donald, 2015). Nowadays, Covid-19 is a global health crisis under economic threat. Among the specific leader-subordinate activities that are important to consider in to Covid-19 Pandemic and how the performances system will work<sup>72</sup>. For example, without being able to directly supervise subordinates in the setting of the office it is possible that there is a change in the results of the focused assessment. In addition, the effect of the COVID-19 Pandemic on various work practices and arrangements, some of the social and economic costs of the pandemic for individuals will include those who lose the jobs as well as those who remain employed (Gelfand, 2019).

During Covid-19 pandemic, every division and operation required work from home for all employees, employers, wherever possible. On the one hand, the effect of organizational and economic organization is a negative way to find other alternative ways to conduct operations as usual (Petriglieri et al, 2019). In the positive way that work from home change many people to stay productive and work life balance. The situation will work stress and provide the creation of an organizational that will improve the employee performances. In addition, the servant leadership in the organization can be knows the responsibilities in providing a safe place for their thoughts, opinions, or even concern and will be taken seriously.

#### 2 Literature Review

#### Servant leadership

Servant leadership is about focus on the leaders for behaviors or attitudes of their followers and the organization (Patterson, 2003). The theory of Greenleaf can be describes to the primary passion, motivation to serve and meet employees' needs and wants. The servant leadership will be attained goals in the long term only in the organization to enhance the growth, development and general well-being of their individuals (Stone & Russell & Patterson, 2004). Moreover, it is also focus on the organization and organization objectives in the servant leadership. Servant leadership able to deliver a leadership approach that can deal with challenges of the modern workplace while still delivering on their needs of belonging. This might be why organizations that implement servant leadership practices. Furthermore, a lot of manager in the organization always make their action based on the priority for themselves.

Thus, a lot of people think that the relation between employee and leader are negative sides and just give advantages to one side of leaders only. Besides, servant leaders will build and stimulate the organization level of achievement. These approached will stimulate in term of performance in the organization through people development to become healthy (Wheeler, 2011). One of the important type in servant leadership will able to change other people because their attitude and charisma. Other than that, listening concept is one of the important aspects in order to listen to the employees' problem. The leaders also need to know the skills and limitations for every employee in the organization.

#### Characteristics of servant leadership

For servant leadership there is a right perspective for achievement and talent for their abilities. Servant leaders actively seek the help of others, humility shows which the leaders prioritize the

<sup>&</sup>lt;sup>72</sup> Olson, Ashley. (2020). Advising Clients in Times of Crisis: How Servant Leadership Can Deepen Client Relationships and Add Value During the Pandemic and Beyond (May 10, 2020)

interest of others, facilitate their performance, and give support of the importance (Patterson, 2003). Authenticity is closely related to expressing the true self, expressing oneself in ways that are consistent with inner thoughts and feelings. For the authenticity of servant leaders can be divided in various aspects in terms of what promises must be done, honestly in all environment, and visibility in the organization (Russell & Stone, 2002).

Servant leadership depends on the ability to color and feel others and from where the right person and also the ability to let go of perceived mistakes, not hold a grudge against other problems.<sup>73</sup> For servant leaders, it is important to create an atmosphere of trust, where people feel accepted, are free to make mistakes, and know that they will not be rejected (McCullough et al, 2000). Providing direction ensures that people know what are expected of them which are beneficial for both employees and the organization. Providing direction will able to provide the right degree of accountability high quality interpersonal relations (Ferris et al, 2009). The willingness to take responsibility for greater information and to go for security service, content and self-interest is essential for a harmonious interpersonal relationship.

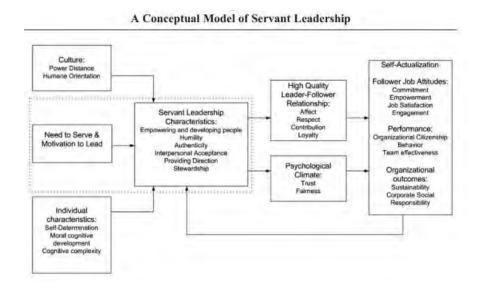


Figure 2.2.1 conceptual model servant leadership

Another characteristic is a persuasion in making decision in the organization. Most of the time servant leader seek to convince the employees rather than coerce compliance and also effective at building consensus within groups. Conceptualization is also important characteristic that really require in discipline and practice to achieve short-term and long-term operational goals. Effective leaders need to develop both perspectives within themselves. Otherwise, trustees probably need to develop both perspectives within themselves. Foresight is similar with the conceptualization that able to see outcome of hard situation. Learn from the past and able to improve making decision to be better rather than before this for in the future surely to be more carefully.

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<sup>&</sup>lt;sup>73</sup> Dutta, S., & Khatri, P. (2017) Servant leadership and positive organizational behaviour: the road ahead to reduce employees' turnover intentions Article information

### 3 Research Methodology

Research methodology is the direction by which researchers are expected to perform study. It shows the path by which these researchers formulate their problem and objective and present their results from the data obtained during the period of study. Methodology refers to ways in which data is collected, structured and analysis. Decisions related to methods depend on the complexity of the research question. This study is concerned about the importance of servant leadership during Covid-19 pandemic. Research methods and techniques are selective and decisive for users in future processes. The data that been use in qualitative. The research will be used in qualitative method selection for respondents. The respondent for the research are school principals of primary school in Kelantan. The total of the respondent is 4 school principals are potential to be interviewed for this research. The research also focuses on the attribute of servant leaders to the school principals. In this study, the researcher wants to know about the importance of servant leadership during Covid-19 pandemic.

Because nowadays, the school was closed because of Covid-19 so the government has publicly announced the student, teachers and staff started working from home and will be monitored with the school principals. Furthermore, this is interesting for the researcher to study because even the school is closed but the school principal needs to go work as usual to settle their jobs. The researcher chooses school principals because of the servant leadership's different background of family and surrounding. The researcher prepared written questions to be asked to the interviewees, the semi- structured interview were used in this research. In this context, semi-structured interview aims to searching the data and information through questioning the respondent using conversation method. This method offers the chance to the respondents to share their own opinion with utilizing their own words. This process encouraged the participants to respond to the questions as accurate and calm as possible.

### 4 Findings and Discussion

The procedure in the interview session needs to be planned wisely and efficiently to find the answer for the interview questions. This study conducted by using semi-structured interviews to searching the data and information through questioning the respondent using the conversation method. The most important thing the researcher should list down all of the questions that need to be answer by the informants. In this study, the researcher conducted the interviews session through face to face, call and Whatsapp. During the meeting, an interviewer asked the questions clearly and easily to be understood by the respondents in a proper manner. In addition, the researcher used the audio recorder and notebook to collect the data during the interviews session. All informants during the interview are very nice and easy to communicate each other.

Research Question 1: Why it is important the servant leadership for the leaders and employees during Covid-19 pandemic?

Research objective 1: To understand the importance of servant leadership for leaders and employees during Covid-19 pandemic

In this study to answer the Research Question 1 (RQ1), there are some of the sub-themes have been identified in order to justify the Research Objective 1 (RO1). In the sub-themes there are have which is to understand the leadership, goals achievement, monitoring the staffs and ways of convinces. Justifications can be seen as below:

Informant	Interview's quote			
	Transcript	Translation		
IF 1	"keupayaan seorang pemimpin untuk memimpin organisasi untuk menguruskan kakitangan menguruskan hal ehwal pentadbiran"			
IF 2	"Pemimpin yang tanggungjawab ialah seorang pentadbir atau pengurus sekolah lebih kepada mengurus sekolah lahmenguruskan guru, menguruskan murid-murid, menguruskan pembersihan"	The leader who is the responsibility of an administrator or school manager is to manage the schoolmanaging teachers, managing students, managing cleaning		
IF 3	"pemimpin di sekolah menguruskan pentadbiran di sekolah dalam segala aspek"	The leaders at school manage administration of school in all aspects		
IF 4	"satu proses kita sebagai seorang pentadbir yang dapat membimbing, menyokong dan boleh bekerjasama dengan orang bawahan kita"	a process we as an administrator who can guide, support and can work with our subordinates		

Table 4.1 shows all the informants know on the ability to understand about leadership in term of servant leadership. Thus, the researcher did not clearly asking about servant leadership because the researcher not surely that informants will not understand when the researcher asked about that question. So, the researcher was asked for the basic question about leadership. The participants know a leadership is very important being as a good leader in the organization. The participants also have same opinion about as administrator will responsible to manage all aspects in the organization including during pandemic covid-19.

Table 4.2 Sub-theme 3 (Achieve the goals)

Informant	Intowiny's quote				
Informant	Interview's quote				
	Transcript	Translation			
IF 1	"mestilah mempunyai wawasan untuk membawa organisasi kearah	We must have the vision to lead the organization towards something even better			
	yang lebih baik lagi daripada apa	than what is currently being achieved. So			
	yang tercapai semasa. Jadi sifat-sifat	these leadership qualities are very important			
	kepimpinan ini adalah sangat	to lead the organization for the better			
	penting untuk membawa organisasi				
	kearah yang lebih baik"				
IF 2	"di landasan yang betul maka perjalanan sekolah akan terus betul	On the right track then the school journey will continue to follow exactly what we			
	ikut apa yang kita hasratkan, kan kita ada misi visi, kita ada wawasan	want, we have a vision mission, we have the vision of our school so indeed that needs to			
	sekolah kita jadi memang itu perlu	be announced to always need to be told			
	diwar-warkan nak selalu diberitahu"	be almounced to always need to be told			
IF 3	"Sebagai pemimpin jangan tanya	As a leader do not ask about our work only,			
	pasal kerja kita sahaja, kerja dia	their work only but we can ask things other			
	sahaja tapi kita boleh tanya hal	than our work because we afraid to cause			
	selain kerja kita takut menyebabkan	something wrong for him so we can help			

	dia ada sesuatu kita boleh membantu	him so that he can work well
	dia supaya dia dapat bekerja dengan	
	baik"	
IF 4	5	Determine the direction of an organization
	organisasi kemana arah kita nak	,
	bawa pertamanya apakah matlamat	what is our goal for our organization, what
	kita untuk organisasi kita , apa yang	we want to bring the because before we
	kita nak bawa sebab itu sebelum kita	want to do anything we need to check first
	nak buat perlu check apa keperluan	what the needs and wants and goals for the
	dan kehendak dan matlamat untuk	organization
	organisasi"	

Table 4.2 shows the informants will give the best decision to be a good leader to achieve the goals in the organization. The participants also have make the another plan to be success because the management will be change during pandemic covid-19. Based on the opinion from the participants said are leadership is important in the organization and also give more impact to the achievement of organization goals. For example the informant four (4) is clearly mentions that we have to know needs, wants and goals of the organization.

Table 4.3: Sub-theme 6 (Monitor the staff)

Informant	Interviewer's quote	
imioi mant		
TD 4	Transcript	Translation
IF 1	"melalui group whatsapp dimana	through whatsapp group where each class
	setiap guru kelas akan mencipta	teacher will create their own class group
	group kelas masing-masing dimana	where the teachers who teach in that group
	guru-guru yang mengajar berada	I am also in that group so I know I can
	dalam group itu saya pun berada	monitor what works the teacher gives to
	dalam group itu jadi saya tahu saya	students
	dapat pantau apa kerja yang cikgu	
	bagi kepada murid"	
IF 2	"pastikan setiap guru istiharkan	make sure the teachers declare from where
	dari mana contohnya seperti urusan	there are for example such as business in the
	di bank, makan gulai kahwin perlu	bank, attend the wedding need to tell first
	beritahu jangan sembunyikan	do not hide the causes in other words we
	punca dengan kata lain kita yakin	are sure that our teacher is safe
	bahawa cikgu kita selamat"	
IF 3	"semua guru akan berada dirumah	all the teachers will be at home even though
	walaupun ada diantara mereka	some of them are stranded abroad so I asked
	yang terkandas diluar negeri jadi	the teacher to inform me and finally safely
	saya menanyakan kepada guru	arrived at home
	tersebut untuk memaklumkan	
	kepada saya dan akhirnya Berjaya	
	pulang"	
IF 4	"masa pandemic ini kita tengok	This pandemic we look at his work because
	kerja dia sebab sekarang ni cikgu	now my teacher is online with students
	saya online dengan pelajar-pelajar	usually sent to me the examples they made
	biasanya akan dihantar ke saya	and show me what they do in the online
	contoh-contoh yang dibuat mereka	teaching and manual teaching
	tunjuk dekat saya apa online	

pengajaran dan juga manual pun
mereka ada buat"

Table 4.3 shows the participants have to monitor the employees and students through using medium online for example (whatsApp and telegram) during pandemic covid-19 because the employees will work from home. This can be related to the importance of the researcher's objective. Besides, the participants satisfied with the teachers because they will put effort to help the student using online teaching and for the student not afford to get using online media the teachers will give manual teaching to be fair for everyone. Using medium online is an important support connection between the school principals with the teachers, students and other staff.

Table 4.4: Sub-theme 13 (Ways of convinces)

Informant	Interviewer's quote	
informant		
	Transcript	Translation
IF 1	"memberi kata-kata motivasi sudah	Giving words of motivation for sure the
	tentu guru-guru atau kakitangan	teachers or staff will feel confident to make
	dibawah kita akan berasa yakin	it so those words of encouragement from
	untuk membuatnya jadi kata-kata	leaders are very important by giving 100%
	rangsangan daripada pemimpin	trust
	sangat penting dengan memberi	
	kepercayaan 100%"	
IF 2	"Kita nyatakan hasrat kita apa yang	we express our desire for what we want to
	nak dicapai macam visi misi dalam	achieve like a mission vision in the near
	jangka masa terdekat dan jangka	future and long term so we want to be more
	yang panjang jadi nak yakin	confident to be success that has been
	sebagai contoh kejayaan yang telah	achieved by other schools
	dicapai oleh sekolah lain"	•
IF 3	"kita suruh dia terima dulu	We ask him to accept first and then we
	kemudian kita bincang bagaimana	discuss how to implement in that way he
	nak laksanakan dengan cara itu dia	can accept and need other support because
	boleh terima dan perlu kepada	sometimes we give some work that is not
	sokongan yang lain sebab kadang-	clearly to settle but he does not know
	kadang kita bagi kerja tidak jelas	anything so we have to ask for progress
	suruh buat tapi dia tak tahu apa pun	
	jadi kita kena tanya progress"	
IF 4	"saya serahkan pada guru-guru dan	I give it to the teachers and I am sure they
	saya yakin mereka boleh buat	can do it at first time not so confident but
	mula-mulanya tak berapa yakin	insyaallah we do it together, the other
	tapi insyaallah kita buat bersama-	teachers are serious about showed the
	sama, cikgu yang lain bersungguh-	progress to me
	sungguh tunjuk progress kepada	
	saya"	
	saya''	

Table 4.4 shows the importance for a good leader in convincing their employees to do a new task or an assessment. All the participants agree that the importance of servant leadership among school principals when giving words of motivation will encourage the teachers more confidence to finish the work. Based on informant one (1) it was said that giving motivation and 100% trust will make the teachers or staff more confident to do that work. The leaders must be opened minded to the employees for better progression and development in the organization.

Research Question 2: What is the characteristic of servant leadership for a good leader during Covid-19 pandemic?

Research objective 2: To determine the characteristics of servant leadership for a good leader during Covid-19 pandemic

To answer the Research Questions 2 (RQ2), some of the sub-themes had been identified in order to justify the Research Objectives 2 (RO2). There are good characteristics, lead the organization, ways of communication, good values and benefit of listening. Justification can be seen as below:

Table 4.5: Sub-theme 2 (Good characteristics)

Informant	Interv	view's quote
	Transcript	Translation
IF 1	"mempunyai integriti yang tinggi	have high integrity where the leader as the
	dimana pemimpin itu sendiri	head of the department must set a good
	sebagai ketua jabatan mestilah	example such as must be trustworthy, must
	menunjukkan contoh teladan yang	be punctual, must show good attitude
	baik mestilah amanah, mestilah	
	menepati masa,mestilah	
	menujukkan sikap yang baik"	
IF 2	"kita perlu ada hala tuju lah hala	we need to have a clear way direction a
	tuju yang jelas kepada guru anak	clear ways direction to our teachers and
	buah kita"	subordinates
IF 3	"mestilah prihatin kepada sekolah	must be concerned with the school do not
	janganlah bersikap dua hala kita	be biased we do not like to just direct it
	jangan suka mengarah saja	means we have to reciprocate so as not to
	maksudnya kita kena timbal balik	be a pressure on our subordinates
	supaya tidak menjadi tekanan	
	kepada orang bawahan kita"	
IF 4	"lebih suka membimbing dan	prefer to guide and cooperate with teachers
	berkerjasama dengan guru-guru	it means we make us guide and we
	maknanya kita buat kita bimbing	cooperate not we let go anything we do,
	dan kita kerjasama bukan kita lepas	we tell the teacher to do, we direct them to
	terus apa-apa yang kita buat, kita	do then we monitor if anyone is
	suruh cikgu buat, kita arah mereka	dissatisfied we will guide instead of
	buat kemudian kita pantau kalau ada	pressing
	yang tidak berpuas hati kita akan	
	bimbing bukan menekan"	

Table 4.5 shows the participants must have good characteristics as a leader, administrator or any kind of person that is able to show high integrity in the organization. In servant leadership also mention about the behavior to be successful leaders. The characteristics also need to enhance during a pandemic because they will work hard to manage the organization. The researcher highlighted to the informant 4 that we have to guide and cooperate with the teachers, subordinates not to let it pass without briefing. Other than that, the leaders do not press the staff to finish the work.

Table 4.6: Sub-theme 4 (lead the organization)

Informant	Intervi	iew's quote
	Transcript	Translation
IF 1	"kita terikat juga dengan garis panduan yang dikeluarkan oleh Kementerian Pendidikan. Jadi buat masa sekarang perkara yang paling penting ialah pemimpin atau saya sendiri mematuhi segala garis panduan yang telah ditetapkan"	We are also tied by the guidelines issued by the Ministry of Education. So for now the most important thing is for the leader or myself to abide by all the guidelines that have been set
IF 2	" apa jua saya tidak akan kongsi kepada mana-mana guru selagi tidak dapat hitam putih daripada PPD maklumat ini walaupun disampaikan dalam bentuk text dan sebagainya saya akan kongsi kepada group sekolah, jadi prosedurnya mestilah menepati dengan apa yang telah digariskan"	I will not share anything with any teacher as long as I cannot get black and white letter from PPD this information even if presented in text and so on I will share with the school group, so the procedure must comply with what has been outlined
IF 3	"wajib hadir kesekolah dan masa itu kakitangan sokongan kita bertugas seperti biasa saya terpaksa mengumpulkan semua guru mengikut SOP yang ditetapkan dan memberi taklimat guru dibenarkan berada dirumah dan tunggu info yang terkini dan saya sebagai pentadbir terpaksa hadir kesekolah untuk menguruskan kakitangan dan pekerja sebab kita tidak bercuti"	We must attend school and at that time our support staff is on duty as usual I had to gather all teachers according to the SOP set and briefed teachers are allowed to be at home and wait for the latest info and I as an administrator had to attend school to manage staff and employees because we are not on holiday
IF 4	"saya berurusan dengan guru dan pekerja melalui media yang paling banyak saya guna ialah whatsapp group dengan whatsapp individu dan juga media-media yang lain tapi banyaknya wahatsapp lah yang penting maklumat itu sampai"	deal with teachers and employees through the media that I use the most apps is whatsapp group and personal and also other media but a lot of whatsapp is important information to arrives

Table 4.6 shows how the participants lead the organization during Covid-19 pandemic. All informants have the same condition in handling their teachers, subordinates because they work from home and the leader must get the response as soon as possible. As we know, the administrator among school principals must go as usual at school to settle the work. The informant also ties by the guidelines from the PPD and Ministry of education before announcing the right information to others. Moreover, during a pandemic they will have to follow SOPs to do something related with the teachers or students.

Table 4.7: Sub-theme 7 (Ways of communication)

Tuote 1.7. Suo meme 7 (11 a) soi communication)		
Informant	Interviewer's quote	
	Transcript	Translation
IF 1	"lebih memahami melalui lisan dan	It better understand through words and
	1	when we face each other we can
	bersemuka kita dapat memahami apa	understand what is going on happened in

		1 W.:'4' ! 1 1 1
	sebenarnya yang berlaku Penulisan tidak sama dengan lisan	real Writing is not the same as oral what he writes if we read in different tones it
	apa dia tulis kalau kita baca dengan	carries different meanings
	1	carries different meanings
	nada yang berlainan dia membawa	
	maksud yang berlainan"	
IF 2	"Semasa pandemic covid-19 kita	During the pandemic covid-19 we discuss
	berbincang secara bersemuka	face to face with any teacher with the
	dengan penjarakkan dengan mana-	distance Other things who need
	mana guru yang berkaitan lain-	immediate action then discussed online
	lain yang perlukan tindakan segera	such as telegram and whatsapp only so the
	maka dibincang didalam talian	information will arrive immediately
	contohnya telegram dan whatsapp	So both of these methods are suitable for
	itu saja jadi maklumat itu akan	all
	sampai lah dengan segera Jadi	
	kedua-dua kaedah ini sesuai untuk	
	semua"	
IF 3		Dyning DVD yeards use whatsom but we
11. 2		During PKP we do use whatsapp but we
	menggunakan secara whatsapp tapi	also encourage teachers to attend school
	kita galakkan juga guru untuk hadir	according to the set time and usually the
	ke sekolah mengikut waktu yang	teacher always want to attend school
	ditetapkan dan kalau nak ikutkan	
	guru memang nak hadir ke sekolah"	
IF 4	"tengok situasi kalau benda itu sulit	look at the situation if the thing is difficult
	saya akan bertulis dulu baru hantar	I will write first then send if not I can call
	kalau tidak sayakan panggil secara	that person but the usually more
	peribadi tapi banyaknya lisan lah	comfortable if I meet them I will ask
	lagi senang kalau jumpa saya tanya	directly or call in my room ask what is the
	direct atau panggil dalam bilik saya	problem related
	tanya apa masalah yang berkaitan"	1
<u> </u>	tanya apa masaran yang sentanan	

Table 4.7 shows ways of communication are important characteristics in servant leadership. The researcher was asked by the participants which is prefers to communicate to the employees and almost all informants agree that verbal communication is the best way to deliver the information. The researcher also considers the element of communication will help the employees to be more successful in the organization. The informant two (2) mentioned that during pandemic, the leader will have to communicate and discussion with the staff within distancing.

Table 4.8: Sub-theme 11 (Good values)

Informant	Interviewer's quote	
	Transcript	Translation
IF 1	dimana pemimpin haruslah menepati	have high integrity such as the leader must be on time, the leader shows the
		leader can complete the work given by the department within the allotted time

	diberikan oleh jabatan dalam masa	
	yang ditetapkan"	
IF 2	"perlu berterus terang kemudian	We need to be honest then we hmmm.
	kitahmmm. Ambil tahu tentang	Take noted about subordinates and then
	anak buah kita kemudian banyak	always say thank you for everything that
	mengucapkan terima kasih segala	they did
	yang dilakukan"	
IF 3	"kena baik hati dengan pekerja dan	Be kind to our employees and know how
	kita tahu cara kerja mereka tapi	they work but sometimes we can treat
	kadang-kadang kita boleh ajak pergi	them to eat, we can help others
	makan, kita boleh bantu orang lain"	
IF 4	"suka menerima pandangan daripada	I like to accept opinions from teachers
	guru-guru dan orang bawahan	and subordinates regarding my work
	berkenaan dengan kerja saya sebab	because they say I am the best teacher for
	mereka kata saya adalah guru yang	this school and also my assistant said
	terbaik untuk sekolah ini dan GK saya	when I let this school it totally changed
	cakap bila saya mari sekolah ini terus	into 360 degrees
	berubah 360 darjah"	

Table 4.8 shows the response from the participants about good values in leadership. Based on the study the researcher also considers that element is a main point in servant leadership. Based on the question all participants clearly give the strong statement that personality values absolutely influenced the employees and organization. This study shows that good values of personality are important characteristics among school principals in servant leadership. The researcher highlighted based on informant one (1) which is the good leader must have high integrity to conduct the employees and organization.

Table 4.9: Sub-theme 12 (Benefit of listening)

Table 4.9: Sub-theme 12 (Benefit of listening)		
Informant	Interview	wer's quote
	Transcript	Translation
IF 1	"mesti ada kemahiran mendengar sebab orang-orang dibawah pimpinan kita dia ada macam-macam mungkin ada yang masalah mungkin yang tidak ada masalah, ada masalah yang besar ada masalah yang kecil jadi bagi kakitangan kita yang bermasalah tempat yang mereka nak rujuk adalah pemimpin"	there must have listening skills because the people under our leadership he has all sorts of things maybe there are problems maybe there are no problems, there are big problems there are small problems so for our staff who have problems the place they want to refer to is the leader
IF 2	"mereka akan datang mengadu masalah yang mereka hadapi jadi kita sebagai good listener dan sebaik mungkin pandai menyimpan rahsia ataupun masalah-masalah tadi supaya tidak dikongsi dengan orang lain"	They will coming to complain about their problems that have to face so we as good listener and as best as possible are good at keeping secrets or problems so as not to be shared with others
IF 3	"saya lebih suka kalau kita bermesyuarat kita tidak fokus hanya sehala tapi dua hala dalam mesyuarat saya bagi peluang kepada guru apa masalah berkaitan"	I prefer to in the meeting we cannot focused on one way but two-way in the meeting for the opportunity to teachers tell what problems are related

IF 4	"kita kena dengar dulu masaada baik	We have to hear first the good and bad
	buruk kita kena dengar baru boleh	conditions we have to hear before we can
	buat penilaian sebab kalau tak dengar	make an judgment because if we do not
	kita tak tahu"	hear we do not know

Table 4.7 shows the informants agree that listening is a good skill in leadership. In addition, one characteristic of servant leadership also mentions that listening is an important element needed by the leaders. In other words, the leader must be able to be a good listener to the employees when they want to share problems or tell the truth. Furthermore, three informants mentioned the same answer that listening is an important skill needed by the administrators. The leaders have to face a variety of problems in the organization because the employees will find the leaders to be a good listener.

Research Question 3: What are the challenges of servant leadership as a leader towards the organization during Covid-19 pandemic?

Research objective 3: To determine the challenges of servant leadership as a leader towards the organization during Covid-19 pandemic

To answer the Research Questions 3 (RQ3), some of the sub-themes had been identified in order to justify the Research Objectives 3 (RO3). They are divided into differences of opinion, challenges of leaders, barrier of leaders and decisions of leaders. Justification can be seen as below:

Table 4.10: Sub-theme 5 (Differences of opinion)

Informant	Interviewer's quote					
	Transcript	Translation				
IF 1	"kita mestilah mendengar setiap pendapat itu dan sama ada kita nak menerima atau tidak pendapat tersebut saya biasanya akan membuat keputusan didalam mesyuarat"	we must listen to each opinion and whether we want to accept it or not I will usually make a decision in the meeting				
IF 2	"sekiranya pentadbir faham akan punca kuasa dan guru-guru itu faham dan maklum mengenai punca kuasa itumaka tidak wujud jika ada sebarang perbezaan pendapat berkenaan dengan ideal yang boleh memajukan sekolah maka itu kita binncangkan bersama"	If the administrator understands the source of power and the teachers understand and be concern of the source of power and then there does not exist if there is got any differences of opinion regarding the ideal that can develop the school then we discuss it together				
IF 3	"cuma apabila ada bertentangan kita kena rujuk kepada kebenaran yang sebenar kita tidak boleh(ada orang kol) sebab dalam keadaan sekarang ini kita banyak ketinggalan dari segi pembelajaran disebabkan oleh pelbagai dugaan"	When only there in a conflict we have to refer to the real truth we cannot (someone is calling) because in the current situation we miss a lot of term learning due to various allegations				
IF 4	"saya lebih suka kalau dalam mesyuarat cikgu bagi pandangan mana yang terbaik kita akan ambil	I prefer if the teacher discuss in meeting to give the opinions we will take the best opinions because I do not like to press it				

sebab saya tidak s	uka menekan"	

Table 4.10 shows differences of opinion from the school principal are quite difficult to manage because the leaders must be responsible for all of the employees. Almost all participants prefer to listen first on what the employees want to share about the information and discuss together. The informant one (1) was mentioned that as a leader must have to be professional to listen about that opinions, at the end the discussion will be present in the meeting and the leader need to decide the best decision to improve better in the future.

Table 4.11: Sub-theme 8 (Challenges of leader)

Informant	Interviewer's quote					
inioi munt	Transcript	Translation				
IF 1	"Kita tidak dapat memantau 100% apa yang guru-guru buat kita hanya menilai kerja guru melalui laporan-laporan guru"	We cannot monitor 100% of what teachers do we only evaluate teacher work through their reports				
IF 2	"saya tidak boleh bernyawa berada disekolah setiap hari sepanjang covid sebab kalau setakat cikgu kita boleh control tapi ibubapa tidak boleh kawal"	I cannot breath easily in the school every day throughout of Covid because if as far as we can control the teachers but we cannot control				
IF 3	"kita nak menghadapi PDPC dari rumah dan tak tercapai info kepada muridhampir separuh juga yang boleh terima dan tidak boleh terima jadi kita harapnya agar ibubapa mainkan peranan mereka dirumah"	we have to face PDPC from home and do not have access the information to studentsalmost half are also acceptable and not acceptable so we hope that parents play their role at home				
IF 4	"line yang agak teruk dalam kawasan Machang yang paling susah nak dapat internet tapi bila ada benda yang perlu buat on the spot cikgu kita akan rela keluar dari sekolah nak buat benda tu sebab kalau line slow nak buat tak boleh"	The line is quite bad in the Machang area which is the most difficult to get internet but when there is something that needs to be done on the spot our teacher will be willing to leave school to do that thing because if the line is slow they cannot do it				

Table 4.11 shows challenges of leadership are difficult for servant leader towards in the organization during Covid-19 pandemic. The challenges of the leaders during a pandemic are more challenging to handle because they have specific procedures to follow. The leaders should monitor the employees' are work from home but just can evaluate the performances through the reports. Other than that, the leaders also take the responsibilities for the student that is learning online from home. The researcher highlighted that three (3) informants were disappointed during the pandemic because they cannot get clear information from the teachers, students and other subordinates in the organization.

Table 4.12: Sub-theme 9 (Difficulty of leaders)

Informant	Interviewer's quote						
	Transcript Translation						
IF 1	"maklumat kita perlukan segera jadi	i we need the information immediately so					
	dalam keadaan guru-guru bekerja dari	in a situation where teachers work from					
	rumah ia agak memakan masa untuk home it is takes time to ga						

	kumpul maklumat itu contohnya	information for example a report on	
	laporan tentang PDPR ataupun perlu	PDPR or need to send a report	
	hantar laporan"		
IF2	"sebab kalau diikutkan proses untuk	because if you follow the process to	
	membuat keputusan itu sebenarnya	make the decision actually the most	
	yang paling sukar yang melibatkan	difficult that involves something that	
	sesuatu perkara yang penting yang	more important	
	utama"		
IF 3	"kadang-kadang dalam karenah cikgu	Sometimes because of the teachers, there	
	ni bermacam ada yang boleh	are many behaviors that who can be	
	kerjasama, ada yang payah sikit tapi	cooperate, some who work a little hard	
	kita atasinya"	but we can overcome	
IF 4	"paling sukar sekali penatlah sebab	the most difficult is being tired because	
	dalam sebuah organisasi kita terpaksa	in an organization we have to control and	
	kawal dan kena ambil tahu semua	have to know everything about the	
	keseluruhan mengenai sekolah dari A	school from A to Z, from small to large	
	to Z, dari kecil sampai besar benda"	things	

Table 4.12 shows the informants have the difficulty of the leaders that influence to manage the employees in the organization. This study shows that two (2) informants have limited information and make decisions to get immediate information or need to send the reports. The informant four (4) was mentioned as a leader needs to know everything about the school from the small to large things in the organization. Based on servant leadership can be considered an important element that is challenging during a pandemic. Besides, the leaders also should be fair and cannot bias the employees.

Table 4.13: Sub-theme 10 (Decisions of leaders)

	Table 4.13: Sub-theme 10 (Decisions of leaders)					
Informant	Interviewer's quote					
	Transcript	Translation				
IF 1	"terpaksa mengambil risiko untuk	had to take the risk to call all the teachers				
	memanggil semua guruini	this is wrong but I took the risk because				
	memang salah tetapi saya	since the important thing to be conveyed to				
	mengambil risiko kerana	all face to face then I had to call all the				
	memandangkan benda yang	teachers to have a briefing				
	penting nak disampaikan kepada					
	semua secara bersemuka maka saya					
	terpaksa panggil semua guru untuk					
	saya adakan taklimat"					
IF 2	"apa jua masalah yang timbul	Whatever problems about this pandemic in				
	tentang pandemic ini disekolah	the school also happened in other schools so				
	juga wujud disekolah lain jadi tidak	there is nothing very difficult because we				
	ada perkara yang amat sukar	get helps from other friends				
	sangatlah kerana memdapat					
	bantuan daripada rakan-rakan yang					
	lain"					
IF 3	"setakat ini rasanya tak banyak	So far, it seems that there are not many				
	sebabnya kadang-kadang	reasons, sometimes among the teachers				
	dikalangan guru yang tak suka nak	who do not like to respond in the group,				
	respon dalam group ada yang	there are those who remain silent,				
	senyap terus, kadang ada yang	sometimes those who are miss the info				

	ketinggalan sedangkan dah diberitahu beberapa hari jadi benda	while they have been told for a few days so this kind of thing should always be seen,
	begini kena tengok selalu walaupun rasa remeh-temeh tapi boleh kita	even if it can be shared
	kongsi bersama"	
IF 4	"apabila saya bersama dengan	When I am with the teacher okay there is no
	cikgu okay tidak ada masalah cuma	problem only with other administrators GK
	dengan pentadbir yang lain GK	that I have some problems started indeed
	saya ada seorang dua yang dia ada	from long ago I asked other people that he
	sorang itu dia memang daripada	really cannot together with others
	dulu lagi saya tanya dengan orang	
	lain dia memang tak boleh masuk"	

Table 4.13 shows how the informants are really hard to make decisions during Covid-19 pandemic. The decisions of leaders will give more impact to servant leadership for a leader towards in the organization. The school principals need to carefully think and make the best decision for the organization during a pandemic because there are procedures and SOPs. The informant one (1) is taking the risk to have the meeting even if things are totally wrong during a pandemic but the responsibility of the leader needs to brief the teachers and other staff clearly. All the leaders agree that making a decision is a very difficult matter to the organization especially during Covid-19 pandemic.

#### 4 Conclusion and Limitations

Nowadays, an effective leader must understand the motivations, strengths and weaknesses to create a more engaged and productive workforce to the positive environment. During Covid-19 Pandemic communication is very important to give a work or some information clearly. The leaders should be relentless in communicating to the employees with true information. Furthermore, the leaders will struggle with the new normal of a pandemic because all the things to do should be followed with the procedures and SOPs. According to the result, it shows that the findings are parallel with the interviews where it is able to answer all the research questions and research objectives of the study. The study focused mainly on the servant leadership among school principals as a leader during Covid-19 Pandemic. This is because while doing the research there is in current crisis of Covid-19 Pandemic. The findings of this study have to be seen in light of some limitations. This is because the time given to finish this study is limited to one semester of fourth year. Whereby, this study used a qualitative method in order to collect the data of study. From the analysis of the research findings, the manner in which this study have collected the data or the way in which researchers have collected analysis has limited researcher's ability to conduct thorough to the result.

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# FACTORS THAT AFFECTS CUSTOMER SATISFACTION IN A FAST FOOD RESTAURANT AT AYER KEROH, MELAKA

#### Puvaneswari Tamil Maran and Mardhiah Binti Kamaruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: puvaneswaritamilmaran@gmail.com; mardhiah.k@umk.edu.my

#### Abstract:

This paper aimed to study the effect between food quality, service quality, price fairness, and physical environment on customer satisfaction in fast food restaurant at Ayer Keroh, Melaka. This study reviewed the literature of past researchers on factors that influence customer satisfaction in a fast food restaurant from different areas. Four main factors that was used in this study to analyse customer satisfaction were food quality, service quality, price fairness, and physical environment. The data were collected from 384 respondents from the Ayer Keroh residents through google form via online. These collected data were analysed using SPSS and the result gathered through Pearson correlation coefficient and multiple regression analysis. The findings indicated that food quality, service quality, price fairness, and physical environment had positive significant effect on customer satisfaction in fast food restaurant at Ayer Keroh, Melaka. The result shows that price fairness influences customer satisfaction the most compared to food quality, service quality, and physical environment. These findings provide beneficial suggestion for well-established fast food restaurant in Ayer Keroh to focus on price fairness as it gives important impact on customer satisfaction. Besides that, upcoming fast food restaurant who wants to open new branches at Kota Bharu can focus on these factors as well.

**Keywords:** Fast food restaurant, customer satisfaction, food quality, service quality, price fairness, physical environment

#### 1 Introduction

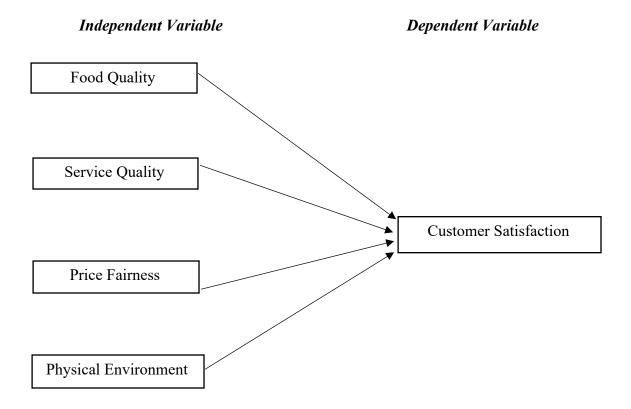
Fast-food industry is being adapted by Malaysian as a food requirements and is a growing phenomenon in Malaysia (Habib, Abu Dardak, & Zakaria, 2011) It is necessary to understand needs and wants as well as understand their preferences, which will lead to customer satisfaction and revisit intention towards fast food restaurants (Chow, Ong, Tham, & Wong, 2013). Customer satisfaction traditionally regarded as a fundamental determinant of long-term customer behaviour (Ranaweera & Prabhu, 2003). When the customer is satisfied, their revisit intention will be high. Customer satisfaction is also viewed as customer's fulfilment response (Taylor & Baker, 1994).

In fact, sustaining customer satisfaction remains as biggest issue for majority of fast food restaurant in Malaysia. Therefore, the challenge now is to identify the determinants of customer satisfaction that actually affect customer satisfaction in fast food restaurant because it is important for fast food restaurant to implement service standards and customer requirements to meet customer satisfaction so that they can retain customers.

For example, four main factors that could influence customer satisfaction are price fairness, food quality,

service quality, and physical environment (Hanaysha, 2016). Namkung and Jang (2007) have stated in his study that food quality is one of the factors that influence customer satisfaction. According to Naspetti and Zanoli (2009), Consumers evaluate the quality of food through four universal dimensions in quality perception, which is taste, appearance, health, process and convenience. Ryu, Lee, and Gon Kim (2012) stress in their studies that quality of physical environment will affect customer satisfaction. The factors of physical environment features such as colour, store layout, lighting, music and ambient factors (Aubertgamet, 1997). Quality of service is also seen as an attribute dependent on the consumer's view of the customer's perceived service during the service delivery process (Zeithaml et al., 1990). Service quality specifically means meeting with consumer standards (Angelova and Zekiri, 2011). Price fairness has a positive impact on customer satisfaction, which affect brand association (Beristain & Zorrilla, 2011). Bolton, Warlop, and Alba (2003) state that price comparison used base on past prices, competitor prices, and vendor costs. Hence, for these reason this study measures the relationship of four components such as food quality, service quality, price fairness, and physical environment on customer satisfaction in fast food restaurant.

# 2 Literature Review Conceptual Framework



#### 2.1 Food Quality

Food quality is a primary marketing tool that employed to satisfy and retain customer. This was supported by the study done by Al-tit (2016) as he emphasized food quality is important to measure customer satisfaction in the restaurant industry. The review of past literature indicates common characteristics of food quality emphasize several elements such as, the presentation of food, taste, freshness and temperature (Shaharudin, Mansor, and Elias, 2011). As mentioned by Chamhuri and Peter (2015), consumers possibly able to evaluate the attributes such as appearance, color, shape, size and structure, but, on the other hand, they can only judge the experience attributes such as taste, tenderness, crunchiness and juiciness after the product being consumed.

The past researcher stated that food quality is one of the factor that can affect the customer satisfaction Hanaysha (2016). This is supported by Rozekhi, Hussin, Siddiqie, Rashid, and Salmi (2016), they mentioned that food quality is the important factor that give customers to satisfy their needs and expectations towards the restaurant they choose.

### 2.2 Service Quality

In a restaurant, clients not only enjoy the taste of food, but also observe service meetings during their meal. Pugh (2001) believed that consumers' positive feelings have beneficial effects on their expectations of the quality of service. For example, waiters should also be able to pay promptly and conveniently. If there are issues due to inaccurate billing, long waiting period to pay and server indifference, even if the meal itself was deemed perfect by patrons, the whole dining experience could be destroyed (Pugh, 2001). Researchers have meanwhile noted that the proper honouring of customer reservations is a prerequisite for employers to perceive good quality of service (Lee and Hing, 1995). Cronin & Taylor (1992) subsequently suggested that quality of service is one of the precedents of customer satisfaction, but quality of service had a less impact on procurement intentions than satisfaction of customers. The process of benchmarking starts by setting up service specifications by defining service characteristics consisting of service standards.

#### 2.3 Price Fairness

Price is an important factor that affects the level of customer satisfaction. According to Anderson and Sullivan (1993), the judgments of price fairness involve a comparison of a price with a related standard which is the difference between a selling price and the comparative price is really justifiable, can be acceptable, or reasonable. Price fairness become concern of many companies and they try treat consumers in fair condition to avoid customer perceptions of unfair prices will lead to decreased profitability (Blinder, 1991). The relationship between price fairness and customer satisfaction was reported by certain research Srikanjanarak et. al. (2009) and Nazari et al. (2014) who found that price fairness had positive relationship with customer satisfaction. Customers will evaluate a price through comparing it with: a price paid by them in another buying occasion, the costs estimated by them for the product or with a price set by another store (Cătoiu et al., 2010). The selling price also has essential influence in the assessment of whether the price or price increase is acceptable or fair (Bolton et. Al. 2003).

#### 2.4 Physical Environment

Physical environment seen as an important factor including the ambient conditions and layout of the restaurant are measurement for atmospherics to make their customers satisfied with the environment on fast food restaurant. Ambient conditions can be discuss through the nature of surroundings such as temperature, lighting, music and smell (Jalil, Fikry, & Zainuddin, 2016). Similar as Clemes, Mohi, Li, and Hu (2018) said that physical environment is a crucial part to make a perfect surrounding physical environment such as ambient conditions, interior and other important tangibles contribute to customer satisfaction or dissatisfaction Clemes et al., (2018). The impact of physical environment is significant for both consumer's behaviour and their feelings of ambient factors itself (Aubert-gamet, 1997). Additionally, private dining setting is important to make a perfect surrounding physical environment such as ambient factor Jalilvand et al., (2017) followed by Garcia et al., (2014) the important of physical environment influences experience with dining associated with pleasure sensations that can be something new to customers and make a customers will be remembered about the restaurant.

#### 2.5 Customer Satisfaction

Customer satisfaction is a measure of how the organisation's total product performs in the relation to the set of customer requirement (Hill & Brierley, 2017). They also added that understanding the concept of customer satisfaction is easy if we stand in customers' place. In the context of services industry, the customer satisfaction is the outcome of the customer's perception of the value received in a transaction or relationships (Valarie A. Zeithaml, 1990). Based on Krüger (2016), a customer's level of satisfaction with a service or product is determined by the difference between the customer's expectation and customer's perception of the actual performance. In a more simple way to understand the definition of customer satisfaction, it is a result of customer perceiving that the organization has or exceed their expectation regarding overall conduct and key performance criteria (Vavra, 2002). Few studies have come out with positive and negative impact of customer satisfaction, which is referred as the antecedent of customer satisfaction. Looking in the positive side of customer satisfaction, it could increase repurchase intention and positive word of mouth (WOM) (Oh, 1999). Based on Szymanski and Henard (2001) consequences of low customer satisfaction in a fast food restaurant are complaining behaviour and negative word of mouth. Blodgett, Wakefield, and Barnes (1995) in his study of complaining behaviour process, he stated that dissatisfied customer would choose either to complain to the seller or to spread negative word of mouth of their experience.

### 3 Methodology

This study designed to test the effects of food quality, service quality, price fairness, and physical environment on customer satisfaction toward fast food restaurant in Ayer Keroh, Melaka. In relation to that, quantitative research approach was utilized for collecting the relevant data. Specifically, a survey instrument was utilized for obtaining the responses from customers of fast food restaurants in Ayer Keroh, Melaka. A total of 384 questionnaires were distributed via google form to the respondents using convenience sampling technique. Krejcie and Morgan (1970) stated that the perfect sample size for any research is 384 respondents. As for this research, the researchers targeted customer around Kota Bharu with estimated population of 37, 716 people.

In constructing the questionnaire, measurement scales of variable were adapted and adopted from previous study to measure customer satisfaction taken from Hanaysha (2016). This were also further explain by Bland and Altman (1997) saying that acceptable values of alpha, ranging from 0.70 to 0.95. The items were also measured using a five-point Likert scale that ranges between 1 = "strongly disagree" and 5 = "strongly agree".

The statistical tools and techniques used in this study such as Pearson correlation analysis and multiple regression analysis are performed with the help of IBM SPPS latest versions. The data and results are presented in charts and tables. Pearson correlation are used to measure how strong relationship is between two variables. It has a value between -1.00 to +1.00, with zero means that the two variables are not related at all. +1.00 indicates the strongest positive correlation possible and -1.00 is the strongest negative correlation possible. Thus, the larger the correlation coefficient, the stronger the linkage or level of association. The null hypothesis states there is no relationship between independent variable and dependent variable and that the correlation coefficient is zero.

Multiple regression analysis is a method to predict the value of a variable based on the value of two or more variables. Multiple regression analysis is a powerful statistical test that researchers used in finding the relationship between dependent variable and a set of independent variables.

Multiple regressions allow explanation of variation in a continuous dependent variable, which is customer satisfaction on fast food restaurant in Ayer Keroh, Kelantan. Multiple regressions may help to segregate the effect of one variable on the continuous dependent variable while talking into consideration that other variable can be affecting each other.

Y= a + b1x1 + b2x2 + b3x3 + b4x4

Customer Satisfaction = 
$$\beta_0$$
 +  $\beta$  1 Food Quality +  $\beta$  2 Service Quality +  $\beta$  3 Price Fairness +  $\beta$  4 Physical Environment

The equation above shown that Y is referring to dependent variable, which is customer satisfaction. The value of unstandardized coefficients beta  $(\beta)$  has been applied in the equation above to show the value mention to the three independent variables whether the value are statistically significant and the direction of the relationship between independent variable and dependent variable.

#### 4 **Analysis and Discussion**

Examining the reliability of constructs is very important in order to proceed with data analysis. However, this study relied on Cronbach's alpha procedure, which done using SPSS 24 to calculate the reliability of constructs. The findings confirmed that all constructs achieved above the suggested value of Cronbach's alpha is 0.7.

Variable	No of Items	Cronbach's Alpha	
All Variables	26	0.969	
Food Quality (IV 1)	6	0.876	
Service Quality (IV 2)	6	0.909	
Price Fairness (IV 3)	4	0.886	
Physical Environment (IV 4)	5	0.877	
Customer Satisfaction (DV)	5	0.944	

Table 1 Pilot Test

Out of 384 set of questionnaires distributed via google form to the respondents and all the respondents answered the questionnaires. Below shows the descriptive analysis of the respondents.

Demographics	Total	Percentage
Gender		
Male	190	49.48
Female	194	50.52

Race		
Malay	90	23.44
Chinese	98	25.52
Indian	111	28.91
Others	85	22.14
Age (years)		
20-29	148	38.54
30-39	87	22.66
40-49	71	18.49
>50	78	20.31
Marital status		
Single	191	49.74
Married	193	50.26
Occupation		
Businessman	77	20.10
Private sector employee	74	19.32
Government sector employee	67	17.49
Student	110	28.72
Others	55	14.36
Frequent visit to fast food		
restaurant		
Once a week	96	25.00
Twice a week	94	24.48
Once in two week	94	24.48
Once a month	100	26.04

### Interpretation, Tabulation, and Conclusion

There is a significant effect of food quality, service quality, price fairness, and physical environment towards customer satisfaction (p<0.05). In every unit rise of food quality, customer satisfaction will be increase by 0.13 (b). Then, every unit growth of service quality, customer satisfaction will be increase by 0.04 (b). In every unit upturn of price fairness, customer satisfaction will increase by 0.61 (b) and also unit of physical environment surge, customer satisfaction will be increase by 0.10 (b).

Table 4.7 Interpretation, Tabulation, and Conclusion

Variable	Simple Linear Regression			Multiple Linear Regression		
	Beta	t-start (95% confidence interval)	p - value	Beta	t-start (95% confidence interval)	p - value
Food Quality	0.70	20.46 (0.60, 0.72)	<0.001	0.13	3.02 (0.05, 0.22)	0.003
Service Quality	0.54	17.45 (0.48, 0.61)	<0.001	0.04	0.92 (0.04, 0.12)	0.358
Price Fairness	0.78	34. 53 (0.74, 0.83)	<0.001	0.61	21.26 (0.55, 0.66)	<0.001

Physical	0.60	19.01 (0.54,	< 0.001	0.10	2.54 (0.02,	0.011
Environment		0.66)			0.17)	

<sup>\*</sup>Normality assumption was fulfilled / met

### **Hypothesis Testing**

Table 4.8 Hypothesis Testing

Hypothesis	Objective	Result
H1	There is a significant relationship between the food quality and customer satisfaction in a fast food restaurant.	Accepted
Н2	There is a significant relationship between service quality and customer satisfaction in a fast food restaurant.	Accepted
Н3	There is a significant relationship between the price fairness and customer satisfaction in a fast food restaurant.	Accepted
Н4	There is a significant relationship between the physical environment and customer satisfaction in a fast food restaurant.	Accepted

#### 5 Conclusion

This research was carried out to better understand the quality of food, quality of service, price fairness, and a physical atmosphere for clients towards a fast food restaurant. This research project has achieved its goals of identifying a consumer satisfaction relationship between the four variables.

The result showed that all the four separate variables including food quality, quality of service, price fairness, and the physical environment, which were measured in the Pearson correlation analysis, and the reliability analysis test, have a positive and important relationship with customer satisfaction. The results showed that Next, Linear Regression Analysis found that consumer satisfaction was also positive. In addition, this chapter also makes valuable enhancement to fast-food restaurants.

In conclusion, the findings of the research show that the key factor affecting customer satisfaction is price fairness, while the lowest factor is service quality. Furthermore, this study has posed some limits and suggestions for potential researchers. Many interested in investigating further into the factors influencing customer loyalty in a fast food restaurant may thus find out in this report.

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### FACTORS INFLUENCING UNEMPLOYMENT AMONG FRESH GRADUATES

Sing Yu Feng and Mardhiah Binti Kamaruddin

Faculty of Entrepreneurship and Business, University Malaysia Kelantan Malaysia

Email: singyu@gmail.com; mardhiah.k@umk.edu.my

#### Abstract:

One of the current problems being discussed by higher education researchers is the graduate unemployment rate. In order to obtain educational benefits, college and university students frequently experience unemployment after investing their precious time and resources. As these students have invested a lot of their money while getting the higher education, it makes them more vulnerable to unfavourable economic conditions. Package for the Social Sciences (SPSS) was used to test the relationship between these four factors with unemployment. This paper examines the reasons and factors why fresh graduates are facing unemployment in the competitive market in Johor, Malaysia. 384 data of fresh graduate was collected and analyzed by SPSS20. There are several factors that explain their unemployment status, and this paper identifies each component at an individual level. With specific analysis of the unemployment phenomena, this paper provides direction for further research. The study establishes that the fresh graduates need to change their demanding attitude and at the same time, they must adopt more employability skills in order to get a job placement.

Keywords: Unemployment, fresh graduates, factors, job, Johor.

### 1 INTRODUCTION

Unemployment is an unwelcome issue that may occur in many developing countries. As long as the person is involved in the labour market, he or she can one day be unemployed (Hossain et al., 2018). If an unemployment issue is not resolved, the contribution to the problem of the unemployed graduates, the government, society and even the country will definitely increase. Moreover, if the nation's unemployment continues to be severed, protests and rebellion will take place across the country, and the country's trade will be uncertain. Due to this dangerous issue, a major loss to the country would occur. (Hanapi and Nordin, 2013)

The country with high unemployment means that the country's human resource is not fully exploited. In theory, a country that does not make effective use its resources do not reach its optimum performance. Full employment need to be consider as a macro-economic priority if a country means to increase its output. The unemployment rate in Malaysia declined over the year, although the number of unemployed graduated in Malaysia. Unemployment among fresh graduated is not a new hot problem.

We study this issue because of the unemployment among fresh graduated in Johor is quiet serious. College or university students often facing unemployment after investing precious time and money to obtain educational benefit. It makes them more vulnerable to adverse economic conditions as these students have invested a lot their money on higher education. So, this paper

examines the cause and factor why fresh graduated facing unemployment in the competitive market in Johor.

This research has four objectives:

- 1. To identify the educational knowledge influence unemployment among fresh graduates in Johor
- 2. To determine the graduates' attributes influence unemployment among fresh graduates in Johor.
- 3. To investigate the employability skills influence unemployment among fresh graduates in Johor.
- 4. To examine the job mismatch influence unemployment among fresh graduates in Johor.

### Significant of Study

The purpose of this study was to identify the significant factors that influence unemployment among graduates in Malaysia. The area where the problem has more effect in view of the problems caused by the unemployment in Johor despite the government's deliberate attempts to create employment opportunities in the country. The interest in this issue is to determine through facts and figure the level of, and develop the problem of unemployment in the country with a view to making a sustainable strategy.

Besides from that, this research is to know what are the factors that cause unemployment and the ways to reduce the unemployment rate. Example for government to reduce the unemployment rate is providing better institutions to command market confidence for private sector development, so that individuals or firms can invest and there have more choice and opportunities for the fresh graduates. Researchers have confidence in the research as they can help in reduce the unemployment rate by showing the factors influencing unemployment for the fresh graduates. So the fresh graduates can improve themselves by enhance the skills and knowledge. For the academicians is to improve the educational system especially English because knowing English as well can increase the chances of getting a job in a multinational company within home country or seeking jobs abroad.

#### 2 Literature Review

#### **Educational Level**

Educational achievement is also used as an indicator of the capabilities available to the public and to the workforce. The economies of the advance countries depend upon a sufficient supply of high-skilled workers. Due to technical developments that have changed the demands of the global job market, workers with higher or more specialised expertise are in high demand. Employment rate have decreased for people of all levels of education and have decreased on average by around two percentage points between 2000 and 2013. Acquiring higher education has two main effects in our life. First is get a better kind of job or salary and the second is more bargaining power in the job market.

#### **Graduated Attributes**

The Graduate Tracer Study is maintained by the Ministry of Education. It maintains track of students in higher education institutions six months after graduation to assess if they are working or continuing to learn or still searching for a job. Remarks are taken from public and private colleges and other institutions. Graduate attribute are the quality, talents and understanding that the university community accepts that its students can acquire during their time with the institutions(Zou, 2008). These standardised graduate attributes describe the skills that will be developed by students. This refers to all disciplines of study. These characteristics are meant to prepare learners to be global citizens and successful representatives of society who can serve as agents of 'social good' (Barrie, 2004).

#### **Employability Skills**

The lack of excellence is one of the factors leading to a problem of unemployment among Malaysian graduates (Human ology, 2020). A large number of Malaysian employers have a negative view of graduates and have mention that graduates lack the necessary skills and qualifications needed by the industry. Besides, the graduates fail to demonstrate a good working performance and they are weak as regards employability capabilities.

#### Job Mismatch

Job mismatch is a popular theme of unemployment among graduates. Role mismatch can also be characterised as Qualification mismatch where it occurs where the standard of formal education a worker possesses deviates from that needed for a job, ability mismatch occurs when a worker has a higher or lower degree of skills than is required to perform a job (Kihong Park, 2020). According to research conducted by (Shujaat Farooq, 2020), the phenomenon of job mismatch can be categorised into three groups which is job mismatch compare to graduate's educational level, job mismatch compare in the graduate's qualification, and job mismatch compare to the graduate's field of study.

#### Unemployment

The main reason of unemployment is mismatches of skills between fresh graduated and employer's demand. Soft skills are crisis factor in the acquisition of entry-level learners, and there seems to be a shortage of students from Malaysian universities in these fields. Even at the early stages of recruiting, business and educational institutions do not necessarily match the prospect of entry-level graduates. The internship programme is to help the fresh graduates to gain more knowledge and employability skills before they start a new job. In order to satisfy social demands and internal conditions, the economy requires different sizes of labour force. Graduates who have different majors who try to get a career at the same time, their job searching will have different results based on industry demands. Acquiring a job depends not only on their academic performance, but also on their personal background.

### **Research Hypotheses**

In this study, there were four hypotheses:

H1: There is a little relationship between educational knowledge and unemployment among fresh graduates in Johor.

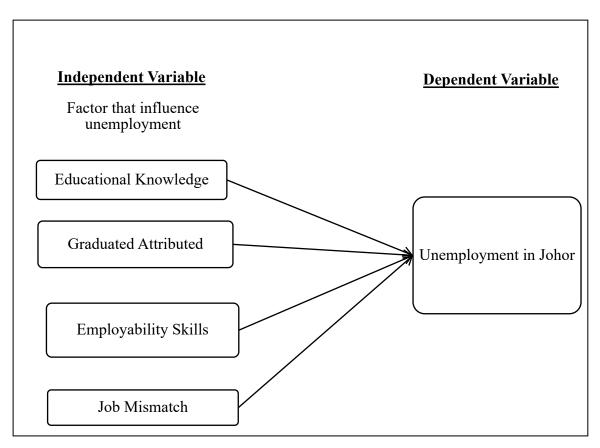
H2: There is a little relationship between graduated attributes and unemployment among fresh graduates in Johor.

H3: There is a little relationship between employability skills and unemployment among fresh graduates in Johor.

H4: There is a little relationship between job mismatch and unemployment among fresh graduates in Johor.

#### Research Framework

A research framework has been conducted to investigate the connection between the independent variable and dependent variable.



### 3 Methodology

### **Research Design**

This study used the quantitative method to examine the factors that influence use of social media in visit intention. This research was carried out using the method of descriptive research as a way of obtaining all the information. This study used survey research to obtain the related data.

#### **Data Collection**

In the first stage, a set of questionnaires were developed as to collect the data for this research. The questionnaires contain three sections which is section A, B, and C with total of 32 items will be collected through Google form. Before the survey was conduct, the interviewers were briefed in detail to ensure that they understand the objectives of the study and the questions. In addition, the interviewers were required to identify the target respondents to ensure that the survey does not violate research ethics and avoid bias from the questionnaire responded. Apart from that, identifying the right respondent is important before conducting the survey to avoid invalid information.

The second stage of data collection was a fieldwork. A set of questionnaires was distributed to the population to collect the data. All the online questionnaires was distribute through social media such as WhatsApp because WhatsApp is the fastest to deliver information and reached to people in every state in Malaysia. According to the research by Izyani binti Mistar and Mohamed Amin Embi (2016) stated that Whatsapp is more popular compared to other application since there were 97% Malaysians are using WhatsApp, only a small 3% of those surveyed said they

used it less than once a month. However, we also distributed to other social media like Facebook, Instagram and Twitter.

### Sampling

The sampling method used in this study was the non-probability sampling method which is purposive Sampling Procedure. This is because this research is purposive sampling procedure that we choose the sample based on population in Malaysia graduated that used social media. This objective also to investigate the factors that influencing unemployment among fresh graduates in Johor.

In achieving reliable and valid sample of this study, the researchers used the equation from Krejcie & Morgan (1970) to determine the sample size. The formula will be shown as below:

$$S = \frac{x^2 N p (1 - p)}{e^2 (N - 1) + X^2 p (1 - p)}$$

n = sample size

N = population size

e = the degree of accuracy expressed as proportion (0.05)

 $x^2$  = chi-square of degree of freedom 1 and confidence 95% (3.841)

p = proportion of population (if unknown, 0.5)

#### **Data Analysis**

There were three data types of data analysis used in this study, that were descriptive analysis, reliability analysis and Pearson correlation analysis. The data obtained was analysed by using Statistical Package for the Social Science (SPSS) version 25. Descriptive statistics analysis was performed to map the demographic profiles of the tourists. The technique of data analysis for this study was descriptive analysis and correlation analysis.

# 4 Findings Descriptive Analysis (Demographic Respondents)

Table 1: Demographic profile of respondents

	Frequency (N)	Percent (%)
Gender	·	
Female	156	59.4
Male	228	40.6
Age		
20-22 years old	142	37
23-25 years old	186	48.4
26-28 years old	49	12.8
29-31 years old	6	1.6
31 years old and above	1	0.3
Higher Qualification		
Diploma	124	23.3
Bachelor's Degree	221	57.6
Master	6	1.6
Doctorate/PhD	1	0.3
Other	32	8.3
<b>Employment Status</b>		
Working under government	71	18.5
Working under private sector	45	11.7
Self employed	49	12.8
	764	

Unemployed	196	51.0	
Other	23	6.0	
<b>Duration of Unemployment</b>			
Below 2 months	143	37.2	
2-4 months	54	14.1	
4-6 months	61	15.9	
6-8 months	37	9.6	
8 months – 1 year	31	8.1	
1 year and above	58	15.1	
Total	384	100	
Type of Institution			
Public University or College	198	51.6	
Private University or College	85	22.1	
Other	101	26.3	
Field of Study			
ICT	17	4.4	
Medical	48	12.5	
Business	183	47.7	
Hospitality	49	12.8	
Science	26	6.8	
Art	19	4.9	
Other	42	10.9	
Total	384	100	

Table 1 shows the demographic profile of respondents. There was a total of 104 respondents. In this study, male (59.38%) respondents were higher with respondents as compared to female (40.63%). Next, the highest number of respondents was from group 23-25 years (48.4%), 20-22 years (37%), 26-28 years (12.8%), 29-31 years (1.6%) and 31 years and above (0.3%). For the higher qualification, Bachelor's Degree was the highest (57.6%), followed by diploma (32.3%), master (1.6%), other (8.3%), and Doctorate/PhD (0.3%). Moreover, respondents who was unemployed status was (51.0%), working under government was (18.5%), self-employed was (12.8%), working under private sector was (11.7%) and other was (6.0%). Most of the duration unemployment is below 2 months (37.2%), followed by 4-6 months (15.9%), 1 year and above (15.1%), 2-4 months (14.1%), 6-8 months (9.6%), and 8 months – 1 year (8.1%). The respondents who came from public University or College is 51.6%, followed by other (26.3%) and private University and College (22.1%) Last, respondents who study business were the highest (47.7%), followed by hospitality (12.8%), medical (14.5%), other (10.9%), science (6.8%), art (4.9%) and ICT (4.4%).

Table 2: Result of Pearson Correlation Analysis

Variable	Mean (	Educational	Graduates	Employability	Job	Unemployment
	SD)	Knowledge	Attributes	Skills	Mismatch	
Educational	3.58(1.00)	1	0.568	0.546	0.630	0.103
Knowledge						
Graduates	3.80(1.02)	0.568	1	0.817	0.705	0.094
Attributes						
Employability	3.71(1.09)	0.546	0.817	1	0.734	0.079
Skills						
Job Mismatch	3.71(1.00)	0.630	0.705	0.734	1	0.117
Unemployment	3.25(0.58)	0.103	0.094	0.079	0.117	1

According to the Pearson Correlation analysis on Table 2. Pearson's correlation value (r value) which is 0.103 had shown that there is little correlation relationship between first independent variable (educational knowledge) and dependent variable (unemployment) among fresh graduated in Johor.

Next, table 2 shows that Pearson's correlation value (r value) which is 0.094 had shown that there is little correlation relationship between second independent variable (graduates attributes) and dependent variable (unemployment) among fresh graduated in Johor.

Moreover, table 2 shows that Pearson's correlation value (r value) which is 0.079 had shown that there is little correlation relationship between third independent variable (employability skills) and dependent variable (unemployment) among fresh graduated in Johor.

Furthermore, table 2 shows that Pearson's correlation value (r value) which is 0.117 had shown that there is little correlation relationship between fourth independent variable (job mismatch) and dependent variable (unemployment) among fresh graduated in Johor.

#### 5 Discussion & Recommendation

#### **Limitation of The Study**

This study focused on four independent variables which is educational knowledge, attributes graduates, employability skills, and job mismatch. These variables were adapted from different past researcher and had limited establishment on its theory.

The primary data of this study was collected by distributing questionnaires through google form. It also did not get satisfactory results in terms of respondent response through online platform such as WhatsApp, and Facebook. The researcher had to extend the time of collecting the questionnaire to get a response from respondents and post more often on social media like WhatsApp. By using this method, researcher cannot identify the true thinking from respondents while answering these questionnaires. This is due to different respondents in reading the questions on different ways and most of them are responded based own their understanding for each question. For example, the word 'neutral' to some respondents maybe 'disagree' and 'agree'. Some respondents probably just choose any of the answer without reading. Moreover, the result from this study was focused on the fresh graduated which not able to reflect the factors that influencing unemployment among fresh graduates in Johor.

#### 6 Recommendations

For controlling the foreign worker recommendation, it is recommended for future researcher should carry out the admission of foreign workers must be seen as one of the threats to local labour, particularly to the youth community. One the way to overcome the entry of foreign workers to the local labour market is to vigorously condemn the ASEAN nation memoranda on the mass recruiting of foreign workers to the local market. The job vacancies should be given to Malaysian university students, school leavers, unemployed and poverty community

For increase job opportunities recommendation, the researcher suggests focused on economic development plans and directions for the development of more job openings, especially in rural areas. (Shirotsuki, M., Otsuki, S., & Sonoda, 2010) stated that resource allocation was one of the main concerns of the residents; more precisely, they were concerned about financial allocation. The positioning of sectors in rural areas should therefore be focused on the capacity of existing capital which may help to revive economic growth in that region. Provide more employment prospects for those living in rural areas, as most of them do not work outside their living areas.

For training recommendation, it is highly recommended for the future researcher to empowered before they can be sold and considered to be one of the benefits that future employers need. New skills can be train and practised if the ability to learn is greater than that of filling the job. Nowadays, the urban labour market trend is very dynamic.

#### 7 Conclusion

Unemployment may cause a lot of issues in society in terms of economic, social and physical aspect of a country. In the research, factors that influencing unemployment among fresh graduates were tested. According to the results, all independent variables such as educational knowledge, graduates attributes, employability skills, and job mismatch caused influence to the dependent variable unemployment among fresh graduates in Johor. This research also suggests adoption of another research framework, enlarging the sampling frame and to apply the same quantitative method for data collection for future research.

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# FACTOR INFLUENCE CUSTOMER SATISFACTION TOWARD MOBILE CELLULAR NETWORK SERVICE: USER IN AREA MUAR

Siti Norhidayah binti Ruslan and Mardhiah Binti Kamaruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

**Email:** hidayah.a17a0682@siswa.umk.edu.my; mardhiah.k@umk.edu.my

#### Abstract:

In every year, issues about mobile telecom are raised. The issues that always trending are about service of quality and customer satisfaction. Have a lot of studies are have been done to find what the factor that influence that problem area. With many of targeting service quality issues is from services providers' perspective. Telecommunication party, are trying to solve this problem with many of solution such as, MCMC (Malaysian Communications and Multimedia) sue the TELCOM company with a lot of an amount, gives warning letter to TELCOM and to switch to fiber broadband to improve themselves to improve their service quality. All the solution still did not lead to achieve satisfaction of the customer. This research is to know what factors that influence customer satisfaction toward mobile cellular network service in Muar area. This research uses the quantitative method to get the information and data from the customer. The key informants are from primary data such as students from previous study and by questionnaire. A total of 306 respondents are answering a questionnaire in this research. The quantitative data were analyzed using the descriptive statistics function SPSS. In SPSS the method that used it is descriptive analysis, reliability analysis, Pearson correlations and multiple regressions also used. All of this analysis method are to changes the original data into a new form that eases to understanding include manipulate the process and to arrange the data to generate descriptive information. Besides that, to check if the data that collected can trust or not this research, to find relationship between dependent variables and independent variables, and to testing the value of variables. The conclusion of this research is, TELCOM need to improve their service quality by upgrading their technology and networking more widely so that the use of mobile phones in each district in Malaysia would be exchanged as usage pattern expand to capture any data with the emergence of smart phones. To a customer, there should dare to voice dissatisfaction to MCMC as a customer, we have the right to speak out, so that they are more sensitive to the voice of the user.

**Keywords**: Customer satisfaction, billing and price, network connectivity, perceived value, mobile cellular network.

#### 1 Introduction

With the passage of the time, technology is constantly evolving and being updated with the latest and most advanced. Especially wireless communication technology has grown in global including Malaysia. Now have a lot of provider of telephone in the market such as iPhone, Samsung, Vivo and Oppo including several types of mobile network service such as Digi, Celcom, Maxis and

Umobile. With this latest existence, telecommunications companies will race to develop aggressive and challenging marketing strategies to increase their service quality, network connectivity, price, and product offerings to achieve loyalty customer in the same time to attract a new customer. Thus, this research aims to analyze factors influence customer satisfaction toward mobile cellular network services. Furthermore, an analyze of the relationships between customer satisfaction and factors influence customer satisfaction toward mobile cellular network; billing and price, network connectivity and perceived value to the customer will be analyzed. This research is done for residential at Muar district.

#### **Objectives**

- 1. To investigate factors influence customer satisfaction toward mobile cellular network services.
- 2. To identify the relationship between independent variables (billing and price, network connectivity, perceived value) with dependent variables (customer satisfaction).
- 3. To determine the dominant between factor (billing and price, network connectivity, perceived value) that influencing customer satisfaction on mobile cellular network services.

#### Significance of the Study

According to the latest time distribution consumption of technology are thrive in parallel with decade of global. When consumption of technology continues growth, the use of mobile cellular network is a necessity of life for nowadays. Everything can do and finish only use finger to access on smart mobile phone with mobile cellular network. Everything is simple and easy with is need a right and speed data network on our mobile smart phone. This research also can will be guideline for each TELCO to improve the quality of service with is give the best of services until achieve the standard which has been set. To identify the main problem on mobile cellular network that influence customer satisfaction. Through improvement of quality on mobile cellular network services, can solve network problem on each TELCO in Malaysia, also can satisfy of customer at maximum level. This is also will make TELCO to understand the impact of being more competitive in this industry. There must always follow the current trend of customer demand and get more competitive advantage.

#### 2 Literature Review

Quality services are the mean topic for the researchers to get customer loyalty. Satisfaction of customer how far their desires are verified by the experiences of using mobile cellular network with on any TELCO that they are choice (Cronin & Taylor, 1992), Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml et al. 2006: 106-107), according to (Arokiasamy & Abdullah, 2013). Based on Customer perceptions of quality and customer satisfaction by Wilson. Have relationship between customer satisfaction and service quality. Customer satisfaction more affected by service quality, product quality and price, also personal factors and situational factor(Arokiasamy & Abdullah, 2013). If the consumer is pleased with the company's product or service, the customer may make frequent purchases and recommend products or services to potential customers. (Khadka & Maharjan, 2017).

#### **Billing and Price**

The payment that the customer should do it for each purchasing. According to what type of TELCO that they are choice. There are not only for call, also for internet data using need to pay. Almost all users are shock went see the billing and price during usage. In 2013 April, has

agreement by cellular service provider to notice the customer their allowance of included minutes so the customer will know total of their billing and will know the marginal prices increases to the overage rate, by CTIA (The Wireless Association 2011). To have both of the items the user need to spend a lot of money to get satisfied from that thing. But when they are able to have that thing it by own, the quality of services are bad not comparable to the price they invest to purchase.

#### **Network Connectivity**

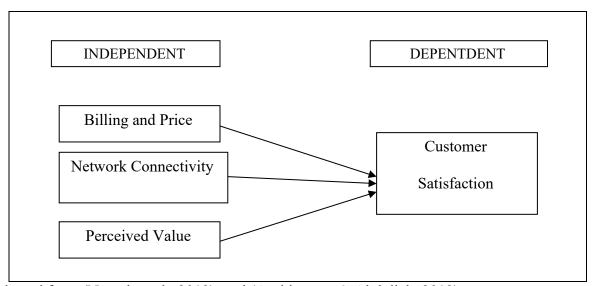
Process of connecting was described in various part of a network to one another (Munyanti & Masrom, 2018). Connectivity refers to quality and strength of the network signal on mobile cellular. It is about the quality of mobile network in any area, and connectivity especially during downloading and uploading daily activity in social media or to do work or research did not any network interruption or no limit during the process.

#### **Perceived Value**

The customer is investing in huge amount, but still there are, mismatches in the actual and perceived value of the customer. Committed that companies have the opportunity to increase customer satisfaction through creating customer value by many ways, such as by providing to the customers the comparative net value, effectiveness, efficiency, and differentiation of services, which can be delivered via logistics. (Munyanti & Masrom, 2018)

### **Conceptual Framework**

Conceptual Framework of Factors Influencing Customer Satisfaction toward Mobile Cellular Network Services.



Adapted from (Nurysh et al., 2019), and (Arokiasamy & Abdullah, 2013)

Based on figure above there have theory related with satisfaction customer on quality of mobile cellular network. The researcher was used this theory on this study to identify and found out whether user of mobile TELCO network in Muar area have an idea about service quality gaps/determinants as presented in the Gaps Model. If this are working, how the users do access to the performance of the Mobile TELCO in Malaysia based on their knowledge with the gaps or determinants. For a specific section in on the customer, the researcher already provide questionnaire for all of this.

### 3 Methodology

This research used a quantitative approach to collect the data and in this study an experimental research based on the questionnaire survey methods that are applied. Research is about factor that influencing customer satisfaction toward mobile cellular network services. It is because a cross-sectional study involves looking at data from a population at one specific point in time. All the measurements on each person are made at one point in time. Cross sectional studies are also used to infer causation (Mann, 2003)Simpler size is from users of mobile cellular network in Muar districts. This research was choosing cross sectional study design.

Descriptive Research, because in this research will looked the relationship factors (billing and price, network connectivity, and perceived value) influencing customer satisfaction toward mobile cellular network services. The population of the study would can be respondent from a group of people that are related to this study. Population is the entire group of people that a researcher would like to investigate. This is usually the group of people, events, or anything that the researcher wishes to understand more about. (Kamarudin, 2013).

The population the researcher choose based on factors (billing and price, network connectivity, and perceived value) influencing customer satisfaction toward mobile cellular network TELCO services at area Muar. Altogether, target populations for this study are residents of Muar district. Size of sample are very important to decide before would like to do observation, because if the amount of sample too large it will take a lot of times and the research will be complicated. While sample that are too small, the data are collect will not accurate. The researcher decides to refer (MORGAN, 1970)table and formula to making a right decision and to do calculation on the sample size for this research. The sample size for collect the pilot test data, the researcher only take 30 respondent, but for the truly for this research the researcher need 306 respondent based on the total amount of population in Muar area and after refer Morgan table.

In this research would like to use easier sampling technique. Convenient sampling is obtaining by group of people who are mostly and easily accessible(Ullah, Ajmal, & Aslam, 2016). Non-Probability is the convenient sampling to apply for this study because the target of population meets certain practical criteria.

There have three part (Section A, Section B and Section C) on the questionnaire that will distribute to the respondent. Section A include demographic of respondent, this part only using nominal scale for type of measurement. For Section B and Section C are used Likert Scale to measure the level of agree or disagree the respondent, with the questions by using a five-point Likert Scale ranging from 1= "Strongly Disagree", 2= "Disagree", 3= "Neutral", 4= "Agree", 5= "Strongly Agree". Five-point Likert Scale used because can make a compromise between the conflicting goals and strength of opinion and making things manageable for respondent. In addition, this method also has recommended from the researcher of previous studies.

### 4 RESULTS

This part will present the result obtained from the statistical analysis including reliability, correlation regression and descriptive analysis.

### **Respondents Demographic**

The result of questionnaire, for demographic side of age, education, income, occupation, type of services, type of connection, and type of mobile network. The majority of participants in this research were 18 to 27 years old, with a total of 161 (53%) respondents out of 306 respondents.

The age group with the lowest number of participants is 58 years old and above. Out of 306 respondents, the majority of participants in education are from degree level, with a total of 125 (41%) respondents out of 306 respondents. While the lowest of participated in this research is the education group in master level, with a total of 11 (4%) respondents out of 306 respondents.

The highest income group involved in this research is from the group of no fixed income, with a total of 116 (38%) respondents out of 306 respondents. It is because the majority have participated in this research are a student and housewife, there are not have permanent work and income. While the lowest is from group RM5000 and above, with a total of 16 (5%) responded, they consist of self-employed, business and private employees. In terms of occupation, students are the highest amount that is participating, with a total of 104 (34%) respondent out of 306 respondents. While the lowest amount with a total 27 (9%) respondent from business and self-employed. Both types of occupation got the same number of entries.

For type of services have two categories it is postpaid and prepaid. From both the items, prepaid are the highest the amounts that respondent use. With a total of 176 (58%) responses out of 306 respondents, and the rest is from postpaid with a total of 130 (42%). The next is the type of connection, there have three types it is fixed line broadband, broadband and mobile data broadband. Three of that types, mobile data broadband are the highest that amount of respondent choose and use, with a total of 242 (80%) out of 306 respondents. Almost half of respondents that use mobile data broadband than the others type of connection. For fixed line broadband and broadband are 45 (15%) respondent and 16 (5%) respondent for both of two types. There have more than five types of mobile network on this research; it is maxis, Digi, Celcom, Umobile, OneXOX, Weber TM, and others. The highest that customer uses in Muar districts are maxis, with a total of 69 (23%) respondent out of 306 respondents. The lowest is a web team with a total of 6 (2%) responded.

#### **Descriptive Analysis**

For mean value, a scale in the range 4 to 5 represent as high, 3 was regarded as moderate and 1 to 2 was considered a low. Thus, based on table 1, the mean value for dependents variable which is customer satisfaction is 4.4268, but between independent variables which is billing and price (4.3680) is slightly lower than network connectivity (4.4744) and followed by perceived value (4.3529). In conclusion, all the variables were at high level. The range of standard deviation for this study was 0.4 - 1.0. Standard deviation indicated how far the individual responded to a question that deviates from the mean. Therefore, the dispersion shown for this study is between 0.4 - 1.0 which is the dependent variable customer satisfaction (0.62089) and for independent variable billing and price (0.60913), network connectivity (0.59167), and perceived value (0.62924).

### **Reliability Analysis**

This research is conducted reliability analysis to compute the dependability of the questionnaire. This test is crucial to prevent any failures that might occur during this research. Through this analysis, the Cronbach's Alpha has applied to test each of variables. The test was analyzed based on range of coefficient value. The result which were more (>0.5) show that the question are reliable and can be used as the measuring tool to measure the concept intended to be measured. (Kiang, L.H Jauhar, J & Haron, H, 2014).

In this study, there were 306 respondents involved in the actual survey by online. The participants are among the residents of Muar district. The researcher randomly distribute questionnaire to user that have using telephone in Muar district with any type of services and any type of mobile

network. Based on this table, that shows the Cronbach Alpha values for the variables used in measurement instrument.

This purpose of using Cronbach Alpha is to measure the reliability of the test. The acceptable value for Cronbach Alpha ranges from 0.7 - 0.95.

**Table 1** Respondents Demographic (N = 306)

	Demographic	N
Age	Below than 18 years	26 (8.5%)
	18 to 27	161 (52.6%)
	28 to 37	47 (15.4%)
	38 to 47	36 (11.8%)
	48 to 57	26 (8.5%)
	58 years and above	10 (3.3%)
Education	Primary	33 (10.8%)
	Secondary	74 (24.2%)
	Diploma	63 (20.6%)
	Degree	125 (40.8%)
	Master	11 (3.6%)
Income	No Fixed Income	116 (37.9%)
	Less than RM1000	46 (15%)
	RM1001 - RM3000	105 (34.3%)
	RM3001 - RM5000	23 (7.5%)
	More than RM5000	16 (5.2%)
Occupation	Student	104 (34%)
•	Self-employed	27 (8.8%)
	Government Worker	51 (16.7%)
	Private Sector	65 (21.2%)
	Businessman/women	27 (8.8%)
	Others	32 (10.5%)
Type of Service	Postpaid	130 (42.5%)
• •	Prepaid	176 (57.5%)
Type of	Fixed line broadband	45 (14.7%)
Connection	Broadband	16 (5.2%)
	Mobile data broadband	242 (79.1)
Type of Mobile	Maxis	69 (22.5%)
Network	Digi	64 (20.9%)
/ +	Celcom	61 (19.9%)
	Umobile	65 (21.2%)
	Webe (TM)	6 (2.0%)
	Others	12 (3.9%)

Table 2
Descriptive Statistics

Mean	Standard Deviation
4.4268	0.62089
4.3680	0.60913
4.4744	0.59167
4.3529	0.62924
	4.4268 4.3680 4.4744

**Table 3**Reliability statistics

Variable	Cronbach's Alpha	Number of Items	Strength of Association
Independent Variable	•		
Billing and Price	.809	5	Acceptable
<b>Network Connectivity</b>	.913	6	Acceptable
Perceived Value	.893	5	Acceptable
<b>Dependent Variable</b>			
Customer Satisfaction towards mobile cellular network	.868	5	Acceptable

For this research, the first independent variables is billing and price, the value shows 0.809. The second independent variable is network connectivity. The value shows is 0.913. Follow with the third independent variable is perceived value and the value shows is 0.893. Dependent variable is customer satisfaction toward mobile cellular network. The value for dependent variables shows is 0.868. Basically, all the variables meet reliability test requirement because the Cronbach Alpha is more than 0.60. It concludes that the variable to be tested is reliable.

### **Correlation Analysis**

The Correlation coefficient refers as r, ranges from 1.0 to -0.01. If the value r is 1.0 means there is a perfect positive relationship but if the value of r is -0.01 means there is a perfect negative relationship. Then when the value of r is 0, it is means indicated that there is no relationship

between both of variables. In this study, to identify the relationship between dependent variables (customer satisfaction) and with independent variables which is billing and price, network connectivity, and perceived value, the researcher using the method of Pearson Correlation Analysis. The result of the correlation between the independent variables and dependent variable are presented in Table 4.

Table 4:Correlation among the variables

Variable	Means	Customer	Billing and	Network	Perceived
	(SD)	Satisfaction	Price	Connectivity	Value
Customer	4.43 (0.62)	1	0.797	0.769	0.702
Satisfaction					
Billing and	4.37 (0.60)	0.797*	1	0.823	0.767
Price					
Network	4.47 (0.59)	0.769*	0.823	1	0.749
Connectivity					
Perceived	4.35 (0.63)	0.702*	0.767	0.749	1
Value					

P- value < 0.05, Pearson correlation analysis applied

There is a positive perfect significant relationship between billing and price with customer satisfaction (p- < 0.05, r=0.797). There is a positive perfect significant relationship between network connectivity and customer satisfaction (p - < 0.05, r = 0.769). There is a positive significant relationship between perceived value and customer satisfaction (p-< 0.05, r = 0.702).

#### **Multiple Linear Regression**

This study examined the influence of the three independent variables (billing and prices, network connectivity and perceived value) of the packaging on the independent variable (customer satisfaction toward mobile cellular network) using multiple linear regression. R²was use for the coefficient of determination and can be called as multiple correlation coefficient which published in classical regression analysis. It showed that the rate of variance explained by the regression model made it beneficial as a measure of success of predicting the dependents variable from the independent variable. Before doing multiple linear regression approach, the researcher using simple linear regression to evaluate of each independent variable.

Based on the Table 4, this was part of the variance to describe how dependent variable which was customer satisfaction among residents Muar district describe by the independent variable which were billing and price, network connectivity and perceived value. Trust R<sup>2</sup> was used to measure the accuracy of the models. According to the table 5, the coefficient of multiple determinations for customer satisfaction toward mobile cellular network (R<sup>2</sup>) was 0.681 or 68.1%. This indicated that 68.1% of customer satisfaction toward mobile cellular network can be explained by the three independent variables (billing and price, network connectivity and perceived value). Thus, the remaining 31.9% of the dependent variable was explained by unidentified.

Based on the regression result, billing and price (standardized beta = 0.319, p < 0.001) and network connectivity (standardized beta = 0.453, p < 0.001) was the most significant determinant for customer satisfaction toward mobile cellular network compared to another one independent variables. Whereas perceived value (standardized beta = 0.132, p = 0.001) has no significant

determinant for customer satisfaction. In sum, the result indicated that two identified independent variables (billing and price and network connectivity) were statistically significantly influence the dependent variable (customer satisfaction) at significant level,  $p \le 0.001$ .

The perceived value variables resulting no significant and excluded determinant in this research probably due to the assumption and perceived value placed by the respondents toward mobile cellular network did not related with factor that influence customer satisfaction toward mobile cellular network. In the past studies, the mostly reason to get a highest in purchase and to get customer loyalty it is quality of product and services. Making the customer feeling satisfied and always trusts with that product and service there are provide.

There is a significant effect of billing and price, network connectivity and perceived value toward satisfaction. In every unit increase of billing and price, and satisfaction will increase by 081(b). In every unit increase of network connectivity and satisfaction will increase by 0.80(b). In every unit increase of perceived value and satisfaction will increase by 0.69(b).

Table 4: Summary of the Simple Linear Regression and Multiple Linear Regression Analysis

Variable	Simpl	e Linear Regr	ession	Multiple Linear Regression		ression
, 4214615		- 2e	2		pro 2 1108	
	Beta	T-Stat	P- Value	Beta	T-Stat	P – Value
		(95%CI)			(95%CI)	
BP	0.81	22.98	< 0.001	0.45	7.12 (0.32,	< 0.001
		(0.74,			0.57)	
		0.88)				
NC	0.80	21.00	< 0.001	0.31	5.02 (0.19,	< 0.001
		(0.73,			0.44)	
		0.88)			ŕ	
PV	0.69	17.17	< 0.001	0.13	2.49 (0.28.	0.013
		(0.61,			0.36)	
		0.77)			Í	

<sup>\*</sup>Normality assumption was met

The table 4 above, it show the statistical significant of each independent variables toward the dependent variables. The researcher was refer the multiple linear regression model which is:

$$Y = \beta 0 + \beta 1x1 + \beta 2x2 + \beta 3x3 + e$$

 $\beta$  = for every 1 unit increase of X, Y will increase by the value of  $\beta$ 

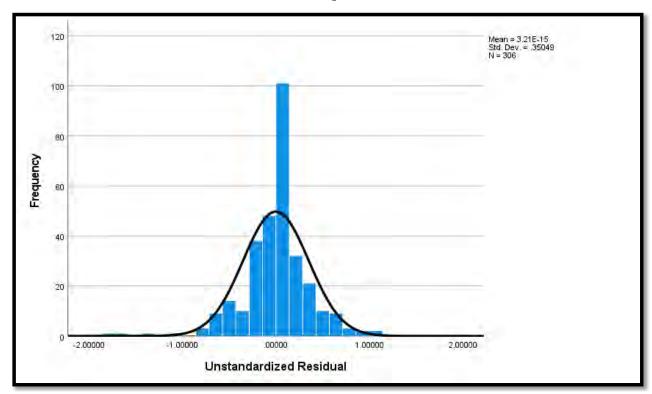


Figure 4.11: Regression Standardized Residual

Based on figure 4.11 shows that there is a normal bell shaped distribution on the histogram graph. It is a regression standardized residual of the factors (billing and price, network connectivity and perceived value) toward mobile cellular network among user on Muar districts.

### 5 Conclusions

Nowadays, having a lot of new company are in progress to grow successfully, especially in the mobile market. There have a lot of competition among of, the market has become very extremely competitive and the service provider which moving more aggressively in providing a good product and offering attractive promotion to attracting the customer. Therefore, the service provider should put triple action to produce the best product and services. The action will give the inside effect, that will make the customers more satisfied to choose their product and services. Other than that, there also will retain the existing customers and will attract new customers into their company. The finding in this research, for mobile network operator, Malaysia Communication and Multimedia (MCMC) and to the others services provider company this research has a lot of information that can they use to refer to relate with any issues. Which indicates that the quality of services, billing and price, network connectivity and perceived value have a high impact to the customer satisfaction. The services provider company should look out their company is internal and external factors, that their services, whether are matched or not with the prices, service quality and also the attitude of their employee to handling customer, especially in the customer services. Their attitude to handling the customer must with smooth, speak kindly and politely. To each word that the employee says need to be convincing to the customer until they become buyers.

#### **ACKNOWLEDGEMENT**

I would like to thankful my special of gratitude toward my supervisor Madam Mardhiah binti Kamaruddin who had given the valueable guidance to me for this final year project which was like a golden opportunity for me to do a wonderful work on this project. Without her guidance and persistent help in this research, it would not have been possible to finish in successfully. Plus, in this opportunity I want to most thankful toward to the panel, Madam Norfazlirda binti Hairani for her advice and her valuable comments.

I would like to thank to my family and friend that always support and help me to continue motivated to finish this project. They always give me some ideas and comment about my research, by that I able to improve my research in many different ways. Do not forget also to the respondents willing to spend time by answering my questionnaire.

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# THE FACTOR THAT INFLUENCE CONSUMER PURCHASING BEHAVIOR OF SKINCARE PRODUCT AMONG UMK STUDENTS

### Syaza Izzaty binti Shohaimi and Tahirah binti Abdullah

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: izzaty.a17a0720@siswa.umk.edu.my; tahirah@umk.edu.my

#### Abstract:

The purpose of the study is the factor that influences consumer purchasing behavior of skincare products among UMK students. Through this paper an attempt was conducted to identify the different factors that influence consumer purchasing behavior of skincare products. This study reveals that various factors which is packaging, quality and prices that influences consumer purchasing behavior. This research paper helps to contribute an extra idea and knowledge for skincare products companies and get know more about the consumer purchasing behavior. The data collection is conducted by distributing survey questionnaires and total respondents is 380 among UMK students. The data is obtained through a questionnaire then proceed with Statistical Packages for Social Sciences SPSS as Idevices for analyzing and interpreting the data. The results in this study prove that the packaging and quality significantly influence the consumer purchasing behavior while the prices do not significantly influence the consumer purchasing behavior.

Keywords: Consumer Purchasing Behavior, Packaging, Quality, Prices.

### 1 Introduction

Understanding consumer purchasing behaviour is a key to the success of business organizations. Skin serves as a protective barrier between our insides and the rest of the world, helps regulate body temperature and acts as a filter. Skin exists in a constant state of growth, with old cells dying as new cells are forming. It's affected by every aspect of our life, from what we eat to where we live. Healthy skin is better able to fight signs of aging, heals much faster and staves off potential disease better than unhealthy skin. With the right selection of facial skincare products, this kind of problem can be solved and healthy skin can be obtained.

The beauty and wellness industry is growing fast in Malaysia. Since recent years, the rate of consumer spending on cosmetics has increased by 40 percent, i.e. from MYR 1.4 billion in 1995 to MYR 1.9 billion in 2007, with a sales volume expected to exceed USD 1.1 billion by 2010. According to Malaysia's Department of Statistics, gross spending on cosmetics in 2013 was roughly USD 407 million. Malaysian consumers tend to obtain beauty products from top name brands that are marketed especially those that enhance youthful appearance. (Hassali, Al-Tamimi, Dawood, Verma, & Saleem, 2015).

Adequate research on consumer purchasing selection behavior among skincare-related student's products is still lacking. The purpose of this study is to examine the factors that influence skincare

products among students and focus on their considerations when choosing and purchasing their skincare products.

### 1.1 Research Objectives

The research objectives to understand about the factors that influence consumer purchasing behavior of skin care products among UMK students. This is objectives of the current research:

- 1. To determine the relationship between packaging and consumer purchasing behavior of skin care products among UMK students.
- 2. To identify the relationship between qualities and consumer purchasing behavior of skin care products among UMK students.
- 3. To evaluate the relationship between prices and consumer purchasing behavior of skin care products among UMK students.

### 1.2 Significance of study

### 1.2.1 Skincare Product Companies

This research will help the skin care product business to make a survey on the consumer purchasing behavior of skin care products. The ideas presented of the product can be used as reference to find information that is useful to them. This research will prove how the youth is influenced by the consumer behavior factors which are packaging, quality and price.

### 1.2.2 Future Research Agenda

This research will be useful to other researchers for reference. This research can help anyone who would make any related study regarding the factor that influences consumer purchasing behavior of skincare products among UMK students. A researcher who is interested to continue their research in the same field with a wide scope. They can refer to the data and the suggestion is given as well.

### 2 Literature Review

### 2.1 Underpinning Theory

This research uses the Theory of Planned Behavior (TPB) as the main theory of behavioural research. Attitude, subjective standard, and perceived behavioural regulation are related to the principle of TPB. The aspect of the country of origin is a type of attitude toward the image of the product's country of origin. The principle of TPB is very appropriate to describe different types of behaviours and attitudes possessed by prospective consumers of a product in forming a customer purchasing intention. TPB may be associated with the intention of purchasing, which means that the purchasing interest of the consumer is determined by the perceptions of the consumer about the product, packaging of the product, quality of the product and the price of the product that the consumer is familiar with.

### 2.2 Dependent Variable

### 2.2.1 Consumer Purchasing Behavior

Consumer buying behavior is both a decision-making process and the behavior of the consumers involved in the purchase and use of products. Consumers make purchasing choices for the buying of small and large products. Consumers begin looking for goods or services that suit their needs

after identifying a need or a wish. Consumer purchase decisions have now become a complex process and are related to consumers' attitudes, perceptions and behaviour. Consumer purchasing behaviour is perceived to be a key point in accessing and comparing goods and services.

Ghosh (1990) he states that it is an efficient method to predict purchasing behaviour with customer buying intentions. There is a probability of adjusting the purpose of purchasing due to the influence of packaging, quality and price. (Kotler & Armstrong, 2010) & (Kawa, 2013) they talk about the six steps discussed: information, understanding, preference, interest, encouragement and purchasing suggested by researchers before preparing or deciding to purchase the product. Gogoi (2013) he states, since the standard and value of these goods is not consistent, consumers have an awareness that products that are little known, low priced, and easy packaging have a high risk potential.

### 2.3 Independent Variables

### 2.3.1 Packaging

The packaging is important part for each product and not serves only in a practical function, but also serves as a way of communicating product details and the character of the brand. Packaging must be functional; the goods must be secured in good packaging, in shipping and sometimes in service. In addition, it also has the aim of helping customers with ease of access and use for convenience. After looking at Kolter's packaging theory, in order to help us solve the first research issue, it will turn to various theories relevant to packaging design and its significant elements. (Lu, 2008).

### 2.3.2 Quality

The quality, which brings a certain specific feeling of affection, is what we call the "quality of affection". It is necessary to clarify the physical attributes which make up this quality. It is because of the quality of the skin care product that women customers become brand loyal. High-quality skincare products will help to build and maintain the confidence of targeted consumers and its also inspire them to buy the products. Until deciding to buy products, clients are worried about the consistency of cosmetic products. To keep competition among the cosmetic companies of the competitor should increase and focus more on improving the quality of products. (Priyangal & Krishnaveni, 2016).

#### 2.3.3 Price

Customers make a comparison and pricing comparison of alternative products before making real purchases, so customers have a great confidence or belief in the value or profit they receive from their quality product. The best approach to create customer loyalty is to compare price with value and perceived cost. It is known that if the perceived values are greater than the product expense, customers are willing to purchase a product. The long life of consumers with a company makes them more accepting of prices and they have shown few interest in comparing prices with the alternatives. (Keller, 2013).

#### 2.3 Research Hypothesis

The purpose for this study is to test the relationship of both variables which are dependent variables and independent variables. Based on the literature review and the research question that has been discussed, the hypothesis of this study can be summarized:

H<sub>1</sub>: There is significant relationship between packaging and consumer purchasing behavior of

skincare product.

H<sub>2</sub>: There is significant relationship between quality and consumer purchasing behavior of skincare product.

H<sub>3</sub>: There is significant relationship between price and consumer purchasing behavior of skincare product.

#### 2.4 Theoretical Framework

Figure 1 shows the theoretical framework above clearly showed how independent variables were related to the dependent variable. Based on the theoretical framework, the independent variables of this study consisted of three factors, which is packaging, quality and price. These factors were related with consumer behavior which was the dependent variable of this study. Through the theoretical framework, a clear concept of this study could be defined, then generated and tested hypotheses.

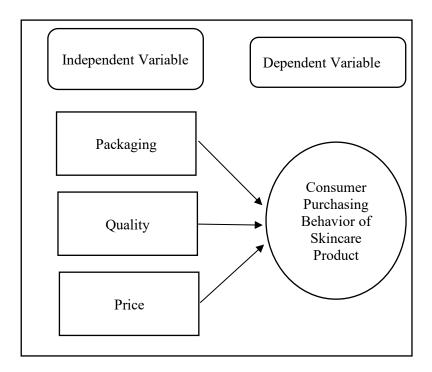


Figure 1: The theoretical framework on packaging, quality and price that influence consumer purchasing behavior of skin care products among UMK students.

### 3 Methodology

#### 3.1 Research Design

In this research, researchers chose the quantitative research approach. Quantitative research includes the collection of primary data which can ensure the validity of the study. This research is to identify the factors that influence consumer purchasing behavior of skin care products among UMK students.

### 3.2 Population

From this research, the researchers were targeting UMK students. The population for this study is students who study at Universiti Malaysia Kelantan and is 384 students.

### 3.3 Sample Size

The number of apprehensions selecting from the whole population for the research purpose can be definite as a sample size. The sample size is the subset of the population therefore 361 students who study at Universiti Malaysia Kelantan.

#### 3.4 Data Collection

These research will use a quantitative research of data collection likes survey method that brings together the data obtained from the respondents. Data was collected via a questionnaire for this research. To create a self-administered questionnaire, the author used Google forms. The self-administered questionnaire is selected because the time is limited, that there need for minimum students, respondents can remain confidential while responding and respondents can complete the form on their own. In order to form an appropriate sample size, a convenience sampling procedure was chosen.

### 3.5 Sampling

The sampling techniques that have been utilized by the researchers to use for this research was non-probability. Individuals will be chosen entirely by chance and each member of the population has an equal chance, or convenient probability of being selected as a sample. Sampling is an alternative used by the researcher to know and get the conclusion of the factor that influences consumer purchasing behavior of skin care products among UMK students.

#### 3.6 Research Instrument

The questionnaire is self-administered. The research will divide the questionnaire into three sections which is section A, B, C and D. In section A, the survey questionnaire provides general information about respondent which is a student who studies in Universiti Malaysia Kelantan such as qualification level, age, and marital status. The questions will expound more on the independent and dependent variables, for the Section B, C and which include in the factor that influence consumer purchasing behaviour of skincare products which are (i) Packaging (ii) Quality and (iii) Price that will be investigated in the survey.

### 3.7 Data Analysis Techniques

The results of the questionnaire were evaluated using SPSS Statistics, a statistical application. The software offers an incentive to evaluate the findings in a numerical form and to view them. By a statistical method, this numerical knowledge can be distilled and developed into a structure that facilitates conclusion-making. In order to find a correlations between the variables and relationship between problems, statistical measurements support. (Kothari, 2004).

### 4 Data Analysis and Findings

### 4.1 Preliminary Analysis

Preliminary analysis is known as pilot test. In social science studies, the term pilot study is used in two different ways. It can refer to that so feasibility tests carried out in preparation for the main study, which are small-scale versions or trial tests (Polit, 2001). Before continuing with larger respondents, conducting a pilot test provides the researcher with the ability to develop and strengthen the skills required. Researchers can distribute the questionnaire by survey questionnaire method based on previous research before the pilot test is conducted. It will determine the consistency and reliability of the questionnaire. The number of respondents for this pilot test is 30 respondents among UMK students.

Table 1: Summary of Pilot Test

Variables	Number of item	Cronbach Alpha
Consumer Purchasing Behavior	3	0.861
Packaging	5	0.765
Quality	5	0.762
Prices	4	0.716

### 4.2 Demographic Profile

The basic analysis of this study was including frequency analysis. The researcher discussed in particular the respondent's profile. The data attained part A that included questionnaires among various demographic variables of the respondents such as gender, age, race, course and allowance from parents or scholarship.

The table 2 presents that the percentage of females is higher compared to male, which is 51.1 percentage with 186 female respondents while the percent of male is 48.9 percent with 194 male respondents. In terms of age majority the respondents of UMK students between 23-25 years old which 52.9 percent with 201 respondents. Furthermore, the participative respondents were between 20-22 years old which 29.5 percent with 112 respondents. In contrast, between 26-28 years old was 16.8 percent with 64 respondents followed by between 29 years old and above was 0.8 percent with 3 respondents.

Next, the majority respondents of UMK students from Malay which 61.6 percent with 234 respondents. Furthermore, the participative respondents were from Chinese which 20.0 percent with 76 respondents. In contrast, from Indian was 18.2 percent with 69 respondents followed by from others was 0.3 percent with 1 respondents respectively.

Furthermore, majority the respondents of UMK students from SAR which is 16.3 percent with 234 respondents. Furthermore, the participative respondents were from SAK which 15.8 percent with 60 respondents, SAL which 13.9 percentage with 53 respondents, SAB and SAE which 12.1 percent with 46 respondents. In contrast, from SAW was 11.8 percent with 45 respondents followed by SAH which 9.2 percent with 35 respondents and SAP which 8.7 percentage with 33 respondents.

Lastly, the majority of UMK students are between RM301-RM500 which 39.7 percent with 151 respondents. Furthermore, the participative respondents were between RM100-RM300 which

34.7 percent with 132 respondents. In contrast, between RM501-RM1000 was 20.3 percent with 77 respondents followed by between RM1000 and above was 5.3 percent with 20 respondents.

Table 2: Summary of demographic profile

		Frequency	Percent
Gender	Male	186	48.9%
	Female	194	51.1%
Age	20-22 years old	112	29.5%
	23-25 years old	201	52.9%
	26-28 years old	64	16.8%
	29 years old >	3	0.8%
Race	Malay	234	61.6%
	Chinese	76	20.0%
	Indian	69	18.2%
	Others	1	0.3%
Course	SAR	62	16.3%
	SAK	60	15.8%
	SAL	53	13.9%
	SAB	46	12.1%
	SAE	46	12.1%
	SAW	45	11.8%
	SAP	33	8.7%
	SAH	35	9.2%
Allowance	RM100-RM300	132	34.7%
from parents	RM301-RM500	151	39.7%
or scholarship	RM500-RM1000	77	20.3%
•	RM 1000>	20	5.3%

### 4.3 Normality Test

Data normality tested and analyzed in the SPSS system. Skewness and Kurtosis statistics were used to determine the normality distribution data. There are two varieties of distribution data which are abnormal and normal distribution. In hypothesis parametric correlation can be analysed if the data was normal and non-parametric correlation for abnormal data. In this study, the researcher used parametric correlation for hypothesis testing. Based on (Chua, 2011) the propensity value of normal data is 0, but the value range  $\pm$ 2 still indicates normally distributed data. As for test results using Skewness and Kurtosis, it is necessary to make sure that value both is located between the value of  $\pm$ 1 for Skewness and  $\pm$ 1.96 = -3 for Kurtosis. Then, this data has a normal distribution because Skewness value and Kurtosis value are in the range of  $\pm$ 1.96 as shown in the table.

Table 3: Summary of Skewness and Kurtosis value

Variables	Skewness	Kurtosis
		·

Consumer Purchasing Behavior	-0.447	-0.930
Packaging	-0.291	-0.818
Quality	-0.195	-0.969
Prices	-0.240	-0.955

### 4.4 Descriptive analysis

The descriptive analysis tested 17 items according to their variable and listed out the summary of the mean and standard deviation computed in Table 2. Table 2 presents the number of respondents, mean and standard deviation between independent variables and dependent variables. The mean of dependent variables for consumer purchasing behavior is 4.58. Meanwhile, for independent variables, the highest mean is packaging and quality which is 4.57, followed by prices which is 4.55. Next, the standard deviation of dependent variable for consumer purchasing behaviour is 0.350. Meanwhile the highest independent variable for standard deviation is prices which is 0.332, followed by quality which is 0.324 and packaging which is 0.318.

Table 4: Descriptive Statistic of Dependent Variable and Independent Variable

Variables	N	Mean	Std. Deviation
DV: Consumer Purchasing Behavior	380	4.58	0.350
IV1: Packaging	380	4.57	0.318
1V2: Quality	380	4.57	0.324
IV3: Prices	380	4.55	0.332

#### 4.5 Pearson Correlation

Pearson's correlation coefficient is a statistic that measures the statistical relationship between two variables. In this study, researchers had used correlation analysis to identify the relationship between dependent variable and independent variables. Thus, the dependent variable in this study is the consumer purchasing behavior. However, the independent variables are packaging, quality and prices.

Table 5 presents the p-value is 0.000, which is less than the significant level of 0.01. This study is rejected null hypothesis for hypothesis of packaging and quality while for hypothesis of price the study is accepted null hypothesis. The correlation coefficient for packaging and consumers purchasing behaviour is 0.866 while the correlation coefficient for quality and consumers purchasing behaviour and quality students is 0.523. Based on the result of the correlation value r 0.05> show that packaging is related with the factor that influences consumer purchasing behavior of skincare products among UMK students.

Table 5: Summary of Pearson Correlation

Independent Variables	N	Sig. (2-tailed)	Consumer Purchasing Behavior
Packaging	380	0.00	0.868**
Quality	380	0.00	0.523**
Price	380	0.00	0.480**

### 4.6 Summary

Table 4: Summary of the Hypothesis Results

Number of hypothesis	Statement of hypothesis	Results	Significant value
H <sub>1</sub>	There is significant relationship between packaging and consumer purchasing behavior of skincare products	Rejected Null	0.00
H <sub>2</sub>	There is significant relationship between quality and consumer purchasing behavior of skincare products	Rejected Null	0.00
H <sub>3</sub>	There is no significant relationship between prices and consumer purchasing behaviour of skincare products.	Accepted Null	0.00

#### 5 Conclusion and Future Research

In terms of packaging, more respondents agree that the attractive packaging of skincare products encourage them to buy. This is because packaging, colour and style can have a striking influence on consumer purchasing behaviour and it will cause impulse the consumers to purchase when they see it. The attractive packaging encourages the consumer and supports the purchasing of skincare products. Believe the reviews from other customers who used it assist them to believe in the quality of the products and believe that if the skincare products are used by many customers it shows that the products are high quality. This is because nowadays on social media a lot of people are doing videos to give some review about the skincare products that they used. From that, the consumers will be attracted to buy the skincare products.

Based on this study, all the researchers state the following recommendations. Firstly, the type of the respondents need to be changed to a smaller population from UMK students to Faculty of Entrepreneurship students in UMK or other smaller populations such as students by semester. Secondly, spreading the questionnaires through Google form is quite inconvenient since there are not a lot of senior students answering the questionnaires although the research is not specific for seniors only. If this research is carried through face to face or physical, the researchers can make sure there are junior students also involved more in answering the questionnaires.

### 6 Acknowledgment

First, I would like to thank to my supervisor Dr. Tahirah binti Abdullah for the continuous support of my study and research, for her patience, motivation, enthusiasm and immense knowledge. Her guidance helped me while doing my study and writing of this research. Besides my supervisor, I would like to thank the rest of my research panel Dr. Siti Afiqah binti Zainuddin for her encouragement and insightful comments.

Next, I would like to also thank my fellow friends for the stimulating discussions, for the sleepless nights we were working together before deadlines and for all the fun we have had in the last four years. I am grateful to have them in my journey to complete my research and for enlightening me the glance of these research.

Last but not least, my sincere thanks to my family which is my parents and my younger brother. I am blessed to my mother Puan Merrina binti Minhat for giving birth to me in the first place and my younger brother Syafiq Syahmi bin Shohaimi supporting me spiritually throughout my life.

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# THE IMPACT OF SOCIAL MEDIA ADVERTISING ON SUCCESS OF FAMILY MART IN SEREMBAN

### Tarsiny Ramalingam and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: tarsiny97@gmail.com, izyan.md@umk.edu.my

#### Abstract:

Social media and internet advertising is a benchmark for a business success. When the advertising give effectiveness and is able to benefit the business, the business is able to reap the benefits that result from the good advertising shown by the good marketing strategies. A proper advertising will give a good impact to the business growth and performance. As a result, we have agreed to do the research on the effect of social media advertising on the success of Family Mart with the issue is problems that how effective the advertising to the business performance. Achieving good performance by increasing the awareness of the new product, create brand awareness, product purchasing, and increase the number of customers to a business, this study will provide recommendations for the management of the business or organization to increase its marketing strategy, especially on social media. The data collection will be conducted in Seremban, Negeri Sembilan area to youngsters. The research would be done through the utilization of questionnaire to the youngsters as a survey and reference. By the strategies of researchers will be able to know the effect and the effectiveness to the Family Mart.Based on the hypothesis result, all the H0 have been rejected while H1, H2, H3 and H4 have been accepted in this study. Based on the result of the Pearson Correlation, this research is accepting hypothesis because of significant value p<0.05, it means that there is a significant relationship exist between independent variable and dependent variable.

Keywords: Social Media, Advertising, Brand Awareness, Awareness of New Product, Product Purchasing, Number of Customers, Success.

### 1 Introduction

The topic of this research is the impact of social media advertising on the success of Family Mart. Family Mart is Japan's second largest convenience store chain, behind 7-Eleven. There are now 24,574 stores worldwide in Japan, Taiwan, China, Philippines, Thailand, Vietnam, Indonesia, and Malaysia. Malaysia has 70 Family Mart Store and we had chosen the Family Mart that located Seremban, Negeri Sembilan. Family Mart is a convenience store where selling wide variety of product. There are four independent variable in this research which are brand awareness, new product awareness, increasing product purchasing and increases in the number of customer. Brand awareness will help to gaining the brand recognition where it is the most important marketing goals. Creating new possibilities and opportunities with the aim of increasing consumer brand awareness (1). There are many effect that can bring success to a business but social media and internet advertising is one of the most important that can create awareness about product and can increase the growth of a business. Brand awareness will help to gaining the brand recognition where it is the most important marketing goals. Creating new possibilities and opportunities with

the aim of increasing consumer brand awareness <sup>(2)</sup> Product purchasing is a process for purchasing product and service to fulfil their wants and needs. Based on (3) discovered that customers' decision to buy a product which called as purchasing intention on depended largely on the product's value and recommendations that other consumers have shared, for example on social media. The four factors are known as independent variables of this research are brand awareness, new product awareness, product purchasing, and number of customers.

In this research, the researcher will be distributing the questionnaires and collecting the data from the Family Mart's customers at Seremban. Based on the data collection, the researcher will be analysing on the impact of social media advertising to success of Family Mart. This will give the best result where it comes up with suitable objectives for the research project. There are four objectives for this research which are determine whether there is significant relationship between the new product awareness and success of Family Mart To determine whether there is significant relationship between the product purchasing and the success of Family Mart. To determine whether there is significant relationship between the brand awareness and the success of Family Mart. Besides, determine whether there is significant relationship between the increases number of customer and the success of Family Mart and finally, find out the most effective impact to the success of Family Mart. Focus on what are the success of business and how become more successful in the market by invest in advertising. The impact of advertising can be either good or bad to a business. This research describes the effect of advertising whether they can affect their business performance or vice versa.

### 2 LITERATURE REVIEW

There are four independent variable that will determine by definition under this research which are brand awareness, awareness of new product, product purchasing and increase the number of customer.

#### 2.1 CREATE BRAND AWARENESS

Brand awareness is a marketing term that describes the degree of consumer recognition of a product by its name. Creating brand awareness is a key step in promoting a new product or reviving an older brand. Ideally, awareness of the brand may include the qualities that distinguish the product from its competition. According to Dr. Neha Shukla (2017) the Facebook advertising and creating product page for a brand is most effective way to creating the brand awareness and it also will increase the sale directly.

H<sub>0</sub>: The increase of brand awareness had no significant relation with success of Family Mart. H<sub>1</sub>: The increase of brand awareness had significant relation with success of Family Mart

#### 2.2 AWARENESS OF NEW PRODUCT

Based on Hansel Bagus Tritama (2016) brand awareness is the capacity of a possible purchaser to perceive and review a brand as a component of a specific item class. Brand that a specific brand has been known previously, so the buyer accepts that the item is the main brand in a specific crowd. Brand and product awareness can be separated into four level, namely brand unaware, brand recognition, brand recall and top of mind.

H<sub>0</sub>: The awareness of new product had no significant relation with success of Family Mart.

H2: The awareness of new product had significant relation with success of family Mart.

#### 2.3 PRODUCT PURCHASING

Purchasing is the process a business or organization uses to acquire goods or services to accomplish its goals. Although there are several organizations that attempt to set standards in the

purchasing process, processes can vary greatly between organizations. If the customers need your product or service to function the way they need in order to solve their problem or desire. Every customer will have different type of budget for product purchase. According to Bruno Schivinski and Dariusz Dabrowski (2016) consumers are more easily and frequently to social media such as Facebook, Instagram, and etc to find the information about product that they plan to purchase. Based on (Kim and Ko 2011), brand equity is the main influence for the customer while purchasing a brand products.

H0: The product purchasing had no significant relation with success of Family Mart.

H<sub>3</sub>: The increase of product purchasing had significant relation with success of Family Mart

### 2.4 INCREASE THE NUMBER OF CUSTOMER

The customer base is the group of customers who repeatedly purchase the goods or services of a business. These customers are a main source of revenue for a company. Companies with a customer base consisting mainly of large companies may increase their customer base by pursuing small and mid-size companies. A brand gave to consumer loyalty that sets aside the effort to form individual messages will innately be seen in a positive light, regardless of whether reacting to a client objection. (Dr. Neha Shukla., 2016).

H0: Increasing customer had no significant relation with success of Family Mart.

H<sub>4</sub>: Increasing customer had significant relation with success of Family Mart.

### 2.5 THE SUCCESS OF FAMILY MART (DV)

Successful businesses use resources effectively and efficiently to execute business strategies. Create a culture of rigor and standards for financial stability. Require process around fiscal management, oversight and decision-making. Execute strategies in an operationally efficient manner. Many factors contribute to being successful in business. Having a sound strategy, having a marketable product or service, and having efficient processes are all important. Advertising on social media and internet will create strongest relationship with brand success and effective of advertising can be considered as the main factor influencing promoting viability. The second and the third most significant components influencing publicizing achievement were discovered to promote information and customer relationship (Azarnoush Ansari1, 2016). But it falls to the people within the organization to actually execute on the strategies, plans, and processes to make a business successful. Marketing is major element of a business to achieve their goal and success and it also help to maintain the relationship with their customer on the grounds that it permits organizations to keep up dependable and ever-present associations with their client. Brand picture likewise can consider as achievement of a brand. Brand image as "observations about a brand as reflected by the brand affiliations held in purchaser memory, according to Keller (1993).

#### 2.6 CONCEPTUAL FRAMEWORK

INDEPENDENT VARIABLE

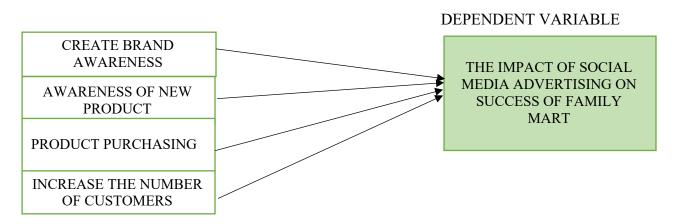


Figure 1: Conceptual framework of the research study

In Figure1 shows the framework of the relationship between social media advertising toward Family Mart success. The impact of social media advertising are the dependent variables in this study, which involved of increasing product awareness, increasing product purchasing, increasing brand awareness and increasing customer are the independent variable. This are the positive impact that can bring success to the Family Mart brand and product.

### 3 METHODOLOGY

#### 3.1 RESEARCH DESIGN

Research design is the set of methods and procedures used in collecting and analysing measures of the variables specified in the problem research. It provides insights about "how" to conduct research using a particular methodology. Quantitative analysis research was used in this study to conduct a subtitled study. Leedy (1993) explains that quantitative research is based on the belief that the most meaningful data is from first-hand experience. This research is intended to study the impact of social media advertising on success of Family Mart. The data is collected based on the relationship between the independent variable and the dependent variable. Section B and section C is about questions regarding perceptions of respondent on factors that how the impact social media and internet advertising will effected the success on Family Mart and the customer purchasing decision. We have prepared 5 questions for each independent variable and 5 questions about the success of Family Mart. These sections have used Likert Scale where respondents have to choose a suitable answer

### 3.2 DATA COLLECTION METHOD

#### 3.2.1 PRIMARY DATA

Primary tools provide first-hand data, which indicates that the reading of the author's own account of a particular subject or occurrence in which individuals have participated (Library, 2020). Primary sources were gathered through the questionnaires for this analysis of the 384 young age respondents in Seremban, Negeri Sembilan. The questionnaire was used to gather data from respondents as the key method. This is the most appropriate approach since the least cost has been incurred as it is transmitted via google forms, saves time and does not require the high capacity

to perform and turn into research. In English and Malay, the questionnaire was built.

#### 3.2.2 SECONDARY DATA

Secondary data is a kind of data that has quite recently been conveyed in books, day by day papers, magazines, journals, online doors and government reports. The secondary data from various resources that relevant about the social media advertising to a brand. These criteria consolidate, anyway not confined to date of circulation, capability of the maker, constancy of the source, idea of discoursed, significance of examinations and the level of duty of the substance to the headway of the investigation zone (Dudovskiy, 2011).

#### 3.3 SAMPLE SIZE

The ever-increasing demand for research has created a need for an effective method of deciding the sample size required to represent a given population. The population of this research is Family Mart store young customers who using social media and internet frequently. We choose about 384 respondents based of Morgan table which are our sample size and they are youngster who using social media frequently. We have distributed the questionnaire to the young customer of Family Mart Store to obtain information about how social media advertising affected their purchasing and how it influence the active youngster in social media at Malaysia. The sample size is 384 and the data is collected from the questionnaire which is answered by the respondent to obtain information about our research.

Sampling methods refer to the process of selecting a group of people or in other words selecting an appropriate number of elements from a population. Two types of sampling methods, which are probability sampling and non-probability sampling techniques, can be used in the sampling process. Convenience sampling is a basic type of sampling where the members of the target population that meet such as easy accessibility, availability at a given time, or the willingness to participate are included for the purpose of the study. It is also referred to the researching subjects of the population that are easily accessible to the researcher doing to collect data collection (Etikan, Musa, & Alkassim, 2016). Convenience sampling also can help the researchers collect the data and information for the study from Family Mart customers. The researchers used non probability sampling techniques where the number of 21 questions were distributed to 384 respondents and the response rate was 100%. The target population was the young customer of Family Mart that located in Ampangan Seremban, Negeri Sembilan. Convenience sampling will be used to selected male and female young customer of the store and who are active in social media.

#### 3.4 PROCEDURE FOR DATA ANALYSIS

SPSS means "Statistical Package for the Social Sciences" and was first launched in. Since SPSS was acquired by IBM in 2009, it is officially known as IBM SPSS Statistics but most users still just refer to it as "SPSS". SPSS is software for editing and analysis all sorts of data. These data may come from basically any source: scientific research, a customer database, Google Analytics or even the server log files of a website.

#### 3.4.1 Multiple Regression Analysis

An extension of simple linear regression is multiple regressions. It is used when the researcher wants the value of a variable to be predicted based on the value of two or more other variables (Kumar et al., 2013). This analysis can be used to evaluate empirical hypotheses as to what and to what degree those independent variables describe variance in a variable of interest that depends

on it as well to identify the most affected variables towards the research studies. In this research, this analysis uses more than one independent variable to describe one dependent variable. There will be linear and nonlinear multiple regressions. For example, in this research it will conduct a study on the relationship between the effect of social media on success of Family Mart.

### 3.4.2 Pearson's Correlation Coefficient Analysis

According to Mukesh et al., (2013), the Pearson Correlation is to measure the degree to which there is a linear association between two variables (measured in either interval and/ or ratio). The purpose of this analysis is to determine if there is a relationship between independent and dependent variable and to identify which hypothesis should accept and reject. The most regularly utilized strategy to decide the quality of the connection of the coefficient is between -1 and 1. The coefficient will be 1 if there is positive relationship between variable while the coefficient is -1 if there is a negative relationship

### 3.4.3 Descriptive Analysis

Descriptive analysis is the topic of quantitatively describing the key elements of information collection (Best & Kahn, 2003). Descriptive statistics are used in this study to disclosing the ordinary pattern of response, summarize and describe the characteristics of the respondents. By doing descriptive analysis, researcher was able to identify and illustrate the information of demographic respondents in the research study such as gender, age, race, and occupation.

### 3.4.4 Reliability Test

By collecting data from 30 target respondents as the recommendation, the researchers conduct the reliability test (Schoonenboom & Johnson, 2017). Reliability test is performed by researchers to test data stability and reliability of the variables. According to J. McLeod (2013), the term reliability in psychological testing refers to the consistency of an interpretation or appraisal test with two types of internal and external reliability. For this study, Cronbach's alpha is used to test the reliability of the question that set to collect the data from target population.

#### 4 FINDINGS

#### 4.1 DATA ANALYSIS AND FINDINGS

In this study, there are six questions were asked under respondents' demographic section such as gender, age, occupation, and salary per month of Family Mart customers

Table 1: Summary of Demographic Profile of Respondents

Item	Frequency n=384	Percentage %
Gender	11-304	/0
Male	188	48.96
Female	196	50.04
Age		
20 -25 years old	160	40.67
25-30 years old	139	36.20
30-35 years old	85	22.14
Occupation		

Government sector Private sector Self-employed Student	71 114 76 126	18.46 29.69 19.01 32.18
Salary Per-month		
Below RM1200 RM 1200-RM2000	121 150	31.51 39.06
Above RM2000 Total	113 <b>384</b>	29.43 <b>100</b>

From the table 1 Summary of Demographic Profile of Respondents the majority of the respondents are females which consist of 51.04% or 196 respondents, while the minority respondents are males which consist of 48.96 % or 188 respondents and the total number of respondent are 384. Besides, there are three age categories provided in the questionnaire. The age range between 20 to 25 years old eventually become the highest proportion among 384 respondents, consists about 41.67% or 160 respondents. This followed by respondents who aged between 25 to 30 years old with approximately 36.20% or 139 respondents. Finally, respondents who aged from 30 to 35 years old are consist of 22.14% or 85 respondents. the results revealed that 18.49% or 71 of the respondent are from government sector, followed by the respondents who are private sector employees with 29.69 or 114. Then, 19.01% or 73 respondents are self-employed. Is this part, students are the majority respondents which are consists of 32.81% or 126. Moreover, there are three categories in salary status which are below RM1200, RM 1200-RM2000 and above RM2000. The majority of the respondents select RM 1200-RM200 which consists of 39.06% or 150, while the minority respondents are above RM 2000 which consist of 29.43% or 113 respondents and finally 31.51% or 121 are from below RM1200 salary per-month.

### 4.2 RELIABILITY ANALYSIS

**Table 2: Pilot Test** 

CONSTRUCT	Number of Items	Cronbach's Alpha	RELATIONSHIP	
All Variables	25	0.917	Good	
Brand Awareness (IV 1)	5	0.658	Good	
Awareness of New Product (IV 2)	5	0.758	Good	
Product Purchasing (IV 3)	5	0.822	Good	
Increase Number of Customer (IV 4)	5	0.845	Good	
Success of Family Mart (DV)	5	0.830	Good	

Based on Table 4.1, Cronbach's alpha coefficient tests were conducted on all five variables. Usually the closer Cronbach's alpha to 1.0, the greater the internal consistency of the items in the scale and reliability coefficient normally ranges between 0 and 1. The table above shows result of Cronbach's alpha for brand awareness is (0.658), awareness of new product (0.758), product purchasing (0.822), increase number of customers (0.845), and success of Family Mart is (0.830). The overall Cronbach's alpha on this study is (0.917) it means that brand awareness, awareness of new product, product purchasing, number of customer and success of Family Mart has good reliability and acceptable (Lund, 2012). The overall scale is highly internally consistent.

#### 4.3 PEARSON CORRELATION ANALYSIS

**Table 3: Pearson Correlation Analysis** 

HYPOTHESIS	RESULT	FINDING OF DATA ANALYSIS
(Brand Awareness) H1: The brand awareness had significant relation with success of family Mart.	r = 0.502* p = 0.000 moderately positive correlation	H <sub>1</sub> : Accepted
(Awareness of New Product) H2: The awareness of new product had significant relation with success of family Mart.	r = 0.502* p = 0.000 moderately positive correlation	H <sub>2</sub> : Accepted
(Product Purchasing) H3: The increase of product purchasing had significant relation with success of Family Mart.	r = 0.627* p = 0.000 moderately high positive correlation	H <sub>3</sub> : Accepted
(Increase the Number of Customers) H <sub>4</sub> : Increasing customer had significant relation with success of Family Mart.	r = 0.755* p = 0.000 high positive correlation	H <sub>4</sub> : Accepted

<sup>\*</sup>p-value<0.05, pearson correlation analysis applied

Based on the Table 4.8, the correlation of each independent variable (brand awareness, awareness of new product, product purchasing, increase the number of customer) is significant at 0.01 levels, two-tailed toward success of Family Mart. In addition, the result also shows that there are the positive perfect significant relationship between all independent variables and the impact of social media advertising on success of Family Mart.

The value between brand awareness and the success of Family Mart 0.502, awareness of new product is 0.502, while product purchasing is 0.627, and increase the number of customer is 0.755. As a result, number of customers shown a strongest positive relationship with success of Family Mart (r = 0.755), followed by the product purchasing (r = 0.627), then brand awareness (r = 0.502), and awareness of new product (r = 0.502). Besides that, the correlation between mediator (number of customers) and dependent variable (success of Family Mart) is positively related with r = 0.755 at 0.01 levels.

#### 4.4 MULTIPLE LINEAR REGRESSION ANALYSIS

In this research, the researcher had implemented Multiple Linear Regression Analysis in statistics to find the relationship between the impact of social media advertising on success of family Mart as the dependent variable and Brand Awareness, Awareness of New Product, Product Purchasing, and Number of Customer as the independent variables. Besides that, this analysis will help the researcher to identify the most dominant impact that help improve the success of Family Mart in Seremban, Negeri Sembilan.

Variable	Simple Regression		
	b	t-stat(95%CI)	p-value
Brand Awareness	0.58	13.31(0.5,0.67)	< 0.001
Awareness of New Product	0.45	11.35(0.37,0.53)	< 0.001
Product Purchasing	0.5	15.71(0.5,0.64)	< 0.001
Increase the Number of	0.7	2.49(0.64,0.76)	< 0.001

**Table 4: Multiple Linear Regression** 

After data exploration and cleaning, Uni-variable Analysis was done using the Simple Linear Regression Analysis (SLR), thus from that analysis, the results show in table 4.9 shown there is a significant effect of brand awareness, awareness of new product, product purchasing, increases the number of customer towards success of Family Mart (p<0.05). In every unit increase of brand awareness, success of Family Mart will be increase by 0.15 (b). Then, unit increase of awareness of new product, success of Family mart will be increase by 0.01 (b). In every unit increase of product purchasing, success of Family Mart will increase by 0.13 (b) and also unit of the number of customers, success of Family Mart will be increase by 0.52(b).

#### 5 DISCUSSION

### 5.1 Hypothesis 1

H1: The brand awareness had significant relation with success of family Mart.

Besides that, researchers have identified that there is significant relationship between the brand awareness and the success of Family Mart from the impact of social media advertising. According to the result the index of Pearson Correlation Coefficient, this research accepting significant relationship between the brand awareness and the success of Family Mart among the youngster because the result 0.548 with significant value p 0.05, it means it mean that there is a significant relationship exist between brand awareness and success of Family Mart at Seremban among youngsters. Therefore, the null hypothesis (Ho) was rejected because the p-value is 0.00 which is less than 0.05 and that mean there is no significant relationship that exist between both independent and dependent variable. Brand awareness is one of the important factor that can impact the customer's purchasing decision and can increase the sales of the business. Besides, brand awareness also a solid trust of customers about the product of Family Mart and brand can help to achieve the objective and goals of Family Mart. The social media advertising can help to

<sup>\*</sup>Normality assumption was fulfilled / met

change the customer's perception toward Family Mart and bring success to the brand of Family Mart. Creating new possibilities and opportunities with the aim of increasing consumer brand awareness (Comscore Media, 2009). In order to attract consumers' attention and address customization of their needs, advertising specialists have started using social networking website appeals in their ads (Milad Dehghani, ustafa Tumer 2015).

### 5.2 Hypothesis 2

H2: The awareness of new product had significant relation with success of family Mart.

Besides that, researchers have identified that there is significant relationship between the awareness of new product and the success of Family Mart from the social media advertising among youngster. According to the result the index of Pearson Correlation Coefficient, this research accepting significant relationship between awareness of new product and the success of Family Mart in Seremban because the result 0.482 with significant value p,0.05, it means it mean that there is a significant relationship exist between awareness of new product and the success of Family Mart. Therefore, the null hypothesis (Ho) was rejected because the p-value is 0.00 which is less than 0.05 and that mean there is no significant relationship that exist between both independent and dependent variable. The social media advertising of Family Mart can help to launching their new product and create awareness of new product among youngster in social media such as Facebook, Instagram and etc. Brand and product awareness can be separated into four level, namely brand unaware, brand recognition, brand recall and top of mind. The bottom level of brand awareness is the brand recognition and it can be called as level of supported recall. The next level is brand recall where in level the customer will not need anything to remember the brand. New product exceptional review where the customer will ready to buy the products by the product attraction and swiftness of new product awareness (Hansel Bagus 2016).

### 5.3 Hypothesis 3

H3: The increase of product purchasing had significant relation with success of Family Mart.

Moreover, researcher has identified that there is significant relationship between product purchasing and the success of Family Mart from the social media advertising among youngster at Seremban. Based on the result of the Pearson Correlation Table 4.21 this research is accepting H3 because 0.616 with significant value p;0.05, it means that there is a significant relationship exist between product purchasing and success of Family at Seremban. Therefore, the null hypothesis (Ho) was rejected because the p-value is 0.00 which is less than 0.05 and that mean that there no significant relationship between both independent variable and dependent variable. The understanding of customer decision making to purchase a product is very important for Family Mart. From this research the Family Mart could know the important of product purchasing. It also help Family Mart to study about their customer buying behaviour and their decision making process, from this point the Family Mart can easily achieve their goals and objective. Every customer will have different type of budget for product purchase. According to Bruno Schivinski and Dariusz Dabrowski (2016) consumers are more easily and frequently to social media such as Facebook, Instagram, and etc to find the information about product that they plan to purchase.

### 5.4 Hypothesis 4

H<sub>4</sub>: Increasing customer had significant relation with success of Family Mart.

Furthermore, researcher has identified that there is significant relationship between the number of customer and the success of Family Mart from the social media advertising. Based on the result of the Pearson Correlation Table 4.22 this research is accepting H4 because 0.713 with significant

value p<0.05, it means that there is a significant relationship exist between increases the number of the customers and the success of Family Mart at Seremban, Negeri Sembilan among youngsters. Therefore, the null hypothesis (Ho) was rejected because the p-value is 0.00 which is less than 0.05 and that mean that there no significant relationship between both independent variable and dependent variable. Based on the Pearson Correlation's analysis on table 4.19, the result shown that independent variable 1 (increase the number of Family Mart) which is key impact that had a high positive influence on the success of Family Mart through the social media advertising. Moreover, the social media advertising helps to increasing the number of customer to Family Mart, where the customer attracted by the advertising and doing purchasing at Family Mart. Without customer there is no sale for a business, the Family Mart marketing strategies will help to increase the number of customers. A brand gave to consumer loyalty that sets aside the effort to form individual messages will innately be seen in a positive light, regardless of whether reacting to a client objection. (Dr. Neha Shukla., 2016).

#### 5.5 HYPOTHESES TESTING

Based on the Spearman Correlation Analysis, it can be concluded that the Brand Awareness, Awareness of New Product, Product Purchasing, and increase the Number of Customer has a significant relationship towards the Success of Family Mart in Seremban, Negeri Sembilan. While from the Multiple Linear Regression Analysis, the most dominant impact that effect the success of the Family Mart will be the increases the number of the customers.

**Table 5: Hypotheses Testing** 

Hypothesis	Objective	Result
H <sub>1</sub>	There is a significant relationship between the Brand Awareness and the Social Media Advertising towards success of Family Mart	Accepted
H <sub>2</sub>	There is a significant relationship between the Awareness of New Product and the Social Media Advertising towards success of Family Mart	Accepted
H <sub>3</sub>	There is a significant relationship between the Product Purchasing and the Social Media Advertising towards success of Family Mart.	Accepted
H4	There is a significant relationship between the Dominant factor which is the number of Customer and the Social Media Advertising towards success of Family Mart	Accepted (increase the number of customers )

#### 6 RECOMMENDATIONS/ SUGGESTION FOR FUTURE RESEARCH

The future researcher can manage to conduct the research in different area of Malaysia to enrich the local context. Different state of Malaysia will have different culture of buying behavior and different convenience store with different variety product. Future researcher can find out more information about the impact of social media advertising on success of Family Mart. Future researcher can know how importance of the social media advertising for a business and how it help to achieve their goals and objective. It is recommended that future researchers perform similar research in different district, states or even in Malaysia as it will lead to a different outcome. In addition, in order to improve the quality of the data obtained, the number of respondents can be expanded for future studies. To get an accurate result from larger amount of responses, future researchers must take a longer duration for data collection and analysis. Furthermore, future researcher should consider to use quantitative method for research. Future researcher may gain deeper understanding about the relationship of the impact of social media advertising on success of a business.

Beside, Interview with the respondents enables researcher to know how the respondents think of social media advertising about a store, brand and also a product. Therefore, using quantitative method may get different perspectives of the relationship between the social media advertising and the success of a business.

### 7 CONCLUSION OF THE STUDY

This study focuses on the impact of social media advertising on success of Family Mart at Seremban, Negeri Sembilan. Organizations can use the outcome of this study to determine the most effectiveness and impact of social media advertising on success of Family Mart among youngster. This is because it will help to build a brand awareness, create awareness of product, product purchasing and increase the number of customer. Malaysian companies from either government or private sectors can also use the data to determine the impact of social media advertising and success of a business on the future development of the country. The minimum requirement for reliability analysis has been met from the study of the overall variable since the value of the Cronbach's Alpha coefficients is above 0.6. The independent variables identified as the a brand awareness, create awareness of product, product purchasing and increase the number of customer the significant relationship to the dependent variable known as the success of Family Mart.. Based on the hypothesis result, all the H0 have been rejected while H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub> and H<sub>4</sub> have been accepted in this study. Most notably, this study has established that university students and entrepreneur are nowadays learn the important of advertising to a business. They are also really concerned about the specifications in marketing to improve the sales of a business.

#### **ACKNOWLEDGEMENTS**

First, we wanted to express our gratitude towards our GOD Almighty that we were able to finish our research. We would also like to express our appreciation to our supervisor Dr. Nurul Izyan Binti Mat Daud for his helps by giving feedback and comment that are invaluable value to us, his support towards us, patience and understanding to guide us in process to complete our research. Besides that, we were highly indebted to Universiti Malaysia Kelantan for providing great facilities and platform to search for related sources to complete our research and we would like to thank Faculty of Entrepreneurship and Business by provided latest format and information regarding this research. Other than that, we would like to express sincere gratitude to our parents

and family members supporting us throughout our studies at Universiti Malaysia Kelantan, they had encouraged and help us in completion of this research. Invaluable thank to our course mate because they always support us by giving feedback and share their information to let us complete our research within the time. We gain knowledge through this research and we gain the spirit of co-operations among the group members. Finally, we would like to express deep appreciation to all respondents in Universiti Malaysia Kelantan. They sacrificed their precious time to helping us to complete our research by fill up questionnaire. Useful information gain from respondents had helps us a lot in our research.

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# THE FACTORS THAT AFFECT THE CONSUMERS TO PURCHASE PRODUCTS FROM VIRTUAL SHOPPING IN TAMPIN, NEGERI SEMBILAN

Teebashini A/P Gunasekaran and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: teebashini.a17a0735@siswa.umk.edu.my, izyan.md@umk.edu.my

#### Abstract:

In the era of globalization, virtual shopping become the first alternatives that consider by publics especially the young generations when making the purchase decision. Compared to the off-line shopping, virtual shopping are more favorite by consumers today since it more convenient than off-line shopping way which usually cause the parking space, limited time, crowded and traffic jam problem. The primary aim of this research is to identify the factors that affect the consumers to purchase products from virtual shopping in Tampin, Negeri Sembilan. This study to investigate the relationship between the independent variable namely website quality, convenience and security and propensity to trust that influence the dependent variable, consumer attitude towards virtual shopping. This research used the quantitative method through the structured questionnaire. Non-probability sampling where the convenience sampling is used to collect the data through an online survey questionnaires with 379 respondents from young adults in Tampin, Negeri Sembilan who have experience about virtual shopping. This study used Statistical Package for Social Science (SPSS) version 26.0, to analysed the data and derived the descriptive analysis, reliability analysis, and Pearson's correlation analysis to test the research objectives and hypotheses. Pearson's Correlation was used in this research to test the hypotheses and to determine the significance of the relationship between independent variables and dependent variable. The result indicates that website quality, convenience, security and propensity to trust had significant results on consumer attitude. The finding has contributes to the literature and make a number of theoretical contributions to the upcoming researches. It has brought some practical implication to the entrepreneurship fields, especially to the e-commerce industry in Malaysia.

**Keywords**: Consumer Attitude Towards Virtual Shopping, Convenience, Propensity To Trust, Security, Website Quality

### 1 INTRODUCTION

Virtual shopping is a type of electronic commerce (e-commerce) which consumer can search the products and service directly and make the purchase decision from the seller through the Internet (Saad Akbar, 2017). Compared to offline shopping, online shopping is more preferred by consumers today since it is more convenient than offline shopping way which usually causes the parking space, limited time, crowded and traffic jam problem. The number of online shoppers in the worldwide also significant increase because the consumers feel that virtual shopping is more easy and convenient compared to off line shopping (Kubanychbekova Aidai, 2020). With using the virtual shopping, consumer can search the products and services that interested by viewing the pictures or images, details of the product specifications, characteristics, and price and then

make the purchase decision directly. Rehman, Abdul and Dost (2015) have confirmed that the younger generation such as young adults are more interested in browsing via online and they are used the internet in their regular activities and are totally reliant on it. Hence, this research is conducted to study the factors that affect the consumers to purchase products from virtual shopping in Tampin, Negeri Sembilan. There are four factors contributed to this research, which are website quality, convenience, security and propensity to trust.

This study will be investigating the factors that affecting consumer attitude towards virtual shopping among young adults. Specifically, the objectives of this study are to identify the relationship between the website quality that influences consumers attitude towards virtual shopping among young adults in Tampin, Negeri Sembilan, to investigate the relationship between the convenience that influences consumers attitude towards virtual shopping among young adults in Tampin, Negeri Sembilan. Next will be to determine the relationship between the security that influences consumers attitude towards virtual shopping among young adults in Tampin, Negeri Sembilan and to examine the relationship between propensity to trust that influences consumers attitude towards virtual shopping among young adults in Tampin, Negeri Sembilan. Lastly, to find out the relationship between most effective factor to purchase products from virtual shopping among young adults in Tampin, Negeri Sembilan.

E-commerce has become the new way of trading model which can provides the faster and convenient buying channel that provides greater superior experience consumption for customers. Compared with the traditional shopping mode, e-commerce has the advantages of time savings, speedy deliveries, lower prices, convenience, and information richness (Robert, Patrick & James, 2015). ). It became more acceptable and favorite by people today because they can buy the products via online without leaving their home. Nowadays, customers are becoming more mindful of virtual shopping, browsing the internet on a regular basis and purchasing goods worldwide (Sharma, 2019).

### 2 LITERATURE REVIEW

### 2.1.1 Website Quality

Website quality is described as the degree to which a website promotes efficient and effective shopping, achievement and transmission (Ye, 2015). According to Akram (2018), explored the website quality affects online impulse buying and showed that website quality is a very strong determinant in the development of virtual buying behaviour. The website is an online store and the quality of the website is very significant because it affects the quality of online services (Tran Phi Hoang, 2019). As indicted by Sheng (2020), a well-developed website can improve the rate of return by increasing the purpose and satisfaction of virtual shopping by customers.

H1: Website quality is significant affect the consumer attitude towards virtual shopping.

#### 2.1.2 Convenience

Convenient is a processes, goods and services are those aimed at making accessibility simpler, saving resources such as time, effort and energy and reducing dissatisfaction which stated by Mohammad Ali (2020). The most critical core elements for virtual shopping are convenience, quick delivery and time saving, and the other side of branding is not an important factor for virtual shopping (Kloppers, 2014). Consumers can also avoid from crowds especially when a discount

sale or clearance stock is offered by the virtual store. The virtual store provides a much wider range of colours or even a size as compare if finding the products locally. Convenient access to product details will make it easier and help purchasers make decisions in virtual purchases (Saad Akbar, 2017).

H2: Convenience is significant affect the consumer attitude towards virtual shopping

#### 2.1.3 Security

The degree of protection of customer information and network security against fraud or hackers refers to privacy or security. Consumers often expect their personal data and records to be stored secretly and securely by the online website owner. In an effort to encourage consumers and provide them with a sense of security in using the site, some online service providers publish stories, customer testimonials, and policies about their security or privacy practises (Shu-Hao Chang, 2015). Owner of virtual website should be aware of and improve the online transaction security of their website and provide customers with a privacy policy, thus enhancing the confidentiality, satisfaction and buying intent of the customer (L.Antheunis, 2016).

H3: Security is significant affect the consumer attitude towards virtual shopping.

### 2.1.4 Propensity To Trust

The trustworthiness of the buyer is likely to assess the final purchasing decision between a buyer and a dealer. Retailers that are capable of delivering what they promise and avoiding any errors that disappoint consumers will create greater consumer trust. The trust between the consumer and the seller would give both parties a positive impact and good vibes (Majid Mohammad Shafiee, 2017). Trust is observed as the attitude towards the use of social media that involves privacy and security issues (Bilal Eneizan, 2020). According to Rina (2020), in interactions and transaction processes, trust is established between parties that do not know each other.

H4: Propensity to trust is significant affect the consumer attitude towards virtual shopping.

### 2.1.5 Consumer Attitude towards Virtual Shopping

Attitude is one of the key factors in online marketing that drives customers to make an online purchase (May, 2005). Consumer's attitude towards virtual shopping refers to their psychological state in terms of making purchases over the Internet (Saad Akbar, 2017). Attitude is a multi-dimensional construct with cognitive, affective and behavioral components (Yet Mee Lim, 2019). Virtual allows customers to use search characteristics to discover the same or exact products, models, identification or products they want whether they know the exact name of the product (Datta, 2018).

Al Khasawneh and Irshidat (2017), mentioned that the attitude of the consumer greatly affects his or her buying intention and decisions as well. Attitude impacts decision-making directly and is often central to the purchasing behavior of a consumer. Virtual shopping is an evolving challenge for accommodate to market trends and meeting consumer preferences (Mohammad Ali, 2020). The explosive of virtual shopping available in lower price and the import variety is more than traditional shopping, the consumers will choose to capture online.

### 2.2 CONCEPTUAL FRAMEWORK

A conceptual framework defined as an analytical tool with many variations and circumstances. It is used to provide organize ideas for conceptual distinctions. Conceptual framework leads the researcher to find out the result and statistical relationship that will be examines between the dependent variable and independent variables (Saad Akbar, 2017).

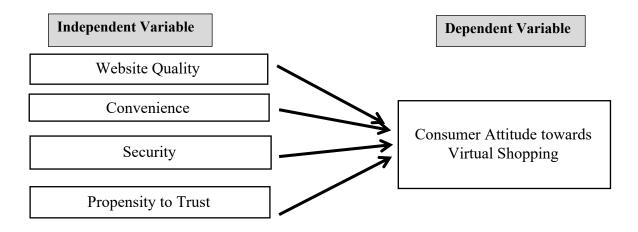


Figure 1: The factors that affect the consumers to purchase products from virtual shopping. As indicated in Figure 1, the factors that affect the consumers to purchase products from virtual shopping including website quality, convenience, security and propensity to trust are used to examine the consumer attitude towards virtual shopping.

#### 3.0 RESEARCH METHODOLOGY

#### 3.1 Research Design

The target respondents for this research are young adults who are active in virtual shopping in Tampin, Negeri Sembilan. Researcher uses an independent variables and dependent variable by construct the questions. This study use descriptive research analysis to further explore about the consumer attitude towards virtual shopping among young adults in Tampin, Negeri Sembilan. Descriptive research will be used in this study to explain the respondent's preferences and opinion about factors that affect the consumer attitude shopping environment. The unit analysis in this research is individuals who are the young adults in Tampin, Negeri Sembilan. The quantitative approach is use where the online survey method also will be used to gather information from the young adults by using the questionnaire. . The population of this study is the number of young consumers in the area Tampin, Negeri Sembilan which is 24,120 residents (Department of Statistic Malaysia, 2016). The number of respondents chosen in this study is 379 consumers.

#### 3.2 Data Collection Method

The researcher distributes the questionnaire to the respondents to collect the data. The questionnaire is all about the factors that affect the consumers to purchase products from virtual shopping. This method will be more accurate to collect the data from the respondents because respondents will get more time to read and to answer sincerely. The secondary data is from various resources such as past journals, internet and articles that related with the factors that affect the consumers to purchase products from virtual shopping in Tampin, Negeri Sembilan.

### 3.3 Sampling

The researcher uses the non-probability sampling which is called as convenience sampling. Convenience sampling refers to the collection of information from the target population who are conveniently available to provide it. A 5-point Likert Scale was used to measure target respondents response based on the factors that affect the consumers to purchase products from virtual shopping in Tampin, Negeri Sembilan. The scale ranged are from 1 until 5 which is (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree). The questionnaire was divided into three sections which are Section A represents the demographic questions, Section B represents the independent variables while Section C is about the dependent variables.

### 3.4 Data Analysis

Researcher used closed-ended questionnaire, which contain Section A, B, and C. After the information had gathered from respondents, the researcher started to collect and analyze the questionnaires. The respond of respondents were changed into numerical values before enter the data in the spreadsheet. Statistics Package for the Social Science (SPSS) was choose and applied to collect and analysed the gathered information.

#### **4 RESEARCH FINDINGS**

### 4.1 FREQUENCY ANALYSIS

The data analysis will focus on analysing factors affecting consumer attitude towards virtual shopping in terms of website quality, convenience, security and propensity to trust. This study were able to get 379 questionnaires which fully completed and hence, eligible for data analysis.

**Table 1: Summary of Demographic Profile of Respondents** 

Items	Frequency (n=379)	Percentage %
Gender		
Male	180	47.5
Female	199	52.5
Age		
21-25 years old	127	33.5
26-30 years old	105	27.7
31-35 years old	101	26.6
36-40 years old	46	12.1

Race		
Malay	128	33.8
Chinese	120	31.7
Indian	131	34.6
Others	0	0
Occupation		
Student	70	18.5
Self-employment	61	16.1
Government Sector	59	15.6
Private Sector	189	49.9
TOTAL	379	100

Table 1 show that the summary of the demographic profile. It indicates that 199 (52.5%) female respondents and 180 (47.5%) male respondents were involved in this research study. The total number of respondents is 379. There are five age categories provided in the questionnaire. The age range between 21 to 25 years old eventually become the highest proportion among 379 respondents, consists about 33.5% or 127 respondents. This followed by respondents who aged between 26 to 30 years old with approximately 27.7% or 105 respondents. Next, respondents who aged from 31 to 35 years old consist of 26.6% or 101 respondents and the last one is years old with 1.21% or 46 respondents.

Next is race category. It has been stated that the highest number of respondents are from the race group of Indian which is about 34.6% (n=131). While the second-highest race group are from Malay with 33.8% (n=128). This is followed by the lowest number of respondent race group is from Chinese which is about 31.7% (n=120). It has been stated that the highest number of respondents of occupation is from private sector which consists of 49.9 % of 189 respondents. This statistics is followed by the occupation of student which consist of 18.5% of 70 respondents, then followed by self-employment which consist of 16.1 % of 61 respondents. From this study, the least number of respondents are from the group of government sector which consists of 15.6% of 59 respondents only.

#### 4.2 RELIABILITY ANALYSIS

**Table 2: Pilot Test** 

Construct	Number of	Cronbach's Alpha	Relationship
	Items	Coefficient	
All Variables	25	0.925	Excellent
Website Quality (IV 1)	5	0.845	Good

Convenience (IV 2)	5	0.809	Good
Security (IV 3)	5	0.708	Good
Propensity to Trust (IV 4)	5	0.815	Good
Consumer Attitude Towards Virtual Shopping (DV)	5	0.884	Good

Based on Table 2, Cronbach's alpha coefficient tests were conducted on all five variables. Usually the closer Cronbach's alpha to 1.0, the greater the internal consistency of the items in the scale and reliability coefficient normally ranges between 0 and 1. The table above shows result of Cronbach's alpha for website quality is (0.845), convenience (0.809), security (0.708), propensity to trust (0.815), and consumer attitude towards virtual shopping (0.884). The overall Cronbach's alpha on this study is (0.925) it means that website quality, convenience, security, propensity to trust and consumer attitude towards virtual shopping has excellent reliability (Lund, 2012).

#### 4.3 PEARSON CORRELATION ANALYSIS

**Table 3: Summary Result of Pearson Correlation** 

Hypothesis	Result	Findings of Data
		Analysis
H1: There is a significant	r= 0.511** p=0.000	H1:Accepted
relationship between the website	Moderate Positive(negative)	
quality and the consumer attitude		
towards virtual shopping.		
H2: There is a significant	r= 0.529** p=0.000	H2: Accepted
relationship between the	High Positive (negative)	
convenience and the consumer		
attitude towards virtual shopping.		

H3: There is a significant	r=0.364** p=0.000	H3:Accepted
relationship between the security	Moderate Positive (negative)	
and the consumer attitude towards		
virtual shopping.		
H4: There is a significant	r=0.587** p=0.000	H4: Accepted
relationship between the	High Positive (negative)	
propensity to trust and the		
consumer attitude towards virtual		
shopping.		

Table 3 shows the Pearson's Correlation coefficients. The correlation of each independent variable (website quality, convenience, security, and propensity to trust) is significant at 0.01 levels, two-tailed toward consumer attitude towards virtual shopping. In addition, the result also shows that there are the positive significant relationship between all independent variables and consumer attitude towards virtual shopping.

The correlation coefficients for website quality and consumer attitude towards virtual shopping is 0.511 and it shows that the strength of correlation between website quality and consumer attitude towards virtual shopping is moderate positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant moderate positive correlation relationship between website quality and consumer's attitude towards virtual shopping.

Moreover, the correlation coefficients for convenience and consumer attitude towards virtual shopping is 0.529 and it shows that the strength of correlation between convenience and consumer attitude towards virtual shopping is high positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between convenience and consumer attitude towards virtual shopping.

In addition, the correlation coefficients for security and consumer attitude towards virtual shopping is 0.364 and it shows that the strength of correlation between security and consumer attitude towards virtual shopping is moderate positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant moderate positive correlation relationship between security and consumer attitude towards virtual shopping.

<sup>\*</sup>p-value<0.05, pearson correlation analysis applied

Lastly, the correlation coefficients for propensity to trust and consumer attitude towards virtual shopping is 0.587 and it shows that the strength of correlation between propensity to trust and consumer attitude towards virtual shopping is high positive correlation. Besides that, the P value which was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between propensity to trust and consumer attitude towards virtual shopping.

#### 4.4 MULTIPLE REGRESSION ANALYSIS

**Table 4: Coefficient Analysis** 

		Unstandard	lized Coefficients	Standardized Coefficients		
N	<u>l</u> odel	В	Std. Error	Beta	t	Sig.
1	(Constant)	1.076	.207		5.203	.000
	Website Quality	.185	.037	.230	5.030	.000
	Convenience	.153	.041	.181	3.751	.000
	Security	.126	.042	.122	2.987	.003
	Propensity to Trust	.342	.041	.369	8.273	.000

In this research, the researcher implemented Multiple Linear Regression to identify the relationship between the consumer attitude towards virtual shopping as dependent variable and website quality, convenience, security and propensity to trust as independent variables. Furthermore, this analysis helps the researcher to find out the most dominant factor that affect the consumer attitude towards virtual shopping. The independent variables were significant since the p-values were less than 0.05. The equation of regression can be written as follows;

$$\gamma = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4$$

where

 $\gamma$  = Consumer Attitude towards Virtual Shopping

 $x_1$  = Propensity to trust

 $x_2$  = Website Quality

 $x_3$  = Convenience

 $x_4$  = Security

Hence, the equation becomes

$$\gamma = 1.076 + 0.342 x_1 + 0.185 x_2 + 0.153 x_3 + 0.126 x_4$$

Unstandardized coefficients beta represents the strength of the effects of every single of the independent variables to the dependent variable. The higher the value of the beta coefficient, the stronger the effect of independent variable towards dependent variable. According to the Table 4, the most influence independent variables in measuring the consumer attitude towards virtual

shopping was the propensity to trust variable ( $\beta_1 = 0.342$ ). The website quality ranked at second rank ( $\beta_2 = 0.185$ ) and followed by the convenience ranked at third rank ( $\beta_{13} = 0.153$ ). The lowest influence consumer attitude towards virtual shopping was the security ( $\beta_4 = 0.126$ ).

#### 5.0 DISCUSSION

With reference to the findings by previous researches on factors that affect the consumer attitude towards virtual shopping, this study has further investigated the factors that affect the consumers to purchase products from virtual shopping in Tampin, Negeri Sembilan.

#### 5.1 Website Quality

The researcher have identified that there is significant relationship between the website quality and consumer attitude towards virtual shopping among young adults. According to the result the index of Pearson Correlation Coefficient, this research accepting significant relationship between website quality and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan which is the result is 0.511 with significant value p<0.05. It shows that there is a significant relationship between website quality and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan. According to Akram (2018), explored how website quality affects online impulse buying and showed that website quality is a very strong determinant in the development of virtual buying behaviour.

#### 5.2 Convenience

The researcher have identified that there is significant relationship between the convenience and consumer attitude towards virtual shopping among young adults. According to the result the index of Pearson Correlation Coefficient, this research accepting significant relationship between convenience and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan which is the result is 0.529 with significant value p<0.05. It shows that there is a significant relationship between convenience and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan. The ability to search for goods and services at a time that is convenient for customers is the most common determinant of virtual shopping (Kloppers, 2014).

#### 5.3 Security

The researcher have identified that there is significant relationship between the security and consumer attitude towards virtual shopping among young adults. According to the result the index of Pearson Correlation Coefficient, this research accepting significant relationship between security and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan which is the result is 0.364 with significant value p<0.05. It shows that there is a significant relationship between security and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan. A study from Loonan and Loughlin (2018) indicated that security particularly in the online banking industry, it played an important role because customers presumed that all website providers had a safe website as standard virtual shopping requirements.

#### 5.4 Propensity to Trust

The researcher have identified that there is significant relationship between the propensity to trust and consumer attitude towards virtual shopping among young adults. According to the result the index of Pearson Correlation Coefficient, this research accepting significant relationship between propensity to trust and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan which is the result is 0.587 with significant value p<0.05. It shows that there is a significant relationship between propensity to trust and the consumer attitude towards virtual shopping in Tampin, Negeri Sembilan. The view of the party who trusts in the trustworthy party that has the characteristics that will help customers is trusting confidence (Fakhri, 2019).

#### 6.0 RECOMMENDATION

From this research, it able to provide more understanding about the customer attitude towards virtual shopping in measure the independent variable which are website quality, convenience, security and propensity to trust. The researcher suggests to selects more sample that can represent the whole population in Malaysia that able to provide the view of the virtual shopping behaviour. This is because, the larger population will increase the number of the sample size that can help to know more detail especially the factors that affect the consumers to purchase products from virtual shopping. Besides that, future research also might be considered to develop more factors that will influence the consumer attitude towards virtual shopping.

In addition, researcher also recommend for the future research in term of the variable. In this study, the researcher used 4 independent variables to see the relationship between the dependent variable that provided. Then, for the next research, I recommended to increase the number of variables that can make the research are strong enough.

In this research all the researcher especially student must review the result of this research and take concern about it. This is because, the finding of this study may contribute many advantages to them to enhance about the factor that affect the consumer attitude towards virtual shopping from the different aspects especially all the factors that used in this research.

#### 7.0 CONCLUSION

This study was conducted to provide in-depth investigation on factors that affect the consumers to purchase products from virtual shopping among young adults in Tampin, Negeri Sembilan. Through the analytical results, it indicated that all the independent variables which are website quality, convenience, security and propensity to trust that used in this study had significant effect of consumer attitude towards virtual shopping among young adults in Tampin, Negeri Sembilan. Meanwhile, findings of this study also indicated that website quality, convenience, security and propensity to trust had positive relationship toward consumer attitude towards virtual shopping. As conclusion, the propensity to trust had the strongest impact on consumer attitude towards virtual shopping which the marketer should evaluate their website elements seriously and functionality in order to capture the demands of the online customers. In interactions and transaction processes, trust is established between parties that do not know each other. Although propensity to trust has the strongest impact on consumer attitude towards virtual shopping, others factors such as website quality, convenience and security should not be underestimated.

#### **ACKNOWLEDGEMENT**

First, I wanted to express my gratitude towards God that I am able to finish my research proposal. I would also like to express my appreciation to my supervisor Dr Nurul Izyan Binti Mat Daud for her helps by giving feedback and comment that are invaluable value to me, her support towards me, patience and understanding to guide me in process to complete my research proposal. Appreciate for giving such opportunities to do this project, and I have gained more knowledge about research, giving advices and also doing correction to out of mistake. Besides that, I am highly indebted to University of Malaysia Kelantan for providing great facilities and platform to search for related sources to complete my research and I would like to thank Faculty of Entrepreneurship and Business by provided latest format and information regarding this research.

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# FACTOR AFFECTING THE ONLINE IMPULSE BUYING AMONG STUDENTS IN UNIVERSITY MALAYSIA KELANTAN (UMK), CITY CAMPUS

Wong Pei Ling and Siti Afiqah Binti Zainuddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: wpling.a17a0780@siswa.umk.edu.my; sitiafiqah@umk.edu.my

#### Abstract:

Online shopping is a trend in Malaysia. Malaysians have long adopted and practiced it. Advances in Internet technology have enabled Malaysian consumers to purchase goods or services online. The research is to probe into the factor that affecting the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. This research will probe into the relationship between the relationship between the variety of selection, price attributes and website ease of use with the mediator as shopping enjoyment that will affect the online impulse buying among the students in University Malaysia Kelantan (UMK), City Campus. In order to achieve this goal, some variables or factors are determined. In this analysis, quantitative research analysis and sampling techniques are used to ensure the archiving of research objectives. This is a quantitative study, in which 357 respondents who have enrolled in 5,631 for students in University Malaysia Kelantan (UMK), City Campus. 357 respondents were of different gender, age, and race. SPSS was used to analyze the data collected from the respondents. After this research, researcher acknowledged that factors such as variety of selection, price attributes, website ease of use and shopping enjoyment were significant towards online impulse buying among the students in University Malaysia Kelantan (UMK), City Campus. Through reliability analysis, descriptive analysis, Pearson's correlation analysis and multiple regression analysis, researcher studied each variable and verified the result.

**Keywords**: Online Impulse Buying, Price Attributes, Shopping Enjoyment, Variety of Selection, Website Ease of Use

### 1. Introduction

With the rapid development of the era and the advancement of science and technology, it can be found that more and more people use the Internet. Now it is an era where everyone can operate the Internet. Whether you are at home or out, people are online with WIFI everywhere, just like everyone has a mobile phone today, and the mobile phone is connected to the mobile network 24 hours a day. For example, before going to a shopping mall for a long time, you might not be able to buy a suitable piece of clothing. Now you only need to sit in front of a computer or hold your mobile phone or tablet and move your fingers. A large number of clothing styles will appear in front of you and you can choose. The price is clear at a glance, and it will be delivered to your door, so you can buy your favorite clothes without leaving home. People enjoy convenience through the Internet.

Online store is a common authoritative type of e-retail business, which is a shopping center set up on the Internet. Online stores are places where clients can shop through the Internet whenever, anyplace; sellers can sell items and services, and can reduce the cost of maintaining real store management and sales. Simply enter the address of a web page in the browser to log in the online store. Online stores are the least difficult Internet business model. These days, web based shopping has become a typical method of shopping in this period. From huge internet shopping centers to little online stores, with the development of the style and assortment of online stores, the web based shopping industry has gotten denser and clients have more options. For this situation, the "Double Eleven" web based shopping celebration is a cunning blend of

occasion shopper brain research and customer value advancement advertising (Akram et al., 2017)

As indicated by the review report by the (MCMC, 2018), the online business market in Malaysia is demonstrating positive patterns. As per the study, the extent of web based business shoppers in Malaysia is 51.2%. In 2018, there were around 16.6 million internet business customers. Among them, 93.3% of the respondents professed to be just online customers, while 6.1% professed to be online customers and merchants, and the excess 0.5% professed to be just sellers (MCMC, 2018)

With the rapid development of e-commerce, consumers increasingly prefer to buy goods online, which leads to impulse purchases in some situations or occasions. Consumers can order products with one click, can easily access products and browse product information and time saving are factors that motivate consumers to buy impulse online. Approximately 40% of all online consumers spending can be attributed to online impulse buying (Akram et al., 2017; Liu et al., 2013; Verhagen & van Dolen, 2011).

In 2020, physical stores were closed due to the COVID-19 pandemic and social distancing measures, leading consumers to gradually shift from offline purchases to online purchases, thereby accelerating Malaysia's e-commerce market growth. Consumers are more dependent on online shopping in order to maintain social distance and reduce time outdoors.

According to the report, among 51.2% of online consumers, 9.2% are full-time students. Among them, 82.8% are currently studying at a university or college (MCMC, 2018). According to past research reports, Malaysia's university students invest a great deal of energy on the web (Anuar et al., 2013; Haque et al., 2016; Zainudin et al., 2013). Moreover, youngsters, including understudies, have an uplifting mentality towards internet shopping since they feel that web based shopping is advantageous, low-evaluated products and efficient (Jadhav & Khanna, 2016). At the end of the day, greater college understudies are moving towards web based shopping as their shopping stage (Jin et al., 2015).

This study is aim to investigate the factors that affecting the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. Below are the specific objectives that were used to answer the research questions:

To determine if there is a significant relationship between variety of selection and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

To determine if there is a significant relationship between price attributes and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

To determine if there is a significant relationship between website ease of use and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

To determine if there is a significant relationship between shopping enjoyment and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

The aftereffects of this exploration will additionally help online business administrator or advertisers give all the more promoting methods and correspondence techniques in web based business. It causes them convey all the more successfully, in this manner expanding the requirement for future business sectors and giving counsel from the data accumulated. It utilizes measurements, scientific strategies, and methods to acquire knowledge into the dynamic cycle. Along these lines, through exploration, it could give online business administrator or advertisers a superior comprehension of the variables that influencing college understudies' online motivation purchasing and to give better client care and exact market data.

From a buyer's point of view, this exploration can assist them with pulling in customers regarding site upgrades, showcasing boosts and situational improvements, subsequently upgrading purchasers' fun in the web based shopping measure and drawing in the consideration of various web based business markets. These bits of knowledge gave to the web based business stage can additionally improve its ascribes, including variety of selection, price attribute and website ease of use, to give a charming air and cause purchasers to feel energized and intrigued by the e-shopping measure.

Overall, the purpose of this research is to fill gaps for academicians and future researchers and to contribute to literature interested in conducting research in this area. The research could help future researchers interested in conducting research in the field, especially university students to buy online impulses. Researcher and academicians who intend to run or direct such study later on can utilize this exploration as a source of perspective for help and information consistency. Also, while exploring comparative factors, researcher can allude to the strategies utilized in this examination as a kind of perspective for their future exploration. Throughout the research, the expansion of future research has helped to provide audiences with clearer images of the factors that contribute to online shopping impulse buying.

### **2Literature Review**

#### 2.1.1 Online Impulse Buying

(Beatty & Ferrell, 1998) provided a simpler classification that separates impulse purchases from unplanned purchases. Impulsive buys are "unexpected and prompt buys, with no pre-request proposed to buy a specific item classification or to finish a particular buy task", and a spontaneous update buy might be an "unavailable" update buy. As a result, impulse buying is a whimsy purchase that is almost unthinking. For example, shoppers see some sweets and decide to buy suddenly, while unplanned cautionary purchases are purchases because shoppers forget to list a piece of goods. For example, shoppers see sugar in the store and remember she bought them when they don't (Bellini et al., 2017). Past investigations have demonstrated that purchasers are impacted by others when they purchase items, which might be higher online than offline (Riegner, 2007). (Kollat & Willett, 1969), indicated to that when an individual attempts to purchase little things, for example, food, drinks, and different things, and winds up getting them with buying huge things like jewelry, watches, cell phones, and so forth, they are no plans. It indicates that the person made an impulsive or unannimity purchase during the purchase process.

### 2.1.2 Variety of Selection

Variety of selection is an important reason for shoppers to shop online (Szymanski & Hise, 2000). A study by (Chang, 2011), shown that when things were arranged into more subcategories in the decision menu, clients comprehended that the page offered more kinds of things and experienced furthermore shopping euphoria, improving them toward online stores. (Mallapragada et al., 2016) also uncovered that online retailers with multiple product categories will in general carry more advantages to online buyers. There are numerous reasons why online customers esteem item classes. To start with, superior products can expand the odds of addressing their requirements, especially when it is highly unlikely that traditional retail channels will offer them. Second, a wide variety of search engines allow consumers to buy higher-quality goods (Bakos, 1997).

#### 2.1.3 Price Attributes

Price attribute is an important variable in the process of consumer's purchase decision-making, which can easily affect consumer's purchasing behavior. According to a study by (Biswas & Blair, 1991), revealed price discounts can affect consumers' price perceptions and ultimately their willingness to shop. (Brynjolfsson & Smith, 2000), argue that online products and services cost 9 to 16 per cent less than similar products in traditional retail stores, contingent upon whether duties, delivery cost and shopping costs are included for the cost. (Reibstein, 2002), points out to that online shopper frequently look for price information from various retailers of a similar item to settle on the most ideal economic choices. Now and again, not exclusively do costs are brought down, yet exceptional proposals from online suppliers make web based business a productive alternative for customers. These unique offers may incorporate a "get one, get one", free pass for an event, discount coupons for future purchases, free gifts for 1st customers, holiday exchanges, etc. (Arora & Aggarwal, 2018).

#### 2.1.4 Website Ease of Use

The website ease of use of a website is a view of the extent to which the site can be easily browsed. In an internet shopping climate, convenience is the client's inclination that it is nothing difficult to use the site for web based shopping (Awad & Ragowsky, 2008; Cho & Sagynov, 2015; Vijayasarathy, 2004). (Liu et al., 2013) define ease of use as "how easy it is to navigate through online shopping sites". In addition, ease of use is that clients can without much of a stretch peruse efficient sites, peruse and comprehend the data showed on sites (Loiacono et al., 2002). Ease of use additionally includes intuitiveness and traversability on a site, a quick and confided in inquiry framework, a deliberate showcase of refreshed and complete data on the site, and simple installment (Akram et al., 2017; Bilgihan & Bujisic, 2015; Verhagen & van Dolen, 2011). Many scholars point out that factors influence impulse buying: online users are more likely to participate when they are positively affected. In addition, online shoppers' positive feelings about emotions increase impulse buying and overspending (Akram et al., 2017).

### 2.1.5 Shopping Enjoyment

Shopping enjoyment, whereby individuals consider shopping a sort of amusement, don't cling to a buying list, and subsequently, generally speaking, they will make many impulse purchases (Beatty & Ferrell, 1998). Online entertainment shoppers like to socialize while shopping. Shopping for them is a pleasant experience. The intermediary shopping enjoyment in this research is the pleasure and experience enjoyed in the shopping process rather than the satisfaction obtained from the purchased goods or services. Shopping enjoyment is the result of enjoying a fun experience during the shopping process, not the completion of the purchase. It might have been gotten from looking for merchandise or services, discovering deals and limits, finding out about new patterns and trends, interfacing with others, for example, loved ones, and delivering pressure when shopping on the web (Ozen & Engizek, 2014).

### 2.2 Hypothesis Development

The hypothesis is a proposition to test or a tentative statement that two variables are causally related. In short, it is a clear statement of what is supposed to be investigated. It is a must to investigate the relationship which researchers already analyse with reasonable reasons because the results that researchers found will give suggestions for the problem solving. It also can be used as formal procedures by statisticians or researchers to accept or reject a statistical hypothesis. In this research, researchers have identified four hypotheses as stated below.

**H1:** There is a significant relationship between the variety of selection and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

**H2:** There is a significant relationship between the price attributes and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

**H3:** There is a significant relationship between the website ease of use and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

**H4:** There is a significant relationship between the shopping enjoyment and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

#### 2.3 Research Framework

In order to better explain the factors that affecting the online impulse buying, among students in University Malaysia Kelantan (UMK), City Campus, this study proposes external stimulus, including variety of selection, price attributes and website ease of use as independent variables that affect the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. Variety of selection, price attributes and website ease of use, as situational stimulus, market stimulus, and the website stimulus represents each of external stimulus. Shopping enjoyment as an organism is considered to be the mediator variable between external stimulus as independent variables and online impulse buying as dependent variables. According to (Mehrabian & Russell, 1974), they emphasize that stimulation affects a person's

emotional state. In addition, (Childers et al., 2001), a similar concept has been adopted, suggesting that the pleasure of an interactive web environment can affect consumers' attitudes towards Internet shopping.



Figure 1: Suggested S-O-R framework

Source: The state of online impulse-buying research: A literature analysis (Chan, T. K., Cheung, C. M., & Lee, Z. W., 2017).

### 3 Methodology

### 3.1 Research Design

A research design is the plan of research followed to fulfill the research objectives or test the hypotheses of a research. Research design creates solutions to the research problem that researchers discussed earlier. Research design includes qualitative method and quantitative method. Quantitative method is more preferable as researchers are using surveys to conduct the research. A survey and experiment type of research is most likely to use quantitative research because qualitative research is more on interview and observation. Questionnaires will be distributed in this study. Likert scale is one of the common techniques that will be used in quantitative research which enable the opinion of the respondent translated into numerical data. Descriptive research is a sort of basic task research, which alludes to the examination and exploration of various components and various parts of the circumstance, the assortment and recording of information, zeroing in on the static depiction of target realities. Cross-sectional design is also known as cross-sectional survey, because the descriptive information obtained is collected at a certain point in time or within a short time interval, so easy to implement.

#### 3.2 Data Collection

Data collection is the process of collecting and gathering information about identified variables. All researchers collect data to understand and explore the answers to their questions. Key data will be collected in this research and will be further explained. Primary data and secondary data were utilized in this research as data collection method. The primary data of researcher use to collect the data is questionnaire and the source of secondary data that researchers use to collect data is the including books, journal, web, article and electronic library data set.

### 3.3 Sampling

Probability sampling is the sample techniques method that will be chosen in this research. In probability sampling, a random selection is used to select the sample so that each element in the population has a known chance of being selected. Simple random sampling is the most basic form of probability sampling. In a simple random sample, each member of the population has an equal known opportunity to become the body of the sample. This approach is used because researchers are required to collect data over exercise periods and there is no funding for the study. As a result, researchers will distribute online questionnaires through Google forms and publish them to certain groups or pages. This allows the person to fill out comments in their free time based on their volunteer attitude. By using this approach, consumers can easily provide their personal information and making the data collection process more efficient.

### 3.4 Population

Population refers to the whole population, events, and things of interest that researchers want to investigate. Every individual from the populace is known as a component. The complete number of components in the populace is known as populace size and it is signified by 'N'. Target population which is otherwise called the respondents that satisfy a portion of the particular benchmark set by the researchers. According to the University Malaysia Kelantan Enrollment Of Active Students Of Bachelor's Degree Session 2020/2021 showed that students in University Malaysia Kelantan (UMK), City Campus have around 5,631 enrolments.

### 3.5 Sample Size

The sample is a subset of the population. The total number of objects in the sample is called the sample number and is expressed as "n". The sample size is a subset of the researchers in the selected target population. The sample size between 30 and 500 is considered the ideal size for the study (Hill, 1998). The sample size is based on the sample table standard (Krejcie & Morgan, 1970). As gotten from the proposals, the sample size from Krejcie and Morgan's table, the quantity of 357 respondents will be recommended as adequate cases for this study.

#### 3.6 Research Instrument

The questionnaire planned in the study was bilingual, for example English and Malay. This is on the grounds that English is a worldwide language and can speak with respondents from everywhere the world, while Malaysia is the Malaysian language of the nation. Furthermore, the inquiries in this study questionnaire have been adapted and adjusted, and this entire source is recorded in Table 1.

Table 1: Sources of Questionnaire

Section	Description	Sources	No. of item
Section A	Demographic	(Jin et al., 2015)	6
	Variety of Selection	(Park et al., 2012)	4
	Price Attributes	(Cham et al., 2018;	5
	Frice Auributes	Park et al., 2012)	3
	Website Ease of Use	(Lee et al., 2018; Liu	4
Section B	Website Ease of Ose	et al., 2013)	7
Section D		(Beatty & Ferrell,	
		1998; Brosdahl &	
	Shopping Enjoyment	Carpenter, 2011; Lee	5
		et al., 2018; Mohan et	
		al., 2013)	
Section C	Online Impulse	(Lee et al., 2018;	1
Section C	Buying	Verhagen & van	+

	Dolen, 2011; Zou,	
	2018)	

### 3.7 Data Analysis

Data analysis (the application of statistical and logical techniques in the system) can be used to describe and analyze the compression, generalization, and evaluation of data. The data for this research will be analyses using statistical software known as IBM. The Social Science Statistics Package (SPSS) software was used to analyze data collected from questionnaires. IBM was picked in light of its similarity with most other programming bundles and its ease of use utilized for information examination. SPSS is used to explain Descriptive Analysis, Pearson Correlation Analysis, and Multiple Regression analysis. By using this software will eliminate errors. Research can be carried out quickly and efficiently.

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

The purpose of the study was to find out whether the different factors considered affected respondents' online impulse buying. In addition, the study highlights the relationships between the different variables that influence online impulse buying. A total 319 questionnaire were returned out of 357.

### 4.1 Demographic profiles of respondents

Table 2: Demographic profiles of respondents

Demographic Profiles	Number	Percentages
Gender		
Male	68	21.3
Female	251	78.7
Age		
20-22	78	24.5
23-25	214	67.1
26-28	19	6.0
29 and above	8	2.5
Races		
Malay	186	58.3
Chinese	108	33.9
Indian	23	7.2
Others	2	.6
Number of times respondents made online purchases (during the past months)		
Never	11	3.4
1-5 times	239	74.9
6-10 times	53	16.6
>10 times	16	5.0
How often respondents have been shop online?		
Weekly	41	12.9
Monthly	175	54.9
Semi Annually	82	25.7

Annually	19	6.0
None	2	0.6
Payment Method for Micro transaction*		
Credit Card Channel	42	7.7%
Online Banking	270	49.8%
E-wallet	183	33.8%
Online Payment Systems	47	8.7%

Note: \*Multiple choice questions

Table 2 summarizes demographic information of the 319 respondents. As per their gender, number of respondents is 21.3% male and 78.7% female. Equal numbers of respondents in the category of each age group of 20-22, 23-25, 26-28 and 29 and above are taken into consideration. The distribution of respondents as per their races showed 58.3% are Malay, 33.9% are Chinese, 7.2% are Indian and 0.6% is other races. Of the total respondents, 3.4% are never made online purchases during the past month, 74.9% are made 1-5 times online purchases during the past month, 16.6% made 6-10 times online purchases during the past month and 5.0% are made more than 10 times online purchases during the past month. Among all respondents, 12.9% of respondents have been shop online weekly, 54.9% of respondents shop online monthly, 25.7% of respondents shop online semi-annually, 6.0% of respondents have been shop online annually and 0.6% of respondents don't have shop online. As per their payment method for micro transaction, 7.7% using credit card channel as payment method, 49.8% using online banking as payment method, 33.8% using E-wallet as their payment method and 8.7% using online payment systems as payment method.

### 4.2 Descriptive Statistics

Table 3: Mean and Standard Deviation of IVs, MVs and DVs

Variable	Mean	Std. Deviation
Variety of Selection (IV1)	4.4937	0.46068
Price Attributes (IV2)	4.3129	0.52515
Website Ease of Use (IV <sub>3</sub> )	4.4240	0.48392
Shopping Enjoyment (MV)	4.2790	0.63446
Online Impulse Buying (DV)	3.9600	0.92451

The Table 3 illustrates the descriptive statistics for the factors that affecting the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. Table 3 showed all the independent variable consist of variety of selection, price attributes and website ease of use mediator by shopping enjoyment that affecting the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. Based on the result, variety of selection obtains the highest mean whereas online impulse buying has the lowest mean.

### 4.3 Reliability Analysis

The general rule of thumb is that the Cronbach's Alpha which is >0.9 (excellent), >0.8 (good), >0.7 (acceptable), >0.6 (questionable), >0.5 (poor) and <0.5 (unacceptable). Table 4 shows the Cronbach's Alpha values of the questionnaire were above the acceptance level with the value range above than 0.70.

Table 4: Reliability Statistics

Variable	No. of Items	Cronbach's Alpha	Results
Variety of Selection (IV1)	4	0.822	Good
Price Attributes (IV2)	5	0.790	Acceptable

Website Ease of Use (IV <sub>3</sub> )	4	0.860	Good
Shopping Enjoyment (MV)	5	0.919	Excellent
Online Impulse Buying (DV)	4	0.919	Excellent

Based on the result from Table 4, the dependent variable that is Online Impulse Buying discovered to be excellent reliable (4 things;  $\alpha = 0.919$ ). The independent variable is Variety of Selection indicated a good reliable (4 things;  $\alpha = 0.822$ ). The second factor that is Price Attributes indicated a acceptable reliable (5 things;  $\alpha = 0.790$ ) and the last independent variable that is Website Ease of Use discovered to be additionally a good reliable (4 things;  $\alpha = 0.860$ ). The mediator variable which is Shopping Enjoyment demonstrated an excellent reliable (5 things;  $\alpha = 0.919$ ). The overall variable is discovered to be an excellent reliable (22 things;  $\alpha = 0.939$ ). Along these lines, the information was viewed as reasonable for additional examination.

#### 4.4 Pearson Correlation

Pearson correlation analysis is utilized to decide the connection between at least two quantitative elements. This sort of assessment is an essential level, depending on the doubt of the direct connection between quantitative elements. The aftereffect of relationship investigation is a connection coefficient whose worth reaches from - 1 to +1. The connection coefficient +1 shows that two factors have great relationship in a positive direct way; a relationship coefficient of - 1 demonstrates that the two factors have a huge connection in a negative straight way, and a relationship coefficient of 0 shows that there is no direct connection between the two factors (Gogtay & Thatte, 2017).

1 Table 5: Pearson Correlation of IVs, MVs and DVs

Correlations						
		Variety of Selection	Price Attributes	Website Ease of Use	Shopping Enjoyment	Online Impulse Buying
Variety of	Pearson Correlation	1				
Selection	Sig. (2- tailed)					
	N	319				
Price	Pearson Correlation	.660**	1			
Attributes	Sig. (2- tailed)	.000				
	N	319	319			
Website	Pearson Correlation	.774**	.724**	1		
Ease of Use	Sig. (2- tailed)	.000	.000			
	N	319	319	319		
Chamina	Pearson Correlation	.532**	.670**	.665**	1	
Shopping Enjoyment	Sig. (2- tailed)	.000	.000	.000		
	N	319	319	319	319	
Online	Pearson Correlation	.269**	.599**	.370**	.577**	1
Impulse Buying	Sig. (2- tailed)	.000	.000	.000	.000	
	N	319	319	319	319	319
**. Correlation is significant at the 0.01 level (2-tailed).						

Based on the Table 5, it can be seen that all of the independent variable which are variety of selection, price attributes, and website ease of use mediator by shopping enjoyment are significantly correlated to dependent variable which is online impulse buying among students in University Malaysia Kelantan (UMK), City Campus at 0.01 levels (2-tailed). The relationship between variables, 0.70 is strong, within range of 0.30 to 0.60 is moderate and below of 0.30 is weak. The table showed that relationship between variable variety of selection is stated as 0.269, while price attribute stated as 0.599, website ease of use stated as 0.370 and shopping enjoyment stated as 0.577. Thus, all of the independent variable with mediator has a weak and moderate relationship with dependent variables of this study.

### 4.5 Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to compute the estimation of a needy variable dependent on the estimations of at least two independent factors. It is utilized to decide the coefficients of at least two independent factors and to gauge the measure of dependent factors. It utilizes the un-square technique to decide the coefficients of independent factors. In addition, SPSS will be used for multiple regression analysis in this study.

	Coefficients <sup>a</sup>						
Model		Unstandardized		Standardized	t	Sig.	
		Coefficients		Coefficients			
		В	Std. Error	Beta			
1	(Constant)	.236	.390		.605	.546	
	Variety of Selection	408	.134	203	-	.003	
					3.033		
	Price Attributes	1.017	.116	.578	8.747	.000	
	Website Ease of Use	306	.147	160	-	.038	
					2.081		
	Shopping	.590	.087	.405	6.811	.000	
	Enjoyment						
a. l	a. Dependent Variable: Online Impulse Buying						

Table 6: Coefficients Analysis

Two significant predictors are positively related to the criterion in the regression, as shown in Table 6 which is price attributes 1.017 and shopping enjoyment 0.590. Variety of selection has the lowest regression coefficient at -0.408 and website ease of use at -0.306.

### 4.6 Summary

Table 7: Hypothesis Statement

No. of Hypothesis	Hypothesis Statement	P-value	Remarks
H1	There is a significant relationship between the variety of selection and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.	0.003	Supported
Н2	There is a significant relationship between the price attributes and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.	0.000	Supported
Н3	There is a significant relationship between the website ease of use and online impulse buying among students in	0.038	Supported

	University Malaysia Kelantan (UMK), City Campus.		
Н4	There is a significant relationship between the shopping enjoyment and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.	0.000	Supported

The significant value of Hypothesis 1, Hypothesis 2, Hypothesis 3 and Hypothesis 4 which mentioned in Chapter 3 are supported. These four hypotheses stated that there is a relationship between the variety of selection and online impulse buying, between the price attributes and online impulse buying, between the website ease of use and online impulse buying and also between the shopping enjoyment and online impulse buying. The result shows that hypothesis 1 is correct as the p-value for variety of selection is less than 0.05 which is 0.003. Hypothesis 2 is supported as the result show that there is significant relationship between the price attributes and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. The p-value for price attributes is less than 0.05 which is 0.000. Next, Hypothesis 3 is also supported as the result show that there is a significant relationship between the website ease of use and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. The p-value for website ease of use is 0.037 which less than 0.05. Hypothesis 4 is supported as the p-value is 0.000 which is lower than 0.05. Thus, shopping enjoyment has significant relationship with online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

### 4.7 Discussion and Recommendation

The finding of this research had enhanced our knowledge to make us understand the factor that affecting the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. This research has extended the understanding of the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus by analysing the predictive variables which included variety of selection, price attributes, website ease of use and shopping enjoyment. This study can serve as a basic guideline if future researchers want to conduct similar studies on factor that affecting the online impulse buying among university students in Malaysia.

This study is trying to achieve four objectives. The first objective is to determine if there is a significant relationship between variety of selection and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. The second objective is to determine if there is a significant relationship between price attributes and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. The third objective is to determine if there is a significant relationship between website ease of use and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. Lastly, the fourth objective is to determine if there is a significant relationship between shopping enjoyment and online impulse buying among students in University Malaysia Kelantan (UMK), City Campus.

Based on the results and findings, this study has come out with several recommendations. The research recommendations bring together the expected perspectives on this research and what future research can do to better research the current research. Research recommendations are used to avoid repeated mistakes in future research in order to distribute better future research results.

Based on the above explanation, the first suggestion is to conduct an offline survey of this research in the future. For example, face-to-face interviews are used to solve the problem of false data or information. Through face-to-face interview, more problems can be dealt with and explained immediately. They can obtain complete information, perception, experience and thinking from the interviewee to improve accuracy. Sometimes, they may get unexpected opinions from interviewees.

In addition, researchers can use a longer period of time to conduct research and collect data. Time

constraints may limit the possibility of potential respondents to reply. Extending the time to collect data allows respondents to choose any day of the week to answer the questionnaire based on their busy schedule. Therefore, the researcher can collect more possible answers from the respondents and increase the accuracy and accuracy of the research results. It can reduce bias in research. In general, these are suggestions that researchers can use to improve their findings in the future.

### **5**Conclusion

The study examines the factors affecting the online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. The result of this study shows that the literature is supported and the data collect is reliable. This is proven by all the independent variable and mediator which include variety of selection, price attributes, website ease of use and shopping enjoyment are supporting dependent variables, online impulse buying among students in University Malaysia Kelantan (UMK), City Campus based on the Pearson's Correlation Analysis and Multiple Regression Analysis.

According to the result shown all variable which include variety of selection, price attributes, website ease of use and shopping enjoyment are positive and significant towards online impulse buying among students in University Malaysia Kelantan (UMK), City Campus. This is because their P-value is less than 0.05. Hence, the implication of this research shows that this research provides useful suggestions for online business operators to increase consumers' online impulse buying behaviour.

Regarding the limitations of the research, although the hypothesis results indicate that there is a relationship between the variables, the research has certain limitations for future research. This limitation is the questionnaire distributed and collected online, and the time limit for collecting data, and for this method, the researcher cannot identify the authenticity of the respondent when answering the questionnaire.

Last but not least, some recommendations have been made for researchers who might conduct similar studies in the future. Future research can conduct offline surveys, such as face-to-face interviews, to solve the problem of false data. Second, future research can use a longer period of time for research and data collection. Extending the data collection time allows respondents to choose any day of the week to answer the questionnaire based on a busy schedule.

### Acknowledgement

This examination project was effectively finished with help and co-activity of different specialists. I might want to communicate my most profound gratefulness and appreciation to those individuals who guided, helped and upheld us in finishing this examination.

Most importantly, I might want to express gratitude toward University Malaysia Kelantan (UMK) for allowing me the chance to be engaged with the exploration. All through this examination, I acquire a great deal of involvement, information and openness to a circumstance which can't be found in the course book and absolutely going to profit me later on.

Besides, I would like to special thanks to my Final Year Project Supervisor, Madam Siti Afiqah binti Zainuddin for her valuable information, inspiration and taking patience in guiding me step-by-step throughout the entire research project. Her guidance and support was priceless to me. I would also like to thank her for giving me so much patience for all the mistakes that I had made.

Lastly, I want to communicate my definitive gratefulness to those respondents who are happy to help by investing their valuable energy to react to the survey of the examination project. Other than that, I might want to thank my relatives, companions, course mates and gathering mates for aiding and supporting me till the examination project finished.

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### THE EFFECTIVENESS OF SOCIAL MEDIA IMPLEMENTED BY 7-ELEVEN IN SUSTAINING THE CUSTOMER LOYALTY IN MALAYSIA

#### Yak Li Xin and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia.

Email: jennylixin1997@gmail.com; fazlirda.h@umk.edu.my

#### Abstract:

Nowadays, with the growth of e-commerce in the market, online shopping has developed many benefits to the retail industry such as 7-eleven, 99 speedmart, Family mart and others. The aim of this study is to study the effectiveness of social media such as FB, Twitter and Instagram implemented by 7-eleven in sustaining customer loyalty in Malaysia. Customer loyalty is an essential element for a company to survive in the intense competition. Enhancing the customer loyalty is one of the most efficient strategies to sustain in the retail industry. As the number of loyal customers increases, more benefits will be gained by the organization, in terms of market share, market position, and profit. Thus, SPSS software version 26.0, used for the purpose of descriptive analysis, normality test, spearman correlation analysis and multiple linear regression analysis. Data collected through convenience sampling. The result showed the effectiveness of Instagram towards customer loyalty is high and tangible which had the highest mean score followed by Facebook and Twitter. Finally, researchers suggested several recommendations which are to implement the use of social media in the retail industry.

**Keywords:** Customer loyalty, Twitter, Facebook, Instagram, 7-eleven.

### 1Introduction

Convenience stores continue to witness strong growth in terms of outlet numbers and value sales. Increasing income and busier lifestyles, especially among the consumers in Malaysia and other major urban areas, have translated into greater consumer demand for quick and convenient access to all types of groceries through social media (Latif, 2018). Global retail is growing since the last decade due to the turbulent economic conditions and varying consumption patterns (Kasemsap, 2016). The total retail sales have risen at least 6.7% every year from 2010 to 2016 leading to the highest increase of \$22.5 trillion over the last few years. The retail industry in Malaysia has a large and growing retail market, supplied by local and imported products. Customer loyalty is known as an important issue for the success of any retail organization because it is known that drawing new customers is more expensive than keeping existing ones Magatef (2015). Social media is media for social interaction a superset beyond social communication. The advantage of social media is the online sharing of knowledge and information among different groups of people. Citizens are able to find 7-Eleven stores all over the country, even in the rural areas (Latif, 2018). 7-eleven is one of the largest convenience stores in Malaysia as it has 2,250 stores nationwide, while serving over 900,00 customers daily.

Social media like Facebook, Instagram, Twitter and Blog have a number of users and continue growing daily (Greenhow, Chapman, Marich, & Askari, 2017). The problem and issues in this study is if there are benefits from social media there will also have the negative or impact of the effectiveness of social media. The first issues are lack of awareness and trustworthy issues which most individuals distribute without realizing that it is fake news. For instance, there is a lot of fake news in social media, according to new YouGov research commissioned by Grey London, consumers trust social media platforms less than they did two years ago, with people split on how that impacts their usage of the platforms. More than 500 million people are estimated to communicate through social media. In a poll of more than 2,000 people, 63% said they had lost trust in social media platforms. As a result, 22% said they use social media less, while 25% said they use it even more. Meanwhile, 61% of users said they were now more careful about the privacy of their posts.

The first research objective of this study was; to examine how does Twitter effective in sustaining the customer loyalty of 7-eleven in Malaysia. The next research objective is to determine how does Facebook effective in sustaining the customer loyalty of 7-eleven in Malaysia. Then, the third objective is to identify how does Instagram effective in sustaining the customer loyalty of 7-eleven in Malaysia. Last but not least, the final research objective is to identify the dominant effective of social media either Twitter, Facebook, or Instagram in sustaining customer loyalty in Malaysia

### **2Literature Review**

The literature review of this study is it will review the literature on determining the effectiveness of social media implemented by 7-eleven in sustaining customer loyalty in Malaysia. The researchers also explain about the variables involved, previous study, research hypothesis, conceptual framework for this study. The independent variables of this study are the effectiveness of social media and how these variables help in sustaining customer loyalty in 7-eleven convenience stores in Malaysia.

#### 2.1 Social Media

Social media allows relationships to form between users from distinct backgrounds, resulting in a tenacious social structure. A prominent output of this structure is the generation of massive amounts of information, offering users exceptional service value propositions. However, a drawback of such information overload is sometimes evident in users' inability to find credible information of use to them at the time of need. Social media applications such as Facebook, WhatsApp, Twitter, YouTube, LinkedIn, Pinterest, and Instagram often come to mind. These applications are driven by user-generated content, and are highly influential in a myriad of settings, from purchasing or selling behaviours, entrepreneurship, political issues, to venture capitalism (Greenwood & Gopal, 2015). As of April 2017, Facebook enjoys the exalted position of being the market leader of the social media world, with 1.97 billion monthly users (Nagy, 2017). In addition to posts, social media sites are bombarded with photo and video uploads, and according to the recent numbers, about 400 million snaps a day have been recorded on Snapchat, with around 9000 photos being shared every second (Kapoor et al., 2018). However, 50 million businesses are active on Facebook business pages, two million businesses are using Facebook advertising. Apparently, 88% businesses use Twitter for marketing purposes (Kapoor et al., 2018).

#### 2.2 Twitter

Based on previous study Edison Research in a report, "Twitter usage in America 2010" pulled data obtained from a survey of 2000 Americans carried out in February 2010. The results were combined with similar studies carried out in 2009 and 2008 to provide a comprehensive representation of Twitter related user statistics. One of the noticeable findings was that people are much more aware of Twitter's existence as a social network service than in the previous two years. Twitter has now roughly acquired the same awareness amongst the population as Facebook. This massive surge in the percentage of Americans that are aware Twitter has likely been driven by traditional media saturation, with many mainstream television, radio and print media outlets prominently highlighting their Twitter accounts throughout the course of their programming. By commercialising these interactions Twitter will gain revenue for opening the communication channel for businesses advertising to their customers and potential customer base (Curran et al., 2011). Word of mouth (WOM) is the process of conveying information from person to person and plays a major role in customer buying decisions (Zhao & Rosson, 2009).

### 2.3 Facebook

According to (Casteleyn, Mottart, & Rutten, 2009). Facebook data can be compared to a crystal ball to understand customers. The user actions on Facebook appear in the news-feed status, and every single friend is able to see them. Facebook communities where users are members are the most relevant for marketers (Casteleyn et al., 2009). Through these communities, marketers are able to identify consumer tastes and likes, which is essential in helping to create market segmentation and targeting and positioning strategies (Ramsaran-Fowdar & Fowdar, 2013). Marketers can gain valuable information on community members' profiles and from the news feed statements that users post on their walls and pages (Casteleyn et al., 2009). This information can then be used for direct marketing purposes. Facebook allows companies to connect with many more people and much more often than the companies would be able to approach through phone calls, emails, or meetings (Ramsaran-Fowdar & Fowdar, 2013). One of the main benefits of social networking for organizations is therefore lower marketing costs in terms of monetary and personnel. Thus, with the economic downturn, many companies are trying to find ways to cut spending, and social networking sites are the way for them to market their businesses and reduce their costs.

### 2.4 Instagram

According to (Ting et al., 2015), Instagram first started off with providing functions on editing and sharing photos and later on added in the functions of sharing videos and photo messaging directly to another user. Instagram allows users to snap a photo or video anywhere they are at any time and share it with their followers nationally and also internationally (Bergström & Bäckman, 2013). Users are able to take a 15 seconds long video and 13 artistic filters are available for users to edit their photos (Huey & Yazdanifard, 2014). Instagram started to develop when Kevin Systrom and Mike Krieger wanted to focus on the HTML5 check-in application named Burbn, which allows the function of location check in, earn points upon meeting friends and post photos (Huey & Yazdanifard, 2014). Instagram is said to be the third most popular social network among the college students in the Malaysia and United States. Following the press release from Instagram (2013) cited in (Huey & Yazdanifard, 2014) in the year 2013, Instagram has 100 million monthly active users, 40 million photos were uploaded per day, 8,500 likes and 1,000 comments gained per second.

### 2.5 Customer Loyalty

According to (Wu & Ai, 2016), Customer's loyalty has received a great marketing attention since its implications cannot be overstated for modern businesses. In fact, customer's loyalty is regarded as a long-term asset and a key business outcome. Having loyal customers is a required option for various companies based on its important role in creating sustainable competitive advantages. According to (Abu-Alhaija, Hussein, & Allan, 2019), Customer's loyalty is considered a significant intangible asset for numerous companies. Marketing scholars have provided different conceptualizations on customer's loyalty. Different definitions of customer's loyalty have been adapted by marketing researchers based on the research objectives and contexts. For instance, conceptualized customer loyalty as "one's feelings of devoted attachment to the loyalty object, rather than repeated commercial transactions". Attitudinal loyalty as a customers' intention to remain committed to specific providers in the marketplace by repeating their purchasing experiences. ies. Marketing scholars have provided different conceptualizations on customer's loyalty. Different definitions of customer's loyalty have been adapted by marketing researchers based on the research objectives and contexts. For instance, conceptualized customer loyalty as "one's feelings of devoted attachment to the loyalty object, rather than repeated commercial transactions". Attitudinal loyalty as a customers' intention to remain committed to specific providers in the marketplace by repeating their purchasing experiences.

### 3. Hypothesis Statement

This research would suggest testing and analysing the relationship between all these variables. This study will examine the effectiveness of social media implemented by 7-eleven in sustaining customer loyalty in Malaysia. To this end, four hypotheses have been developed:

- H0: There is a significant relationship between the effectiveness of Twitter towards customer loyalty in 7-eleven in Malaysia.
- H2: There is a significant relationship between the effectiveness of Facebook towards customer loyalty in 7-eleven in Malaysia.
- H3: There is a significant relationship between the effectiveness of Instagram towards customer loyalty in 7-eleven in Malaysia.
- H4: There is a significant relationship between the effective dominant factors of social media either Twitter, Facebook or Instagram towards customer loyalty in 7-eleven in Malaysia.

### 4. Conceptual Framework

The theoretical framework provides a broad, systematic structure of ideas that the researcher can use from the outset to investigate a phenomenon or a message. The primary aim of this research is to study the effectiveness of social media that is implemented by 7-eleven in sustaining customer loyalty in Malaysia.

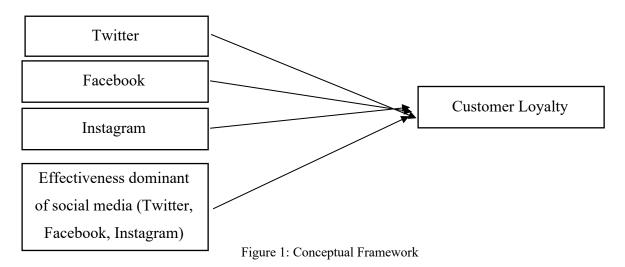


Figure 1 has to reflect the relationship between the independent variables and dependent variable in this study. Based on the framework, researchers can make a few hypotheses about the relationship between the dependent variable and independent variables.

### 5. Methodology

This study has been used as quantitative research and finds out the relationship between social media towards customer loyalty. This study purpose is to examine the effectiveness of social media that is implemented by 7-eleven in sustaining customer loyalty in Malaysia. The researcher had chosen to use causal research for this study. The researchers use convenience sampling by considering the time factor for the survey and population. A set up of constructed questionnaires survey had been distributed to the respondents which seek to examine the effectiveness of social media in sustaining customer loyalty in Malaysia. The researchers had used a self-administered questionnaire as the method for the survey. The research instruments consist of three sections. Section A of the survey was designed to capture the demographic characteristics of the respondent, while section B consists of four variables: Twitter, Facebook, Instagram, dominant factor of social media, and last but not least section C which is customer loyalty. questionnaires are arranged in close-ended questions and dual languages, English and Malay languages. The population of this study is the number of populations in Malaysia which is 31.53 million. The number of respondents is 384 based on Krejcie and Morgan (1970). The data collected had been analysed using the statistical package for social sciences (SPSS) version 26.0. The data collected from the questionnaire had been analysed by using descriptive analysis, reliability test, normality test, correlation analysis and multiple linear regression.

### 6. Findings

The data of demographic analysis obtained from Section A include questions among various demographic variables of the respondents such as gender, age, race, and more others. There are some other questions also that I want to know from respondents. Researchers have presented the

respondents demographic profiles in a form of table.

Table 1: Descriptive analysis for demographic profile

	Item	Frequency	Percentage
		(n=384)	(%)
Age	15-25 years	85	21.9
	26-36 years	119	30.6
	37-49 years	132	33.9
	50 years and above	48	12.3
Gender	Female	186	47.8
	Male	198	50.9
Race	Chinese	109	28.0
	Christian	39	10.0
	Indian	70	18.0
	Malay	99	25.4
	Others	67	17.2
Marital Status	Married	150	38.6
	Others	78	20.1
	Single	156	40.1
Employment Status	Self-employed	136	35.0
	Student	121	31.1
	Unemployed	127	32.6
Time Spend on Social Media Per	1-2 hours	70	18.0
Day	10 hours plus	90	23.1
	2-5 hours	70	18.0
	30 minutes	94	24.2
	6-9 hours	60	15.4
Notification about 7-eleven	Facebook	188	48.3
	Instagram	89	22.9
	Twitter	107	27.5
Frequency of Active Social	Facebook	197	50.6
Media Platform	Instagram	45	11.6
	Twitter	142	36.5
Frequency of Social Media	Facebook	202	51.9
Platform used in 7-eleven	Instagram	95	24.4
Advertisement	Twitter	87	22.4

According to descriptive analysis, based on table 4.2,the demographic profile of the age for the respondents. It found that the highest number of respondents from the age of 26-36 years old which is about 28.0% (n=140). As for the lowest, it is respondents which are age 50 and above. There are only 32 respondents (6.4%). Next, for the gender of respondents, the highest number for gender of respondents is male which is about 47.8% (n=186). While there is about 47.8% (n=186) of female respondents. Then, there are five races of respondents that answer this survey which has been stated that the highest number for the race of the race group is Chinese which is about 28.0% (n=109). Next, the lowest number of respondent's race is Christian which is about 10.0% (n=39). Furthermore, as for marital status the highest number for the marital status group

of respondents is a single group which is about 40.1% (n=156). Then, the lowest number of the marital status are the others group which is about 20.1% (n=78). Next, followed by employment status, the highest number for the employment status are self-employed which is about 35.0 (n=136). Then, the lowest employment status group is students which is 31.1% (n=121). As well as time spent on Social Media Per Day, it has been stated that the highest number for time spent on social media per respondent is 30 minutes which is about 24.2% (n=94). Next, the lowest time spent on social media per day of respondents is 2-5 hours which is about 18.0% (n=70). Hence, it means that there are only a few respondents that spend 2-5 hours per day on social media. In addition, as for the notification about 7-eleven is that the highest number of social media platforms that respondents got notification about 7-eleven is Facebook which is about 48.3% (n=188). Then, the lowest number of social media platforms that respondents get notification about 7eleven is Instagram which is about 27.5% (n=89). Last but not least, as for the frequency of active Social Media Platform, the highest number for the most active social media platform is Facebook which is about 50.6% (n=197). While, the lowest number for the most active social media platform is Instagram which is 11.6% (n=45). Finally, the last question in the demographic question is Frequency of Social Media Platform used in 7-eleven Advertisement, the highest number of advertisements about 7-eleven in social media is Facebook which is about 51.9% (n=202). However, the lowest number of advertisements about 7-eleven in social media is Twitter which is 22.4% (n=87). Thus, this shows that the lowest frequent advertisement about 7-eleven that is seen by the respondent is Twitter.

Table 2: Mean score

Shapiro-Wilk	N	Mean	SD
Mean of Customer Satisfaction	0.951	384	0.000
Customer Loyalty	384	4.1922	0.70894
Twitter	384	4.0677	0.74743
Facebook	384	4.1311	0.74187
Instagram	384	4.1740	0.69093
Valid N (list wise)	384		

Based on table 1, it can be summarized that for the dependent variables of this study which is the Customer Loyalty. It is stated that the majority respondents strongly agreed with all the questions of effective of social media in sustaining Customer Loyalty that implemented by 7-eleven in Malaysia, thus this variable has the highest number of mean which is 4.1922 compared with the independent variables as respondents believe that the Customer Loyalty is very important for 7-eleven in order to increase their sales profit.

Next, the second highest value of mean falls on the last independent variable of the study which is the effectiveness of Instagram in sustaining customer loyalty which is 4.1740. From the result, it is stated that majority respondents strongly agreed and partially agreed with all the questions of these variables. Thus, it has been stated that the respondents agreed with all the questions that Instagram can effectively sustain customer loyalty by promoting the sale of 7-eleven products.

Then, the third highest value of mean falls on the second independent variable of the study which is the social media of Facebook in sustaining customer loyalty which is 4.1311. Thus, from these outcomes, it can be stated clearly that there are some respondents who disagree with the item that is provided in this section of variables. Therefore, the respondents believe that when 7-eleven used Facebook as the tools for them to advertise their product it can effectively sustain the customer loyalty of the respondents.

Additionally, the lowest value of mean of the independent variables is Twitter which is 4.0677. From this result, it can be concluded that there are respondents who strongly disagree on the item provided in this section of questions. Consequently, the respondents believe that Twitter is effective in sustaining customer loyalty.

As a conclusion, in this research study, the range of mean for each variable are  $(4.0 \le \alpha \ge 5.0)$ . The outcome of the mean for each variable is classified as a good result.

Shapiro-Wilk	Statistic	df	Sig	
<b>Customer Loyalty</b>	.859	384	.000	
Twitter	.873	384	.000	
Facebook	.851	384	.000	
Instagram	.853	384	.000	

Table 3: Summary of Shapiro-Wilk Test

Based on table 2, the Shapiro-Wilk meaning value reaches 0.05, the data shall be considered regular. Although the value of importance is less than 0.05, it is assumed not to be distributed normally. The data are not normally distributed based from Table 4.14. Shapiro-Wilk refers to the test which according to the correlation between data and the normal values. It is recommended by researchers as it has the ability to detect a sample whether it comes from a non-normal distribution. Shapiro-Wilk Test was used to detect departures from normality and the sample size applied up to 2000. Shapiro-Wilk was first conducted to determine the normality of the data and the correct method used to evaluate the correlation was also determined. All the significant value is (p=.000) which is less than 0.05, thus in both tests of this study all the independent variables and dependent are abnormal for the correlation analysis. So, Spearman Correlation Analysis should be implemented in order to identify the relationship of the two variables of this study.

Table 4: Table of hypothesis results

Hypothesis	Spearman Correlation	Results
H1: There is a significant relationship between the effectiveness of Twitter towards customer loyalty in 7-eleven convenience stores in Malaysia.	r = 0.467, p-value $0.000 < 0.01$	Accepted

**H2:** There is a significant relationship between r = 0.550, p-value 0.000 < 0.01 **Accepted** the effectiveness of Facebook towards customer loyalty in 7-eleven convenience stores in Malaysia.

**H3:** There is a significant relationship between r = 0.521, p-value 0.000 < 0.01 Accepted the effectiveness of Instagram towards customer loyalty in 7-eleven convenience stores in Malaysia.

H4: There is a significant relationship between the effective dominant factors of social media (Twitter, Facebook, Instagram) towards customer loyalty in 7-eleven convenience stores in Malaysia.

Based on table 3, it can be summarized that all the four independent variables which are Twitter, Facebook, Instagram, and the dominant factor of social media (Twitter, Facebook, Instagram) has a significant relationship that 7-eleven has implemented in social media in order to sustain customer loyalty in Malaysia. Hence, all the hypotheses are accepted as the p value is less than 0.05.

Accepted

(Instagram)

## 7. Discussion

### 7.1 Twitter

Based on the result, Twitter has a fair correlation with the value (r==0.467) and statistically significant with the value (p = 0.000). Thus, the hypothesis is accepted. According to (López, Sicilia, & Moyeda-Carabaza, 2017; Senders, Govers, & Neuts, 2013), the authors has agreed with the statement that there must be a significant relationship between relationship between the effective of Twitter towards customer loyalty in 7-eleven convenience store in Malaysia. This can be seen when the author explained that Twitter is one of the effective social media for 7eleven in order to sustain the customer loyalty so that customers will buy 7-eleven products frequently as a loyal customer. According to (Li, 2015; Stutzbach & Rejaie, 2006), the authors had stated that Twitter is used as an important channel for relationship maintenance in sustaining customer loyalty. Twitter is known as an important part of the convenience retail picture in attracting customers to become loyal customers. Thus, it can be concluded that, a recent study investigated the relationship between customer loyalty and social media engagement (Hoffman & Lowitt, 2008). This study surveyed consumers in used social media engagement to measure the degree of customer loyalty. The result showed that only consuming social media (passive engagement) is directly related to affective loyalty. Also, the study maintained that organizations have been able to bring back dissatisfied customers and stakeholder through social media channels. Nowadays, the carefully designed customer loyalty program through social media has become a critical part of the marketing plan (He, Tian, & Wang, 2019).

## 7.2 Facebook

Facebook has a positive correlation relationship with the (r = 0.550) and statistically significant with the value (p = 0.000). Thus, the hypothesis is accepted. Then, this statement has been supported by (Boateng & Okoe, 2015; Casteleyn, Mottart, & Rutten, 2009). Customer loyalty occurs when it relates to those consumers that keep coming back to the store. It's about having

lower prices than competitors or better discounts for specific products that consumers are looking for. Consumers who are loyal to a brand remain customers because they believe that 7-eleven convenience stores offer a better service and higher quality than anyone else. Finally, it may be concluded that this statement has been supported because according to (Baird & Parasnis, 2011), the authors have stated that the power of Facebook which is the social media does give a very high effect towards 7-eleven in order for them to sustain customer loyalty. On the other hand, by using Facebook to promote 7-eleven products, it is much easier because consumers could get recommendation, opinion and reviews from the comments that had been made by the other consumer. According to (Constantinides & Fountain, 2008), the effectiveness of social media is versatile which the retailer can make changes once published whereas traditional media, once published, is set in stone. Other than that, social media is immediate, while traditional can be delayed due to press times.

## 7.3 Instagram

Instagram has a moderate correlation with the value (r = 0.521) and statistically significant with the value (p = 0.000). These variables have the most significant relationship with customer loyalty. Hence, this hypothesis has been supported by (Huey & Yazdanifard, 2014; Silva, De Melo, Almeida, Salles, & Loureiro, 2013), an active and well put-together Instagram campaign can lead to a huge amount of engagement among the followers which give huge benefit for 7-eleven in sustaining the customer loyalty. Not only that, but it can also drive customers to make referrals and become brand evangelists, as well. To sum up, according to (Handarkho, 2020), Instagram is ever-evolving, adding new features that can leverage to increase the level of connectivity between 7-eleven and customers. Hence, keep on top of everything Instagram has to offer, and retailers will be able to reach their audience in an easy and safe way.

## 8Recommendations

## 8.1 Theoretical Implication

According to the theoretical recommendations for the future research, it is stated that there are only four variables that are based on in this analysis. Hence, its constraints preclude researchers from investigating other influences that could have an effect on the effectiveness of social media that is implemented by 7-eleven in sustaining customer loyalty. On this basis, it is prudent to incorporate more variables for more study in combination with various types of social networking and social media sites to be experimental. On this basis, it is prudent to incorporate more variables for more study in combination with various types of social networking and social media sites to be experimental.

Hence, in this theoretical recommendation for the future research, researchers would like to recommend for the future researcher to implement the use of social media in the retail industry. According to (Yadav & Rahman, 2018), as the prime of the marketing program is to boost the sales of the business and to develop and sustain a strong relationship between the retailer and customer and the foundation of social media is also a relationship. This study assessed the effectiveness of social media in sustaining customer loyalty.

### 8.2 Practical Recommendation for Future Research

Despite the drawbacks of this style of procedure, these experiments have offered valuable observations and have undeniably added to the social media literature. According to (Ramsaran-Fowdar & Fowdar, 2013), the benefits for organizations of marketing by using social media were

because it has lower communication costs, personalized and directed advertising, immediate feedback from customers, word-of-mouth referrals and positive influence on buyer behaviour from the customer. On the other hand, social media users may simply ignore the marketing and be weary with flooding of their walls with advertisements such as privacy violations and abuse of information by third parties and sellers' domination of communities are possible.

However, any strategic decision by a retailer overseeing marketers to implement social media tools as a part of a company in this field should be followed by a deep understanding of the industry. In addition, detailed research on how social media are used by all clients need to be studied especially by users.

## 9 Conclusion

This study was conducted to provide in-depth investigation of the effective factor of social media that is implemented by 7-eleven in sustaining customer loyalty in Malaysia. Hence, through the analytical results, it indicated that all the independent variables which are Twitter, Facebook, Instagram and the dominant factor of social media (Twitter, Facebook, Instagram) that were used in this study significantly affected the customer loyalty in Malaysia. For the time being, findings of this study also indicated that Twitter, Facebook, and Instagram had a positive correlation relationship towards customer loyalty in Malaysia and the researcher had concluded that Instagram was the most dominant factor of this study.

Nevertheless, it can be concluded that retailers are interested in exchanging and spreading information, trading products or services, staying close to current and potential customers, acquiring a better understanding of their customers and other benefits generated by social media. According to (Lim & Yazdanifard, 2014), the increase of communication flow of information among customers together with the increased availability of assorted communication channels is creating a new level of complexity in the design and implementation of new marketing strategies. Social media does not replace the traditional marketing tools but can be used as a complement to existing traditional promotional tools.

As a conclusion, social media is known as a popular social networking site used as a mobile application. It helps in getting people interacting nationally and globally. Social media have gathered all the people around the world who are interested in photography, communication as it is an application focused on photographic and communication functions. Moreover, it has now become a new marketing tool in social network marketing. Online marketing is not something new to the business industry and social network marketing has been actively applied nowadays. Recently, there are many companies that use social networking sites to sell and advertise their products and services. Social media has created a different platform for marketers to interact with the customers. In addition, according to (Krallman et al., 2016) social media such as Twitter, Facebook and Instagram can be used free of charge. Social media provides a better visual based platform and has made it convenient for the people to interact with each other.

## 10 Acknowledgements

First of all, I would like to thank and express my gratitude towards our GOD Almighty and my supervisor which is my course coordinator which is Puan Norfazlirda Binti Hairani. I would like to express my gratitude towards madam who helped me a lot by sacrificing her time by giving comments and advice that are valuable for me and her support towards me, her patience and letting me understand in order for me to finish this research project successfully.

Secondly, I would like to thank my examiner, Puan Mardhiah Binti Kamaruddin for her support

throughout my presentation time, as a general who has made an exciting experience throughout this presentation. Besides that, I would like to say that I was highly indebted to my university which is University of Malaysia Kelantan for providing great facilities and platform for me to search for the related sources in order for me to complete my research report. Thus, I also would like to thank the Faculty of Entrepreneurship and Business by providing me the latest information and format regarding this research project.

Then, I would like to express my sincere gratitude to my lovely family members, relatives, and friends for giving me the guidance, encouragement, enthusiasm and also the valuable assistance for me to carry out in doing this research report and they have been very supporting me throughout my studies in University of Malaysia Kelantan. I gained a lot of knowledge throughout this research report and I know that without their support it is not easy for me to complete my research project.

Finally, I would like to express my deep appreciation to all the respondents which have been cooperative in answering my survey question. They have sacrificed their precious time in order to help me to complete my research report by filling up the questionnaire. There is much useful information that gained from the respondent which has helped me in this report.

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## STUDY ON EFFECTIVENESS OF FOODPANDA SERVICE AFFECT CUSTOMER LOYALTY IN SABAH

## Asylita Binti Lamusing and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia.

Email: asylitalamusing@gmail.com; fazlirda.h@umk.edu.mu

#### Abstract:

The aims of this research is to study the effectiveness of Foodpanda service affecting customer loyalty in Sabah. Based on that, this research will investigate the effect Foodpanda in Sabah and qualitative methods will be used. A questionnaire based survey distributed to 384 respondents. The service quality was measured in terms SERVQUAL attributes and key dimension is responsiveness, trust and reliability. The data collected were analysed by using SPSS v 26.0 (Statistical Package Science Social) version 26.0. Findings show that responsiveness, trust and reliability have that positive on customer loyalty that using FoodPanda service delivery. Finally, researchers suggest and recommend improving the

Keywords: Customer loyalty, Responsiveness, Trust, Reliability, Foodpanda

## 1 INTRODUCTION

Retail industry is an economic sector consisting of individuals and companies engaged in the sale of finished products to end users. (Barbara Farfan, 2019). Retail is the process of selling services or goods through various distribution channels for profit. (Norm Feuti, 2016). In Malaysia, the food retail industry is rapidly developing. The emergence of the food retail industry has become globalization in sector food retail in Malaysia. The changes in the external environment surrounded the food retail industry that impacted the economy. Retail businesses handling food and daily necessities received business continuity demands from the government, but many types of food retail business had closed. The impact on the economy is so severe that some say it will take time. Next, According (Rohit Chadda, 2020) Foodpanda online food service delivery almost 9 years based in 50 countries since 2012 until now. As we know Foodpanda is a mobile food delivery marketplace owned by Berlin and based on company Delivery Hero SE. he service is available via mobile application and via website. The company of Foodpanda has partnered with over 115,000 restaurants in 246 cities and works with over 80,000 delivery riders. Foodpanda is the platform to easy for customer order just used are technology (Rohit Chadda, 2020).

The online business owners have been facing challenges while operating as this practice is relatively new (Frambach, 1998). Besides, the prevalent online grocery or food delivery service businesses have been struggling to reach out to their customers due to logistical issues (Ring, 2001). Research has shown that the major challenges that these online businesses are facing are mainly concerned with late deliveries, less interaction with the customers, slow response, overload of orders, etc. (Scarborough, 2002). Other problems related to consumer adoption include the ease of use of the websites, security concerns and complicated methods of payment (Fowell, 2000). As a result, it has been observed that the online food delivery service industry has been the slowest in growth compared to the other service sectors in the market (Yusof, 2016).

The first objective of this research was, to examine the influence of responsiveness toward Foodpanda service in Sabah. Next objectives was to examine the influence of trust toward Foodpanda service and the last research objectives was to examine the influence of reliability toward Foodpanda service.

### 2 LITERATURE REVIEW

The literature review of this study researchers will research the effectiveness of Foodpanda service affect customer loyalty in Sabah. The researchers will explore theoretical background that affect Foodpanda, previous study, research hypothesis, conceptual framework from this study. The independt variables of this research was responsiveness, trust and reliability and how these variables affect to customer loyalty used Foodpanda service in Sabah.

## 2.1 Customer Loyalty

Customer loyalty can be defined as a customer's faithfulness and commitment to a business. The measure of loyalty is often based on consumer preferences, the degree of satisfaction, the frequency of purchase, fidelity, price sensitivity and brand advocacy. Most loyal customers have what is considered polygamous loyalty. As opposed to monogamous loyalty, consumers spend most of their time and money at one location and only that location. Polygamous customers shops at a few location offer similar products, but only those few locations. Although monogamous loyalty is ideal, polygamous loyalty is not bad for business in fact it is better. Customer loyalty is a predictor of business success, so learning to manage it is crucial for organizations to understand (Sallie Burnet, 2020).

## 2.2 Responsiveness

This is a willingness to help customers and provide prompt service. This dimension emphasizes attention and accuracy in dealing with customer questions, complaints, issues and requests. Responsiveness is communicated to customers by length of time they have to wait for answers,

assistance to attention or question to problems (Parasuraman, 1985). This characterization is based on the ability of the organisation to be responsive to customers needs, with an emphasis on a willingness to respond promptly. Keeping a customer waiting, especially when there is no clear, obvious reason, generates a negative perception (bizSkinny, 2019).

### 2.3 Trust

Customer trust in online food delivery service firms about the reputation of their website which represents authentic and reliable information (Shin, 2015). According to (Yousafzai, 2003), trust is a personal perspective on expectations in online transactions that expect companies or organizations that sell online not to misuse websites. Based on (Sativa, Rahayu, & Astuti, 2016 trust is a consumer's belief in the quality and reliability of the product or service provided. Meanwhile, according (Zhu,2016) states that trust is the level of trust or certainty of the customer in conducting online transactions

## 2.4 Reliability

Reliability refers to the organization ability to perform the service accurately and dependably. There are 3 basic components to this dimension, the ability to complete the service, first is on time, second is consistently (routine tasks should be completed in a consistent manner) and third is error free, every time (bizSkinny, 2019). This is the ability to perform the services promised accurately. Reliability means that the company fulfills its promises regarding problem solving, delivery, service delivery, and pricing (Parasuraman, 1985).

### **3 HYPOTHESIS**

This research will analyse and examine the effectiveness of Foodpanda service affect customer loyalty in Sabah. Three hypothesis have been developed:

- **H1:** There is significant responsiveness in Foodpanda service in Sabah.
- **H2**: There is significant trust in Foodpanda service in Sabah.
- **H3:** There is significant reliabilty in Foodpanda service in Sabah.

### **4 CONCEPTUAL FRAMEWORK**

The conceptual framework is an analytical tool woth several and contexts. It can be applied in different categories of work where an overall picture is needed. It is used to make conceptual distinctions and organize ideas. The aims of this study is the effectiveness of Foodpanda service affect customer loyalty in Sabah.

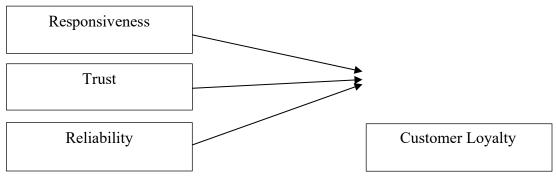


Figure 1: Conceptual Framework

Figure 1, this research model is study of the significant effect of Foodpanda service that is based on the literature review. Based on the framework, research can make the relationship between independent variables and dependent variables.

### **5 METHODOLOGY**

This study will use primary data which is quantitative of questionnaire method data collection to measure the respondent toward effectiveness of Foodpanda service affect customer loyalty in Sabah. A 5-point Likert Scale will be used on the questionnaire to gain the response from respondent which is (1) strongly disagree (2) disagree (3) neutral (4) agree (5) strongly agree. Three sections of questionnaire which is Section A is about demographic respondent while section B consists of independent variables which is responsiveness, trust and reliabilty, and s Section C is question based on dependent variables which is customer loyalty. The questionnaire will be arranged in the number of population in Sabah which is 3.91 million showing just a slight increase from 2019. (R.Hirschmann, 2020). The number of respondents is 384 based on sample size Krejcie, Robert V.Morgan and Detyle W (1970). The data collected from questionnaire had been analysed by using SPSS v 26 (Statistical Package Science Social) version 26.0. Lastly but not least, the data will be analysed by using descriptive analysis, reliabilty analysis, normality test, correlation analysis, simple liner regression and multiple regression.

## **6 FINDINGS**

Data of demographic respondents obtained from Section A such as age, gender, race and other more. There are some other questions also in demographics that I want to analysed from respondents and researcher will be shows the demographic respondent based on using the table

Table 1: Descriptive Analysis for Demographic Profile of Respondents

Demographic	Item	Frequency (n=384)	Percentage (%)
Age	18-25 years old	316	82.3%

	26-30 years old 31-40 years old 41 and above	54 11 3	14.1% 2.9% 0.8%
Gender	Male Female	175 209	45.6% 54.4%
Race	Malay	214	55.7%
	Chinese	102	26.6%
	Indians	62	16.1%
	Other	6	1.6%
Marital status	Single	345	89.9-
	Married	35	9.1%
	Divorced	4	1.0%
<b>Education level</b>	Secondary school	27	7.0%
	College	14	3.6%
	Diploma	43	11.2%
	University	287	74.7%
	Others	13	3.4%
Occupation sector	Housewife	7	1.8%
	<b>Employed Self-</b>	53	13.8%
	employed	7	1.8%
	Student	309	80.0%
	Unemployed	4	1.0%
	Others	4	0.8%
How many times do you order	Less than 3 times	294	76.5%
through Foodpanda each week?	per week	87	22.7%
	3-6 times per week	3	0.8%
	More than 6 times per week		
How much do you spend per week?	Less than RM50	234	60.9%
v 1 1	RM50-RM100	147	38.3%
	More than RM100	3	0.8%

According to descriptive analysis, based on table 1, which is the demographic respondents of the age it has been stated that the highest number from the age group of 18-25 years old which is about 82.3% and under is 316 respondents. This shows that respondents aged between 18-25 years answered this survey more compared to the other age group While the lowest age group was 41 and above which is 0.8% (n=3). Next, the gender respondents shows that the highest of female respondents is 209 with a percentage 54.4%. This shows that there are more female answer respondents that answer this survey compared the male with percentage of 45.6% and under is 175 respondents answered this survey. Then, the highest of race respondents which is malay respondents with percentage 55.7% (n=214). This shows that there

are more Malay race groups answered this survey and the lowest is other race group of respondents with 1.6% and under 6 respondents just answered the questions. Furthermore, as for martial status the highest is single respondents with percentage 89.9% (n=345). Then, the lowest of marital status divorced respondents with 1.0% (n=4) answered this survey. Next, followed by education level, the highest number of education group is are University with 74.7% (n=387). Then, the lowest for education level is the other group which is 3.4% (n=13). Next, the highest of occupation sector is student which is 80.0% (n=309) and followed by the lowest occupation is unemployed and other groups which 1.0% (n=4). Furthermore, as for order through Foodpanda each week the highest is less than 3 times per week which is 76.5% (n=294). Then, followed by the lowest is more than 6 times per week which is 0.8% (n=3). Other than, the highest spend foodpanda per week is less than RM50 which is 60.9% (n=234) and the lowest is more than RM100 spend per week which is 0.8% (n=3).

Table 2: Level of Mean

Variable	Mean	Interpretation
Responsiveness	3.7357	High
Trust	4.1595	High
Reliability	4.1738	High
<b>Customer Loyalty</b>	4.1842	High

Based on table 2, it can be summarized that the most highest it can be summarized that for the dependent variable of this study which is the customer loyalty. From the result, it is stated that majority respondents agree with all the respondents of the effective of Foodpanda service delivery in sustaining customer loyalty in Sabah. Thus, this variables has the highest number mean which is 4.1842 compared other independent variables as believe that customer loyalty is very important for Foodpanda in order to increase their service

Next, the second highest value of mean for independent variables of this study which is the effective of reliability in sustaining customer loyal which is 4.1738. From the result, it is stated that majority respondents is agree with all the questions of this variables. Thus, it has been stated that respondents agreed with all questions that reliability can effectively in sustain the customer loyalty by service of Foodpanda.

Then, trust is the third highest value of mean for the independent variable of this study which is delivery service of trust in sustaining customer loyalty which is 4.16. Thus, frim these outcomes, it can be stated clearly that there are some respondents who agree with the item that provided in this section of variables. Therefore, the respondents believe that when Foodpanda make a trust to customer loyalty that can effectively sustaining the customer loyalty of the respondents.

In addition, it can be summarized that for the independent variables of the study which is effective of responsiveness is lowest in sustaining customer loyalty which is mean 3.7357. From the result, it is stated that the majority respondent agrees with all questions of this variable. Thus, it has been stated that the respondent agrees with all questions that

responsiveness can effectively sustain the customer loyalty by giving good responses to customers.

As conclusion, in this research study, the range of mean for each variable are  $(3.0 \le 5.0)$ . The outcome mean for each variable is classified as good result.

## **Normality test**

Table 3: Normality for simple linear regression

Simple Linear Regression			
Variables	b t-stat(95%	b t-stat(95%CI).	
Responsiveness	0.08	4.62 (0.23, 0.68)	< 0.001
Trust	0.38	8.15 (0.43,0.38)	< 0.001
Reliability	0.49	10.37(0.44,0.48):	< 0.001

Based on table 3, itshows it shows that there is a simple linear regression results show that there is a significant linear reliability of customer loyalty b=0.49 which is increase compared other varibales.

Table 4: Normality for multiple linear regression

		Multiple Linear Regression		
Variables	b t-sta	nt(95%CI).	p-values	
Reliability	0.49	10.37(0.44,0.48):	< 0.001	

<sup>\*</sup>b Adjusted Regression Coefficient

Based on table 4, it shows that there are multiple linear regression results that show that there is a significant linear of reliability on loyalty b=0.49; is increased in reliability, so that loyalty will rise by 0.49 (b). Also, there is a significant effect of reliability towards customer loyalty (<0.05). Thus, this is means that there are good results for reliability that affect to customer loyalty.

Thus, for final model equations of regression could be formed by using this formula:

$$Y=B_0 + B_1X_1 + B_2X_2 + B_3X_3$$
  
 $Y=b0+b1x1$ 

<sup>\*</sup>Stepwise Multiple Regression method are applied.

## Spearman's Correlation Analysis

Table 5: Results of Spearman's Correlation Analysis between Variables

Variables	Correlation coefficien	t
Responsiveness	Pearson Correlation Sig. (2-tailed)	1.000
	N	384
		0.000
Trust	Pearson Correlation	0.550**
	Sig. (2-tailed)	<.001
	N	384
Reliability	Pearson Correlation	0.454**
-	Sig. (2-tailed)	<.001
	N	384
<b>Customer Loyalty</b>	Pearson Correlation	0.496**
- •	Sig. (2-tailed)	<.001
	N	384

<sup>\*\*.</sup>correlation is significant at the 0.01 level (2-tailed)

Table 5 presented the results of the Spearman's correlation analysis between variables on the effectiveness of Foodpanda service affect customer loyalty in Sabah. The value of the Spearman's correlation for responsiveness 1.000. It is shown that the responsiveness is moderate positive level. Followed by trust,, the value of the Spearman's correlation trust is 0.550. It is shown that the trust is at a high positive level. Next, the value of the Spearman's correlation reliability is 0.454 It is shown that the trust is at a positive level. Last but not least, the value of the Spearman's correlation customer loyalty is 0.496 It is shown that the trust is at a high positive level.

## **Hypothesis Testing**

Table 6: Summary of Hypotheses Testing

	Hypotheses	Statistical Analysis	Result
H1	There is a significant of responsiveness service FoodPanda delivery in Sabah.	1.000	Accepted
H2	There is a significant of trust service FoodPanda delivery in Sabah.	0.550	Accepted
Н3	There is a significant of reliability service FoodPanda delivery in Sabah.	0.454	Accepted

Based on table 6, it can be concluded that all the three independent variables namely responsiveness has a high positive with statistical analysis is 1.000, while trust has a good positive with statistical analysis is 0.550 toward foodpanda service in Sabah. While, the reliability also have a good positive with statistical analysis is 0.454. In short, three hypotheses in this study were accepted after Spearman's correlation testing was conducted

### 7 DISCUSSION

## Responsiveness

The first purpose of this research is to identify the affected the responsiveness of Foodpanda service in Sabah. The coefficient for responsiveness of Foodpanda service is b=0.08, and p-value is 0.000 which is (alpha root p<0.001) it shows that responsiveness has a significant relationship.

The organization's ability to adjust to marlet dynamics is one of its core capabilities, and means to achieve competitive advantage (Beenardes and Hanna, 2009; Lee et al. 2004). The key concepts in this respect are responsiveness and flexibility (Reichhart and Holweg, 2007). Responsiveness tends to be linked to the changes of behaviour requires by the system external environment. It also includes some time or effort dimensions, such as speed of response (Thatte et al, 2013). In this study responsiveness is defined as sa system performance capability to timely change behaviour in response to external stimuli (Heidi C.Dreyer, Natalia Swahn, Kasper Kiil, Jan Ola Strandhagen and Anita Romsdal, 2015).

### **Trust**

The second purpose of this research is to identify the affected trust of Foodpanda service in Sabah. The coefficient for trust of Foodpanda service is b=0.38, and p-value is 0.000 which is (alpha root p<0.001) it shows that trust has a significant relationship.

According (Yusof Ismail, A.K.M. Ahasannul Haque & Selim Ahmed, 2015), trust is earned based on previous experiences of the customer. In the e-commerce environment, if the customer has a positive experience from his or her previous use of a product or service, then he or she will choose the same website to place the order. Likewise, in the case of online food ordering, customers will revisit the website if they trust it. (Yoon, 2002) found that there are four factors that the are crucial in the formation of trust such as transactional security, website properties, search functionality and persinal variables. These four factors formulate trust and if they are fulfilled then the overall loyalty is increased (Yoon, 2002). Therefore, based on this discussion, it is expected that online food trust will have a significant effect on customer loyalty.

## Reliability

The third research is to identify the affected reliability of Foodpanda service in Sabah. The coefficient for reliability service is b=0.49, and p-value is 0.000 which is (alpha root p<0.001) it shows that reliability has a significant relationship.

According (Kenneth.C. Adiele, Azunwo and A.Anyahie, 2018), relinquish is about the accuracy and timelines in the service provided. Quick service food firms are expected to be

accurate in their service delivery, be prompt at responding and attending to customers food order and delivery. Reliability is just as important good impressions, because every customer want to know of their service is reliable and fulfill the set requirements of loyalty (Delgado & Ballester, 2004). Service reliability is an important factor in restaurants success the world over. Most customers in the hospitality industry would prefer patronizing fast food firms that are considered reliable and dependable over a long period times (Kenneth.C. Adiele, Azunwo and A.Anyahie, 2018). Efficient service reliability increases customer trust, loyalty, retention and positive word-of-mouth for a company. An increase in positive word-of-mouth/referral could impact significantly on food delivery level (Kenneth.C. Adiele, Azunwo and A.Anyahie, 2018).

### **8 RECOMMENDATION**

### **Implications**

Based on implications research focused on three independent variables which are responsiveness, trust and reliability in service delivery. The result shows that responsiveness, trust and reliability was a factor for customer loyalty who are affected by customer loyalty. In addition, responsiveness, trust and reliability sensitivity were important for research as long as the service was a giving good. Also, the emphasis on service delivery is important in understanding the pandemic and impact to customer loyalty.

Finally, the researcher finds out that the responsiveness, trust and reliability is affected of FoodPanda service on customer loyalty during pandemic, means that this is the objective of customer loyalty giving there responsibility as a customer especially in pandemic.

### Limitations

The limitations have limited several, first is lack of research in service quality during pandemic especially for online service and making researchers do research. As a result, the researcher aiming to study the effectiveness of FoodPanda service on customer loyalty in Sabah is the first research explorer during pandemic. Next, the responsiveness, trust and reliability on customer loyalty based FoodPanda service. Future researchers will compare the quality service online FoodPanda with others. Dependent variables as customer loyalty will provide a comparison based on their experience doing FoodPanda service during pandemic. Other than that, die to the face-to-face pandemic interview do not do where the researcher will make an interview online. Interview online which might have limited the research ability to gather more insight from the respondents, although the respondents used a google form questionnaire to answer the questions. And finally, the qualitative method is the only one the researcher used, although the qualitative method can help researchers to more understanding and explore wider.

### **Practical Recommendations for Future Research**

From this study, researcher found that responsiveness, trust and reliability effected on customer loyalty of FoodPanda service in Sabah and this independent variable important. This study was made to find out what customer response and what factors they use FoodPanda service. Based

on multiple regression analysis shows these three independent variables effect on customer loyalty in performing FoodPanda service because during pandemic online platform makes it a convenience for customers to order food. Most customers do not have difficulty using FoodPanda applications as the result shown in chapter 4. There may be customers who prefer to use FoodPanda because it is convenient, not limited in terms of food place and cheap costs. The recommendation is that FoodPanda need to upgrade their service. Such an, FoodPanda needs improve services in terms of place for food delivery such villages areas. Such as are difficult to get out of since the pandemic and rely on online.

### 9 CONCLUSION

This research showed out that the factor that affected service FoodPanda on customer loyalty in Sabah during pandemic. The factor that affected is the responsiveness, trust and reliability as an independent variable. This research also will carry out what the data collection method used, sample size, sampling techniques, populations study, development of the research instrument, data analysis procedure and variable measurement. The data analysis of this research will be an online questionnaire which is google form by survey the questions from the respondents. Data analysis was collected by using reliability, descriptive analysis, multiple regression analysis and Spearman's correlation analysis. Other than that, the researcher determined the significance of the research hypothesis and results showed that there is significant between independent variables and dependent variables. Finally,the improvements for FoodPanda service and future research.

### **ACKNOWLEDGMENT**

First of all, I would like to express my special thanks to gratitude supervisor Madam Norfazlirda Binti Hairani for giving me the opportunity to research and providing invaluable guidance through this research. Her dynamism, vision, sincerity and motivation have deeply inspired me. It was a great privilege and honor to work and study under her guidance. I am really thankful.

Secondly, I would like to thank my examiner, Puan Mardhiah Binti Kamaruddin for her support throughout presentation time, sincere guidance and inspiration in completing this project and I would like to thank the Faculty of Entrepreneurship and Business by providing me the information to complete this project and I really indebted to my University which is Universiti Malaysia Kelantan providing platform for me.

Secondly I would also like to thank my parents and friends who helped me a lot incompleting this project. I am making this project not only for marks but to also increase my knowledge and finally I would like to express my deep appreciation to all the respondents which have been cooperative in answering my questionnaire. I really appreciate all your time and sacrifice by helping me to complete my project.

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# THE EFFECT OF PRICE, SERVICE OF QUALITY AND EASINESS TOWARDS DECISIONS TO PURCHASE PRODUCTS THROUGH SHOPEE

### Basirah Binti Ahmad and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: basirah.a17a0059@siswa.umk.edu.my; fazlirda.h@umk.edu.my

### Abstract:

This study aims to determine the effect od price, service of quality and easiness towards decisions to purchase products through Shopee. In this study, primary data is selected which is the quantitative method of data collection will be use as the survey method to measure the respondent's behaviour toward purchasing buying decision through Shopee. There are 32.7 million population in Malaysia, so 384 respondents will be chosen in this research as the sample size. The sample size of the research is decided based on Krejcie and Morgan (1970). therefore, the selected population in this study is people that have experienced shopping in Shopee will be selected as respondents. The study begins by distributing the questionnaire to the respondents through via online method. Data analysis techniques used multiple linear regression models. The results of this study indicate that price, service of quality and easiness affect the product purchase decision through Shopee with each significant value of <0.001.

Keywords: price, service of quality, easiness, decision on purchasing product

### 1 INTRODUCTION

Online shopping is a form of electronic commerce which lets consumers to directly buy goods or services from a seller over the internet by using a web browser or a mobile app. According to Prof. Dr. Tatik Suryani, (2020) online shopping is common particularly when individuals feel comfortable and easy to shop at any time or anywhere. Online shopping has become a habit in society nowadays. Online is an alternative way of buying and selling products or services, which in terms of service, quality, protection and popularity has grown quite well (Laohapensang, 2009).

Malaysian e-commerce market is growing fast. Malaysians spend more on online purchases than many of their Southeast-Asian neighbours, but average ecommerce revenue per user (ARPU) in the country still barely a quarter of the global average. In 2017, according to the research conduct by MCMC, there are 24.5 million users which is 76.9% have an access to internet and the other 7.5 million do not have an access to the internet from 32 million people in Malaysia (Ahmad, 2018).

In addition, more than 32 million Malaysians have been affected by the Movement Control Order (PKP) in an effort to control the spread of the COVID-19 epidemic. In the retail sector where leading e- commerce platform which is Shopee has found new shopping habits among Malaysian consumers because the implementation has created new norms (Ambrose, 2020)

Next, Shopee was first introduced in Singapore in 2015 and has grown rapidly so far since then Shopee reach has spread to many nations such as Malaysia, Taiwan, Vietnam, Thailand, Indonesia and the Philippines. Moreover, Shopee was successful in Brazil in 2019 and became the first Shopee in South America and outside of Asia. Shopee is part of an online shopping site operating in Southeast Asia within a retail network. Based on the e-commerce map published by iprice.co, Shopee has successfully held its first spot in the second quarter of 2019 as the top e-commerce for ten consecutive quarters, as seen from the Play Store ranking.

Shopee is a marketplace that has potential in Malaysia. According to Ian Ho which is Shopee Regional Managing Director said, over the few months, shopping activities on Mondays and Tuesdays have increased showing that consumer love shopping at the beginning of the week. It showed, consumers spend about 20% more time on Shopee a week. The sellers must also provide the best quality of service, in order to encourage consumers to purchase the items offered. Then, Shopee expects the trend of selling and buying through live streaming to become more popular as in China. Furthermore, Shopee become list of the top ten e-commerce in Malaysia 2018 besides Lazada, Zalora, Lelong.my and Carousell. (AseanUp, 2019).

This study will give advantages to customers who prefers online shopping because they can find out whether the price offered at the Shoppe has affect their decision on purchase or not. Hence, this study can help customers to make wise decision.

This study can also assist retailers especially who conducts the online business in analyzing information in term of service quality where they can find out whether the service carried out can affect customers on online purchases. Besides that, it also helps traders detect the price offered at the online shopping whether it give affects the customer on purchasing decision.

Retailer also can find out the does the price, service quality and easiness influence towards customer decision to purchase products through online shopping. Furthermore, with the data collected through this study, it is able to provide information to retail industry and supplier in providing a good product and services to customers.

Finally, this study will give benefit to researchers to fill the data and information than can obtained from previous studies and also can used as a reference to do the research in the future.

### 2 LITERATURE REVIEW

### 2.1 Price

Price is the amount of money as a medium of exchange to acquire products or services. Kotler and Armstrong (2006). Next, Shanthi & Kannaiah (2015) found that prices were the most influential factor in online purchasing decisions. In previous study, the researchers are concerned to take up price as a variable because of the goods that are in sell on the marketplace Shopee able to compete with the marketplace. A kind of where the offer is very varied and there are even cheaper because the goods imported directly from abroad and thus formed a much cheaper price than the market price. Price is one factor that can affect a person for the purchase decision states that the price significantly influence the

purchase decision. (Goldianus Solangius Mbete & Rinabi Tanamal, 2020)

## 2.2 Service quality

Raje Arcana and Vandana (2012) mention that the three metrics of reliability, responsiveness and empathy can assess the quality of online services. Reliability is the first one. This applies to how companies offer their good and accurate services to customers, so that customers can trust and rely on them. It is very important to remember that it can give retailers the confidence of customers in making product buying decisions by providing a real service impression. On the other hand, service quality is the assessment of long-term provided by the consumer on the service provided based on the evaluation of cognitive. Companies that consistently provide the best service then it will get an edge over the competition, more freely and easily in fostering the loyalty of the consumer. In this case, the success of a company or business is based also from the factors of service quality. (Goldianus Solangius Mbete, Rinabi Tanamal, 2020).

### 2.3 Easiness

According to Goldianus Solangius Mbet, Rinabi Tanamal, (2020) one of the factors that attract the buying interest of consumers, namely the ease. Each marketplace or anyone selling online should consider the ease in accessing and obtaining the goods needed by the consumer. Because by increasing the ease of it will make consumer feel comfortable and feel easy in obtaining the good that, the goods or services needed or wanted. This will give benefit from the consumer in giving the decision to make a purchase or otherwise do not want to make a purchase. Based on the description above, the researcher decided to use the variable ease as one of the independent variables to determine the purchase decision. Other than that, consumers choose online market because the ease of transaction without going through the queue in the purchase. Besides that, there are many variations of the products supplied and accompanied by many choices of price are offered and ease to comparing prices before they buying. (Abdulrahman & Mohammed, 2017).

### 2.4 Purchase decision

Purchasing decision also one of the main components of consumer behaviour where the decision to buy can influences how the process of making the decision is made. Purchase decision is based on the user's behaviour in choosing the product to find a way out and decide whether to use the product (Rini Astuti & Anisa permata dewi 2017). According to Afroz (2013) a purchasing decision is an attitude of using and willing to buy a product whether in the form of goods or services that are felt to be able to satisfy their wants or needs and are willing to take risks against the decisions that have been taken. In Sanjiwani & Suasana (2019) argued interpretation of cognitive factors and consumer persona is very useful and has a strong influence on the attitude of purchasing a product or service from its products and companies (Goldianus Solangius Mbete and Rinabi Tanamal, 2020).

## 2.5 Research Hypothesis

Three hypotheses are developed in this study which are as following: -

H<sub>1</sub>: There is a significant effect of price on decision making in buying goods through Shopee.

H<sub>2</sub>: There is a significant effect of service quality on decision making in buying goods through Shopee.

H<sub>3</sub>: There is a significant effect of easiness on decision making in buying goods through Shopee.

## 2.6 Conceptual Framework

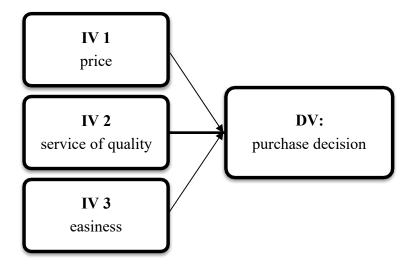


Figure 2.1: Conceptual Framework

Figure 2.1 shows the proposed conceptual model of the study price, quality of service and easiness are the independent variables (IVs) for this study and purchasing decision as the dependant variable (DV) to be tested for this particular study.

### 3 RESEARCH METHODOLOGY

## 3.1 Research Design

For this study, the research design use is quantitative method. Quantitative research refers to a structured way to collect and analyse the data collected from various sources. This study is focusing on customer that have experience using Shopee in Malaysia as respondents. Besides that, a set of questionnaires that consist of questions that related research variables will be answered by the respondent. In this study, primary data is selected which is the quantitative method of data collection will be use as the survey method to measure the respondent's behaviour toward purchasing buying decision through Shopee, a questionnaire method is chosen as a tool to collect data. The study begins by distributing the questionnaire to the respondents through via online method. The questionnaire was distributed via online as it can respond by anyone and anywhere (Debois, 2016). From that, questionnaire answered gathered among purchaser in Malaysia.

## 3.2 Measurement Development

To gather data, researchers developed an online questionnaire. The question in survey is designed according to the conceptual framework. Nominal scale used in Section A where this section is the first segment gathers data about biographical detail of respondent including gender, age, ethnicity, marital status, education, and income. For section B and C, researcher used 5-point Likert scale to determine the level of agreement customers are about the statement

given. Likert scale is used to measure people's attitudes, opinions, and perceptions about phenomena and social problems that arise in the midst of society. This study used 5-point Likert scales to evaluate the objects, going from "strongly disagree" to "strongly agree". There were two variants of the questionnaire, which were English and Bahasa Malaysia.

## 3.3 Sample Size

The total population in Malaysia is 32.7 million, so 384 respondents will be chosen in this research as the sample size. The sample size of the research is decided based on Krejcie and Morgan (1970) table that used a fix formula for an estimated population.

### 3.4 Data Collection

Data was obtained through the use of Google Form online. In this study, non-probability sampling method is chosen as a sampling design which is convenience sampling where researchers collected a large number of samples to easily and economically complete the questionnaire. Convenience sampling is defined as a sort of non-likelihood sampling technique where the sample is taken from a group of individuals easy to reach or to attain. This kind of sampling is otherwise called grab sampling or availability sampling. Besides that, participants are selected based on availability and willingness to take part. Researcher distribute the questionnaire by using networking applications such as WhatsApp's, Facebook and Telegram. In order to begin the survey, this questionnaire had a screening question where respondents needed to answer "Yes" on all questions. The respondents could not continue the survey if they replied "No"

## 3.5 Data Analysis

The data that collect through the questionnaires is analyses by using Statistically Package for Social Science (SPSS) version 26.0 computer software package. In analyzing the data, Data forms such as frequency analysis, descriptive analysis, reliability analysis, Spearman correlation analysis and multiple regression analysis were used for data analysis.

### **4 FINDINGS**

### 4.1 Demographic Profile of Respondents

A set of personal characteristics which are gender, age, race, status, occupation and income level have been examined and presented in Table 1. The questionnaire was distributed through online by using communication application. 384 set of questionnaires were collected. The main objective for descriptive analysis is to understand the profile of respondents.

Table 1: Demographic profile of respondents

Demographic		Frequency	Percentage (%)
Have you ever had a	Yes	384	100
shopping experience at Shopee?	No	0	0
Gender	Male	164	42.7
	Female	220	57.3
Age	Below 18 years old	129	33.6
	19 to 30 years old	146	38.0
	31 to 40 years old	84	21.9
	41 years old	25	6.5

Race	Malay Chinese	239	62.2
		91	23.7
	Indian	53	13.8
	Others	1	0.3
Status	Single	224	58.3
	Married	140	36.5
	Divorced	20	5.2
Occupation	Student	190	49.5
	Employee	136	35.4
	Unemployed	17	4.4
	Self-employed	41	10.7
Income level	RM 0 - RM 1000	226	58.9
	RM 1001 – RM 3000	128	33.3
	RM 3001 and above	30	7.8

Table 1 shows demographic profile of respondents. There is a total of 384 repondents are participates in the survey. The results showed the total number for male respondents is 164 with 42.7%. Meanwhile, the total number of gender for female is 220 respondents with 57.3%. Therefore, relative to males, there are more female respondents responding to this survey. Respondent's age group is categorized under four different groups. The first group is below 18 years old, which are 129 respondents or 33.6% of total respondents. The next category is between the age 19 to age 30, with a total of 146 numbers of respondents or 38% of total

years old, which are 129 respondents or 33.6% of total respondents. The next category is between the age 19 to age 30, with a total of 146 numbers of respondents or 38% of total respondents. Meanwhile for age between 31 – 40 years old is 84 respondents or 21.9%. The last group of age range is 41 years old and above, which recorded a total of 25 respondents or 6.5% of total respondents. The age chosen according to the category as in the diagram above is due to the researcher wanting to see which age group that many buy in Shopee. Hence, the result shows that respondents age between 19 -30 years old answer this survey more compare to the others age group.

Table above shows that the highest race that answer this survey is Malay which is 239 respondents as the percentages is 62.2% and total for Chinese people is 91 respondents with 23.7%. Then for Indian people is the lowest with 53 respondents that involved in this study or 13.8% of total respondents. The researcher chose the three races as above is because those races are the three main races found in Malaysia but there are also other races. Besides that, the others race is only 1 respondent answer in this survey with 0.3% which is Bajau.

Based on table shows the status of respondent that involved in this study. For single the total of respondent that involved is 224 people with the higher percentage which 58.3% while for married is 140 respondents with 36.5% out of 384 total respondents and divorced is 20 respondents with percentages 5.2%.

The respondent's occupation that are categorized into four different occupation which is student, employee, unemployed and self-employed. Out of the total sample of 384, 190 respondents or 49.5% of the total respondents are students. While respondent who fall into the employee category is 35.4% of the total is 136 respondents. Next, the overall unemployed is 17 with the lowest percent, which is 4.4 percent, and 41 respondents for self-employed as many as 10.7 percent are involved in this study. This is due to the random distribution of questionnaire samplings.

Table 1 shows that the level of income starting from RM 0 - RM 1000 is 226 respondents or 58.9% of total respondents. Income for between RM 1001 - RM 3000 is equal to 128 respondents as much 33.3%, meanwhile for RM 3001 and above is 30 respondents with 7.8%.

Hence, the highest income is from RM 0 - RM 1000 due to the participation of many students in answering this survey.

## 4.2 Spearman Correlation Analysis

Spearman Correlation Coefficient will be conducted is applied to analyze the relationship between independent variables and dependent variables. The aim of this test is to evaluate the statically relevant correlation coefficient and analyze which hypothesis should either be accepted or rejected. If the relationship is important, the analysis must determine which degree of intensity is important. Table 2 shows the result of the correlation analysis effect of price, service of quality and easiness towards decisions to purchase products through Shopee.

Table 2: Results of Spearman Correlation Analysis

Variables	Acceptance of QR Code	Supported or Rejected
Price	.361**	Supported
Service of quality	.530**	Supported
Easiness	.475**	Supported

<sup>\*\*.</sup> Correlation is significant at the level 0.01 level (2-tailed).

Table 2 shows that There is a positive fair correlation significant relationship between price and purchase decision (p<0.0, b=0.361). Next, there is a positive moderate good significant relationship between service of quality and purchasing decision (p<0.05, b=0.530). Lastly, there is a positive fair significant relationship between easiness and purchasing decision (p<0.05, b=0.475).

As a conclusion, price, service of quality and easiness were significantly correlated with purchase decision.

## 4.3 Multiple Regression Analysis

This research assessed the influence of associated factors on acceptance of QR code by using multiple regression analysis. It determines how ease of use, social influence and security impact on acceptance of QR code payment system.

Table 3: Associated effect of price, service of quality and easiness towards decisions to purchase products through Shopee.

**Simple Linear Regression Multiple Linear Regression** Variables b (95% CI) p-value b (95% CI) p-value 0.59 (0.51, 0.67) 0.39 (0.31, 0.47) Price < 0.001 < 0.001 0.42 (0.35.0.49) Service od quality < 0.001 0.24 (0.18, 0.30) < 0.001 0.27 (0.18.0.36) < 0.001 Easiness 0.62 (0.53, 0.71) < 0.001

Table 3 shown There is a significance effect of price, service of quality and easiness towards purchasing decisions (p<0.05). In every unit increase of price, purchasing decision will increase by 0.39(b). In every unit increase of service, purchasing decision will increase by 0.24(b). In every unit increase of easiness, purchasing decision will increase by 0.27(b). Hence, price is the most influence on product purchasing decision through Shopee.

## 4.4 Hypothesis Testing

The hypothesis on significant effect between price, service of quality and easiness with purchase decision through Shopee were tested by using Multiple linear regression analysis. All hypotheses were accepted at 0.01 significant levels.

## **5 DISCUSSION**

Based on the result, price has a positive fair correlation significant relationship with purchase decision through Shopee (r = 0.361). thus, the hypothesis is accepted. This variable is the most significant factor that effect on purchase decision through Shopee. This is because price is the main factor in purchasing product. Based on the studies from Rizki, Hidayat, & Devita (2019) that price has a significant positive effect on consumer purchasing decisions on online Shopee purchases. Besides that, a value in Spearman correlation for service of quality is 0.530, the second lowest value among three independent variables. It indicated positive significant relationship thus the hypothesis is accepted. So, there is a significant effect of service quality on decision making in buying goods through shopee. The result un this study supported by Nursiam, Anastasia Auti merry Yanissa, Rina Kurnia Ariana (2020). The facilities provided by Shopee include the easiness to be learned, accessed, understood, and easy to get information on Shopee. This easiness expected to encourage consumers to make purchasing decision on the Shopee. According to the result shown, there is positive fair significant relationship between easiness and purchase decision with value of 0.475. The hypothesis H3 is accepted. This result supported by Goldianus Solangius Mbete & Rinabi tanamal, (2020). They had conducted a similar topic which showed easiness effect on decision making in buying goods through Shopee.

### 5.1 LIMITATION AND RECOMMENDATION

The limitation of this research involves the collection of data by the use of a questionnaire and only the use of internal variables so that the research outcomes have not been maximized. Therefore, it is proposed that data should be collected for future study not only using questionnaires but also through indepth interviews or interviews with respondents, so that the information gathered can be more varied, further evaluating variables using external factors and the future should put more effort to increase the outcome of future study. Next, the researcher only used limited independent variables such as price, service of quality, and easiness which have moderate positive significant with dependent variables which is purchasing decision. Besides that, the questionnaire that used by researchers in this research only contain 5 number of items and only four questions for each variable were divided into two section which is section B and section C. So, for questionnaire part, the future research should do more than 5 number of items to get more consistency and stability result. The questionnaire needs to be more open-ended response question.

### 5.2 CONCLUSION

Generally, this study was conducted with a view to the factor that affected on product purchasing decisions through Shopee. On the other hand, from the survey, data analysis was gathered to perform a reliability test, descriptive analysis and multiple linear regressions. In the analysis, the researcher determined the relevance of the research hypothesis. As a consequence, it can infer from this chapter about the significance between the independent variable and the dependent variable. Based on the results of the study it is showed that the variables of price, service quality and easiness affect the product purchase decision through the Shopee. Last but not least, this study was carried out by researcher to all purchaser in Malaysia that have experience of buying goods at Shopee. This study also can give benefits for the customers to make a wise decision in buying product through Shopee and also can help the company aware about their weakness.

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# IMPACT OF COVID-19 PANDEMIC TOWARDS GROCERY PURCHASE DECISION AMONG CONSUMERS INSUNGAI GADUT, SEREMBAN

### Conelleius A/L Sagayam E Nathan and Nadia Hanum Binti Amiruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: conelleius.a17a0073@siswa.umk.edu.my; nhanum@umk.edu.my

### Abstract:

Grocery purchase decision is an important activity that to be take part in consumers lifestyle. The objective of this study is to determine the relationship between the impact of COVID-19 pandemic towards grocery purchase decision among consumers with purchasing method, method of payment and time period of purchasing. There are 379 consumers have been involved in the questionnaires conducted by researcher. The elements analysis of the survey result revealed between the impact of COVID-19 pandemic towards grocery purchase decision among consumers. This study provided numerical data about between the impact of COVID-19 pandemic towards grocery purchase decision among consumers. The findings of the data are essential to see the pattern of between the impact of COVID-19 pandemic towards grocery purchase decision among consumers. There are significant relationship between the impact of COVID-19 pandemic towards grocery purchase decision among consumers with purchasing method, method of payment and time period of purchasing.

Keywords: COVID-19, Grocery, Method of Payment, Purchase Decision, Purchase Method, Time Period

### 1. INTRODUCTION

Malaysia is known as one of the most advanced of the developing nations and is rated as an upper middle income region. In a market where shifts in consumer lifestyles and tastes determine the form of retailers in the industry, small grocery stores are increasingly difficult to survive. (Nor Khalidah Abu, Rosmimah Mohd Roslin, 2008). While grocery shopping is an important task, not much is known about the COVID-19 pandemic's complex relationship to the actions of grocery shoppers.

According to a special survey conducted by the Department of Statistics Malaysia on the Impact of COVID-19 on the Economy and Individuals (Round 1) from March 23 to 31, 2020, there was a major shift in regular expenditure needs before and after the outbreak of COVID-19. The study revealed that the spending trend of raw materials for cooking on the market or supermarket or grocery indicates that the current purchase has changed to occasionally and rarely compared to before the COVID-19 outbreak (Sharon Kong, 2020).

The purchase decision process is the decision-making process used by customers before, during, and after the purchase of a product or service in relation to market transactions. In the case of several alternatives, this can be seen as a basic method of cost-benefit analysis (Herbert A. Simon, 1947, 1957). Consumers are affected by emotional and non-rational factors that make it only

marginally efficient to try and be rational. He called for substituting a conception of rationality suited to cognitively restricted agents for the ideal rationality assumptions of homo economics.

The studies adapted from Hutjens (2012) with modification to suit the Malaysian context are considered suitable for this analysis because of the similarities in the cases and associated risk factors. During a pandemic crisis such as COVID-19, this study would substantially close the research gap in understanding changes in Malaysian consumer purchase decision of important grocery products and the mediation impact of shopping experience and the Fear of Missing Out (FoMO).

There are three objectives for this study, which are:

To examine the relationship between purchasing methods and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban.

To examine the relationship between methods of payment and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban.

To examine the relationship between time period of purchase and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban.

To avoid this pandemic goes more dangerous, lockdown was perceived as only way to stop spreading from a person to another. Malaysians replied in fear and confusion when the initial MCO announcement was made. People jammed public transit centers to fly back to their hometowns in addition potentially raising the risk of contamination to other areas of the world. Although this response to the MCO was not surprising, it raises concerns about the degree of understanding and attitudes among Malaysians towards COVID-19.

This Movement Control Order (MCO) in Malaysia has made the consumers to face many challenges in their purchase decision of their grocery goods such as bread, rice, oil, frozen foods and many more. Based on this, panic buying was happened rapidly in Malaysia which was not fair to consumers who cannot afford those grocery goods. According to New Straits Times, this purchase decision robs other persons of the ability to get what they need. Any manufacturers may not be able to manufacture enough to satisfy it because of the unexpected increase in demand (Andrew Kok Ken Sen, 2020). And this issue was made the consumers to have limited time for purchase their goods especially grocery goods.

## 2 LITERATURE REVIEW

## 2.1 Grocery Purchase Decision

Grocery purchase decision is an individual's measure of evaluating their purchasing activities of grocery as defined by Kassarjian (1981). According to Americus Reed (2011), process that leads a consumer to recognize their need, create options and selecting their specific grocery product or brand. Few attention has, however, been given to the relationship between the shopper and the action, particularly self-relevance or engagement with the operation of grocery purchasing (Mary F Smith, 1996).

### 2.2 **COVID-19**

According to Seema Mehta (2020), the COVID-19 pandemic is not a common crisis, and different steps have been taken to monitor the transmission of the outbreak, including absolute and then partial lockout. And this made the government of Malaysia to apply first phase of MCO which affects all

the consumers of grocery goods during this lockdown period. Even the Malaysian government has consistently addressed the country with reminders not to panic and with assurance that adequate grocery goods are available; posts on social media causing panic among Malaysia consumers (Ain Umaira Md Shah, 2020).

### 2.3 Purchase Method

According to the past research, consumers focusing on experiences in-store which stimulate them to engaging with the product or goods they want to purchase and have an emotional contact with the retail store (Smith and Wheeler, 2002). However, researchers had stated that whereas the focus on experience is common, knowledge about how to trigger the experience referred to is rare at most in theoretical practice. The literature that emphasizes the importance for retailers to focus on the inducement of consumers" experience often lacks both definitions of central concepts and empirical support (Ibrahim and Ng, 2002).

## 2.4 Method of Payment

E-cash is sometimes referred to as Electronic cash, electronic money, online cash and digital cash. Often, it is Often referred to as [Chou, Lee and Chong, 2004] cyber currency. E-cash is a modern money. EPS definition because it blends computerized comfort with protection and privacy that improves paper money [Sumanjeet, 2009]. The method of payment is transaction. It is possible to describe m-payment as the degree to which a person assumes that it will be effortless to traverse or participate in transactions via m- commerce (Cheong and Park, 2005; Choi, 2008; Kim et al, 2005).

## 2.5 Time Period of Payment

Scanner data is an ideal medium for examining time costs associated with media of exchange as well. These data represent actual market exchanges, are very accurate, and are available at a very high frequency (American Banker, March 15, 2004). The transport literature applies to statistics on time usage, although the respondents are asked to record only travel and travel-related events for most surveys, not their whole day. Bose (2006) discusses technical detail for using the ATUS for travel estimates.

### 2.6 Research Hypothesis

This study proposed to examine the impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban. Based on the literature discussed in this chapter and research questions, hypothesis of this study can be summarized in the following way.

- H1: There is a relationship between the purchasing methods and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban.
- H2: There is a relationship between the methods of payment and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban.
- H3: There is a relationship between the time period of purchase and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban.

#### 2.7 Research Framework

The aim of this study would be to examine the relationship between purchasing methods, methods of payment and time period of purchasing with the impact of COVID-19 pandemic towards grocery purchase decision. This section explained the proposed theoretical framework. The research frameworks that showed in Figure 2.1 had three key of component included purchasing methods, methods of payment and time period of purchasing which are serve as an independent variable. Impact of COVID-19 pandemic towards grocery purchase decision serves as a dependent variable.

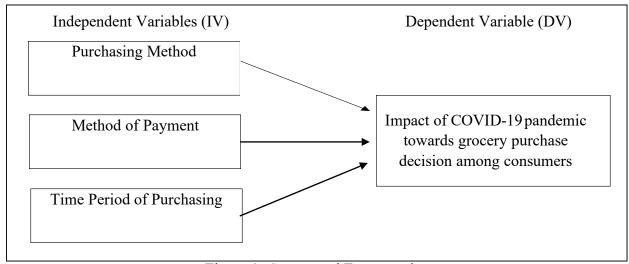


Figure 1: Conceptual Framework

#### **3 RESEARCH METHODS**

### 3.1 Research Design

A descriptive research methodology will be used for this study. According to Kerlinger & Lee, (2000), in descriptive research, researcher do not have direct power over free factors on the field that their indications have as of now happened or on the fields that they are spontaneous not manipulated. For this study, quantitative method will be used, so that can be referred to the raw and numerical data collection and then analyzed in terms of values and variables. These data will be collected from survey questionnaires. Respondents were collected by capturing those who involves in grocery purchase activity. Respondents will be screened and choose for those who had been involves in grocery purchasing activity frequently.

#### 3.2 Data Collection

Mostly, primary data ensures the most up-to- date information and realistic view to answer the hypotheses and research questions (Saunders 2009). In the questionnaire, the researcher divided the questions to three type of section which is section A, section B and section C. In section A of the survey, there will asked about the demographics question about the respondents. In section B, the researcher will collects some information about the independent variable that impact the grocery purchase decision on or after COVID-19 pandemic. And in section C of the questionnaire, the researcher will get information based on dependent variables. The questionnaire will be distributed to the grocery shoppers in Sungai Gadut electronically at the online platform which is Google form.

#### 3.3 Population

Consumers are the appropriate medium to collect data on the purchasing decision of groceries since they are the respondent that frequently involved in grocery purchasing activity. The population of people in Sungai Gadut is 30,000 in the year of 2019 (Official Portal of Seremban City Council). Sungai Gadut was chosen as the research venue because there is more of grocery purchasing consumers who are facing problems on making decision of grocery purchasing during the pandemic.

#### 3.4 Sampling

A sample is a group of people randomly drawn from the target market in order to participate in this research study. Number of respondents in this research depends on geographical area selected to obtain the level of accuracy in the data. According to Krejcie & Morgan, (1970) the sample size was 379 used to make an estimation for the population. This study was targeted on the consumers who involved in grocery purchasing decision during the COVID-19 pandemic season within Sungai Gadut area. Every questionnaire is sent out individually and respondents have to answer based on their first thoughts.

$$S = \frac{x^2 N p (1 - p)}{e^2 (N - 1) + X^2 p (1 - p)}$$

n = sample size (379)

N = population size (30,000)

e =the degree of accuracy expressed as proportion (0.05)

 $x^2$  chi-square of degree of freedom 1 and confidence 95% (3.841) p

= proportion of population (if unknown, 0.5)

#### 4 ANALYSIS AND DISCUSSION

There were three data types of data analysis used in study, that were descriptive analysis, reliability analysis and Pearson correlation coefficient. The data obtained was analysed by using Statistical Package for the Social Science (SPSS) version 25.0.

#### 4.1 Descriptive Analysis

Table 1: Descriptive statistic for dependent and independent variables.

Descriptive Statistics			
Variables	N	Mean	Std Deviation
IMPACTOFCOVID- 19PANDEMICTOWARDSGROCERYPURCHASE DECISION	379	3.9057	0.72531
PURCHASINGMETHOD	379	3.9208	0.77988
METHODOFPAYMENT	379	3.9450	0.80934
TIMEPERIODOFPURCHASING	379	3.9330	0.82568

Table 1 indicates the mean and standard deviation of independent variable and dependent variable which include the impact of COVID-19 pandemic towards grocery purchase decision, purchasing method, method of payment and time period of purchasing. Based on the result above, the highest mean was recorded among the independent variables is method of payment with the value of mean 3.9450, followed by time period of purchasing with the value of mean 3.9330 and purchasing method with the value of mean 3.9208. The mean for dependent variable which is the impact of COVID-19 pandemic towards grocery purchase decision among consumers is 3.9057.

### 4.2 Reliability Test

Table 2: Reliability analysis for 379 respondents.

Variables	Number of	Cronbach's	Strength of
	Items	Alpha	Association
Impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban	13	0.889	Good
Purchasing method	6	0.830	Good
Method of payment	6	0.845	Good
Period of purchasing	5	0.836	Good

Table 2 above shows the reliability analysis with the Cronbach's Alpha Coefficient value for this study. The intensity of the interaction of each independent and dependent variable is based on the table above. The Cronbach's Alpha value for first independent variable, method of payment stated 0.845 which is categorized as Good value meanwhile the Cronbach's Alpha value for another two independent variable which time period of purchasing with a Good value which is 0.836 followed by purchasing method is 0.830 which was also a Good value, as well as the dependent variable, impact of COVID-19 pandemic towards grocery purchase decision among consumers stated 0.889 respectively where this were also categorized as a Good value.

The overall result showed that the respondents understood the questions presented, which indicated that the questionnaires were accurate and could be accepted for this analysis.

#### 4.3 Pearson Correlation Coefficient

Table 3: Pearson's Correlation Coefficient of two variables.

Variables	Impact of COVID-19 pandemic
	towards grocery purchase decision
	among consumers in Sungai Gadut,
	Seremban

Impact of COVID-19 pandemic towards	Pearson	1
grocery purchase decision among	Correlation	
consumers in Sungai Gadut, Seremban	Sig. (2-tailed)	
Purchasing method	Pearson	
	Correlation	.777**
	Sig. (2-tailed)	.000
Method of payment	Pearson	
	Correlation	.765**
	Sig. (2-tailed)	.000
Period of purchasing	Pearson	
	Correlation	.710**
	Sig. (2-tailed)	.000

Table 3 shows the result of Pearson correlation test. The Pearson's Correlation was used in this research is to identify the relationship between two variables in terms of strength of the relationship. The result demonstrate that there will be a significant relationship between the purchasing method and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban. The positive value of correlation coefficient is 0.777\*\* and it shows that the relationship is high according to the rule of thumb. After that, Table 3 there will be a significant relationship between the purchasing method and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban. The positive value of correlation coefficient is 0.777\*\* and it shows that the relationship is high according to the rule of thumb. Lastly, the finding in Table 3 show that there will be a significant relationship between the time period of purchasing and grocery purchase decision among consumers during pandemic in Sungai Gadut, Seremban. The positive value of correlation coefficient is 0.710\*\* and it shows that the relationship is high according to the rule of thumb.

#### 4.4 Discussion

According to correlation analysis in chapter 4, researcher have identified that there is a significant relationship between between purchasing methods with impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban. This can be seen through the result shown in the index of Pearson Correlation Coefficient, with significant value which means that there is a significant relationship exist between purchasing method, method of payment and time period of purchasing with impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban.

Based on the Pearson Correlation's analysis on table 4.13, the result shown that independent variable 1 which is purchasing method had a high positive influence on impact of COVID-19 pandemic towards grocery purchase decision among consumers. This refer to the Pearson's Correlation value (r value) which is 0.777 had shown high positive correlation relationship between independent

variable 1 and the dependent variable. Purchasing method plays a significant role among consumers' grocery purchase decision in a target performance area. This is because the retailers can develop the strategies to achieve their target to sell their groceries and encourage consumers to perform their work easily without difficulty in purchasing method in retail stores which consumers consume groceries.

According to the result the index of Pearson Correlation Coefficient, this research accepting the significant relationship between methods of payment with impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban.because the result 0.765 with significant value p, 0.00. Method of payment is important because the difficulty of payment method influence the consumers on a grocery purchase decisions. Payment methods choices for consumers are now quicker and safer than ever and consumers want to have a preference in this respect. Not providing consumers different payment options could lead to reduced revenue and harm a company's image.

Based on the result of the Pearson Correlation Table 4.13 this research is accepting H3 because 0.710 with significant value p, 0.00 it means that there is a significant relationship between time period of purchase with impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban. Time period of purchasing is important factor that impacts the consumers' grocery purchase decision during COVID-19 pandemic. Because consumers expects more time to spend on purchasing groceries in retail stores which gives a satisfaction on their purchases

#### 5 CONCLUSION AND FUTURE RESEARCH

#### 5.1 Recommendations

The future researcher might be managing to conduct the research in different area of Malaysia to enrich the local context. Future researcher may able to find out more information about the impact of COVID-19 pandemic towards grocery purchase decision among consumers. Future researcher can know how importance of the impact of COVID-19 pandemic towards grocery purchase decision among consumers to improve the purchasing method, method of payment and time period of purchasing.

Next, the future researcher is recommended to expand the sample size and the population in order to get more accurate and diverse outcome of the study. The study was conducted only among the residence of Sungai Gadut, Seremban. It is recommended that future researchers perform similar research in different states, retail stores or even in Malaysia as it will lead to a different outcome. In addition, in order to improve the quality of the data obtained, the number of respondents can be expanded for future studies. To get an accurate result from larger amount of responses, future researchers must take a longer duration for data collection and analysis.

Furthermore, future researcher should consider using qualitative method for research. This is due to the future researcher may gain deeper understanding about the relationship of the impact of COVID-19 pandemic towards grocery purchase decision among consumers with purchasing method, method of payment and time period of purchasing. Interview with the respondents enables researcher to know how the respondents think of the importance of grocery purchase decision. Therefore, using quantitative method may get different perspectives of the relationships which were included in the dependent and independent variables.

#### 5.2 Conclusion

This study focuses on the impact of COVID-19 pandemic towards grocery purchase decision among consumers in Sungai Gadut, Seremban. Grocery purchase decision to adopt the outcome of this study to determine the purchasing method, method of payment and time period of purchasing for the future retail industries. This is because it will help to build a great relationship between the consumers and the retail stores they visit to purchase groceries. Malaysian retail stores from either government or private sectors can also use the data to determine the impact of COVID-19 pandemic towards grocery purchase decision among consumers.

The independent variables identified as the purchasing method, method of payment and time period of purchasing indicate the significant relationship to the dependent variable known as the impact of COVID-19 pandemic towards grocery purchase decision among consumers. Based on the hypothesis result, all the hypothesis which was H1, H2 and H3 have been accepted in this study. Most notably, this study has established that consumers are nowadays really aware of their grocery purchase decision. They are also really concerned about the purchasing method they going to use according to their comfort. These users are really willing to accept the impact of COVID-19 pandemic towards the grocery purchase decision which is in purchasing method, method of payment and time period of purchasing.

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### THE EFFECT OF BRAND PERSONALITY ON CONSUMER- BASED BRAND EQUITY IN MALAYSIA SMEs CONTEXT

### Edayana Binti Idris and Noor Hasmini Binti Hj Abd Ghani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: edayana.a17a0079@siswa.umk.edu.my; hasmini.ag@umk.edu.my

#### Abstract:

This study aims to investigate the effect of brand personality on customer brand equity in Malaysian SMEs context. In conducting this study, the researcher found that there are five independent variables which are sincerity, excitement, competence, sophistication and ruggedness that can be used with dependent variables. To collect data, 200 respondents used a structured questionnaire targeting consumers who buy SMEs product. The Reliability and Multiple Regression analysis to test hypotheses is used. From the results, the sincerity, sophistication and ruggedness had a positive significant effects on consumer-based brand equity in Malaysian SMEs context.

**Keywords**: Customer-based brand equity, brand personality, SMEs

#### 1 Introduction

Marketing professionals and scholars also face two key questions in today's competitive market is what makes a brand successful and how entrepreneurs create strong brands. In order to provide a satisfactory solution to this issue, marketing researchers and practitioners prefer to refer to the Consumer-Based Brand Equity (CBBE) model, which incorporates management strategies and analytical developments in the understanding of consumer attitudes and behavior Pham (2019). Although a number of useful perspectives have been put forward regarding brand equity, the concept of the CBBE provides a unique perspective on what brand equity is and how it should be best built, measured and managed.

The fundamental premise of the concept of customer-based brand equity is that a brand's power lies in what customers have learned, felt, seen and heard about the brand as a result of their interactions over time. In other words, Pham (2019) the power of a lies in what resides in the minds and hearts of customers. The customer-related brand equity approaches are specifically divided into two categories (Atilgan, et al. 2005). The behavioral dimension that includes consumer behavior such as brand loyalty, and the perception dimension that involves consumer perceptions such as brand awareness, perceived quality and brand associations(Oliver 2014).

The importance of CBBE in SMEs they have three important concept are included in the definition of CBBE in differential effect, brand knowledge and consumer response in marketing (Keller 1993). In the distinct of a brand personality plays a vital role in a brand's growth. This

causes consumers to understand the identity of the brand and establish a deep brand link (Lin 2010). To be long-lasting and consistent, a brand figure should be formed. In addition, it should also vary from other products and satisfy the demands of customers (Balaji, et al. 2016). Therefore the buyers of these toys and video games are like the spokespersons of the brand and become the foundation for brand personality creation for manufacturers. Consumers with various personality characteristics will be drawn to the same brand personality and their brand loyalty will then be more established. Moreover, by its brand personality, an organization can maintain a strong relationship with consumers (Farhat and Khan 2011).

According acquired a five-factor structure, three dimensions of which apply to the big five dimensions (Mulyanegara, et al. 2009). Sincerity taps into the attributes of perception and consciousness. Excitement requires, just as extraversion does things like sociability, vitality and movement. In Conscientiousness and Extraversion, integrity captures attributes observed. The remaining two dimensions do not apply to either of the major five dimensions, Sophistication and Ruggedness. The brand personality structure is more or less repeated by (Aaker, et al. 2001). There were very distinct differences among many other researchers (Geuens, et al. 2009). This is obviously not too shocking as most of them began from the broad definition of brand personality. Only big five elements were used (Davies, et al. 2018) but a similarity to the big five measurements appeared only in the latter study.

The key to what makes a business strong and how entrepreneurs establish a strong brand in Malaysia's market place is based on CBBE. In many countries including Malaysia, SMEs play a profound role in economic development. However many SMEs are unable to complete and maintain the marketplace long enough due to an array of critical problems. This scenario is troubling because SMEs form an important economic dimension and are also seen as the driver of economic development. Building good brand image is therefore the top priority for many SMEs in terms of goods and services, but achieving this goal is not always a simple task since the products and services of many SMEs in Malaysia are similar and their methods of distribution are similar.

#### 2. Literature Review

### 2.1 Consumer-Based Brand Equity

Based on Aaker (2009) on the other hand, includes customer-based brand equity dimensions, among other proprietary brand properties, brand loyalty, brand recognition, perceived efficiency, and brand associations. Since the proprietary brand assets are business or company-related, only the market-related components have been adopted through subsequent research (Malhotra, et al. 2013), resulting in a four-dimensional Consumer Based Brand Equity (CBBE). In the Brand awareness refers to "the ability of a potential buyer to recognize or remember that a brand refers to a category of a particular product" (Aaker, 1991). Associations can help customers to process or retrieve data, provide a basis for differentiation and extensions, provide a justification to purchase and generate positive feelings (Aaker 1991). Aaker (1992) clarified that perceived quality provides value by providing a justification to buy, defining the brand, attracting the interest of distribution channels, being the basis for line extensions, and supporting a higher price. Aaker (1992) assumes that it is also an efficient way of handling equity to rely on brand loyalty.

Table 2.1 Definition of Consumer-based Brand Equity

Definition	Authors
Brand equity has focused on the perspective of cognitive psychology	(Aaker 1991)
known as consumer-based brand equity.	
There are four dimensions of consumer-based brand equity: brand	(Aaker and Biel
loyalty, brand awareness, perceived quality, and brand association.	1993)
Brand loyalty is one of the most significant marketing components, and	
is a measure of a customer's attachment to a brand.	
The number of repeated transactions also tests brand loyalty in a	(Keller, et al.
behavioural context. While a range of valuable viewpoints have been	2011)
put forward on brand equity, the definition of the CBBE offers a new	
viewpoint on what brand equity is and how it can be better built,	
measured and managed.	
The customer-based approach to brand equity is the dominant view and	(Cobb-Walgren,
most marketing research researchers and practitioners prefer that	et al. 1995)
marketers, manufacturers or distributors ultimately have no meaning if	
a brand has no value or importance to the consumer.	

In the description of CBBE, three essential concepts are important included: differential impact, brand awareness and marketing response to customers. Firstly the differential effect is measured by contrasting the consumer's reaction to a brand's marketing with the response to the same marketing of a product or service fictitiously named or unnamed (Keller 1993). The differential effect is the empirical and subjective comparison of the same object, place, or individual with a related, but distinct, object, place, or person, based on perception. Second is brand knowledge is essential to this theory. In particular, in determining the differential response, the favourability, strength, and uniqueness of the brand associations play a critical role. If consumers assume that the brand is similar to the prototypical version of the product or service in the category, their reaction to the hypothetical product or service does not differ; if the brand has any distinctive, special associations, the reactions should vary (Keller 1993). (Escalas and Bettman 2005)Lastly consumer response to marketing is according to this definition a brand is said to have positive negative) customer-based brand equity if consumers respond more (less) favourably to the brand's product, price, advertisement, or delivery than they do to the same marketing mix factor when it is attributed to a fictitious world called or unnamed version of the product or service.

### 2.2 Brand Personality

Brand personality provides the consumer with self-expressive of symbolic advantages from the perspective of customer (Aaker 1999). Consumer often use brands to build and articulate to fulfil their needs, according to creating links between their self-concepts and brand images 9called self-brand connections). There interactions play an important role in building brand awareness and establishing long-term relationships between customers and brand. (Escalas and

Bettman 2005) have also proposed that consumers of associate the psychological advantages of associating with brands because in a number of social context, consumers may build and describe their self-concept and present themselves to others. A well-established brand personality is thought to increase emotional relations with the brand, increase preference and increase a sense of confidence and loyalty, as asserted by (Siguaw, et al. 1999).

Table 2.2 Definition of Brand Personality

Definition	Author
Brand personality is a part of brand association that defines a brand's symbolic consumption and emotional relations to connections with consumer.	(Aaker, et al. 2004)
Based on three sources, her scale was developed: personality scales from Psychology, marketers' trait measures and initial observational studies on personality qualities correlated with a variety of well-known products.	(Aaker 1997)
It implies that brand identity can be shaped in two ways: explicitly (through individuals) and indirectly. Indirectly, by product-related features, such as packaging, brand name, logo, symbol, or advertisement, personality characteristics may be attributed to a brand.	(Aaker 1997)
The author described the brand's personality "as a set of human characteristics related to the brand." The author has established five brand personality measures, which are sincerity, excitement, competence, sophistication, and ruggedness.	(Aaker 1997)
Brand personality is defined as how a consumer understands the brand in dimensions that usually capture the personality of an individual.	(Batra, et al. 1993)

In the per-suasion method, marketing researcher and practitioners have suggested the concept of the importance of brand personality; they consider brand personality as an effective way to differentiate a brand from its competitors at the symbolic level (Plummer 2000). In addition, previous literature assumes that customers also use brand to create, reinforce and communicate their personality (Belk 1988). A growing number of studies have been carried out to theoretically and practically test its application in the field, given the importance of the brand personality construct in marketing and consumer psychology research (Sung and Kim 2010). However several researchers have concentrated on the structure and measurement scales and, with the exception of a few recent studies, minimal research has explored the predictive functions of brand personality in empirical persuasion. (Aaker 1999; Ang and Lim 2006; Chang and Chieng 2006; Lau and Phau 2007).

The objective of the current study is to conceptualize and empirically examine the effect of brand personality on key dependent variables in consumer behavior. More specifically, this study conceptually links two research streams and examines the effect of five dimensions of brand personality (Sincerity, excitement, competence, sophistication, and ruggedness). This study follow and test (Chaudhuri and Holbrook 2001) brand impact/brand confidence brand loyalty model by adding five brand personality dimensions to (Aaker 1997). To this end, the current study proposes theoretical models for brand personality, brand loyalty and brand effect, including

five dimensions. This study builds on and contributes to previous research, building on and adding to previous brand personality and consumer psychology literature by investigating the determinant roles of brand personality in brand evaluation.

### 3 Methodology

### 3.1 Sampling and Data Collection

The sample size for this study was 200 respondents are from respondent are among the customers who also use the online platform to buy product SMEs and this study researcher are used questionnaire online survey to collect the data from the respondent. In addition, the respondents participating in the research are independent of gender, age, marital status and employment status. The sample size can be referred to as the term that the greater population of respondents would always be used by the researcher for survey and this sample is considered to be an important element for the researcher in obtaining the right results of the research.

#### 3.2 Research Construct

A construct is the abstract concept, the underlying theme or subject matter that researchers want to measure using survey questions in the context of survey research.

Table 3.1 Review of selected research about variables, definitions and items.

Variables	Definition	Items
DV: Customer Based-Brand	There are four dimensions of consumer-	6
Equity (Biel and Aaker	based brand equity: brand loyalty, brand	
2013)	awareness, perceived quality, and brand	
	association. Brand loyalty is one of the	
	most significant marketing components,	
	and is a measure of a customer's attachment	
	to a brand.	
IV: Brand Personality	The author described brand personality "as a	20
(Aaker 1997)	set of brand-related human	
	characteristics". The author created five	
IV 1: Sincerity	brand personality measurements, which are	
IV 2: Excitement	sincerity, excitement, competence,	
IV 3: Competence	sophistication, and ruggedness.	
IV 4: Sophistication		
IV 5: Ruggedness		

#### 3.3 Data Analysis Methods

Using computer software, Statistical Programmers for Social Science (SPSS) version 26.0.0, the data obtained in the analysis will be analyzed. In addition, in the report, descriptive, reliability and multiple regression analysis was also carried out. Cronbach's Alpha makes it acceptable for all variables above 0.7 in the reliability study, as it ranges from 0.7 to 0.9, it is acceptable for an outstanding calculation. Cronbach (2016) also supports this because Cronbach's Alpha is higher, which means that the internal consistency of the scale item is higher. To accept the hypothesis,

for Multiple Regression, the p-value of the variable must be less than the value of 0.05.

#### 4 DATA ANALYSIS AND ANALYSIS

### 4.1 Sample Characteristics

In this sample characteristics of respondents including gender, ethnicity, age, race, marital status, occupation and monthly income. This study provided the end result of the demographic of the respondent in different types of tables that shows the result from 200 respondent who answer the questionnaire. From the tables 4.1 show the summary of the respondent.

Table 4.1: Sample Characteristics

Sample Characteristics	Frequency	Percentages
	(200)	(%)
Gender		
Male	77	38.5
Female	123	61.5
Race		
Malay	156	78.0
Indian	18	90
Chinese	20	10.0
Other	6	3.0
Age		
21 - 25	150	75.0
26 - 30	28	24.0
31 - 35	14	6.0
36 and above	8	4.0
Marital		
Single	158	79.0
Married	42	21.0

Desires Collogorom 2020/2021			
Occupation			
Unemployed	13	6.5	
Employed	54	27.0	
Student	133	66.5	
Monthly Income			
RM 500 – RM 1000	137	68.7	
RM 1001 – RM 3000	44	22.0	
RM 3001 – RM 5000	15	7.5	
More than RM 5001	4	2.0	
Have you ever bought SMEs product?			
Yes	100	100.0	
No	0	0	

114	57.0
32	16.0
54	27.0
146	73.0
30	15.0
16	8.0
7	4.0
	32 54 146 30 16

### 4.2 Hypothesis Testing

The result of Multiple Linear Regression of independent variables towards dependent variables. The results of five hypothesis is different based on result from multiple linear regression. There are three hypothesis that supported which is H1: Brand personality (sincerity) have significant relationship on CBBE, H2: Brand personality (sophistication) have significant relationship on CBBE and H5: Brand personality (ruggedness) have significant relationship with CBBE. In addition, there have two hypothesis not be supported with the result from multiple linear regression which is H2: Brand personality (excitement) have significant relationship on CBBE and H2: Brand personality (competence) have significant on CCBE. In conclusion, in this study there have only three hypothesis are significant and two hypothesis are not significant.

#### 4.3 Reliability Analysis

Reliability analysis talk about to the point that a scale should accurately represent the construct it is measuring way in which the researcher may use reliability analysis is when the equivalent result is also obtained by two measurements under study that are equivalent to each other in terms of the construct being evaluated. In addition, Cronbach's Alpha is the usual technique for evaluating a scale internal consistency. It measure all the variables in the research is valid or not. The results in pilot test in 30 respondent shown in table 4.2. Cronbach's Alpha show  $0.7 > \alpha \ge 0.6$  questionable,  $0.8 > \alpha \ge 0.7$  is acceptable,  $0.9 > \alpha \ge 0.8$  is good and more than above is excellent so that if more than 0.6 so it is valid.

Table 4.2 Reliability Analysis

Variables	No. of Items	Cronbach's Alpha	Strength
Customer-Based Brand Equity	6	0.910	Excellent
Sincerity	4	0.886	Good
Excitement	4	0.850	Good
Competence	4	0.882	Good
Sophistication	4	0.879	Good
Ruggedness	4	0.888	Good

### **Multiple Linear Regression**

To define the data and to explain the relationship between one dependent variable and one or more independent variables, regression is used. This is because multiple regression is often used in all sections of the sincerity, competence, sincerity, sophistication and ruggedness to calculate the relationship with customer-based brand equity and brand personality of SMEs brand.

Table 4.3: Model Summary

Model	R	R Square	Adjusted Square	Std. Error Of The Estimate
1	0.716 <sup>a</sup>	0.613	0.500	0.44284

Predictors: (Constant), Ruggedness, Competence, Sincerity, Sophistication, Excitement Dependent variable: Customer-Based Brand Equity

Based in Table 4.3 show the determination of R<sup>2</sup> (R Square) is 0.613. It means that 61.3% of all independent variables which are sincerity, excitement, competence, sophistication and ruggedness have explained to the variance of dependent variables (CBBE).

Table 4.25: Multiple Linear Regression

Variables	Multiple l	Multiple linear regression			
	b	t-stat(95% CI)	p-value		
Sincerity	0.368	4.807(0.217,0.519)	<0.001		
Sophistication	0.454	5.892(0.32,0.606)	<0.001		

Ruggedness	0.198	2.765(0.57,0.338)	<0.001

The result shows that on multiple linear regression of the variable sophistication, sincerity, ruggedness are significant since the p-value is <0.05.

### 5 Recommendation and Conclusion

The researchers propose a variety of recommendations for future studies, according to the overall report. First, in order to achieve the exact outcome of gender, future researchers should balance the number of genders. In the formation of this report, different opinions or factors have arisen. Future research should take into account the selection of the number of genders to match the total number of respondents by age. In addition, larger population sizes are aimed at reducing errors and producing a better result, according to (Costello and Osborne 2005) Future researchers need to increase the sample size in order to obtain reliable results and can be established in the sense of Malaysia SMEs about the effects of brand personality on customer-based brand equity. The greater the sample of the respondents, the more detailed and accurate the outcome (Nuijten, et al. 2015). Future researchers should to improve the accuracy and reliability of the analysis, increase the sample size. The researchers then propose that future researchers could use qualitative methods for conducting this research. The qualitative approach does not need to classify the respondents. They just need to locate the organization or person to be interviewed. Besides that, for future research may want to consider how to obtain information from respondents from various types of states in Malaysia so that the results of the findings of the study are more balanced. Obtain the number of respondents who can represent each state in Malaysia related to their field related to SMEs Products in Malaysia.

The results of this study show that Malaysian SMEs product do play an important role in developing the brand personality on customers-based brand equity. Five types of dimensions in brand personality are used as independent variables to the effect of brand personality on brand equity based on customers. The results of the study found that there were different significant differences between the variables used. As mentioned in chapter three, the respondents consisted of the population in Malaysia and the questionnaire using Google form was given randomly to 200 respondents with different personal backgrounds. Based on the result from this research there have three independent variables have a positive relationship with dependent variables. The independent variables which is sincerity, sophistication and ruggedness have a positive significant using multiple linear regression. Finally, the final chapter presents the conclusions of the final results based on the data analysis. In other words, this involves an overview of statistical evaluation with quantitative studies and research problems. In the end, there are only three hypotheses that are provento have a positive relationship and there are two hypotheses that are rejected. Meanwhile, this also includes the limitations and recommendations of this research is important to provide various information on the advantages and disadvantages related to this topic for future research.

### Acknowledgements

I would like to show our gratitude to our lovely supervisor for final year project Associates Prof. Madya Dr. Noor Hasmini Binti Hj Abd Ghani, for giving us a good guideline directly and indirectly for this final year project throughout numerous consultations. I also thank the University Malaysia Kelantan for the opportunity for let us study in this excellent university and provide us with a good experience in this university. I also want to thank again to this university for introducing this final year project to us because students can study their entrepreneurship in details. As the same time, I want to thank to my respondents for take their time to answer my questionnaire regarding my research. I am extremely grateful to my parents for their support, inspiration, motivate, love, prayers, caring and sacrifices for educating and preparing me for my future and help me to active my dreams.

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# THE IMPACT OF SOCIAL MEDIA MARKETING ON ONLINE PURCHASE INTENTION OF LUXURY BRAND AMONG CONSUMERS IN NORTHERN REGION OF PENINSULAR MALAYSIA

#### Farah Hanani binti Azizi and Wan Farha Binti Wan Zulkiffli

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: farah.a17a0092@siswa.umk.edu.my; farha@umk.edu.my

#### Abstract:

The purpose of conducting this research is to study the impact of social media marketing on online purchase intention of luxury brand among consumers in Northern region of Peninsular Malaysia. The states involved were Perlis, Kedah, Penang and Perak. This research involved quantitative data analysis. Using non-probability sampling, which was convenience sampling, a total of 384 respondents was taken as the sample for this study. The data were analysed using SPSS software programming that involved reliability analysis and multiple regression analysis to test the hypotheses. The findings of this research have concluded that electronic word-of-mouth(eWOM), attitude and perceived behavioural control have significant impact on the online purchase intention. In contrast, subjective norm and trust are proven to have insignificant impact on the online purchase intention.

Keywords: luxury brand, social media marketing, online purchase intention

### 1 Introduction

Online purchasing refers to the act of purchasing in an electronic form which allows the buyers to buy goods or services directly from vendors on the internet via internet browser in which companies develop new technologies to encourage the growth of their businesses through online shopping websites that let them to advertise and adorn their products and services using the websites. In comparison to the traditional luxury retails that tend to embrace an aesthetically oriented strategy, the websites made for the online luxury retailers can also be enhanced by creating websites that have darker colours for the background, a spacious and wide space to display their content as well as a horizontal navigation bar.<sup>2</sup>

A lot of luxury companies have emerged into the online market to reach a wider market base as consumers are believed to have more affinity to purchase products

<sup>&</sup>lt;sup>1</sup> Wahab, F. Z. A., Mokhtar, N. F., & Set, K. (2019). Investigating the factors of trust and risk on career women in luxury brand purchasing intention through online in Malaysia. Int J Account Finance Bus, 4(19), 108-122.

<sup>&</sup>lt;sup>2</sup> Yu, S., Hudders, L., & Cauberghe, V. (2018). Selling luxury products online: The effect of a quality label on risk perception, purchase intention and attitude toward the brand. *Journal of Electronic Commerce Research*, 19 (1), 16-35.

from online stores. In the context of luxury market, due to the increasing number of prosperous youngsters in purchasing online brands as well as the success of luxury retailers in the online platform, more marketers of the luxury brands have decided to sell their products online which results in a numerous luxury brand companies to start making their own e-stores on the online platforms such as website and social media. Creating a business strategy on electronic base can also encourage the expansion of brand awareness in the global market. In addition to this, seeing that the performance of the offline retail to slacken, these luxury brand retailers feel the urge to think about emerging the online market (Yu, Hudders, & Cauberghe, 2018).

In the opinion of most scholars, online businesses are believed to assist in the extension of luxury brands since the online medium as well as the luxury industry is getting more advance from time to time (Yu et al., 2018). The use of social media platforms among majority of consumers includes Facebook, Instagram, Twitter, LinkedIn, YouTube, Pinterest and Snapchat. Social media has caused the relationship among individuals, firms and societies to be changing dramatically.<sup>3</sup> As the number of companies that recognize the significant role of social media increases, it becomes a means of communication and drives the creation of new business opportunities (Farzin & Fattahi, 2018). As a result, consumers and firms will be able to communicate and share various category of information, as well as comments, evaluations, images, photos and videos.<sup>4</sup>

Despite the uncertainty of luxury brands to emerge into the online platform, the negative consequence with regards to the digitalisation of luxury in the scenario of market today has started to modify as consumers are participating a new shopping experience in online mode that involves the availability of comprehensive information of products.<sup>5</sup> Companies need reliable estimations of the growth of online shopping if they have the intention to grow in online retailing and need to comprehend all factors that may affect the customers' online shopping intention (Ha & Nguyen, 2019). Hence, this is one of the reasons for almost every luxury fashion brand to stretch the use of social media sites such as Facebook, LinkedIn, Youtube and Twitter in which these sites are being appraised as the brands' business take-off tools.<sup>6</sup> The use of social media among the online consumers has opened the opportunity for these luxury brand retailers to reach the online community by implementing an effective marketing strategy. In this study, social media marketing is related to electronic word-of-mouth(eWOM), subjective norm, trust, attitude and perceived behavioural control. Hence, the research will be focusing on how social media marketing can influence the online purchase intention of luxury brand among the consumers.

<sup>&</sup>lt;sup>3</sup> Farzin, M., & Fattahi, M. (2018). eWOM through social networking sites and impact on purchase intention and brand image in Iran. Journal of Advances in Management Research.

<sup>&</sup>lt;sup>4</sup> Di Virgilio, F., & Antonelli, G. (2018). Consumer behavior, trust, and electronic word-of-mouth communication: Developing an online purchase intention model. In *Social Media for Knowledge Management Applications in Modern Organizations* (pp. 58-80): IGI Global.

<sup>&</sup>lt;sup>5</sup> Rovai, S. (2018). Digitalisation, luxury fashion and "Chineseness": The influence of the Chinese context for luxury brands and the online luxury consumers experience. *Journal of Global Fashion Marketing*, , 9:2, 116-128,. doi:10.1080/20932685.2018.1435294

<sup>&</sup>lt;sup>6</sup> Gautam, V., & Sharma, V. (2017). The mediating role of customer relationship on the social media marketing and purchase intention relationship with special reference to luxury fashion brands.

### 2 Literature Review

#### 2.1 Social Media Marketing

By using social media platforms, salespeople will be able to correlate value- creating functions and convey outstanding value within their relationship and the customers. Making a connection by means of relationship building with the customers can be indicated through this marketing strategy that is essential for businesses (Di Virgilio & Antonelli, 2018). Social media is believed to be effective in capturing the attention of not only consumers but including the managers. It is proven in a past global survey of managers in which it has revealed that social media has played a big part in attracting the focus of consumers when they are involved in the buying process (Di Virgilio & Antonelli, 2018). Compared to the traditional approaches, the social media platforms can give a better contribution towards the improvement of consumers' decision making on purchase intention (Di Virgilio & Antonelli, 2018).

### 2.2 Electronic Word-of-mouth (eWOM)

eWOM is a new form of WOM that is believed to be more influential among the online consumers. (Di Virgilio & Antonelli, 2018) stated that supplementary and highly customized information can be provided by eWOM to the study of social media platform through the social digital media, online population and blogs. Hence, it will measure the concern and increasing of the online community towards particular brand and how it is popularised among them. In online platforms, consumers are exposed to the information on all products or services that can be found in which they are allowed to visualise images including product reviews which is among the most vital element of eWOM communication (Farzin & Fattahi, 2018), where they have the accessibility to review other consumers point of view in which can assist in making decision effectively (Di Virgilio & Antonelli, 2018). According to (Farzin & Fattahi, 2018), it is progressively usual for consumers to look for reviews of other consumers towards specific products or brands before deciding to make a purchase. In addition to this, it is also mentioned that the risk, uncertainty and ambiguity of online products or services can potentially be reduced with the presence of eWOM. This can be proven that eWOM has the power to attract the attention of consumers and has an impact on their behaviours (Di Virgilio & Antonelli, 2018).

#### 2.3 Subjective Norm

According to a study by (Di Virgilio & Antonelli, 2018), subjective norm is also seen as a perceived pressure from social on an individual to act a particular behaviour. It is also mentioned that the intention of individual in making a certain decision willingly is through the social pressure from significant others in which these potential consumers truly depend on their referral groups that include friends, family members and social networks (Di Virgilio & Antonelli, 2018). Subjective norm is viewed as a normative belief where consumers can be pressured with judgement by the public and the assumptions from a particular group. The influence coming from a relation among individuals on social network is referred as tie strength. Tie strength can either be weak or strong. Strong tie strength can be found among a group of individuals that involve intimate relation

in which they are supporting each other emotionally such as friends, family members or relatives. Meanwhile, weak tie strength is referred to the group of individuals that involve less intimate relation, as for example, the colleagues or other recognized people (<u>Farzin & Fattahi</u>, <u>2018</u>).

#### 2.4 Trust

Trust is referred as the belief of an individual in which will result in a certain manner that align with the confidence of what is expected by the individual (Di Virgilio & Antonelli, 2018). In other words, trust can be described as how individuals feel motivated to pursue or act based off the advice, information, or knowledge that they have received from other individuals about a certain brands or products (Farzin & Fattahi, 2018). In addition to this (Di Virgilio & Antonelli, 2018) has also stated that in online context, trust is constructed from the belief of one's trustworthiness. Uncertainty is commonly higher in the context of social media platforms because of the high level of content that are created by users including the lack of interactions that are done face-to-face (Di Virgilio & Antonelli, 2018). Customers will be suspicious about the truthfulness when engaging with online vendors due to the lack of faceto-face interactions as customers has high probability to be exposed to online purchase risk (Di Virgilio & Antonelli, 2018). Therefore, trust is a vital element in the context of online purchase as it can trigger the individuals to share their information, judgement and point of views towards the products or brands with others (Farzin & Fattahi, 2018). (Di Virgilio & Antonelli, 2018) has also stated that the trust of consumers is found to be a dependant element for e-vendors to receive purchases in the past research.

#### 2.5 Attitude

According to (Wahab, Mokhtar, & Set, 2019), attitude is such an imprudent measure when it comes to the thought about an item or brand even though there are a lot of different factors that can affect the choices of a buyer when making a purchase. One tends to influence other consumers if he or she has a positive attitude towards the act of purchasing via the internet, where the online purchase behaviour is also considered as an attitude in which it involves browsing on different websites, choosing and buying products or services that can satisfy the consumer's needs and wants (Wahab et al., 2019).

#### 2.6 Perceived Behavioural Control

According to (Sembada & Koay, 2019), perceived behavioural control (PBC) of an individual can be affected by internal and external factors. As for example, consumers who consider themselves ethical may not have the intention to purchase ethical products if they are opposed by the contextual forces to do so. Therefore, the researchers testify that it is also the same for consumers who cannot find the satisfaction to purchase from social media stores at first will end up doing so when the alternate channels can satisfy their desire to purchase.<sup>7</sup>

<sup>&</sup>lt;sup>7</sup> Sembada, A. Y., & Koay, K. Y. (2019). How perceived behavioral control affects trust to purchase in social media stores. Journal of Business Research.

According to (<u>Bulsara & Vaghela, 2020</u>), an individual should have the capability to handle and control information technology when making a purchase via the internet. Therefore, he or she will be able to conduct a well-organized action.<sup>8</sup>

#### 2.7 Online Purchase Intention

Online purchase intention can be described as the desire of consumers to purchase products virtually or via the Internet. Purchase intention acts as a key measure in analysing the behaviour of buyer because it can measure the chance of purchasing (Wahab et al., 2019). Consumers' online purchase intention can be affected by two elements which are perceived usefulness and perceived ease of use. In the context of online shopping, it is explained that perceived usefulness is referred as the extent in which a consumer believe that the effectiveness of procurement can be increased. On the other hand, perceived ease of use is referred as the extent in which a consumer believe that online buying can be done effortlessly (Ha & Nguyen, 2019). Apart from that, consumers have more tendency to purchase from estores rather than the physical stores as they will be provided with facilitating tools that are much more satisfying where they will be able to view product or service catalogues, capable to search, trust in websites, compare prices, use buying carts as well as using the online transaction system (Wahab et al., 2019). The ease in the use of internet to explore and purchase products is time saving in which it also encourages the consumers to purchase again in the future (Wahab et al., 2019).

### 3 Methodology

### 3.1 Sample

Using the convenience sampling technique, this study aims to identify the impact of social media marketing on online purchase intention of luxury brand among consumers in Norther region of Peninsular Malaysia. Based on the minimum sampling requirements by Tabachnick and Fidell (2007), the given formula used provides a range of sample size of 90-109 respondents. In addition to this, the result of sample size required using G-power tool is 138 respondents. Based on these calculations, it is concluded that the sample size will be between 90 to 138 respondents or more. Therefore, researcher has chosen 384 respondents as the sample size for this study.

#### 3.2 Data Collection

The primary data of this research are collected from the online survey assessed by the online community who experienced online purchases of luxury brand. The survey includes bilingual (both English and Malay) questions. Using Google form, the questionnaires were distributed on social media platforms among the online consumers in Perlis, Kedah, Penang and Perak.

<sup>&</sup>lt;sup>8</sup> Bulsara, H. P., & Vaghela, P. S. (2020). Examination of Online Purchase Intention towards Consumer Electronics Products. International Journal of Research in Social Sciences, 10(01).

<sup>&</sup>lt;sup>9</sup> Ha, N., & Nguyen, T. (2019). The effect of trust on consumers' online purchase intention: An integration of TAM and TPB. Management Science Letters, 9(9), 1451-1460.

### 3.3 Data Analysis Method

Collected data are analysed using Statistical Programmers for Social Science (SPSS) version 26.0 where descriptive, reliability and multiple regression analysis are conducted in the study. The results of the analysis are used to identify the acceptance of variables as well as the hypotheses involved in the study.

### 4 Results and Analysis

### 4.1 Sample Profile

The data analysed are based on the responses from 384 respondents who experienced online purchases of luxury brand. Table 4.1 shows the profile of respondents which includes gender, age, ethnicity, states, marital status, employment status and monthly income as well as several screening questions.

Table 4.1: Profile of Respondents

No.	Category	Details	Frequency (384)	Percentage (%)	
1. Gender		Male	131	34.1	
		Female	253	65.9	
2.	Age	Below 18	10	2.6	
		18-21	41	10.7	
		22-25	127	33.1	
		26-29	61	15.9	
		30 and above	145	37.8	
<b>3.</b> Ethnicity		Malay Chinese	290	75.5	
		Indian	53	13.8	
		Others	28	7.3	
			13	3.4	
4.	States	Perlis Kedah	56	14.6	
		Penang	89	23.2	
		Perak	156	40.6	
			83	21.6	
5.	Marital Status	Single	259	67.4	

		Married	125	32.6
6.	Employment Status	Employed	181	47.1
		Self-employed	52	13.5
		Unemployed	7	1.8
		Student	133	34.6
		Retired	11	2.9
7.	Monthly Income	Less than	166	43.2
		RM3000	122	31.8
		RM3001- RM6000	75	19.5
		RM6001- RM9000	21	5.5
		More RM9000		
8.	Time spent on social media every	Less than 1	52	13.5
	day?	hour	158	41.1
		1-2 hours	86	22.4
		3-4 hours	88	22.9
		More than 5 hours		
9.	Social	Facebook	145	37.8
		Instagram	181	47.1
		Twitter	58	15.1
10.	Have you ever made any online	I have	384	100
	purchases of luxury brand?	I have not	0	0
		No, but I will	0	0
11.	Does social media marketing	Yes	368	95.8
	influence your intention to purchase luxury brand online?	No	16	4.2
12.	What category of luxury product that you purchase online?	Clothing	153	39.8
	mar you purchase ominic:	Accessories	70	18.2
		Handbags	87	22.7
		Electronic	74	19.3

How often do you make online	1-3 times	92	24
purchases annually?	4-6 times	96	25
	7-9 times	76	19.8
	10 times and above	ve120	31.3

### 4.2 Hypotheses Testing

This section will be discussing on the hypotheses of this study which are tested based on the results obtained from reliability analysis and multiple regression analysis involving both independent variables and dependent variable of this study.

### 4.3 Reliability Analysis

The research initially confirmed the internal consistency of Cronbach's Alpha. Table 4.2 represents the reliability of independent variables and dependent variable involved in this study. From the result, it can be seen that Cronbach's alpha for electronic word- of-mouth is 0.758, subjective norm is 0.796, trust is 0.886, attitude is 0.893 and perceived behavioural control is 0.785. On the other hand, the result of Cronbach's alpha for online purchase intention is 0.798. According to (Sharma, 2016), the results of all variables have good and acceptable consistency. Therefore, it can be concluded that this study has obtained a reliable coefficient. <sup>10</sup>

Table 4.2: Reliability Test

Variable	Number of	Cronbach's	Internal
	Items	Alpha	Consistency
<b>Electronic</b> Word-of-mouth	4	0.758	Acceptable
(eWOM)			-
<b>Subjective Norm</b>	4	0.796	Acceptable
Trust	5	0.886	Good
Attitude	3	0.893	Good
Perceived Behavioural	3	0.785	Acceptable
Control			1
Online Purchase Intention	5	0.798	Acceptable

<sup>&</sup>lt;sup>10</sup> Sharma, B. (2016). A focus on reliability in developmental research through Cronbach's Alpha among medical, dental and paramedical professionals. Asian Pacific Journal of Health Sciences, 3(4), 271-278.

### 4.4 Multiple Regression Analysis

Table 4.3: Multiple Regression Analysis

Paths	Unstandardized Coefficient		Standardized Coefficients β		
	β	Std. Error	•	t	Sig.
Electronic Word-of-mouth (eWOM)	.294	.049	.308	6.052	.000
<b>Subjective Norm</b>	.035	.039	.046	.883	.378
Trust	001	.040	-0.02	-0.31	.975
Attitude	.234	.043	.282	5.461	.000
Perceived Behavioural Control	.199	.046	.205	4.360	.000

R Square: 0.425 Adjust

**R square: 0.418** 

From Table 4.3 above, it is shown that there is a significant value for three independent variables which are electronic word-of-mouth (0.000), attitude (0.000) and perceived behavioural control (0.000) as these values are less than 0.05 (p<0.05). Therefore, it is concluded that electronic word-of-mouth, attitude and perceived behavioural control have a significant impact on the online purchase intention. In contrast, both subjective norm and trust do not have a significant impact on online purchase intention due to their value which is 0.378 and 0.975 respectively (p- value>0.05).

In addition to this, the increase of every unit for electronic word-of-mouth (eWOM) with online purchase intention is  $0.308(\beta)$ . Meanwhile,  $\beta$ =0.046 in every unit of subjective norm with online purchase intention. On the other hand, the increase of every unit for trust with online purchase intention is -0.02( $\beta$ ). For attitude with online purchase intention and perceived behavioural control with online purchase intention, the coefficient value in every unit increase is  $0.282(\beta)$  and  $0.205(\beta)$  respectively.

### 4.5 Hypotheses Results

Table 4.4: Result of Hypotheses Testing

Hypotheses	Path Coefficient	p-value (<0.05)	Result (H <sub>0</sub> )
H <sub>1</sub> : Electronic word-of-mouth (eWOM) has a	(β) 0.308	0.000	Rejected
positive significant impact on online purchase intention of luxury brand.  H <sub>2</sub> : Subjective norm has no positive significant impact on online purchase intention of luxury	0.046	0.378	Accepted
brand. H <sub>3</sub> : Trust has no positive significant impact on	-0.02	0.975	Accepted
online purchase intention of luxury brand. H <sub>4</sub> : Attitude has a positive significant impact	0.282	0.000	Rejected

on online purchase intention of luxury brand.

H<sub>5</sub>: Perceived behavioural control has a 0.205 0.000 Rejected positive significant impact on online purchase intention of luxury brand.

#### 5 Recommendation and Conclusion

The main objective of this study is to examine the impact of social media marketing on online purchase intention of luxury brand among consumers in Northern region of Peninsular Malaysia in which the states involved are Perlis, Kedah, Penang and Perak. The results of this study showed whether the online purchase intention among the consumers are influenced by five factors associated with social media marketing which are electronic word-of-mouth (eWOM), subjective norm, trust, attitude and perceived behavioural control. From the results obtained in this study, it is shown that only electronic word-of-mouth (eWOM), attitude and perceived behavioural control that have a positive significant impact on online purchase intention. On the other hand, subjective norm and attitude have insignificant impact on online purchase intention.

From the analysis, it is concluded that this study has achieved the minimum requirement of Cronbach's alpha coefficient where all variables involved have good and acceptable consistency which are greater than 0.6. The highest value of beta coefficient( $\beta$ ) which is 0.308 has shown that electronic word-of-mouth (eWOM) had a greater impact on the online purchase intention of luxury brand among the consumers compared to the other indicators.

Although this research has achieved its purpose to identify the impact of social media marketing on online purchase intention of luxury brand among consumers, there are several limitations found in this research. Firstly, due to the focus of this research on population in Northern region of Peninsular Malaysia, future researchers are suggested to broaden their target population by approaching the population in other regions of the country in order to improve the results of the study as the market base of luxury purchase is wide. Secondly, it is recommended for the future researchers to widen the scope of study instead of limiting the focus on experienced online luxury buyers only, yet to also take into consideration about the online buyers who may as well become potential luxury purchasers. The measurements used in collecting data has also limited the findings of this research. Hence, future researchers are advised specify the questions in the survey which can help in addressing the issue that can provide adequate information in relation to the factors of social media marketing that can influence the online purchase intention of luxury brand among the online communities.

### Acknowledgements

First and foremost, researcher would like to express her highest gratitude to The Almighty, Allah S.W.T., for Him the Most Gracious and the Most Merciful, including the last messenger of His, Prophet Muhammad S.A.W. She is grateful for all the blessings and chances that are given to her to finish this proposal with great

commitment and patience. The efforts made to research and analyse the chosen topic is worth completing this proposal within the given period.

Furthermore, the researcher would love to thank her supervisor, Dr. Wan Farha binti Wan Zulkiffli, as well as her examiner, Prof. Madya Dr. Mohammad bin Ismail, for the dedication and guidance in giving clear instructions for her to carry out this research smoothly. All advices and tips given are highly appreciated as they have helped her to have a better understanding and lead her through completing this proposal successfully.

Last but not least, a special thankfulness is also expressed to her beloved family and fellow friends for the continuous supports, prayers and meaningful advices that act as an inspiration and strength for her to always have the courage as well as being her ears during the difficult time throughout the journey. The researcher is also taking into account for the effort and time spent by the cooperative respondents in answering the distributed questionnaires and making this research possible.

Hopefully this proposal is accepted satisfactorily as all efforts are used in finding information including analysing and evaluating the data to study about the topic of this research. Therefore, the researcher hopes that the time and effort spent in finishing this proposal are totally worth it.

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### CONSUMER BUYING BEHAVIOUR TOWARDS HOMEGROWN COSMETIC PRODUCTS AMONG GENERATION Z

Fatin Azmalia binti Mohd Rodiand Raja Rosnah Binti Raja Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: azmalia.a17a0098@siswa.umk.edu.my; rosnah.d@umk.edu.my

#### Abstract:

Cosmetic is any substance used to clean and improve the skin, hair and others part of body. Cosmetic also are substances used on the outside of the body for the purposes of cleaning, changing the appearance, improving body odor, protecting, or maintaining in good condition. Many people use the products every day and its usage is increasing every year. The use of these products is regarded as a requirement for personal hygiene, better appeal, skin and hair protection from ultraviolet light and harmful contaminants and slowing down the aging process. This research is conducted to investigate the buying behaviour towards homegrown cosmetic products among generation Z. The development of a conceptual framework led to a hypothesis showing that there is a positive relationship between independent variable (brand awareness, attitude, consumer experience, price) and consumer buying behaviour. A quantitative method will be used in this research and the type of survey to collect the data is an online questionnaire due to the issue of Covid-19. Furthermore, a total sample size of approximately 137 respondents among generation Z will be distributed with the questionnaires and the data will be analysed using Statistical Package for Social Science (SPSS).

Keywords: consumer buying behaviour, brand awareness, attitude, consumer experience, price.

#### 1 INTRODUCTION

Consumer behaviour emphasizes on the understanding the purchase decision that individual consumers and how they utilize the existing resources such as money, time and effort to get the product or services that they want (Jalal Rajeh Hanaysha, 2018). The consumer behaviour in making the purchase decision are always changes and never loyal to the same product or brands. Nowadays, the consumers are more to something that can fulfil their needs and wants. The marketers must be aware with any changes of consumer buying behaviour. The consumer decision-making process can be described as the phases that consumers can go through in making the final purchase decision before they buy the products. The task of the marketers is to focus to the whole purchase process instead of emphasizing solely on the decision-making process. It is because the consumers are

experience to find the different phases before do the conclusion (Basil, 2013).

### 1.1 Research Objectives

The objectives of the study are:

To examine the relationship between attitude and consumer buying behaviour among generation Z.

To examine the relationship between brand awareness and consumer buying behaviour among generation Z.

To examine the relationship between consumer experience and consumer buying behaviour among generation Z.

To examine the relationship between price and consumer buying behaviour among generation Z.

### 2 LITERATURE REVIEW

### 2.1 Attitude

Attitude means feeling, reaction or tendencies on something such as idea or object (Yuan Sim, 2012). Consumers' attitudes are developed from personal experiences, earning with reality, information from friends and salesperson (Ying San, 2012). Some consumers know and understand on every ingredient that used in cosmetic product because they aware of the long-term effect on their skin and also to avoid the risk on the skin and money also. But some consumers were not really care about the long-term effect on the skin. They were just wanting a beauty and light skin in a short period of time without care the on the long-term effect or in the future.

### 2.2 Brand awareness

Brand awareness is a super definition including brand acquaintance, potential of being remembered, information and the ideas about the product (Bilgili & Ozkul, 2015). Ekhveh and Darvishi (2015) points out brand awareness is associated with the information node in memory. The ability of customers to recognize a brand under a variety of conditions reflects their awareness of the brand. According to Jamil and Wong (2010) define brand awareness as the brand recall and brand recognition of a brand. Brand awareness creates a great association in memory about a particular brand (Malik, Ghafoor, Hafiz, Raiz, Hassan, Mustafa & Shahbaz, 2003). Brand awareness is one of the main factors affecting the knowledge level of consumers about the brand (Ekhveh & Darvishi, 2015).

### 2.3 Consumer experience

Customer perceptions of service quality, effectiveness of a product and quality of product will differ either they had online purchase or walk in. They experience decide them to make last decision before making any purchase and also choices are based on the other customer experience such as friends, buddies, relatives or even their neighbour picking method for selecting items being factor influence them to choose right cosmetic product (Mardhihah, 2018). There is an interaction effect between customer experience level and picking method for customer perceptions of service

quality (Hazriah, 2018). Service quality is correlated with increased customer behavioral intentions.

### 2.4 Price

Price is very important when consumer want to buy a product. If the product expensive, this will affect the consumer interested to buy the product. Price may be the most important consideration in ordinary users. However, the price of a product does not affect the consumer's intent to purchase a product as it does in brand loyalty (Rahim, 2018). Consumer satisfaction can also be constructed by comparing the prices with the costs that it considers and values. It is also one of the strongest indicators of customer loyalty (Singh & Pattanayak, 2014).

### 2.5 Consumer Buying Behaviour

Kotler and Keller (2011) state the consumer buying behaviour is the study of the ways of buying and disposing of goods, services, idea or experience by individuals, groups and organizations in order to satisfy their needs and wants. Consumer buying behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items that includes what they buy, when they buy, why the buy, where they buy it, how often they use it, how often they buy it, how they evaluate it after the purchase and the impact of evaluation on future purchase and how they dispose it (Hawkins & Coney, 2001).

Consumer buying behavior is a decision process as well as an attitude of the people involved in purchasing and using products. Consumers make purchase decisions for buying small as well as large products. Consumers begin looking for products or services that suit their requirements after identifying a need or a desire. Their decision depends upon many criteria (SS Anjana, 2018). However, SS Anjana also states consumer purchases have happened much before their actual purchase.

### 2.6 Research Framework

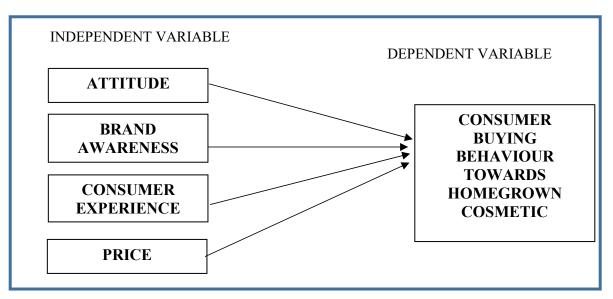


Figure 1: Research Framework

### 3 METHODOLOGY

This research aims to examine the consumer buying behaviour towards homegrown cosmetic products among generation Z. The choice of generation Z consumer as a target population of this research including the teenagers which from secondary students, Malaysian Higher School Certificate (STPM) students, diploma and degree student and all teenagers within the age. The unit of analysis will be individual those who are 15-24 years old.

### 3.1 Sampling Technique

There are two types of sampling techniques, which are non- probability and probability sampling technique (Sekaran & Bougie, 2010). Probability sampling methods is choosing sampling on random or chance selection from the target population. Non-probability method is the probability of each case being selected from the population is not known.

In this research, non-probability method is preferred because it is judgmental and sample could be chosen from many ways. Under non-probability sampling technique, one of the sampling method been used in the research is judgmental sampling. This research used judgmental sampling and it also called purposive sampling or authoritative sampling. Judgmental sampling is used where the researcher select units to be sample based on his own existing knowledge. Therefore, generation Z were chosen as one of the groups of respondents for the research due to the availability and familiarity to the researcher. Judgmental sampling method have been applied in this study because this method can save the time and cost for the researcher to collect the data (Smith, 2016). The respondent of the questionnaire can be the consumers which are generation Z who age 15-24.

### 3.2 Research Instrument

Questionnaire developed on five-point Likert scale was used as a tool of data collection. The independent variables; attitude have 5 items, brand awareness have 5 items, consumer experience have 4 items and price have 5 items. The dependent variable, consumer buying behaviour has 5 items. The other section of questionnaire contained questions regarding demographic information of the respondents such as gender, age, race, status, education level, occupation and income level. For data analysis, SPSS software was used to test the hypotheses.

### 3.3 Data Collection

Data was collected by administrating a close ended questionnaire. For collecting data electronically "Google forms" were created and questionnaire distributed among respondents through social networking sites like WhatsApp and Facebook.

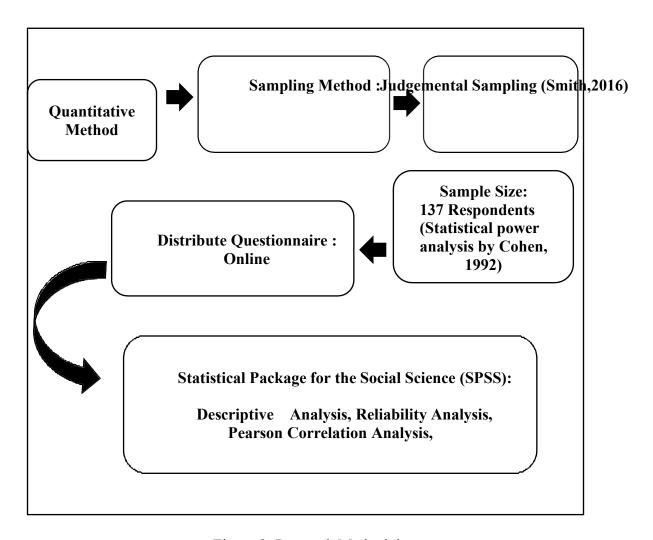


Figure 2: Research Methodology

### **4 RESULT AND ANALYSIS**

### 4.1 Demographic Profile

137 set of questionnaires have been personally distributed to the respondent. Table below shows the data of the respondents.

Table 2: Data of the Respondent

20 17 37 34 37 26 4 37 21 21	5.1 6.6 2.9 5.1	14.6 85.4 100.0 24.8 63.5 100.0 92.0 100.0
17 37 34 37 26 4 37 21 21 2	2.9 5.1	85.4 100.0 24.8 63.5 100.0 92.0
26 4 37 26 4 237 21 21 2	2.9 5.1	24.8 63.5 100.0 92.0
26 37 26 37 21 21	2.9 5.1	24.8 63.5 <b>100.0</b> 92.0 <b>100.0</b>
26 37 26 37 21 21	2.9 5.1	24.8 63.5 <b>100.0</b> 92.0 <b>100.0</b>
26 37 26 37 21 21	2.9 5.1	63.5 100.0 92.0 100.0
26 37 26 37 21 21	2.9 5.1	63.5 100.0 92.0 100.0
26 37 26 37 21 21	2.9 5.1	63.5 100.0 92.0 100.0
26 4 37 21 21 2	2.9 5.1	63.5 100.0 92.0 100.0
26 37 28 37 21 21	2.9 5.1	92.0 100.0
26 1 37 21 2	2.9 5.1	92.0 <b>100.0</b>
26 37 21 2	5.1	92.0 <b>100.0</b>
21 2	5.1	100.0
21 2	5.1	100.0
21 2	5.1	
21 2		
21 2	00	
2	00	88.3
2	00	88.3
2	Q Q	88.3
	1.5	
	1.5	100.0
37		100.0
.5		10.9
20		14.6
25		18.2
75		54.7
	1.5	
37		100.0
30		58.4
36		25.5
· )	4.4	
		11.7
		100.0
	20 25 25 2 37	20 25 25 2 2 37 1.5 30 66 66 66 66

### 4.2 Reliability Analysis

Table 3: Result of reliability analysis

Variable	Cronbach's	Number of	Strength of
	Alpha	items	association
Independent variable			
Attitude	0.721	5	Good
Brand awareness	0.862	5	Very good
Consumer experience	0.773	4	Good
Price	0.778	5	Good
Dependent variable Consumer buying behaviour	0.843	5	Very good

Based on the reliability analysis in Table 3, it can be concluded that the coefficient alpha for reliability of independent variable attitude is 0.721. This means the consistency and stability of 0.721 is good according the Rules of Thumb about Cronbach's Alpha Coefficient Size. According to the reliability analysis, it can conclude that the coefficient alpha for reliability of independent variable brand awareness is 0.862. This means the consistency and stability of 0.862 is very good refer to the Rules of Thumb about Cronbach's Alpha Coefficient Size (Hair Jr. et al., 2011). Based on the reliability, it can conclude that the coefficient alpha for reliability of independent variable consumer experience is 0.773. This means the consistency and stability of 0.773 is good referring to the Rules of Thumb about Cronbach's Alpha Coefficient Size. Lastly based on reliability analysis, it can conclude that coefficient alpha for reliability of price is 0.778 and this mean consistency and stability of 0.778 is good according the Rules of Thumb about Cronbach's Alpha Coefficient Size.

### 4.3 Pearson Correlation

Table 4: Pearson Correlation Analysis

Variable	Consumer	Attitude	Brand	Consumer	Price
	buying behaviour		awareness	experience	
Consumer buying behaviour	1	0.555	0.327	0.648	0.581
Attitude	0.555**	1	0.360	0.427	0.500
Brand awareness	0.327**	0.360	1	0.400	0.371
Consumer experience	0.648**	0.427	0.400	1	0.519

Price	0.581**	0.500	0.371	0.519	1

The result of correlation analysis between attitude and consumer buying behaviour, it shows the Pearson correlation coefficient significant value and also number of respondents. The number of respondents represents 137 respondents for this study. The correlation coefficient for the attitude and consumer buying behaviour is 0.555, which is good positive relationship between these variables. Thus, this situation can prove the attitude can influence on consumer buying behaviour. Since the p value also equal to 0.000, so researcher should reject the null hypothesis.

The result of correlation coefficient for brand awareness and consumer buying behaviour shows the Pearson correlation coefficient significant value and also number of respondents. The number of respondents represents 137 respondents for this study. The correlation coefficient for the brand awareness and consumer buying behaviour is 0.327, which is a positive relationship between these variables. Thus, this situation can prove the brand awareness can influence the consumer on consumer buying behaviour. Since the p-value also equal to 0.000, so researcher should reject the null hypothesis.

Based on the data analyse, it indicates a moderate with correlation coefficient of 0.648. This implicates that consumer experience is positive and moderate with relatively high in relation with consumer buying behaviour. The p-value is 0.000 which is less than 0.001 and it highly significant. Thus, there is a positive significant relationship between consumer experience and consumer buying behaviour towards homegrown cosmetic products among generation Z.

The result analysis correlation coefficient for price and consumer buying behaviour, it shows the Pearson correlation coefficient significant value and also number of respondents. The correlation coefficient for the price and consumer buying behaviour is 0.581, which is a positive good relationship between these variables. In addition, this situation can prove the price can influence consumer to buy or not buying the homegrown cosmetic products among generation Z. The p-value is 0.000 which is less than 0.001 and it highly significant. Thus, there is a positive significant relationship between consumer experience and consumer buying behaviour towards homegrown cosmetic products among generation Z.

### **5 DISCUSSIN & RECOMMENDATIONS**

Overall of the result show that the relationship between each of independent variable and dependent variable that determine buying behaviour among generation Z. The researcher gain the p-value from the Pearson Correlation test is 0.00. When the p-value is less than 0.01, so the null hypothesis should be rejected. It shows that all the variables in this study have a positive good linear in relationship.

For the future research, the researcher recommends several suggestions to future improvement in term of the result of this study. This research can be used as reference to understand the consumer buying behaviour towards homegrown cosmetic products

among generation Z. The information about the consumer buying behaviour towards homegrown cosmetic products and the data collected were analyzed and valid. In addition, researcher also recommends the future researcher to integrate quantitative and qualitative methods during data collection from the respondents. Opinion if minor respondents might not be able to represent using questionnaire method. Hence, to obtain more information, this combination of approach method would help researcher a lot.

Potential researchers must use several methods to gather data instead of using Google application software for digital questionnaires. Future researchers may also use organizational data collection, such as the quest for more data appraisal methods, mainly on the university website, business or official agency, which may use a door-to-door survey to verify that researchers are in a position to respond correctly.

Other than that, retailers also must ensure that they are offering the prices that are suitable with the products. Consumers nowadays are looking for lower price to make the purchases. It is to help them to become thriftier due to the economics problem. By offering the lower price, it can attract more customers to come into the store. The retailers can make the promotion such as discounts, coupons and so on to cut the price. People are more attract with the promotions because it can help them to fulfil their need and wants without need to spend more money.

This study presented that there were independent variables tested which were attitude, brand awareness, consumer experience and price. The questionnaires were distributed to 137 respondents from generation Z which age 15 - 25 years old. This study had underlined four objectives to be achieved in this research. As a conclusion, the overall study has been discussed by identified and the findings of the data collected. After running the Pearson's Correlation, attitude, brand awareness, consumer experience and price had shown a significant relationship with consumer buying behaviour towards homegrown cosmetic products. The first higher value correlation is consumer experience followed by price, attitude and brand awareness. This can be said that the research objectives had been met and the entire hypotheses were accepted.

### **ACKNOWLEDGEMENT**

First of all, I would like to express our gratitude to Almighty God for enabling us to complete this report with success. Successfully completion of any type of project requires help from several persons. I also have taken advice from different people for the preparation of this report, especially from Universiti Malaysia Kelantan students. There is a little effort to show our sincere gratitude to that helpful person.

I would like to convey our sincere gratitude to our supervisor, which is Madam Raja Rosnah binti Raja Daud. Without her kind of direction and proper guidance, this study would have been a little success. In every phase of the report, her supervision and

guidance shaped this project to be completed perfectly. I would also like to thank the Faculty of Entrepreneurship and Business for being part of our project successfully.

Last but not least, a special thanks to my parent and friends who have helped us with their valuable suggestions and guidance has been helpful in various phases of the completion of the project.

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*International Journal of Business and Social Science, 4(5).* 

# THE IMPACTS OF PRODUCT PACKAGING ON RETAIL CONSUMER SHOPPING PATTERNS TOWARDS PRIVATE LABEL BRANDS IN MALAYSIA

### Hashwini A/P Somu and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hashwini.a17a0958@siswa.umk.edu.my; fazlirda.h@umk.edu.my

### Abstract:

In Malaysia, the sales for private label brands in the current market increasing dramatically. However, most Malaysians still avoid purchasing private label brand products due to the perceived quality of private label brand products. Consequently, the purpose of this study is to examine the impacts of product packaging on retail consumer shopping patterns towards private label brands in Malaysia. The study examines the impacts of product packaging in terms of packaging color, packaging material, and printed information. A quantitative approach had been applied in this study where 384 sets of online questionnaires had been distributed to target respondents by using a convenience sampling method to obtain necessary information. The data analysis of this research was acquired with the assistance of SPSS 25 throughout this study. This cross-sectional study was analyzed in terms of descriptive analysis, reliability analysis, normality analysis, and Pearson Correlation analysis. The results concluded that all three independent variables in this study were related to the retail consumer shopping patterns towards private label brands in Malaysia. In short, this study has certain limitations and recommendations for future researchers to explore more on the impacts of product packaging of private label brands.

**Keywords:** Packaging color, Packaging material, Printed information, Private label brands, Retail consumer shopping patterns

### 1 INTRODUCTION

In Malaysia, a variety of retailers including Tesco and Giant formed their brand to increase sales in the current market share (The Star, 2016). As stated by Stauder (2013) justified that private label brand provides 10 to 45 percent towards retail stores' sales. However, Malaysians still not aware of private brand label products due to the quality of the product and trust concern (The Malay Mail, 2015). A study from Rettie and Brewer (2000) appended that packaging is the best way to trigger consumer shopping patterns since packaging can be considered as a developing relationship between the brands. Therefore, this study indicated packaging color, packaging material, and printed information as independent variables in this study. Besides, the researcher strongly believes that this study capable to provide significant insights towards certain parties, especially retailers and marketers pertaining to the product packaging on private label brands able to affect consumers' shopping patterns in the retail store. The objective of this study is to examine the relationship between packaging color, packaging material, and printed information with retail consumer

shopping patterns towards private label brands in Malaysia.

### 2 LITERATURE REVIEW

### 2.1 Private Label Brand

The literature on private label brands demonstrates that low price attributes, packaging similarities, and perceived quality similarities have an impact on consumer preferences (Beneke, 2013). Buyers depend on symbols, shapes, and colors (Tversky, 2004) for decisions on the private label quality of the brands (Aribarg, 2014). Product packaging can inspire familiarity feelings that can enhance assessments of the quality of private label brands. This has increased the similarity between the way customers notice and classify brands and can change thinking and preference for different brands. Empirical test results indicate that the packaging is linked to perceived quality (Sprott and Shimp 2004).

### 2.2 Retail Consumer Shopping Pattern

According to (Asthana, Crauatts & Krzyzanowski, 1994) the deeper the communication between retailers and consumers, the more information will be acquired about retail consumer shopping patterns which will be beneficial to the retailers. Shopping patterns, in particular, are critical areas of study concerning to the product packaging, as the dose of the exposure of interest is determined by how frequently a customer shops the private label brand. Determination of dose is crucial to acknowledge more about how elements of the product packaging might be related to purchases and consumption of retail consumers (Jilcott Pitts, 2017). The packaging would impact consumers and, as a result, it shifts their shopping pattern towards that brand, which will help the company boost its sales (Deliya & Parmar, 2012).

### 2.3 Packaging Color

It is discovered by previous research that colors of packaging can evoke emotions and feelings in each shopper (Mutsikiwa, 2013; White, 2006). The colors of the packaging have the possibility to create an enduring impression and image of the product or brand. Marketers utilize colors for the packaging of goods to attract the attention of customers, which gives the brand or product a positive or negative impression. Asadhollahi & Givee (2007) recommended that the color package communicate, reflect, and display certain striking features and theoretical qualities of the brand. It implies, however, that the colors convey special brand messages which generate a unique selling proposition. Nevertheless, it should be noted that the colors of the packaging are typically the colors of the true product in the product packaging (Imiru, 2017).

### 2.4 Packaging Material

As per Smith and, Taylor (2004) shoppers connect the packaging materials associated by shoppers with certain essential values of the product. It is also considered that high- quality material able to draw customers more instead of low-quality material. Thus, the material of the packaging has a strong influence on retail consumer shopping patterns. As indicated by Smith (2004), with the goal that packaging material would bear temperature under zero or high temperatures in microwave contingent upon the product components and the needs and wants of a purchaser thus, packaging materials are made on that basis. The researchers supported the use of plastic containers and decided that

such containers were better than cardboard and glass containers, as their top cap screw protected the product and were less likely to spill (Lynsey Hollywood, 2013).

### 2.5 Printed Information

Printed information motivates the consumer to buy a product (Silayoi & Speece, 2004; Butkevice, Stravinskiene & Rutelione, 2008). Kupiec & Revell (2001) found that consumers pay more attention to printed information when purchasing high involvement products. Correctly transmitted packaging information has a considerable effect on customer buying habits because it eliminates confusion and builds product reputation (Silayoi & Speece, 2004). Coulson (2000) indicated that shoppers prove to be more careful about written information as well as to use the information about packaging more broadly, since it is more well-being and more mindful of nutrition. Printed information could be the only means of contact between a product and its consumer (Gonzalez, Thorhsbury & Twede, 2007) and thus it affects the buying patterns of retail customers (Butkeviciene, Stravinskien, & Routelione, 2008).

### 2.6 Hypothesis Statement

The three developed hypotheses of this research are:

H1: There is a relationship between packaging color and retail consumer shopping patterns towards private label brands in Malaysia.

**H2**: There is a relationship between packaging material and retail consumer shopping patterns towards private label brands in Malaysia.

**H3**: There is a relationship between printed information and retail consumer shopping patterns towards private label brands in Malaysia.

### 2.7 Conceptual Framework

# PACKAGING COLOR PACKAGING MATERIAL PRINTED INFORMATION Retail Consumer Shopping Patterns towards Private Label Brands in Malaysia

Figure 1: The Conceptual Framework of the Study

Figure 1 illustrates the conceptual framework of this study. Thus, this framework displays the relationship between independent variables namely packaging color, packaging material, and printed information with retail consumer shopping patterns towards private label brands in Malaysia which is the dependent variable of this study.

### 3 METHODOLOGY

A quantitative approach was applied in this study where questionnaires were used to collect the data from consumers who have purchased the private label brands in Malaysia. The researcher applied the quantitative method because quantitative research is an approach for testing objectives theories by examining the relationship among variables (Creswell, 2017). The cross-sectional study was applied in this study to gather preliminary data to support the research on the impacts of product packaging on retail consumer shopping patterns towards private label brands in Malaysia. The sample size that has been taken for this study is 384 respondents in Malaysia according to the Krejcie and Morgan (1970) table. The convenience sampling method was selected in this study as the easiest way to access and cover the larger number of the survey quickly and cost-effectively.

The researcher distributed the questionnaire to target respondents via message and email and obtained the data through an online survey by using Google Form. The style of the rating scale was used in the questionnaire to form the questions. The scale was used to measure in a specific statement to identify the respondent's degree of agreement or disagreement. The researcher used a nominal and interval scale in section A a while 5- point Likert scale was applied in sections B1, B2, B3, and C. The data analysis of this research was entered and analyzed by using the Statistical System for Social Sciences (SPSS) software version 25. All the data collected were analyzed in terms of descriptive analysis, reliability analysis, normality analysis, and followed by Pearson Correlation analysis.

### 4 FINDINGS

### 4.1 Demographic Profile of Respondents

The researcher presented the respondents' demographic profile as obtained from Section A of the questionnaire in Table 1 below. Section A consists of 4 items such as gender, range of age, marital status, and race.

Table 1: Descriptive Analysis for Demographic Profile of Respondents

Demographic	Item	Frequency (n=384)	Percentage (%)
Gender	Male	148	38.5
	Female	236	61.5
Range of Age	18-21 years old	46	12.0
	22-25 years old	89	23.2
	26-29 years old	118	30.7
	30 years old and above	131	34.1
<b>Marital Status</b>	Married	200	52.1
	Single	184	47.9
Race	Malay	124	32.3
	Chinese	132	34.4
	Indian	101	26.3

Others	27	7.0

Table 1 describes the demographic profile of respondents in this study. In analyzing the frequency, most of the respondents were female at 236 (61.5%) whereas male respondents were 148 (38.5%). This can be justified that females might favor purchasing private label brand products in retail stores compared to male respondents in this study. Besides, there were 131 respondents among 30 years old and above with (34.1%) which were the highest, while the lowest was 46 of respondents among 18-21 years old with (12%). This can be appended that individuals aged 30 years old and above are likely to purchase private label brand products due to the many product varieties and cheapest price. Furthermore, 200 (52.1%) of respondents were married whereas 184 (47.9%) of respondents are single in this study. This can be indicated that individuals who were married are likely to purchase private label brand products to save their budget. In summation, the majority of respondents in terms of the race were 132 Chinese respondents with (34.2%) while the minority were 27 of Others race with (7%). This can be justified that Chinese respondents like the product at the cheapest price and wide product range to choose from.

### 4.2 Descriptive Analysis

Table 2: Level of Mean

Tuble 2: Eevel of Mean		
Variable	Mean	Interpretation
Packaging Color	3.83	High
Packaging Material	3.92	High
Printed Information	3.95	High
<b>Retail Consumer Shopping Patterns</b>	3.88	High

Based on table 2, it can be concise that the third independent variable which is printed information has the highest value of mean at 3.95. Besides, the second independent variable which is packaging material has the second highest value of mean at 3.92. Next, the third highest value of mean falls on the dependent variable of this study which is retail consumer shopping patterns at the value of 3.88. Furthermore, the lowest value of mean falls on the first independent variable which is packaging color at the value of

3.83. Summing up, the range of mean for both the independent variables and dependent variable lies within 3.67-5.00 which indicated the high level of acceptance based on the responses from target respondents in this study according to the justification from Hadiyanto and Suratno (2015). Hence, the outcome of the mean for each variable is distinguished as a good result.

### 4.3 Reliability Analysis

Table 3: Reliability Analysis

Variables	Cronbach's Alpha	Item	N (sample size)		
Packaging Color	0.919	5	384		
Packaging Material	0.910	5	384		
Printed Information	0.912	5	384		
Retail Consumer Shopping Patterns	0.912	5	384		

By referring to the reliability analysis in table 3, according to Hair et al. (2010), the Cronbach's Alpha coefficient for packaging color is 0.919, while packaging material is 0.910, and followed by printed information which is at 0.912. These three are the independent variables of this study. Besides, the dependent variable namely the retail consumer shopping patterns shown the coefficient at 0.912. Hence, it is proven that all the constructs are excellent in the strength of association on the Rule of Thumb about Cronbach's Alpha coefficient size. It depicts that the consistency and stability of all items in this study are excellent thus it is reliable. Therefore, all the constructs of this study are strong and stable.

### 4.4 Normality Analysis

Table 4: Result of Normality Test of Correlation Analysis

Variables	Kolmogorov-Smirnov			Shapiro-Wilk		
Variables	Statistic	df	Sig.	Statistic	df	Sig.
Packaging Color	0.141	384	0.000	0.895	384	0.000
Packaging Material	0.155	384	0.000	0.883	384	0.000
Printed Information	0.160	384	0.000	0.875	384	0.000
<b>Retail Consumer Shopping Pattern</b>	0.143	384	0.000	0.897	384	0.000

Based on table 4, the results of Kolmogorov-Smirnov and Shapiro-Wilk for all the variables in this study are abnormal. Because the significant value is 0.000 which is less than 0.05 as recommended by Hair et. al. (2016) appended the result of Kolmogorov-Smirnov and Shapiro-Wilk should be more than 0.05 for significant value to indicate the data of this study is normal. However, Tabachnick and Fidell (2007) justified that the data of a study can define as normal if the sampling size of the study is more than 200 although the result of Kolmogorov-Smirnov and Shapiro-Wilk are significant. In conclusion, the researcher justifies that the data in this study are normal based on the review from Tabachnick and Fidell (2007).

### 4.5 Pearson Correlation Analysis

Table 5: Results of Pearson Correlation Analysis between Variables

Variables	Retail Consumer Shopping Patterns		
<b>Packaging Color</b>	Pearson Correlation	0.696**	
	Sig. (2-tailed)	0.000	
	N	384	
Packaging Material	Pearson Correlation	0.829**	
	Sig. (2-tailed)	0.000	
	N	384	
<b>Printed Information</b>	Pearson Correlation	0.789**	
	Sig. (2-tailed)	0.000	
	N	384	

<sup>\*\*.</sup>correlation is significant at the 0.01 level (2-tailed)

Table 5 presented the results of the Pearson Correlation analysis between variables on the impacts of product packaging on retail consumer shopping patterns towards private

label brands in Malaysia. The value of the Pearson correlation for packaging color is 0.696. It is shown that the relationship between packaging color and retail consumer shopping patterns is at a moderate positive level. For packaging material, the value of the Pearson correlation is 0.829. It indicated that the relationship between packaging material and retail consumer shopping patterns is at a high positive level. Followed by printed information, the value of the Pearson correlation is 0.789. It is shown that the relationship between printed information and retail consumer shopping patterns is at a high positive level. Hence, it can be determined that packaging color, packaging material, and printed information are related to retail consumer shopping patterns towards private label brands in Malaysia.

### 4.6 Hypotheses Testing

Table 5: Summary of Hypotheses Testing

	Hypotheses	Statistical Analysis	Result
H1	There is a relationship between packaging color and retail consumer shopping patterns towards private label brands in Malaysia.	0.696	Accepted
H2	There is a relationship between packaging material and retail consumer shopping patterns towards private label brands in Malaysia.	0.829	Accepted
Н3	There is a relationship between printed information and retail consumer shopping patterns towards private label brands in Malaysia.	0.789	Accepted

Based on table 5, it can be concluded that all the three independent variables namely packaging color has a moderate positive relationship, while packaging material and printed information has a high positive relationship on retail consumer shopping patterns towards private label brands in Malaysia. In short, three hypotheses in this study were accepted after Pearson Correlation testing was conducted.

### **5 DISCUSSION**

### 5.1 Packaging Color

The results of hypothesis H1 were studied to answer RQ1. H1 proposed that there is a relationship between packaging color and retail consumer shopping patterns towards private label brands in Malaysia. From the finding, it revealed that there is a moderate positive relationship between packaging color and retail consumer shopping patterns towards private label brands (r= 0.696). Hence, H1 is accepted.

According to Waheed et. al. (2018) justified that packaging color must be aligned with consumers' cultural values to trigger their intention to purchase that product. Therefore, the researcher justified that the target respondents in this study pointed out that private label brands' product packaging color must be suitable with their cultural value which results in a positive shopping patterns to purchase private label brand products. Zekiri & Hasani (2015) indicated that packaging color allows consumers to distinguish between

their favorite brands and helps companies to draw consumer's attention and interest. Therefore, color and other packaging elements improve the marketing captivity and attractiveness thus differentiates it from other products. Mazhar (2015) found that packaging color has a positive relationship with consumers, as they are attracted to dark and attractive colors, hence they often buy the products.

### 5.2 Packaging Material

The results of hypothesis H2 were studied to answer RQ2. H2 proposed that there is a relationship between packaging material and retail consumer shopping patterns towards private label brands in Malaysia. From the finding, it revealed that there is a high positive relationship between packaging material and retail consumer shopping pattern towards private label brands (r= 0.829). Hence, H2 is accepted.

The researcher justify that eco-green friendly packaging towards private label brand products including recycling material packaging and biodegradable plastic give a great impact on shopping patterns among target respondents in this study which align with the review from Waheed et. al. (2018) stated that eco-friendly packaging has been a primary choice for the retail consumer during their purchase process. It has also been appended by Hussain et. al. (2015) that the quality of the packaging material can save the product and thus make it more preferable to create a positive perception for consumers. Smith and Taylor (2004) indicated that high-quality packaging material had a strong influence on retail consumer shopping patterns.

### 5.3 Printed Information

The results of hypothesis H3 were studied to answer RQ3. H3 proposed that there is a relationship between printed information and retail consumer shopping patterns towards private label brands in Malaysia. From the finding, it revealed that there is a high positive relationship between printed information and retail consumer shopping patterns towards private label brands (r= 0.789). Hence, H3 is accepted.

Waheed et. al. (2018) appended that information quality and details of information on products significantly influence consumers to purchase during the shopping process. In addressing this, the researcher justifies that high information quality and details of information on private label brand products will give a positive impact on shopping patterns respectively. Zekiri & Hasani (2015) justifies that printed information acts as a pivotal component and promotes the company's marketing communication strategies by establishing brand image and identity. It is supported by Shah et. al (2013) that printed information on packaging highly influences consumers' shopping patterns as a promotion of the product as compared to a highly expensive advertisement.

### 5.4 Limitations

There are some limitations in the study faced by the researcher in the course of this research. The scope of the discussion is the first limitation of this research. This is attributable to the fact that the sample of this study expected to focus only on those who purchase private label products in Malaysia. This has become one of the limitations of

this research since prior to this there is a lack of previous research studies in the field of this study.

The second limitation in this study is that the researcher used the closed-ended question with the Likert scale, such as scale 1 to 5, which allowed the respondents to choose a random answer. However, it is common for some respondents to answer the Google form questionnaire without reading it and to understand the questions very well. This may affect the data calculation, and could also affect the variables, thus the student who ticks the lowest scale might even make the result worse, which made it difficult for the researcher to find the actual result.

This study only identified three variables namely packaging color, packaging material, and printed information related to customer shopping patterns towards private label brands in Malaysia. Therefore, this cannot be fully explained for consumer shopping patterns towards private label brands in Malaysia since other variables can be considered.

### 5.5 Recommendations

Future researchers can explore more on the packaging color, packaging material, printed information, or other external impacts of product packaging of private label brands. Other than that, specific target respondents such as female shoppers, students, and male shoppers can be implemented in the future study since different perceptions occur based on the target respondents' demographic profile.

Next, this study used a 5-point Likert scale which limited target respondents gave their perception towards all variables in this study. Therefore, the future study can adopt a 7-point Likert scale in order to give target respondents close-ended questions.

In short, future researchers should carry out this study on an ongoing basis, by implementing different dimensions of product packaging such as font style and packaging design pertaining to retail consumer shopping patterns towards private label brands in Malaysia. Besides, mediating variables such as attitude can be included in the future study.

### 5.6 Conclusion

This study was implemented to examine the impacts of product packaging on retail consumer shopping patterns towards private label brands in Malaysia. This study presented that there are three independent variables tested namely packaging color, packaging material, and printed information. Apart from that, the collected data analysis was utilized to conduct tests on the demographic profile of respondents, descriptive analysis, reliability analysis, and followed by Pearson Correlation analysis. Furthermore, all the data analysis of this study is obtained through the survey of Google form questionnaires which was created by the researcher. In accordance with the findings as discussed earlier, it is revealed that all three independent variables in this study were related to retail consumer shopping patterns towards private label brands in Malaysia.

### **ACKNOWLEDGEMENT**

Firstly, I would like to express my deepest gratitude to my Supervisor Madam Norfazlirda Binti Hairani for giving endless advice and more insightful knowledge to me during this journey of the Final Year Project. I am very grateful to have Madam Norfazlirda as a Supervisor as she has always assisted me and provide guidance to complete this project successfully. Secondly, my acknowledgement to the library of University Malaysia Kelantan for providing the necessary materials and allowing me to utilize the facilities. In conclusion, I need thank to my respondents because they spend their precious time answering the questionnaire given. I will appreciate the handwork of respondents to fill up my questionnaire.

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# THE FACTOR THAT AFFECTING USER PROPENSITY TO USE QUICK RESPONSE (QR) CODE AMONG STUDENT IN UNIVERSITI MALAYSIA KELANTAN

Iqma Nazirah Abdul Hamid and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <u>iqmanazirah@gmail.com</u>; <u>izyan.md@umk.edu.my</u>

### Abstract

In this era, world is advancing with evolving technology that making everything need to be done quickly and in line with current development towards the real time processing of data and information. Smartphone is mobile device or known as essential device that works in various purposes in daily life include communication tool, tool for internet access, entertainment tool and others. Quick Response (QR) code become a well-known technologies that using by any companies in all industries. The purpose of this study was to examine the factor that affecting user propensity to use QR code among student in Universiti Malaysia Kelantan (UMK). This study also aimed on which factor that gives the most impact on the QR code usage propensity among student in UMK. In this study, four factors of affecting user propensity to use QR code were studied namely: Additional Information, Promotion, Payment and E-Feedback. This research discussed about the relationship between propensity to use QR code and the four factors as mentioned earlier. Questionnaire survey method was used to collect data from respondents. The data obtained were analyzed by statistical methods in the Statistical Package for Social Sciences (SPSS). Regression and correlation techniques will also be used in this study to study the relationship between dependent and independent variables.

Keywords: Quick Response (QR) code, additional information, promotion, payment, e-feedback

### 1 Introduction

Today, smartphones is an important asset for society to live their daily lives. This smartphone is not only owned by the younger generation but also all ages also own and use this smartphone to communicate and also for other things. Mobile technology has spread rapidly around the world. According to Statistic, the current number of smartphone users in the world today is 3.5 billion, and this means 44.81% of the world's populations own a smartphone (Turner, 2019). This figure is up considerably from 2016 when there were only 2.5 billion users, 33.58% of that year's global population.

In addition, with this advance technology, marketers are taking the opportunity to market their products online to consumers out there. Quick Response (QR) code are usually trending used like marketing tech tool by many companies and marketers. An expanding number of firms and sales marketers are utilizing QR codes as a channel to spread their brands product to their customers' mobile gadget (Fine & Clark, 2015). This is because, today's society wants simple and fast things that can satisfy their needs and wants.

In fact, this sophisticated era has introduced the use of QR Code to technology entrepreneurs as well as consumers to further facilitate the business of sales and purchase activities. According to (Nofal, 2020), utilizing the QR codes is one of the most intriguing methods of carefully associating purchases to the internet through mobile phones since the gadget have become an essential interest of community.

There are some problems that arise among people in using QR codes in their daily life. (Othuon, 2018) mentioned problem that always arise from people is when to do a payment. The issues that bring about long queues during check out after purchased in mall or retail store. The payment that is offered by supermarket and mall is cash and credit card. So it gives difficult to people who are on emergency and want to settle payment immediately.

QR code can be found in product packages or brochures that marketers give to customers. So, users who have a smartphone can use it to detect the barcode that appears and directly link to the website that has been set. Therefore, the main purpose of this study is to examine the factor that affecting user propensity to use QR code among final year student in Universiti Malaysia Kelantan. This study also aimed on which factor that gives the most impact on the QR code usage propensity among student in UMK.

### 2 Literature Review

### 2.1 Additional Information

Additional information was the factor that consumer propensity to use towards QR codes. QR codes have big storage that can save much information about the product. As stated by (Uzun & Bilgin, 2016) QR codes and corresponding alphanumeric codes, which can be scanned to access information about a particular brand of product and service; alternatively, this information can be accessed through websites or social media. This functionality gives benefits to marketer and retailers that they must have to implement this QR code technology tools in product packaging. Consumer can easily find the additional information through matrix barcode and continued link to the URLs that provide.

H1: There is significant relationship between additional information and user propensity to use QR code.

### 2.2 Promotion

Marketers and retailers todays using technology include internet and mobile device to market their product quickly. QR code is one of the tools that can help them to fulfillment customer needs and wants immediately. According to (Okazaki, Navarro, Mukherji, & Plangger, 2019) explores consumers' motivation to scan QR codes embedded in advertisements and the conditions that impact this motivation. Thus, this research also state that the level of curiosity

likely plays a role in consumers' motivation to scan QR codes, but the extent of this role is uncertain. In marketing, promotion refers to any type of marketing communication used to inform or persuade target audience of the relative merits of a product, service, brand or issue. It helps marketers to create a distinctive place in customer's mind.

H2: There is a significant relationship between promotion and user propensity to use QR code.

### 2.3 Payment

QR code also function as payment tool using smartphone technology. According to (Tse, Wen, Wu, Yin, & Zhai, 2019) mobile payments can refer to a personal type using electronic devices such as smartphones connected to a network that supports the process of economic transactions to make payments. User can immediately do a payment without queue in ATM machine or others. (Derian, Marciella, & Mariani, 2018) did a study about people's readiness, available facilities, available gadgets, and other factors that bridges the transition from traditional to digitalization of payment. Smartphone nowadays have much accessibility include QR code reader application, so user can easily use which is take a picture or scan through QR code symbol that provide, and then user can gets the information entirely and purchase by connecting their smartphone with various ways to pay it like e-wallet (Wang & Kankham, 2018).

H3: There is significant relationship between payment and user propensity to use QR code.

### 2.4 E-Feedback

QR codes also technology tools that can use for collect feedback from customer using smartphone. People do not need to fill the form using paper, they just need to scan and fill in URLs that they provide. Making a QR code survey is a simple method. A complete online questionnaire is linked to a link that can be converted into a QR code through a free online application (Faggiano & Carugo, 2020). This study also stated, quick access to online surveys is then given to users by scanning a QR code with a smartphone or tablet camera. According to (Ramalingam, Tran, & Gangopadhyay, 2020) using their mobile device attending opened camera on smartphone application and continued it at QR code, which instantly took them to the online Survey Monkey.

H4: There is significant relationship between e-feedback and user propensity to use QR code.

### 2.5 User Propensity to Use Quick Response (QR) Code

QR Code stand for Quick Response Code which is a type of matrix barcode or two-dimensional barcode first designed in 1994 for the automotive industry in Japan. QR code is a tool that gives many of benefits to the consumer in various of purpose. QR code is a machine readable code consisting of an array of black and white squares, typically use for storing URLs or other information for reading by the camera or apps in smartphones users. According to (Kongarchapatara & Rodjanatara, 2018), they did a study adopted a widely acceptable technology adoption model and extended it with the addition factor, perceived credibility, and a moderator, perceived self-efficacy in order to investigate the factors which may affect users' adoption and usage of QR code payment application. The previous studies also stated that smart technology implementation is expected to provide great benefits such as lower labor costs and

increased efficiency for retailers and convenience, accessibility, and higher interaction for customers (Roy, Balaji, Quazi, & Quaddus, 2018).

### 2.6 Conceptual Framework

The conceptual framework describes the relationship between specific variables identified in the study and it is much more specific in defining this relationship. Researcher must have to be more explored in the investigation. In order to build this proposed conceptual framework, researchers have to review a lot of literature related to chosen research topic which is QR codes effectiveness. From that, researcher formulate own proposed conceptual framework to serve as guide in this research venture. This study provides independent variables which is QR codes effectiveness (additional information, promotion, payment and e-feedback) and dependent variable (user propensity to use towards QR codes) for research proposal.

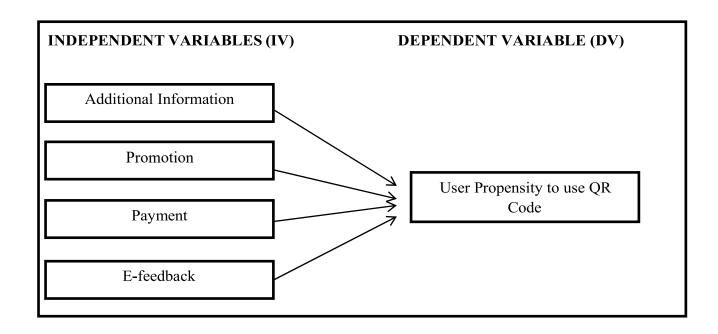


Figure 1: Research Framework

### 3 Research Methodology

For this research study, researcher using quantitative research design which is descriptive and correlational research. Researcher using non-probability convenience sampling method in collected the targeted respondents. The target population of this study is the user that have propensity to use towards QR codes among final year students faculty Entrepreneurship and Business (FEB) in Universiti Malaysia Kelantan (UMK) Kampus Kota. The total number of final year students FEB in UMK Kampus Kota is 740 students. Researcher using table Morgan and Krejcie as guideline for sampling size. So the total respondents are 254 approximately. After researcher collecting data, the total respondent is 255 students.

The questionnaire is distributed using Google form link which is through online since all students stay at home. In addition, the questionnaire using 5 likert scale which is from 1 (strongly disagree) to 5 (strongly agree). In the questionnaire, there are consists three section which is section A demographic which include gender, race, and others. Section B is factors that affecting user which is additional information, promotion, payment and e-feedback. Section C consists of user propensity to use QR code.

In addition, researcher used Statistical Package from Social Science (SPSS) version 26 for analyze and measuring the data that has been collected from respondents. Data analysis method that the researcher used in this study is the reliability test and Pearson's Correlation Coefficient analysis. The functionality for each data analysis method will be further discussed in the next paragraph.

Researcher use reliability analysis to do a pilot test which consist of 30 respondents that purpose to identify the consistency or validity for each variables in this study. After finish the test, result of the reliability test is based on Cronbach's Alpha that value must be exceed 0.7. Furthermore, Pearson's Correlation Coefficient also used to analyze the data. The purpose of using this correlation is to test the significant relationship between the variables and to evaluate the strength of the relationship by values. Researcher also uses Multiple Linear Regression to determine the most factor that affecting user propensity to use QR code.

### 4 Research Findings

### 4.1 Frequency Analysis

Table 1 shows the summary of the 255 respondents demographic profile that has been collected through Google form. The demographic profile of respondents consists of gender, race, and others. It can be conclude that majority is from female 198 (77.6%) and also Malay 200 (78.4%) students. In addition, majority respondent has ever used QR code in various places that has been seen and various of purpose.

Variable	Frequency	Percentage %
Gender		
Male	57	22.4%
Female	198	77.6%
Total	255	100 %
Race Malay		
Chinese	200	78.4%
Indian	30	11.8%
Other	20	7.8%
	5	2.0%
Total	255	100 %
Have ever used Quick Response (QR) code		
Yes	254	99.6%

Not Sure	1	0.4%
No	0	0%
Total	255	100 %
Quick Response (QR) code used purpose		
Additional Information Promotion	54	21.2%
Payment	14	5.5%
E-Feedback Other	10	3.9%
Mix	7	2.7%
	2	0.8%
	168	65.9%
Total	255	100 %
Quick Response (QR) code has been seen		
Product Packaging	55	21.6%
Social Media	5	2.0%
Website	2	0.8%
In Store	10	3.9%
Other	1	0.4%
Mix	182	71.3%
Total	255	100 %

Table 1: Respondents Demographic Profile

### 4.2 Reliability Analysis

Table 2 shows that the results of the reliability test through the value of Cronbach's Alpha Coefficient for independent and dependent variable in this study best on the survey of 255 respondents among student of faculty Entrepreneurship and Business (FEB) in Universiti Malaysia Kelantan (UMK). The result shows that the Cronbach's Alpha value is on the range 0.796 to 0.859, which means all the variable include additional information, promotion, payment, e-feedback and also dependent variable which is user propensity to use is reliable as the value exceeds 0.7.

Variables	Number of item	Coefficient	Strength
Additional information	5	0.859	Very Good
Promotion	5	0.837	Very Good
Payment	5	0.836	Very Good

E-Feedback	5	0.844	Very Good
Users propensity to use QR	5	0.796	Good
code			

Table 2: Result of Reliability Coefficient Alpha for the Dependent Variable and Independent Variable.

### 4.3 Pearson's Correlation

In this part, the Pearson's Correlation Analysis will be used to examine that whether the independent variable which is Additional Information, Promotion, Payment, and E-feedback is statistically significant with dependent variable which is the user propensity to use QR code. In this case, the researcher had used Pearson Correlation Analysis (two-tailed) to investigate the relationship between QR code factor and user propensity to use QR code. The table below shows the result of the variables.

Table 3: Summary Result of Pearson's Correlation

Hypothesis	Result	Findings of Data Analysis	
H1: There is a positive relationship between additional information and user propensity to use QR code.	r = 0.535** p = 0.000 Moderate positive (negative)	H1: Accepted	
H2: There is a positive relationship between promotion and user propensity to use QR code.	r = 0.546** p = 0.000 Moderate positive (negative)	H2: Accepted	
H3: There is a positive relationship between payment and user propensity to use QR code.	r = 0.677** p = 0.000 Moderate positive (negative)	H3: Accepted	
H4: There is a positive relationship between efeedback and user propensity to use QR code.	r=0.646** p=0.000 Moderate positive (negative)	H4: Accepted	

Table 3 shows the Pearson's Correlation coefficients. The correlation coefficients for additional information and user propensity to use QR code was 0.535 and it shows that the strength of correlation between additional information and user propensity to use QR code is moderate positive correlation according to rule of thumb for interpreting the size of a Correlation of Coefficient (Guilford and Fruchter, 1973). Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant moderate positive correlation relationship between additional information and user propensity to use QR code.

Moreover, the correlation coefficient for promotion and user propensity to use QR code was 0.546 and it shows that the strength of correlation between promotion and user propensity to use QR code is moderate positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant moderate positive correlation relationship between promotion and user propensity to use QR code.

In addition, the correlation coefficient for payment and user propensity to use QR code was 0.677 and it shows that the strength of correlation between payment and user propensity to use QR code is moderate positive correlation. Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant moderate positive correlation relationship between payment and user propensity to use QR code.

Lastly, the correlation coefficient for e-feedback and user propensity to use QR code was 0.646 and it shows that the strength of correlation between e-feedback and user propensity to use QR code is moderate positive correlation. Besides that, the P value which was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, there is significant moderate positive correlation relationship between e-feedback and user propensity to use QR code.

### 4.4 Multiple Linear Regression Analysis

Table 4: Simple and Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	В	Std. Error	Beta	
(Constant)	1.497	0.181		0.000
Additional Information	0.104	0.044	0.135	0.001
Promotion	0.130	0.040	0.168	0.000
Payment	0.305	0.042	0.400	0.001
E-Feedback	0.163	0.048	0.219	0.019

According to the Table 4, the factors such as additional information, promotion, payment and efeedback were significant since the p-values were less than 0.05. The equation of regression can be written as follows

= + + + +

### Where

- = User Propensity to Use QR code
- = Additional Information
- = Promotion
- = Payment
- = E-Feedback

Hence, the equation becomes

= 1.497 + + + +

Unstandardized coefficients beta represents the strength of the effects of every single of the independent variables to the dependent variable. The higher the value of the beta coefficient, the stronger the effect of independent variable towards dependent variable. According to the Table 3, the most influence independent variables in measuring the user propensity to use QR code was the payment variable (=0.305). The e-feedback ranked at second rank (=0.163) and followed by the promotion ranked at third rank (=0.130). The lowest influence consumer's attitude towards counterfeit products was the personal gratification (=0.104).

### 5 Discussion

### 5.1 Additional Information

The first correlation is between additional information and user propensity to use QR code. From the table, it shows that there is a significant relationship between promotion and user propensity to use QR code because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for payment and user propensity to use QR code is 0.535\*\* means there is moderate relationship between payment and user propensity to use QR code. Hence, the H<sub>1</sub> of objective one which is to identify the relationship between additional information and user propensity to use QR code is accepted. It shows that additional information very give effect to use QR code in their daily life. As indicated by (Shivaratri Chandramouli, 2017) found that there is strongly positive relationship between additional information and QR code usage.

### 5.2 Promotion

Secondly is the correlation between promotion and user propensity to use QR code. From the table, it shows that there is a significant relationship between promotion and user propensity to use QR code because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for payment and user propensity to use QR code is 0.546\*\* means there is moderate relationship between promotion and user propensity to use QR code. Hence, the H<sub>2</sub> of objective two which is to find out the relationship between promotion and user propensity to use QR code is accepted. It shows that payment very give effect to use QR code in their daily life. As stated by (Okazaki et al., 2019) found that advertisement with good perceived fit has positive relationship with QR code scan intention.

### 5.3 Payment

Next is the correlation between payment and user propensity to use QR code. From the table, it shows that there is a significant relationship between payment and user propensity to use QR code because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for payment and user propensity to use QR code is 0.677\*\* means there is moderate relationship between payment and user propensity to use QR code. It shows that payment very give effect to use QR code in their daily life. Hence the H<sub>3</sub> of objective three which is to investigate the relationship between payment and user propensity to use QR code is accepted. According to (Liébana-Cabanillas, Ramos de Luna, & Montoro-Ríos, 2015) found that there is strongly positive relationship between attitudes towards the use of the QR system and the intention to use the QR mobile payment system.

### 5.4 E-Feedback

Lastly is the correlation between e-feedback and user propensity to use QR code. From the table, it shows that there is a significant relationship between payment and user propensity to use QR code because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for payment and user propensity to use QR code is 0.646\*\* means there is moderate relationship between payment and user propensity to use QR code. It shows that payment very give effect to use QR code in their daily life. Hence the H<sub>4</sub> of objective four which is to examine the relationship between efeedback and user propensity to use QR code is accepted. According to (Snyder et al., 2018) the feedback system was significantly associated with usability of QR code-linked forms.

### 5.5 Most Factor

The last objective is to investigate the most important factor that affecting user propensity to use QR code among students in Universiti Malaysia Kelantan (UMK), City Campus. The most factor that affecting user propensity to use QR code is payment variable which the result is 0.305 from Mutiple Linear Regression analysis.

### 5.6 Hypothesis Testing

Based on the Pearson's Correlation Coefficient Analysis, it can be concluded that the additional information, promotion, payment and e-feedback has a significant relationship towards the user propensity to use QR code among student in Universiti Malaysia Kelantan. While from the

Multiple Linear Regression Analysis, the most factor that affecting user propensity to use QR code is payment.

Hypothesis	Objective	Result
$H_1$	There is significant relationship between the	Accepted
	additional information and user propensity to use	
	QR code.	
$H_2$	There is significant relationship between the	Accepted
	promotion and user propensity to use QR code.	
H <sub>3</sub>	There is significant relationship between the	Accepted
	payment and user propensity to use QR code.	(Most Factor)
H <sub>4</sub>	There is significant relationship between the	Accepted
	E-feedback and user propensity to use QR code.	

### 5.7 Recommendation

Every research definitely has limitations and obstacles in completing a final year research project. But every limitation and obstacle must have a solution. Researcher would like to make some recommendations for further research in the areas of factor that affecting user towards QR code technology usage on the basis of this report.

This research study has many shortcomings while completing it. Among them are reference sources from books on QR code technology. Most researchers get reference sources through the previous article which is in the internet. So, scientific resources from the library could not be reached due to the current pandemic situation and had to remain at home. Therefore, the researcher hopes and suggests that future researchers find scientific materials such as books in the library to further increase knowledge about QR code technology.

In addition, the researcher suggested that future researchers focus more on the topic of QR code usage among retailers and the effectiveness to consumers during shopping using QR code. This, can further reveal more widely about the use of QR codes and their impact on entrepreneurs, businesses and even society.

Finally, with the advancement of technology in this world, future researchers need to study the level of use of QR codes by all retailers and marketers. The researcher also suggested to do a study on QR code technology on all sectors including education, transportation, tourism and so on. To get a general understanding about this new technology and the levels of its use, many extensive interviews and surveys can be performed in different parts of the state.

### 5.8 Conclusion

The main aim of this research is to investigate the relationship between factors that affecting QR code and user propensity to use QR code. Total of 255 sets of questionnaires had been prepared and distributed to target respondents in completing this research which is among student in Universiti Malaysia Kelantan.

Overall, the Pearson Correlation Analysis had shown that all of the variables including additional information, promotion, payment, and e-feedback had a significant positive correlation to the user propensity to use QR code. Furthermore, all hypotheses had been tested, where all of the hypotheses including additional information, promotion, payment, and e-feedback had been accepted, meaning that additional information, promotion, payment, and e-feedback had a significant relationship with user propensity to use QR code. The most factor that affecting user propensity to use QR code is payment variable which the value is 0.305.

### Acknowledgement

First of all, Alhamdulillah thanks to Allah SWT for protection and give me ability to do this research paper. I'm grateful to learn how to do this research paper until done. I hope all the information that we have learn in this subject can be used in the future. Hence, I would like to express the deep appreciation and praise particularly. First and foremost, I would like to extend my deepest to Allah the Almighty who has given me the strength, patient, determination, courage and good and healthy heart to complete this research. This study is a collaborative effort of many people. To begin with, I most thanks goes to my supervisors, Dr Nurul Izyan Binti Mat Daud for imparting me with the wealth of knowledge, valuable guidance and support. In addition, a big honor and appreciation to my family in helping me encourage in running this research paper. I also want to thank to my friends in Universiti Malaysia Kelantan (UMK) including coursemates in sharing ideas with their helpful insight, cooperation and stimulating comments. I would also like to express my apologies for any mistake and shortcoming in carrying out this research.

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### FACTOR AFFECTING CONSUMERS BUYING BEHAVIOUR OF SMARTPHONE AMONG UMK CITY CAMPUS STUDENTS

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: madhihah.a17a0160@siswa.umk.edu.my; yusrinadini@umk.edu.my

### Abstract:

The purpose of this paper is to explore the various factors of consumer behavior in buying smartphones and their choices among UMK City Campus students. This study uses a sample of 361 real users who have purchased a smartphone. Responses were collected through a structured Likert scale questionnaire. Correlation and regression analysis was performed using SPSS 26.0. The three factors we found from this study were price, brand and social influence. This study helps to understand the changing patterns of demand and assists in product development. This study resulted in the finding that social influence has the highest level of relationship between other independent variables namely price and brand name. These findings provide guidelines for smartphone marketers to develop better value propositions and promotional combinations for their smartphones.

Keywords: Smartphone, Consumer Behavior, Price, Brand Name, Social Influence

### 1 Introduction

This chapter discusses the effects of buying consumer behaviour on Smartphones among University Malaysia Kelantan City Campus (UMK) students. "Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, protect, and products, services, experiences, or ideas for the needs and effects of these processes on consumers and society. According to Kuesteur and Sabine (2012), the behaviour of each individual consumer differs from the other depending on the buying choices influenced by buying habits and the choices altered by psychological and social motivators influencing the purchasing decision process.

Besides that, KEYS (2011) argues that consumer behaviour regarding decision making is difficult to define and is a system unpredictable shortcuts and practical rules Shortcuts in decision-making vary from person to person and focus on past user experience; we can predict future trends by bringing profitable products and services to market in this modern world, the popularity of interactive media such as World Wide Web is increasing day by day at a rapid rate. With reference to marketing, it is consistently

realized that the two main factors observed due to the WWW are 1) A large number of companies conduct their business online and make their website an exhibition of their products and services. 2) The rapid growth of the consumer segment due to increased demand and including online shopping as well (Häubl & Trifts, 2000).

Research from Strategy Analytics revealed 1 billion smartphones are used worldwide, penetration is 1 in 7 while in Malaysia, penetration for comparison is in 1 in 4 and the highest percentage, 17.3% of smartphone users aged between 20-24 years. In the current situation, users are no longer just looking at smartphones as a device for calling and texting, but as a multipurpose device for playing, socializing and downloading applications that result in radical changes in behavior patterns. A survey conducted by Ericsson, (2014) reports that smartphone usage is projected to increase sharply in the coming years with smartphone subscriptions growing nearly fivefold between 2013 and 2019 which will result in more than 700 million smartphone subscriptions in Southeast Asia and Oceania (Rahim et al., 2016).

That is a smartphone, its existence has changed lives, services and other goods to always move forward in line with the technology provided. People always want work that is fast, easy, cheap and friendly has made everything possible to do at your fingertips. The impact and effect is so great that some other industries such as telecommunications, automotive, electrical goods, public services to fashion have also changed and need to keep pace with the use of smartphones.

### 1.1 Research Objectives

To examine the relationship between price and consumer buying behaviour among UMK City Campus students.

To examine the relationship between brand name and consumer buying behaviour among UMK City Campus students.

To examine the relationship between social influence and consumer buying behaviour among UMK City Campus students.

### 1.2 Significance of Study

To the Economic

The increase in the use of Smartphones in Malaysia has prompted telecommunications companies to develop 5G technology in Malaysia. Minister of Communications and Multimedia Gobind Singh Deo (2019) said the use of fifth generation technology or better known as 5G technology will have a huge impact on the Malaysian economy. The technology will also affect the way we shape a society that is ready to face the future economy in the direction of the Fourth Industrial Revolution (IR4.0).

Academicians and Future Researchers

This study also aims to educate and provide information on behavior as well as related factors. Consumers have many factors that require the effectiveness of consumer behavior research users must use these three factors also play an effective role. The results of this study may be a catalyst for researchers to conduct similar studies in areas related to social influence, price, brand name and product. This research can also be used for comparison purposes or to create new theories based on existing variables to have a broader knowledge and scope at the national level.

#### 2 Literature Review

#### 2.1 Price

Product price is the amount of money expected, required, or given as payment for a product. There are two types of product pricing. High-priced products are market brands where image is seen as a key factor. Cheap brands tend to be bought for utilitarian value, with consumers relying on perceived value. Consumers usually look for low priced brands or substitutes to get the best value (Swani and Yoo, 2010). Basically, price is the amount of money that consumers are willing to pay in exchange for products and services that they consider valuable. The value of money varies from person to person. Some consider it worthwhile for a high price but others may consider it worthless for the value of money. There are so many pricing methods, such as markup price, target-return price, perceived value price, price increase and promotional price (Kotler and Keller, 2012). If the discount rate is low, it must be stated in its value; whereas if the discount rate is high, it should be shown in the form of percentage, so that customers will have a higher desire to buy (Isabella, 2012).

#### 2.2 Brand Name

Brand names can be names, terms, symbols and designs to differentiate an organization from competitors. According to Cornelis (2010), most organizations emphasize on brands that can be invaluable assets for their products and services. This can be a competitive advantage for the organization.

Brands are more than just names and symbols. It is also an element of the relationship between company and customer (Kotler and Armstrong, 2010). "Brand name is a valuable asset that helps to adjust quality and propose accurate brand-related knowledge structures" (Srinivasan and till, 2002). The importance of the brand is shaping consumer behavior towards smartphones that have been recognized in the study (Lay-Yee, Kok Siew and Yin Fah, 2013; Wollenberg and Thuong, 2014 and Malviya, Saluja and Thakur, 2013).

### 2.3 Social Influence

According to Kotler and Armstrong (2010), "Consumer behavior is influenced by social factors, such as the role and status of family, and social groups". Ernest (2010), show that the purchasing decisions of Malaysians are influenced by direct and indirect role models. Indirect role models like celebrities have a higher impact than direct role models which is parents. According to previous studies, social influence has a direct influence on buying behavior (Ajzen, 1991; Venkatesh and Davis, 2000; Mudondo 2014). During the decision-making process, users tend to be constantly influenced by social groups, which are their people. Social influence is also the cause of a person making changes to his feelings, attitudes, thoughts, and behaviors, intentionally or unintentionally (Chow et al., 2012). This is the result of interaction with each other. According to Nelson and Mcleod (2012), social influence includes the influence of the media, parents, and peers. Depending on various factors, users may listen to and trust different social groups, perhaps to those who are more professional in a particular field. The purchase of Smartphones among students, perhaps social influence comes from friends, family members and spouses. In general, peers are the main influence followed by the media and parents (Chow et al., 2012).

### 2.4 Hypothesis

There is a significant relationship between price and consumer buying behavior of Smartphones among UMK City Campus students.

There is a significant relationship between brand name and consumer buying behavior of Smartphones among UMK City Campus students.

There is a significant relationship between social influence and consumer buying behavior of Smartphones among UMK City Campus students

#### 2.5 Theoretical Framework

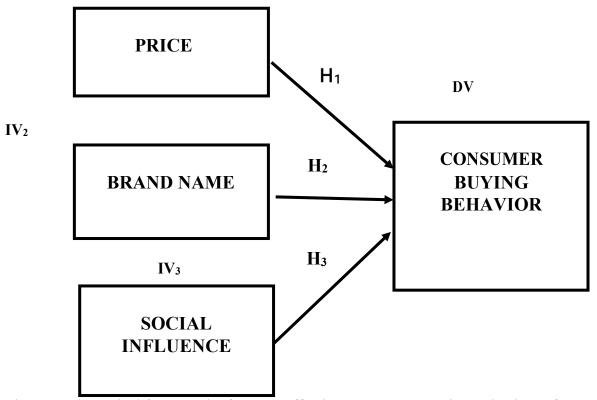


Figure 1: Theoretical framework of Factor Affecting Consumers Buying Behaviour of

Smartphone among UMK City Campus Students.

### 3 Methodology

### 3.1 Research Design

Quantitative research is embedded in this research for the purpose of determining the variables that will change the purchasing behavior of students in choosing a smartphone. In addition, it tests hypotheses and measures data from questionnaires, combining research questions and literature views. Descriptive studies explained how independent variables (name, price and social influence) behave differently in student purchases.

#### 3.2 Population

Population refers to the person targeted by the researcher to investigate the study (Mukesh, 2013). The selected population consists of students from University Malaysia Kelantan (UMK City Campus). This study focuses on students because almost all students at UMK City Campus have smartphones. UMK City Campus has a total of 5,864 students by 2020.

#### 3.3 Sample Size

Sample size is the number of samples or observations from the population where the statistical conclusions for the entire population are made. It is always a positive integer and usually denoted by n. The sample population of this study is 5,864 students. Based on the (Krejcie & Morgan, 1970) method of calculation the sample size of the result is 361 students due to the population size. It is the convenient and ideal number of sample sizes for the population since the population is more than 5,000.

#### 3.4 Data Collection

Primary data is the information obtained directly from the first hand sources which means survey, experimentation and observation. Those data are not being previously published in the website or anywhere and are new or original data collected from the respondent such as sources from marketing surveys. Secondary data have three main types which are documentary, survey and multiple sources, documentary secondary data is important for the research study in written material which is to collect published information for the purpose of supporting the research study as a reference such as a book, journal, magazines articles and newspaper.

### 3.5 Sampling

Non- probability convenience sampling method was chosen as the sampling technique where the sampling frame is hard to define in this study. The convenience sampling technique enables researchers to choose any of their preferable respondents who are available instead of selecting from entire populations (Hair Jr, Page, & Brunsveld, 2019). Furthermore, the convenience sampling method was applied in this study because this method could save the time and cost of the researchers in collecting the data (Smith, 2016). The respondents of the questionnaire would be the students of UMK City Campus who use Smartphones.

#### 3.6 Research Instrument

Respondents for this research are UMK City Campus students who have bought and used smartphones. The questionnaire used is bilingual in Malay language and English. The questionnaire was divided into three sections: Section A, Section B and Section C. The 5-point Likert scale used in Sections B and C for the respondents showed their agreement with the given statement: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

Table 1: Sources of Questionnaire

Section	Description	Sources	No of Item
Section A	Demographic	-	-
Section B	Price	Sinhaa & Batrab 1999; Bauddhik, 2014	5
	Brand Name	Rio, Vazquez, and Iglesias, 2001	5
	Social Influence	U Akkucuk & J Esmaeili, 2016; Bauddhik, 2014	5
Section C	Consumer Buying Behavior	U Akkucuk & J Esmaeili, 2016	5
		Total	20

### 3.7 Data Analysis Technique

Analysis of data is the process to analyse and summarize all the data collected from the research questionnaire to interpret the result. Statistical package for the Social Science or well known as SPSS by International Business Machine (IBM) is a software tool to complete the tasks. The data collected will be analysis by using SPSS Version 26.0 software from surveys, improves results in structure and problem solving. SPSS provides fast and effective data management, offers better results and provides a variety of options for researchers to analyse quantitative data.

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

### 4.1 Demographic Profile

A total of 361 respondents participated in this research. There were 215 (59.56%) respondents representing women, and 146 (40.44%) respondents representing men. This indicates that the number of female respondents is higher compared to the male respondents in this research.

Age is divided into 3 categories. The highest number of respondents is in the age range of 22-24 years, 233 (64.54%) respondents. Next, in the age range of 19-21 years there are 106 (29.36%) respondents. Finally, the lowest number of respondents is at the age of 25 years and above, which is 22 (6.09%) respondents only. In addition, for the Malays there are 219 (60.66%) of respondents. Next, the Chinese were 89 (24.65%) respondents. While India represents 46 (12.74%) respondents. Lastly, for the rest of the race was 7 (1.94%) respondents.

Among the three selected faculties, the highest Faculty of Business Entrepreneurship (FKP) is 216 (59.83%). Next, Faculty of Hospitality, Tourism and Health (FHPK) 91

(25.21%). Finally, FPV 54 (14.96%). Next, the highest year of study answered was year 4 which is 136 (37.67%), followed by year 3 which is 108 (29.92%). Next, year 1 is 59 (16.34%) and finally year 2 is 58 (16.07%).

The highest frequency of mobile phone purchases is very rarely 145 (40.39%). Next, every three years 125 (34.82%), followed twice a year 63 (17.55%) and finally once a year 26 (7.24%).

Respondents using Apple 101 brand smartphones (28.0%) were the highest respondents. The second highest group was the Huawei 60 (16.6%) brand followed by Oppo 58 (16.1%). Next, Xiaomi 55 (15.2%) was followed by Samsung 52 (14.4%) and another 35 (9.7%).

Among all the groups that spent money to buy smartphones, respondents who bought smartphones for RM2001 and above were 40 people (11.08%). The highest was RM1001-RM2000 with 232 (64.27%). The lowest group were those who bought smartphones at a price of RM500 and below at 14 (3.88%) and the second lowest group bought smartphones at a price of RM501-RM1000 was 75 (20.78%).

### 4.2 Descriptive Analysis

The descriptive analysis tested 20 items according to their variable and listed on the summary of the mean and standard deviation of computed items in Table 2.

Table 2: Summary of the Means and Standard Deviation of Computed Items according to Variable

Variables	Mean	Std. Deviation
Price	4.40	0.56
Brand Name	4.33	0.66
Social Influence	4.25	0.71
Consumer Buying Behavior	4.17	0.83

### 4.3 Reliability Analysis

According to Sekaran and Bougie (2013), consistency and suitability will be measured by the reliability analysis without any bias and error. To indicate the items in a variable is positively correlated with other, Cronbach's Alpha will be used as the reliability coefficient. The high reliability means the items are relevant to the variable that needs to measure.

Table 3: Actual Reliability Test

	Cronbach's Alpha	N of Items	Results
<b>Independent Variable</b>			
Price	0.778	5	Good
Brand Name Social	0.861	5	Very Good
Influence	0.814	5	Very Good
<b>Dependent Variable</b>			
Consumer Buying	0.915	5	Excellent

Behavior

The alpha coefficient for the brand has the highest coefficient value of 0.861. For social influence measurement shows 0.814 while price measurement is 0.778. The value of the coefficient to influence consumer buying behaviour is 0.915 which is known to be in excellent coefficient value.

### 4.4 Spearmen Correlation Analysis

Spearman correlation coefficient analysis is used to show the strength of the association between two quantitative variables namely independent and dependent variables that measure in ordinal scale (Kumar, Talib, & Ramayah, 2013). To examine the research question, a Spearman level correlation was performed to assess the relationship between the two variables. Spearman correlations can lead to the importance or insignificance of Pearson correlation coefficients despite large data sets, in line with logical understanding of the differences between the two coefficients (Hauke & Kossowski, 2011). As a non-parametric test, Pearson correlation assumptions (including normality and homoscedasticity) do not apply to Spearman Correlation.

Variable	Mean(SD)	Price	Brand	Social	Consumer
			Name	Influence	behaviour
Price	4.40 (0.56)	1	0.366	0.557	0.453*
Brand Name	4.33 (0.66)	0.366	1	0.512	0.629*
Social	4.25 (0.71)	0.557	0.512	1	0.647*
Influence					
Consumer	4.17 (0.83)	0.453	0.629	0.647	1
behaviour					

Table 4: Spearmen Correlation Result

Based on Table 4, it can be seen that all independent variables whose price, brand name and social influence are significantly correlated with the dependent variable which is consumer buying behaviour at the level of 0.01 (2-tailed). There is a significant, strong and positive relationship between price, brand name and social influence on the dependent variables that are consumer buying behaviour (r = 0.00, r = 0.00, respectively, p < 0.01). The relationship between the variables, 0.70 is strong, in the range of 0.30 to 0.60 is moderate and below 0.30 is weak. The table shows that the relationship between price change is expressed as 0.453, brand name is stated 0.629 and social influence is expressed as 0.647. Thus, all independent variables had a strong relationship with the dependent variables in this study.

<sup>\*\*</sup>correlation is significant at the 0.01 level (2-tailed).

#### **Summary**

Number of Hypothesis	Statement of hypothesis	Result	Significant Value
H1	There is a significant relationship between price and consumer buying Behaviour	Accepted	0.000
H2	There is a significant relationship between brand name and consumer buying behaviour	Accepted	0.000
Н3	There is a significant relationship between social influence and consumer buying behaviour.	Accepted	0.000

#### 5 Discussion and Recommendation

For future studies, the researchers recommend some suggestions for future improvement in terms of the results of this study. This research can be used as a reference to understand the buying behavior of consumer smartphones. Information on the buying behavior of smartphone users and the data collected were analyzed and verified.

In addition, researchers also recommend future researchers to integrate quantitative and qualitative methods during data collection from respondents. This is recommended because different people may have different opinions on things. Small respondents may not be able to represent using the questionnaire method. Therefore; to get more information, this combined approach method will help the researcher a lot. In addition, future researchers should add more independent variables such as brand image, peer influence, product features etc. to test reliability and do more research and explore new independent variables. Future researchers can also improve the results of studies. In this research, the researchers only mentioned 3 independent variables namely price, brand name and social influence.

In this research, research respondents focused on students aged between 18-25 years. The narrowness of respondents helped determine the purchasing behavior of smartphone users but did not represent the entire population of all students. Therefore, researchers recommend that future studies be conducted in different group such as older adults, working people, the elderly, or others.

#### 5.1 Conclusion

In conclusion, this research has achieved the main objective which is to study the factors that influence the behavior of consumers buying smartphones among UMK Campus City students. Three determinants that influence consumer buying behavior were identified and studied in this study, namely brand name, price, and social influence. On the other hand, all hypotheses are supported and this shows that social influence is the most influential smartphone buying behavior for UMK City Campus students.

#### Acknowledgements

I would like to thank University Malaysia Kelantan for the excellent opportunity to conduct this study. It has been a good experience for me to conduct this study in such a place and time frame. I have gained great knowledge, skills and experience throughout this study and managed to achieve it.

First of all, I would like to express my deepest appreciation and gratitude to my supervisor, Dr Yusrinadini Zahirah Binti Md. Isa @ Yusuff, Lecturer, Faculty of Entrepreneurship and Business, University Malaysia Kelantan for valuable guidance. She always helped and advised me as my supervisor. Then, thank you for your patience, motivation and support so that I can complete my research project successfully. Apart from that, I would also like to thank the coordinator of last year's research project, Dr Nur Ain Ayunni binti Sabri for concentrating on the final year project and also giving me a complete guide in this research project.

Finally, I would like to thank my family, friends and respondents who have answered the questionnaire on my research. All of them always help me complete this research project. Thank you for their financial support, sacrifice of time and energy and also the encouragement from starting this research to the end of this research project. Maybe I could not have completed this research project without them.

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### **Applications**

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# THE IMPACT OF COVID-19 ON SMALL AND MEDIUM SCALE ENTERPRISES (SMES) PERFORMANCE IN MALAYSIA

### Lawaniya A/P Gunalan and Wan Farha Binti Wan Zulkiffli

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: Lawaniya.a17a0908@siswa.umk.edu.my; farha@umk.edu.my

#### Abstract:

Small and medium-sized enterprises (SMEs) play a vital role in the economic development of nations. The study is a quantitative research factor that evaluate the impact of Covid-19 on Small and Medium Scale Enterprise (SMEs) performance in Malaysia. The study using a questionnaire to collect data and SPSS software to analyses data where descriptive statistic, reliability and multiple analyses has been conducted. The dependent variable are SMEs Performance while the independent variable was operations, supply chain and purchasing behavior. This study was conducted to Klang Valley Area employees by using a quantitative research approach, and 384 respondents participated in the study. Therefore, the finding of this study offers a direction towards better the operations, supply chain and purchasing behavior which lead to an increase the SMEs performance in Malaysia,

**Keywords**: Covid-19, Operation, Purchasing Behavior, SMEs Performance, Supply Chain.

#### 1 Introduction

SMEs performance is the result of the evaluation of the company's work achieved by a person or group with the division of activities in the form of tasks and roles in a certain period with the standards of the company (Mutegi, Njeru, & Ongesa, 2015). Business performance at SMEs can be seen from the company's success in product quality, innovation, human resource management, and customers and finance. Where this shows that the company has a development orientation and sees opportunities for continuous innovation.

The impact of coronavirus on worldwide SMEs business activities are tremendous. Although stringent government policy and response to curb the disease is necessary, but most businesses are expose to negative effects in either short or long- term period. Major hurdles are cash flow problems, closure of operation, laying off workers, retrenchment and diluted firms' capacity for future expansion (Wahyudi, 2014). Changes of business strategies, operations and business conduct, as well as pressures to search for new sources and opportunities for redevelopment are recognize as crucial survival challenges for most SMEs (Cassia & Minola, 2012). Reports emanating from various SME's indicates that they are have been numerous job losses, shutdown of SME's, operating at loss because of poor responses from customers to their products and services, not able to produce at full capacity, revenue losses among others.

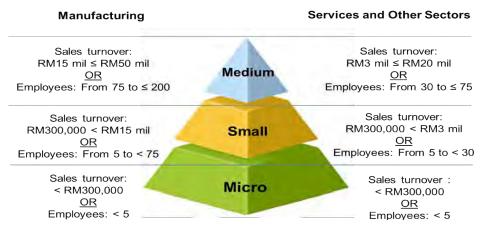


Figure 1.1: Definition of small and medium enterprises in Malaysia.(SMECorp, 2019)

The finding of the study might be evaluating the impact of Covid-19 on small and medium scale enterprises performance in Malaysia. Therefore, this study will be emphasising on how the impact of Covid-19 on SMEs performance which are operations, supply chain and purchasing behaviour. Furthermore, the researchers focus on the performance of Malaysian SMEs by service sector, which is more focus on food and beverage services. SMEs employment for Services sector had a total of 4.6 million persons. The researcher choose type sub-sector of SMEs are Food and Beverages Service. This is because the researcher target respondents are focused to SMEs employees. The researcher chooses respondents who are stay at Klang Valley as respondent for this study.

### 1.1 Research Objectives

There are three objectives of this research:

To find out the relationship between operations with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia.

To examine the relationship between supply chain with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia.

To determine the relationship between purchasing behaviour with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia.

### 1.2 Significance of the Study

#### Government

This research can also help the government provide an overview or give them a background about the impacts of Covid-19 pandemics on SMEs performance. The theory proposed can used as reference data to support the development of any useful information. This research will provide that how the Covid-19 affected SMEs performance which includes the independent variables that are the operations, supply chain and purchasing behaviour.

Future Researcher.

The findings of this analysis can also be used as references in future research. To make it possible for other researchers to explore their knowledge and develop a study of the possibilities that could occur, including factors relevant to this subject that can assist in the future.

#### 2 LITERATURE REVIEW

The whole literature review relating to the impact of Covid-19 on Small and Medium scale Enterprises in Malaysia. In this chapter, readers will get more understanding about the dependent variable which is the SMEs Performance and the independent variable is operation, supply and purchasing behavior. So, this chapter will provide the definition and explanation of the dependent and independent variable. Additionally, a conceptual framework will be constructed and the factors developed for the variables will be discussed as well.

### 2.1 Research Hypothesis

In this study, there were four hypotheses statement of the impact of Covid-19 on SMEs performance in Malaysia:

H1: The operations had significant relationship with impact Covid-19 towards small and medium scale enterprises performance in Malaysia.

H2: The supply chain had significant relationship with impact Covid-19 towards small and medium scale enterprises performance in Malaysia.

H3: The purchasing behaviour had significant relationship with impact Covid-19 towards small and medium scale enterprises performance in Malaysia.

#### 2.2 Research Framework

A research framework has been conducted to investigate the connection between SMEs performance in Malaysia as depicted in the Figure 2.1 of the conceptual framework which was concluded from several previous researches. The research consists of an independent variable, which is the operation, supply chain and purchasing behavior. The research will focus on the analysis of independent variables towards the dependent variable which is the SMEs performance.

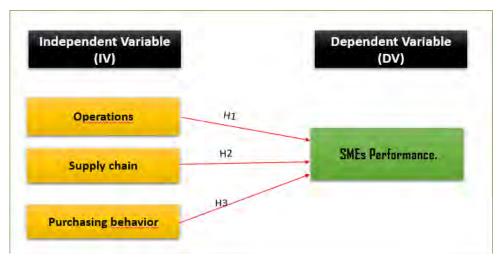


Figure 2.1 Conceptual Framework on Impact of Covid-19 on Small and Medium scale Enterprise performance in Malaysia.

#### 3 METHODOLOGY

### 3.1 Research Design

This study used the quantitative method that can be referred to the raw and numerical data collection and then analysed in terms of values and variables. These data will be gathered from survey questionnaires. The questionnaire was designed and implemented using Google Forms.

#### 3.2 Data Collection

In the first stage, data collection methods can be divided into two groups which can be classified as primary data collection methods and secondary data collection methods. The primary data collection methods based on statistical analysis including questionnaire. The secondary data collection methods based on library research.

The second stage of data collection was a fieldwork. A set of questionnaires was distributed to the population to collect the data for this research the population is the employees based on SMEs in Selangor area that is Klang valley which has many regions. The researcher randomly distributes 384 questionnaires to the respondent.

### 3.3 Sampling

A sampling method is a technique that will take the sample of members in a population. Sampling methods can be divided as either probability or non-probability. The sampling method used in this study was the sample size of 384 respondents from 1368000 SMEs employee of the populations in Selangor, this research will be utilizing a probability sampling technique which is simple random sampling.

In achieving reliable and valid sample of this study, the researchers used the equation from Krejcie & Morgan (1970) to determine the sample size. The formula will be shown as below:

$$S = \frac{x^2 N p (1 - p)}{e^2 (N - 1) + X^2 p (1 - p)}$$
n = sample size
N = population size
e = the degree of accuracy expressed as proportion (0.05)
= the table value of chi-square (using 1.96% for 95% confidence level) p = proportion of population (if unknown, 0.5)

### 3.4 Data Analysis

There were three data types of data analysis used in this study, that were reliability analysis, descriptive analysis, Spearman's rho correlation, multiple regression analysis, and pilot test. The data obtained was analysed by using Statistical Package for the Social Science (SPSS).

#### 4 FINDINGS

The study was conducted to identify the impact of Covid-19 on Small and Medium scale Enterprises performance in Malaysia. The focus point of this study is to identify identify the impact of Covid-19 on Small and Medium scale Enterprises performance between operations, supply chain and purchasing behavior. In this study, primary data from online questionnaires were collected via the Goggle Form for feedback from the respondent and secondary data from the journal and study.

The dependent variable in this study was significant for the performance of small and medium-sized enterprises. Whereas, a collection of independent variables, which include operations, supply chain and purchasing behavior. 384 responses were identified by the researcher to perform data collection through online questionnaires. The data collected was analyzed using the SPSS version 25.0 software and the analysis was based on the research methodology in this research.

The analysis of data includes descriptive analysis, reliability analysis and Spearman's rho Correlation Coefficient. The reliability test was conducted in this study to measure consistency, precision, repeatability and trustworthiness of this research. Spearman's rho Correlation also used in this research to denote relationship between two or more quantitative variable. Based on the result that researcher gained from chapter 4, the impact of Covid-19 on Small and Medium scale Enterprises performance in Malaysia. It shows that there were similarities that occur between previous study and current study which were supporting the hypothesis that has been stated in previous study.

#### **5 DISCUSSION**

This research has three objective which are to identify the relationship between the operations with impact Covid-19 towards small and medium scale enterprises performance, to identify the relationship between the supply chain with impact Covid-

19 towards small and medium scale enterprises performance, and to identify the relationship between the purchasing behavior with impact Covid-19 towards small and medium scale enterprises performance.

# The relationship between the operations with impact Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia.

RO: To find out the relationship between operations with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia.

RQ: It that any relationship between operations with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia?

Besides that, researchers have identified that there is significant relationship between operations with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia. According to the result the index of Spearman's rho Correlation Coefficient, this research accepting significant relationship between operations with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia because the result 0.626 with significant value p,0.05, it means it mean that there is a significant relationship exist between operations with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia. Therefore, the null hypothesis (Ho) was rejected because the p-value is 0.00 which is less than 0.05 and that mean there is no significant relationship that exist between both independent and dependent variable.

SMEs performance is playing a significant role in evaluating the efficiency and efficiency of every task give to the employee for a target performance area. This is because the employee can develop the strategies to achieve their target and encourage, they motivate to perform their work. Developing strategies approach can determine what activities you can devote to depending on what resources you have, which will reinforce their competitive advantage (Ballowe,2009). This situation makes the employee can give the creative idea to builds their company to be more success from their competitors.

# The relationship between the supply chain with impact Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia.

RO: To examine the relationship between supply chain with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia. RQ: It that any relationship between supply chain with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia? Besides that, researchers have identified that there is significant relationship between supply chain with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia. According to the result the index of Spearman's rho Correlation Coefficient, this research accepting significant relationship between supply chain with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia because the result 0.508 with significant value p,0.05, it means it mean that there is a significant relationship exist between supply chain with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia. Therefore, the null hypothesis (Ho) was rejected

because the p-value is 0.00 which is less than 0.05 and that mean there is no significant relationship that exist between both independent and dependent variable.

SMEs also play an important role in the political economy, helping to promote and strengthen reforms. Economically, they have an inherent interest in promoting policies that favour a level playing field, while politically, a thriving SME sector empowers and grows a strong middle class, which can then serve as a constituency seeking democratic reform and sound economic governance.

The relationship between the purchasing behavior with impact Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia. RO: To determine the relationship between purchasing behavior with the impact of Covid19 towards small and medium scale enterprises (SMEs) performance in Malaysia RQ: It that any relationship between purchasing behaviour with the impact of Covid-19 towards small and medium scale enterprises (SMEs) performance in Malaysia?

Moreover, researcher has identified that there is no significant relationship between purchasing behavior with the impact of Covid19 towards small and medium scale enterprises (SMEs) performance in Malaysia. Based on the result of the Spearman's rho Correlation Table 4.18 this research is rejected H3 because -0.252 with significant value p0.05, it means that there is a no significant relationship exist between purchasing behavior with the impact of Covid19 towards small and medium scale enterprises (SMEs) performance in Malaysia. Therefore, the null hypothesis (H0) was accepted because the p-value is 0.00 which is more than 0.05 and that mean that their significant relationship between both independent variable and dependent variable.

SMEs performance is very important due to its role in enhancing the economic conditions. To ensure sustainability, it requires understanding that it is affected by both internal and external factors. The external factors are defined as those factors where the occurrence wholly cannot be controlled by the respective SMEs or sometimes, they have a very little or minimal control over its occurrence. Those factors can be in terms of supporting economic, social, political environment, availability of funds and so forth.

#### **6 RECOMMENDATION**

The future researcher can manage to conduct the research in different area of Malaysia to enrich the local context. Different state of Malaysia will have different culture in the workplace. Future researcher can find out more information about the impact of Covid-19 on SMEs performance in Malaysia. Future researcher can know how importance of the impact of Covid-19 on SMEs performance between operation, supply chain and purchasing behaviour.

Next, the future researcher is recommended to expand the sample size and the population in order to get more accurate and diverse outcome of the study. The study was conducted only at Klang Valley Area. It is recommended that future researchers perform similar research in different states or even in Malaysia as it will lead to a different outcome. In addition, in order to improve the quality of the data obtained, the number of respondents can be expanded for future studies. To get an accurate result from larger amount of responses, future researchers must take a longer duration for data collection and analysis. In conclusion, the future researcher should consider to use quantitative method for research. Future researcher may gain deeper understanding about the relationship of

the impact of Covid-19 on SMEs performance in Malaysia. Therefore, using quantitative method may get different perspectives of the relationship between SMEs performance.

### 7 CONCLUSIONS

This study focuses on of the impact of Covid-19 on SMEs performance in Malaysia. Organizations can use the outcome of this study to determine the effectiveness and impact of of Covid-19 on SMEs performance between operation, supply chain and purchasing behavior in Malaysia. This is because it will help to build a great partnership between undergraduates and industries. Malaysian companies from either government or private sectors can also use the data to determine SMEs performance in Malaysia specially in Klang Valley Area of all Malaysian undergraduates and the impact on the future development of the country.

The minimum requirement for reliability analysis has been met from the study of the overall variable since the value of the Cronbach's Alpha coefficients is above 0.6. The independent variables identified as the operation, supply chain the significant relationship to the dependent variable known as the SMEs performance. Based on the hypothesis result, two of the H0 have been rejected while H1 and H2, have been accepted in this study. The one of the hypothesis H3 have been rejected while H0, have been accepted in this study. Most notably, this study has established that all Malaysian are nowadays really aware of the real impact of Covid-19 on SMEs performance in Malaysia They are also really concerned about the specifications of the organizations that they wish to want to work and perform well. These employee or fresh graduates are really willing to accept this operation, supply chain and purchasing behavior as necessary criteria for applying for a job or performing well in a work environment. This research was successfully completed.

#### ACKNOWLEDGEMENTS

The researcher would like to take this opportunity to express gratitude to all the people who have dedicated their time and efforts that have greatly supported me in this research study and made the research process easier to achieve. First of all, the researcher would like to express gratitude to the University of Malaysia Kelantan for the opportunity to work on this project.

The researcher would like to say thank you to her supervisor, Dr. Wan Farha Binti Wan Zulkiffli, as well as him examiner, Prof. Madya Dr. Mohammad bin Ismail, for the guidance to complete this research study smoothly. All the advice and tips given are highly respected because they helped me to make things easier. Understand and lead her to the successful conduct of the research.

In addition, special appreciation is also expressed to her beloved relatives and to my family. Fellow friends for continuous encouragement, prayers, and practical advice that works as an individual. Inspiration and encouragement to researcher still have the confidence to do the best thing in life.

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# FACTOR INFLUENCE CUSTOMER SATISFACTION IN ONLINE SHOPPING DURING COVID-19 PANDEMIC EVENTS

### Lee Hoe Yin and Siti Afiqah Binti Zainuddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <u>lhyin.a17a0167@siswa.umk.edu.mu</u>; sitiafiqah@umk.edu.my

#### Abstract:

Customer satisfaction has become the crucial phenomenon in relation to online shopping. The investigation of what cause customer satisfaction has become a paramount for online business. It is necessary to explore analyse the connection between customer satisfaction and diverse determinant in order to increase the participation of online shopping. Therefore, the purpose of the study was to identify the factors influence the customer satisfaction in online shopping during the Covid-19 pandemic events. The study measure the influence of website designs, customer services, security perception, product information quality, purchasing process convenience during the convid-19 pandemic events. The research collected data through online survey method by a structured questionnaire with five-point Likert scale from 385 respondents. Quantitative analysis and convenience sampling techniques was used in order to ensure the archiving of research objectives. There were 385 respondents have enrolled from 26,353,017 of internet users in online shopping in this quantitative study. The 385 respondents was from different gender, ages, ethnicity, religion and education level. SPSS has been use to execute reliability test, descriptive analysis, the Pearson correlation coefficient analysis, multiple regression analysis and test on the hypotheses developed. The result of the analysis exhibited that all factors had a positive and significant associated with customer satisfaction in online shopping during covid-19 pandemic events.

**Keywords**: Customer satisfaction, website designs, customer services, security perception, product information quality, purchasing process convenience, Covid-19

### 1 Introduction

Unusual retail consumer behaviour has reported all over the world during March 2020 when the COVID-19 virus escalated into a pandemic (Miri et al., 2020). The COVID-19 outbreak has affected almost every aspect of people around the world including Malaysia. With most people needing to stay home more, Malaysians have been adapting to both the outbreak and the regulations.

Technologies advancements has significantly influence any organizations in different ways. (Cascio & Montealegre, 2016). Let us not to forget about that the covid-19 pandemic events has major impact of the consumer purchasing habit. Due to the pandemic events, consumer tends make purchase through the social network platform while staying at home. Therefore, it directly leads to increase of consumption in online shopping, and with the spreading of technologies and development of smart phones appliances, the e- retail business might expanded faster than the worldwide expectation. Therefore, in order to grab more attention and views among the customer to purchase on certain e-commerce website, the company must first fulfilled the customer satisfaction.

The development of the internet web has become a stirring progress in information technology. Meanwhile, the online shopping has become widely accepted as a way to purchase product in service. It has become a more popular trending in the Internet world (Bourlakis, Papagiannidis, & Fox, 2008), especially during the Covid-19 pandemic events. Most of the people has being forced to stay at home during the pandemic. Therefore, the number of consumer purchasing through online shopping is increased.. It also provides consumer more information and choices to compare product and price, more choice, convenience, easier to find anything online (Butler & Peppard, 1998). It helps consumers to make purchases anytime and save their time as online shopping continues to evolve technologically, the firm has to understand what factor will influence the customer decision-making and their decision.

The consumer will have different spending experiences in an online channel. Although they have purchased the same product online, the product they purchase in different retailers have given different purchasing experiences to the customer. Most of the ecommerce business is trying to keep customers returning and help them remain loyal to the business (Hudson, 2020). When the customer satisfy with the particular store, they will make purchase there more (Khalifa & Liu, 2007). The e-commerce business is also trying to build loyalty to the customer because there are wide choices of products that provided in the market and the customer can easily switch between a few options as consideration. In fact, when the performance of the online store doesn't meet the customer expectation, it will lead to dissatisfaction on customer perspective, whereas the customer will satisfied when the performance meets the expectation (Swan & Combs, 1976). In generally, a highly satisfied customer will stay for a company for a longer period of time (Williams & Naumann, 2011). When the customer has many choices, the customer power is build and most of the firm will try to catch the customer's eyes.

The past finding and research about the customer satisfaction is inconsistent and some contradictory findings. Hence, it is believed that there are no agreement among the research about the significant factors influencing customer satisfaction. Therefore, the main purpose of this study is to identify the factors influencing the customer satisfaction in online shopping during the Covid-19 pandemic events. The result of this study will contributed to developing a theoretical model to measure factors influence customer satisfaction in online shopping during Covid-19 pandemic events.

### **Research Objectives**

The objective of the research is to study what factor will influence the customer satisfaction in online shopping during the Covid-19 pandemic event. This research also aim to examine

the independent variable of design of websites, the quality product and service, the security and privacy of websites and the price of product and service offered during the Covid-19 pandemic event. More specifically, the proposed study is:

To determine the influence of website design on customer satisfaction during the Covid-19 pandemic events.

To determine the influence of customer services on customer satisfaction during the Covid-19 pandemic events.

To determine the influence of security perception on customer satisfaction during the Covid-19 pandemic events.

To determine the influence of the product information quality on customer satisfaction during the Covid-19 pandemic events.

To determine the influence of the purchasing process convenience on customer satisfaction during the Covid-19 pandemic events.

### Significance of Research

#### Organizations

Through this research, the organizations in Malaysia can understand and get valuable insights on how the factors give impact and influence the customer satisfaction towards online shopping during the pandemic event in the future.

#### Consumer

From the consumer point of view, consumers are able to get more concern from the marketers with the online shopping dimensions such as security perception, product information quality, customer services and website design. Hence, consumers tend to feel relaxed and pleased while making purchases through online shopping meanwhile feel secure and safe too when doing payment and transaction via online shopping.

#### Future Researcher

This research may provide a guideline for future researchers to investigate the factors influencing customer satisfaction in online shopping with certain improvement and development of new theories. It contributes to the future research where researchers can address some of the limitations from this study and have advanced research on suggesting better factors to improve online industry management and strategies in order to alter the customer satisfaction toward online shopping during any pandemic event in the future.

#### Literature Review

### **Dependent Variable**

#### Customer Satisfaction

According to research, customer satisfaction is defined as customer expectations prior to purchase or use of the product or services, then the building of perceptions towards performance of the consumed product or services. (Anderson & Karunamoorthy, 2003) Customer satisfaction is achieved when the actual performance of the products/ services meets or exceeds the initial expectation of the performance. Customer satisfaction is crucial

as it is the indicator that leads to customer repurchases intentions and loyalty. (Copley, 2017)

### **Independent Variable**

Website Design

Some key of website satisfaction and trust is how the information design, navigation design and visual design is being applied for the website. One of the features of websites quality is a creative and attractive design that offers uncluttered screens, simple search path, appropriate content and fast presentation. Well-designed website helps customers to find the information faster and indirectly reduce mismatches that leads to acceptance of the site. Normally people will first recognize how credit a website is by considering other factors (Park & Kim, 2003). The quality of the website and feature is important to be consider because it has influenced the consumer in online shopping. An in-affective and poorly designed website will scare the customer away (Ha & Stoel, 2012). The customers are less likely to return to a site after a bad experience (Ha & Stoel, 2012) Majority of the customers will continuously visit a website when the website is effective and attractive (Park & Kim, 2003). (Kim & Stoel, 2004) has stated that people will stop to visit a website if it is not attractive. Therefore, the design and layout of the website is important because a good website will help the e-commerce operator expand its sphere of influence and create leads in e-commerce platforms.

### Security Perception

One of the important features to catch customer satisfaction and trust are by having a good security and privacy implementation. Security and Privacy refers to security of the online purchasing environment in terms of hackers' attacks, credit card fraud, non-delivery risk, bank information disclosure, post purchase service and keeping personal privacy secure. In simple, it includes data or transaction security and authentication of the user are protected from any unauthorized use of information disclosure during the online shopping. Privacy related to the situation where customer data is being kept safely and their credit card is secure. Besides, the functionality and usability, e-commerce websites must pay attention to their security and privacy policies. According to (Suh & Han, 2003), security and privacy are the biggest issues in online shopping. The higher the system security, the higher will be the customer satisfaction, and the speed of service. (Oxley & Yeung, 2001) confirmed that online shopping is widely preferred because it provides easy access to large amounts of information. (Kolsaker & Payne, July 2002), maintain that

security reflects perception regarding the reliability of the payment methods used and the mechanism of data transmission and storage. Therefore, the security perception has strong relationship with customer satisfaction in online shopping.

#### Customer Services

In general, customer service can be identified as willingness of personnel to help in solving problems and provide prompt responses to enquiries (Chang & Chen, 2009). Several researches have been undertaken to examine the effect of customer service on customer satisfaction. There are some researcher whom mentioned that customer services as the strong determinant factor in affecting the customer satisfaction. (Ranjbarian, Fathi, & Rezaei, 2012); (Trong, Khanh N. T. V., & Gim, 2014); (Guo, Ling, & Liu, 2012) and (Nugroho & Dharmesti, 2012). Also, the finding of their result has indicated that customer services has strong significant relationship with the customer satisfaction. (Thilakarathne & Abeysekara, 2016) have stated customer service as a hygiene factor in which influence the customer satisfaction. Therefore, the absence of quality customer service can have an adverse impact on customer satisfaction.

#### Product Information Quality

Product information quality refers to whether an online website provides sufficient, up to date, understandable and consistent information about its products (Maditinos & Theodoridis, 2010). A product is an anything that can be found in a market in which can satisfy individual has needs and wants. It can be anything likes goods, services, place, people, an idea or things that can fulfil and satisfying consumer needs and wants. According to (Tjiptono, 1997), a good quality product can characterised as a product free of defects and defects that can be recognised by eight main parameters, such as product performance, product characteristics, product reliability, product validation, product longevity, serviceability, aesthetics and quality perception. (Liu, He, Gao, & Xie, 2008), stated that the details of product information should provide since the product is intangible in the online platform. Therefore, customer is highly rely on the information that provides by the website during the purchasing process. The quality information presented by the website assists customers in comparing products, making informed purchase decisions and enhancing transaction security (Lin, 2007). Therefore, the product information

quality listed by the website has strong relationship with customer satisfaction which might give impact in influencing the customer buying decision.

### Purchasing Process Convenience

Purchasing process convenience refers to the level of convenience and easiness of auser is on purchasing a product (Kim H.-R., 2005). It highlighted the easiness, comfortable and convenience associated when making a purchase through online shopping websites. According to (Maditinos & Theodoridis, 2010), it is imperative for an online shopper to provide simplified, easy and quick purchasing process for the customer. A few study and statement has revealed that the more convenience is the purchasing process for the customers, the higher the level of satisfaction they have attributed toward the online shop. This statement of relationship has been further confirm by few researcher and studies whom are (Szymanski & Hise, 2000) (Cho & Park, 2001) (Kim H.-R., 2005) (Schaupp & Bélanger, 2005) (Maditinos & Theodoridis, 2010) (Gelard & Negahdari, 2011). On the research study (Deyalage & Kulathunga, 2019) the Sri Lanka context also conclude that customer experience during the Internet Banking activities is directly influenced by customer satisfaction (Silva & Abeysekara, 2012). Consumers tend to have online shopping activities on the websites that they assume that it is transaction safe, simple, profitable, and low risk. When the website provide an easy and convenience purchasing process, it will increase the customer satisfaction which will lead to increase of customer enrolment on the online store.

### **Conceptual Framework and Hypothesis**

This framework is adopt from (Deyalage & Kulathunga, 2019). This research is aimed to investigate the impact of the factor on customer satisfaction in online shopping with variables shown in figure 1. Based on the relevant conceptual framework that has stated in the previous section, the four independent variables are website design, security perception, customer services and product information quality. The dependent variable in this research is customer satisfaction in online shopping. The conceptual framework is develop based on the theoretical framework proposed by (Deyalage & Kulathunga, 2019).

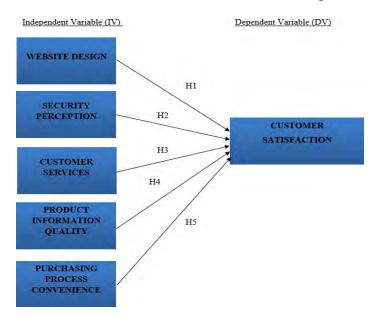


Figure 1: Proposed Conceptual Framework Sources: (Deyalage & Kulathunga, 2019)

The following hypotheses were formulated and verified using a quantitative research design;

**H<sub>1</sub>:** There is a positive and significant relationship between the design of website design and customer satisfaction in online shopping during Covid-19 pandemic events.

**H<sub>2</sub>:** There is a positive and significant relationship between customer services and customer satisfaction in online shopping during Covid-19 pandemic events.

**H**<sub>3</sub>: There is a positive and significant relationship between the security perception and customer satisfaction in online shopping during Covid-19 pandemic events.

**H<sub>4</sub>:** There is a positive and significant relationship between the product information quality and customer satisfaction in online shopping during Covid-19 pandemic events.

**H**<sub>5</sub>: There is a positive and significant relationship between the purchasing process convenience and customer satisfaction in online shopping during Covid-19 pandemic events.

### Methodology

### **Research Design**

This research study will use quantitative research methods. Quantitative approach is select for a larger target respondents' sample size and includes multiple types of measurement and analysis (Sekaran U., 2003). According to (Madrigal & McClain, 2012), conducting research by using this method allows researchers to gather and analyse data collected and use for further hypothesis tests in order to determine the relationship between dependent variables (customer satisfaction) and independent variables (website design, product information quality, security perception, and customer service).

#### **Data Collection**

Data collection is a crucial part of any type of research study. Where in this study, this part plays a vital role in collecting information from all the relevant sources. Both primary data and secondary data will be used in the research. Both data are collected for the purpose of doing statistical analysis.

### **Sampling Techniques**

In our research which studies customer satisfaction in online shopping during Covid-19 pandemic event, they show that it consists of a big area of size. That is why convenience sampling is the most suitable compared to other techniques. A convenience sample is simply one where the units that are selected for inclusion in the sample are easiest to access. Convenience sampling is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. We used a website platform. In its basic form, convenience-sampling methods can be applied even in Facebook, Google Form or WhatsApp if they were shared by some individuals.

### **Population**

Population is a group of individuals that is related to research studies taken from the general population who share a common characteristic, such as gender, age, income or employment status (McLeod, 2019)Therefore, the respondents of this study are targeted at customers who experienced online shopping during Covid-19 pandemic event.

### Sample Size

Sample size is the number of respondents in this research study, which represents a subset of the population (Sekaran U., 2003). According to the research by (Internet World Stats, Usage and population statistics,, 2020), the total population in Malaysia is 32,365,999 and there are around 26,353,017 of internet users which penetrates 81.4% of the population. Based on survey portal Statista, 30million of people will be accessing the internet in 2020. The statistic projected that the users would grow up to 33.5 million by 2025. Therefore, the sample sizes for a population more than 10,000,000 at the 95% confidence level are 385 respondents. (Saunders, Lewis, & Thornhill, 2020)

### **Research Instrument Development**

Survey questionnaires are used as an instrument to find numerous aspects of respondent perception in this research. There are three sections in the design of the questionnaire. The first section of the questionnaire allows the researcher to know the identity of respondents that take part in this research (demographic information) such as gender, age, education, etc. The second section of the questionnaire elaborated the five main independent variables (website design, customer services, security perception, purchasing process convenience and product information quality. The third section of the questionnaire elaborated the dependent variable (customer satisfaction) of the research. Five-point scale option would be used in this research, ranging from "strongly disagree" to "strongly agree".

Table 1: The adoption of questionnaire measurement.

Construct	Adapted From
Website Design	(Park & Kim, 2003); (Lee & Lin, 2005); (Liu, He, Gao, & Xie, 2008); (Maditinos & Theodoridis, 2010)
Customer Services	(Wang, Tang, & Tang, 2001); (Liu, He, Gao, & Xie, 2008); (Chang, Wang, & Yang, 2009); (Jiang & Rosenbloom, 2015)
Security Perception	(Yue & Liang, 2002); (Park & Kim, 2003); (Liu, He, Gao, & Xie, 2008); (Maditinos & Theodoridis, 2010)

Product Information Quality	(Cho & Park, 2001); (Park & Kim, 2003); (Kim	
	HR., 2005); (Maditinos & Theodoridis, 2010)	
Purchasing Process Convenience	(Park & Kim, 2003); (Kim HR., 2005);	
	(Maditinos & Theodoridis, 2010)	
Customer Satisfaction	(Liu, He, Gao, & Xie, 2008); (Flavián, Guinalíu,	
	& Gurrea, 2006); (Tandon, Kiran, & Sah, 2017)	

### **Data Analysis and Findings**

Data are collected from respondents who have already made online purchase and encoded in SPSS 25.0 software for analysis. It is analysed using descriptive statistics analysis, reliability statistics analysis, Pearson Correlation coefficient and multiple regression analysis.

### Respondent's Profile

Table 2: Demographic profile of sample

Demographic Factors	Categories	Frequency	Percentage
Gandan	Female	246	63.9
Gender	Male	246 139 1or under 82 old 215 old 58 1and above 30 46 285 36 18 45 222 39 79 12 34 34 degree 211	36.1
	19 years old or under	82	21.3
A 00	20-25 years old	215	55.8
Age	26-30 years old	58	15.1
	31 years old and above	30	7.8
	Malay	46	9.5
Ethnicity	actors  Female Male  19 years old or under 20-25 years old 26-30 years old 31 years old and above  Malay Chinese Indian Others  Islam Buddhist Hindu Others  SPM STPM Diploma Bachelor of degree Master	285	58.8
Ethnicity		36	7.4
	Others	25 years old 215 30 years old 58 years old and above 30 ay 46 nese 285 an 36 ers 18 m 45 dhist 222 du 39 ers 79 M 12 M 34 loma 34	3.7
	Islam	45	11.7
Religion	Male  19 years old or under 20-25 years old 26-30 years old 31 years old and above  Malay Chinese Indian Others  Islam Buddhist Hindu Others  SPM STPM Diploma Bachelor of degree	222	57.7
Kengion	Hindu	39	10.1
	Others	79	20.5
	SPM	12	3.1
	Female Male  19 years old or under 20-25 years old 26-30 years old 31 years old and above  Malay Chinese Indian Others  Islam Buddhist Hindu Others  SPM STPM Diploma Bachelor of degree Master	34	8.8
Education Level	Diploma	34	8.8
Education Level	Bachelor of degree	211	54.8
	Master	14	3.6
	PhD	15	3.9

	Others	65	16.9
Online Shopping	No	23	4.7
Habits	Yes	362	74.6
Encourage of Online	Everyday	53	13.8
Frequency of Online Shopping	3-4 times weekly	144	37.4
Shopping	1-2 times weekly	188	48.8

As presented in Table 2, analysis of respondents' demographic characteristics indicated a higher percentage of female respondents (63.9%) compared to male respondents (36.1%). In addition, majority of the respondents (55.8%) were from the age group 20 - 25 years old. On the other hand, the highest amount of group of respondents in ethnicity is Chinese with 185 respondents (58.8%). Same to the religion, Buddhist has the highest number of respondents with 222 (57.7%). In terms of highest education level, 211 respondents (54.8%) has undergoes Bachelor of degree. there are a large number of respondent, 362 whom have online shopping habits with the percentage of 74.6% compare to the respondent who don't have the online shopping habits is only 23 respondents with 4.7%. Furthermore, 188 (48.8%) respondents have online shopping 1 to

2 times weekly and 144 (37.4%) respondents have online shopping 3 to 4 times weekly. There are only 53 (13.8%) of respondents whom have online shopping in every day.

### **Reliability Analysis**

Based on (Lavrakas, 2006), the level of reliability can be categorized into 6 groups, which are excellent reliability that range more than 0.9, good reliability range between 0.80 to 0.90, acceptable reliability that range between 0.70 to 0.80, questionable reliability range between 0.60 to 0.70, poor reliability that range between 0.50 to 0.60 and lastly the unacceptable reliability that range lower than 0.5.

Table 3: Reliability Test Results

Variable	able Dimensions		Reliability
Dependent variable	Customer Satisfaction	0.728	Acceptable
Independent Variables	Website Design	0.724	Acceptable
_	Customer Services	0.720	Acceptable

Security Perception	0.744	Acceptable
Product Information Quality	0.765	Acceptable
Purchasing Process Convenience	0.549	Poor

Based on the result of reliability test, there are two level of reliability consist in this questionnaire, there are poor internal consistency of reliability on the Purchasing Process Convenience. Otherwise, the Cronbach's Alpha value for the rest valuable is lie between the value of 0.70 to 0.80 which label as acceptable internal consistency of reliability.

### **Pearson Correlation Coefficient**

Table .4: Summary for Pearson Correlation

	Customer satisfaction			
	Pearson Correlation	P- Value	Interpretation	Hypothesis result
Website Design	0.726	0.000	Strong and positive relationship	Supported
Customer Services	0.758	0.000	Strong and positive relationship	Supported
Security Perception	0.733	0.000	Strong and positive relationship	Supported
Product Information Quality	0.767	0.000	Strong and positive relationship	Supported
Purchasing Process Convenienc e	0.754	0.000	Strong and positive relationship	Supported

As shown in Table 4, Pearson correlation coefficients for website design, security perception, customer service, purchasing process convenience and product information quality are positive and significant (p<0.05). This indicates that each of these five

variables has a positive and significant effect on online customer satisfaction. Therefore, hypotheses H1, H2, H3, H4 and H5 are accepted.

### **Multiple Regression Analysis**

Table .5: Summary for Multiple Regression Analysis

	Coefficien	ıts <sup>a</sup>				
		Unstandardized Coefficients		Standardize d Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	.436	.128		3.413	.001
	Website Design	.191	.044	.186	4.323	.000
	Customer Services	.200	.055	.186	3.670	.000
	Security Perception	.099	.046	.107	2.155	.032
	Product Information Quality	.219	.046	.233	4.749	.000
	Purchasing Process Convenience	.392	.069	.250	5.659	.000

According table 4.23, the independent variable which are from purchasing process convenience, security perception, website design, product information quality, customer

services has positive effect with customer satisfaction. The p-value for purchasing process convenience, security perception, website design, product information quality, customer

services is less than level of significance (0.05).

#### 5.0 Discussion and Recommendation

There are a few thoughts of recommendation for the future researcher in enhancing the online shopping customer satisfaction during the Covid-19 pandemic events. The researcher are recommended to expand their sample size and population of the study worldwide but not only in Malaysia. The bigger the population is for the sample size, the higher the accuracy of the significant relationship between the determinant factors and customer satisfaction in online shopping. Therefore, future researcher can continue the

research with more respondents in order to get an accurate data about the most significant relationship of the factor and customer satisfaction in online shopping during the Covid-19 pandemic events.

In order to have more accurate measurement during the process of data collection, future researcher were suggested to look for more significant method of distribution of questionnaire to gain more accurate result from the respondents. An implementation of good data collection method in distribution of questionnaire might lead to gain more respondents from different demographic profile. Future research might consider to use a professional survey website in collecting response from respondents. A wider range of respondents can be reach and more data that are accurate can be measured through the survey website

Lastly, the researcher are recommended to increase the variable in demographic profile such as income level. Analysing more on the difference between demographic profiles would give a good explanation on the trait of the targeted respondent. The data collected would be more accurate with the increase of variable in demographic profile.

#### 6.0 Conclusion

The objective of the study was to identify the factors influence customer satisfaction in online shopping during covid-19 pandemic events. The literature review has formed in order to achieve this objectives. Based on the conceptual framework built, theresearcher suggested five hypothesis for this study. Data collected were analysed using Statistical package for social sciences (SPSS). The system is used to execute reliability test, descriptive analysis, the Pearson correlation coefficient analysis, multiple regression analysis and test on the hypotheses developed. Through the data analysed, it has revealed that all the determinant factor which are the customer service, website design, security perception, product information quality and purchasing process convenience have significant effects on online customer satisfaction. Amongst the factors, product information quality was identified as the most important factor followed by customer services, purchasing process convenience, security perception and lastly, website design.

There are a few limitations can be found in this research for the future researcher. Despite the advantages from this research, the limitations from this research might give attention to the future researcher in order to help them in learning and gaining knowledge. The use of method encountered a lot of challenge and barriers during process of data collection. In order to prevent the similar problems occur in the future research, some recommendation and suggestion have been done to avoid similar circumstances happens in future research.

First of all, the conceptual model is developed using only five independent variable which are purchasing process convenience, security perception, website design, product information quality, customer services. The research had also done by many researcher in the past. Therefore, there are other more factors affecting the customer satisfaction in online shopping which were not examined in this research. Future researcher is advised to study more factors to give further proved the past research. In order to accurately measure the factor influence the online shopping customer satisfaction, some innovative ideal can be occur during the process of building the research.

Furthermore, the method used in distribution is done by using Google Form link through social network platform. The distribution getting from social network but not in real-time were believed that the response had no insight regarding the respondents' honest opinions and perceptions. Some data might not accurate cause the research outcome to be limited.

# 8.0 Acknowledgements

I would like to express my sincere appreciation and thanks to several individuals and organizations who gave guidance and support to me throughout the working of my research paper.

First and foremost, I would like to give sincere appreciation to my Final Year Project Supervisor, Madam Site Abiah binti Zainuddin, for her patient, insightful comments, helpful information, inspiration and guiding me throughout the entire research project. Without her support and guidance, this project would have been a failure. I could not have imagined having a better supervisor in my study.

I also wish to give special thanks to University Malaysia Kelantan (UMK) for giving us the opportunity to be involved in the research. Throughout this research, we gain a lot of experience, knowledge and exposure to a new circumference which is going to benefit us in the future.

Finally yet importantly, we would like to express our ultimate appreciation to those respondents who are willing to help by spending their precious time responding to the questionnaire of the research project. Besides that, we would like to thank our family members, friends, course mates and group mates for helping and supporting us until the research project ends.

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# FACTORS AFFECT THE ATTITUDE OF ONLINE PURCHASING DURING PANDEMIC COVID-19 AT MUKIM HULU LANGAT

### Mohamad Kamal Bin Bujang and Norfazlirda Binti Hairani

Faculty of entrepreneurship and business, University Malaysia Kelantan, Malaysia

Email: kamal.a16a0357@siswa.umk.edu.my; fazlirda.h@umk.edu.my

#### Abstract:

Online shopping is a trend that is now growing rapidly. A look at the main players in this industry's exponential growth shows that there is still a huge pool of online shopping platform and potential. The convenience of online shopping makes it a trend that is emerging among consumers. The proliferation of online shopping has increased at Mukim Hulu Langat.

#### 1 INTRODUCTION

In this chapter one deals with the introduction to this thesis and comprises seven key components, which are background of study, problem statement, research objective, research questions, scope of study, and study purpose. This study focuses primarily on factors that affect the attitude when online purchasing during pandemic covid-19 among Mukim Hulu Langat residents. In this study, the researcher analyze the factors that affect the attitude of Mukim Hulu Langat resident to buy online purchasing during pandemic covid-19.

#### 2 SIGNIFICANCE OF STUDY

Based on this study, the researcher who attempted to state the findings of this study could provide a brief explanation of the significance of the study given to five groups, namely government, online merchants, transportation companies, customers, retail students and future researchers.

#### 3 LITERATURE REVIEW

#### 3.1 RELATIVE ADVANTAGE

The relative advantage is that an invention is considered to deliver more advantages than it does (Rogers, 2003). Consumers use online shopping on the basis of the principle of progress if they see relative gain over conventional shopping. Shopping strategies, such as reduced prices or saving time and effort, are more convenient for shopping online (Choudhury and Karahanna, 2008). The user should be happy with these extra benefits, or choose to remain in the conventional buying system, or turn to online shopping (Hsiao, 2009).

#### 3.2 PERCEIVED WEBSITE REPUTATION

Corporate credibility is commonly described as insofar as companies and people in industry assume that companies are honest and caring for their customers (Keh and Xie, 2009). Websites are known to be the degree of popularity websites are accessible to users" (Hsiao et al. 2010, p. 940), but their visuality, uniqueness, originality, clarity and accuracy are typically a justification for the popularity and reputation of the website.

#### 3.3 TRUST

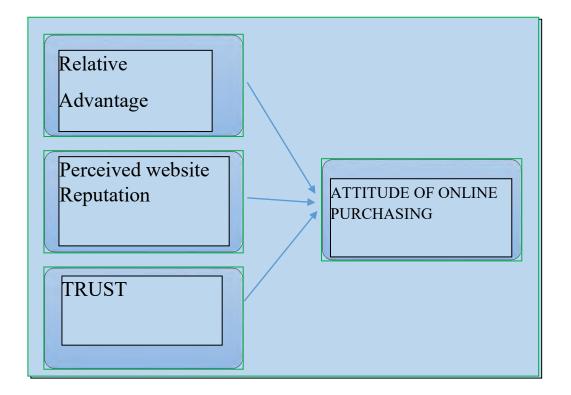
The confidence has been theorised as the direct determinant of the attitude because of the high degree of unsureness and dynamism of the Internet (Gefen and Straob, 2003; Hassanein and Head, 2007; Lin, 2011). Given the ambiguity and multidimensionality of the term (Hassanein & Head, 2007), in related literature there are many different meanings of confidence. For instance, Barney and Hansen (1994, pp. 176) described trust as the reciprocal trust that no exchange party will exploit the vulnerabilities of another party." Mayer etal. (1995) established "a party's readiness to be vulnerable to the actions of a third party on the basis that the other person is required to perform some action which is relevant for the trustee

### 3.4 HYPOTHESES STATEMENT

- H1: Relative advantage has a significant positive influence on attitude toward online shopping.
- H2: Perceived website reputation has a significant positive influence on perceived website image.
- H3: Trust has a positive significant impact on attitude toward online shopping

### 3.5 CONCEPTUAL FRAMEWORK

Table 2.4.1: Conceptual Framework



### 3.6 RESEARCH DESIGN

Analysis methods are research techniques, from underlying theory to the design and collection of research data (Myers & Avison, 2002). This trial uses cross-sectional experiments to gather data only once. In addition, the survey method appears to be very reasonable because it is the best methodology for this analysis. According to the survey Zikmund (2000), data collection from study respondents is cheap and highly efficient. The evaluating unit involves people who make transactions online from Mukim Hulu Langat. Self-managed questionnaires were used to collect about each element of study.

#### 3.7 DATA COLLECTION METHODS

The data collection method is based on John Dudovskiy (2014) to collect information from all relevant sources in order to find answers to the research issue, test the hypothesis and analyse results. Data collection methods can be classified into two categories: primary data collection methods and secondary data collection methods. The sources obtained firstly in the study are secondary data published in both faculty offices (data from publicly accessible sources).

#### 3.8 SAMPLING

Sampling is an investigation of evidence that uses an advanced number of experiences from a wider population. The method used to examine a wider population depends on the type of investigation that is carried out, but may involve subjective inspection or orderly monitoring. The analyst will use tests without chance as an inspection technique for this exploration. Nonprobability inspections are a review technique, where an example of a process that does not allow every single person equal opportunity to be chosen in the population. Five sampling techniques, such as quota sampling, convenience sampling, selective sampling and snowball sampling, are available for unlikely sampling.

### 3.9 PROCEDURE FOR DATA ANALYSIS

Data Analysis is the method by which raw data is gathered from questionnaires, according to Jay Sridhar (2018) to find useful and useful information. In order to evaluate the data obtained from respondents, we have used the Social Sciences Statistical Kit (SPSS). SPSS is a programmed to assist researchers in the input and analysis of the data and to also improve table analysis, according to Daniel (2014). Selected techniques were evaluated for the results of this study based on the research objectives.

# 4 FINDING 4.1 DEMOGRAPHIC

Descriptive analysis was performed for the knowledge continuum in Section A, where the baseline data on the statistical profile of 424 respondents participating in the study were simplified. All the questionnaires were completed and taken as a sample. In the first section, Section A of the questionnaire was the population profile of the respondents. Section A questioned about age, gender, race, status, employment, monthly income and online buying frequency

Table 4.1: Profile of respondent

Variable	Category	Frequency	Percentage
Age	20years<	47	11.1
	21-30year	229	54.0
	31-40	102	24.1
	years	46	10.8
	41 and >		
Gender	Male	101	23.8
	Female	323	76.2
Race	Malay	384	91.7
	Chine	7	1.7
	se	7	1.7
	Indian	21	5.0
	Other		
	S		
Status	Single	205	48.3
	Married	209	49.3
	Others	10	2.4
Employment	Working	216	50.9
	Not working	114	26.9

	S Employed	93	21.9
	el		
	f		
Monthly income	R 1000 <	129	30.4
	M		
	R 1001-2001	145	34.2
	M		
	R 2001-3000	85	20.0
	M		
	R 3001 >	63	14.9
	M		
Frequency online	Daily	31	7.3
channing	Weekly	196	46.2
shopping	Monthly	197	46.5

### 4.2 VALIDITY AND RELIABILITY TEST

The Alpha reliability test emphasis of Cronbach is aimed at measuring every item and examining how well the item can be connected together in this current analysis. The Cronbach Alpha Coefficient rules of the thumb have been stated in table Bhatnagar et al. (2014):

Reliability test for relative advantage

CRONBACH'S ALPHA	N OF ITEMS
O.73	4

### Reliability test for perceived website reputation

CRONBACH'S ALPHA	N OF ITEMS
O.69	4

# Reliability test for trust

CRONBACH'S ALPHA	N OF ITEMS
O.75	4

### Reliability test for attitude of online purchasing

CRONBACH'S ALPHA	N OF ITEMS
O.77	4

# 4.3 DESCRIPTIVE ANALYSIS

Table 4.3.1: Independent Variable and Dependent Variable

Descripti	ve Statistics				
	N	Minimu m	Maximu m	Mean	Std. Deviati on
MEANI V 1	424	1.00	4.00	3.3986	.44633
MEANI V 2	424	1.00	4.00	3.3897	.45229
MEANI V 3	424	1.00	4.00	3.4811	.44489
MEAND V	424	1.50	4.00	3.2960	.52390
Valid N (list wise)	424				

Variable	Mean (std)	Relative advanta ge	Perceive d website reputati on	Trust	Attitude of online purchasi ng
Relative	3.40 (0.45)	1	0.570	0.621	0.599
advantage					
Receiv	3.39 (0.45)	0.57	1	0.572	0.659
ed					
website					
reputation					
Trust	3.48 (0.44)	0.621	0.572	1	0.498
Attitude of	3.30 (0.52)	0.599	0.659	0.498	1
online					
purchasing					

# 4.4 DISCUSION

Variable	Simple	Simple linear regression		Multiple linear regression		
	b	t (95% CI)	P=value	b	t (95% CI)	P=value
Relative	0.66	15.19(0.61,0.79	< 0.001	0.36	6.58(0.25,0.47)	< 0.001
advanta		)				
ge						
Perceived	0.77	17.99(0.68,0.85	< 0.001	0.54	10.48(0.44,0.64	< 0.001
website		)			)	
reputati						
on						
Trust	0.58	7.13(0.48,0.68)	< 0.001	0.05	0.83(-	0.41
					0.06,0.15)	

### 4.5 HYPOTHESIS

Hypothesis testing are summarized in the Table 4.6.3 as below:

	Hypothesis	Significant value	Strength Of Association	Supported or Rejected
H1	There is significant relationship between relative advantage and attitude of online purchasing	0.60	Substantial	Accept hypothes is supporte d
H2	There is significant relationship between perceived website reputation and attitude of online purchasing	0.66	Substantial	Accept hypothes is supporte d
Н3	There is significant relationship between trust and attitude of online purchasing	0.50	Substantial	Accept hypothes is supporte d

### 5 RECOMMENDATIONS

In order to carry on future research on this topic, many aspects can be improved. The present study has been performed in Mukim Hulu Langat and respondents from different backgrounds in this field were targeted. For more researchers, the sample size and population should be expanded in order to obtain more precise results. In other districts the study may be carried out to further assess the other. Different fields of sampling may acquire different results of study. More respondents should be used in future studies.

#### 6 CONCLUSION

This study has been carried out to determine the attitude of online purchasing. Researchers collected and collected data through a questionnaire involving several consumer attitudes established in this research. This research was therefore carried out for the resident of Hulu Langat in order to find the location of online buying in Mukim Hulu Langat.

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# FACTORS THAT INFLUENCES THE CONSUMER INTENTION TO USE FOODPANDA SERVICE IN MALAYSIA

Mohamad Nur Najmi Bin Zahari and Nadia Hanum Binti Amiruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: najmi.a17a0216@siswa.umk.edu.my; nhanum@umk.edu.my

#### Abstract:

The purpose of this research is to examine the factors that influence the intention of consumers to use the Foodpanda service. Nowadays, many people order food using the Foodpanda app. They are just waiting for the food ordered to be delivered by the Foodpanda delivery to their home. fluctuating and current economic conditions are unstable. Over time, the service provided by Foodpanda has become better and more customers. Therefore, this research examines the relationship between service quality, price, customer service, and delivery time with consumer intentions. The quantitative research design was used and conducted on 384 respondents consisting of Foodpanda users in Malaysia. The results show that all factors such as quality service, price, customer service, and time delivery have a significant positive relationship between consumer intention to use Foodpandade service. Based on reability, the price factor is the most dominant factor that affects the intention of consumers to use Foodpanda service. The result is to increase the knowledge of researchers and clothing marketers to better understand the buying behavior on clothing trends among women in Kelantan in particular. The proposal for future research is to conduct research in each state to obtain more detailed and in-depth data.

Keywords: Service Quality, Price, Customer Service, Time Delivery, and consumer Intention

#### 1 Introduction

Foodpanda was founded in Berlin, Germany in 2012 and developed its business as a mobile food delivery marketplace recently available in 11 countries. Foodpanda has expanded its business in Malaysia since 2018. It offers cooking styles from more than 115,000 restaurants around the globe. The organization licenses customers to orchestrate their optimal sustenances from close by bistros and spot orders by methods for the site or flexible application.

The mission of Foodpanda is to make a relationship between the culinary master and customers and bring scrumptious sustenance for the customers. Foodpanda contains different food classes and diner menus in the food door enabling the customers to orchestrate the food through the applications or the site. By then, it will genuinely quantify and send the solicitation to the associate diners. Starting there forward, the laborers will pass on the food and remind the customers to assemble their solicitations by sending the SMS or the call. The customer may make portion with either cash close by or web banking (Sparta, Alsumait, and Joshi, 2019). Agent Loyalty is one of the critical components for the achievement of Foodpanda. The affiliation's unfaltering quality makes their delegates trust the association and promises them to contribute. Agent immovability is basically the specialist vow to relinquish their preferred position for affiliation (Elegido, 2013).

In Malaysia, such an application isn't diverse to us since we had Foodpanda transport before this yet people still enthusiastically to buy using Grab Food application. In Malaysia, food delivery service is a very common service provided by Malaysian beside transport service. Beside restaurant, people who do not have a restaurant also offer food delivery service. Nowadays, there are many food delivery systems that are available in Malaysia. For example, FoodPanda Food Delivery & Takeout, Mammam Deliveries and KFC Delivery. However, there is no current food delivery system that allow people who do not have a restaurant that offers food delivery service to promote the service. I want to study about Foodpanda because it is one of the main uses for consumers to order food. This is because the number of users who use the Foodpanda service is constantly increasing every year. Apart from that, I would also like to know about the factors that influence the intention of consumers in use Foodpanda service in Malaysia.

### 1.1 Research Objectives

To examine the relationship between service quality and consumer intention to use Foodpanda service in Malaysia.

To examine the relationship between price and consumer intention to use Foodpanda service in Malaysia.

To examine the relationship between customer service and consumer intention to use Foodpanda service in Malaysia.

To examine the relationship between time delivery and consumer intention to use Foodpanda service in Malaysia.

To examine the most factor, influence consumer intention to use Foodpanda service in Malaysia.

# 1.2 Significance of Study

This study examines the factors influencing the intention of consumers to use Foodpanda services in Malaysia. The significance of this investigation is to know the principle points of interest of foodpanda contrasted with others. Foopanda consumer will have the option to know the benefits of Foodpanda contrasted with other food conveyance organizations. Furthermore, this examination is significant for Foodpanda riders. They will know the benefits of Foodpanda and will be more keen on working with Foodpanda. Next, this examination is likewise significant for eatery proprietors. This is on the grounds that they will find out about Foodpanda. Eatery proprietors will be more keen on working with Foodpanda and they will have more trust in the administrations offered by Foodpanda because of this investigation. This is on the grounds that trust is a significant idea in internet shopping since it can help decrease customer vulnerability and lessen the dangers related with buying from sellers (McKnight, D.H., V. Choudhury, and C. Kacmar, 2002). The consequences of this exploration are significant and valuable to Foodpanda shopper, foodpanda riders, and café proprietors.

### 2 Literature Review

### 2.1 Foodpanda service quality

The service quality greatly influences consumers to use the company's services. Basically, service quality is a type of client recognition during the buy cycle and furthermore when items/administrations are conveyed and perceived as holes model that is an examination between clients the view of administration is felt as per their desires. As per Zeithaml et. Al. (2002) the nature of e-administrations is characterized as the degree to which site encourages proficient, powerful buy, buy and conveyance items and administrations and quality Websites assume a

significant part in deciding the web client experience. Again the nature of administration E can be characterized in general client assessment and assessment of administration conveyance greatness and quality in the virtual market (Santos 2003).

Service quality measures has been applied to evaluate the nature of virtual network sites (Kuo 2003), fulfillment with online business channels (Devaraj et. Al.2002), and determinants site achievement (Liu and Arnett 2000). For foodpanda clients, great help is their expectation when they use foodpanda administration.

As it is a lot simpler to think about item specialized highlights and costs online than through conventional channels, e-administration quality turns into a critical factor for clients (Santos 2003).

By and large online clients anticipate equivalent or more elevated level of administration quality than customary channels clients (Lee and Lin 2005). Fassnacht and Koese (2006) suggest that specialist organizations ought to offer quality support since it is a wellspring of upper hand.

### 2.2 Foodpanda price

Price is a significant business conduct and contending organizations regularly play a value battle to pull in clients. So does Foodpanda consistently put client well disposed costs on their shoppers? Notwithstanding value, administration is additionally a significant factor impacting client buying choices. For instance, in the car business, monetary administrations, for example, car advances, protection, and upkeep administrations assume a significant function in picking a brand for clients. Clients of cell phones, PCs, etc, regularly esteem after-deals administration. In the inexpensive food industry, some cheap food binds try to pull in clients by adding gourmet sandwiches or premium breads to their menu, and it is likewise discovered that numerous new sandwich guests additionally desire the climate, particularly among very good quality clients eating sandwiches (Leung, 2002). Be that as it may, the firm should pay the expense for the administration. Thusly, foodpanda must make the trade among venture and benefit from offering types of assistance. What is the ideal cost and level of administration for foodpanda?

Inferable from infrequent variables or functions, market request turns out to be profoundly unsure across numerous ventures.

The individuals from flexibly bind need to settle on the choices, for example, value, creation amount, and speculation dependent on the figure for future interest. For instance, on account of Dell, Intel gives processors to Dell PCs.

Intel takes half a month to produce processors, yet Dell can't stand by that long after a client request. Intel must deliver processors ahead of time. Along these lines, Dell and Intel need to make their requesting and creation plans under interest vulnerability (Chopra and Meindl, 2001).

# 2.2 Foodpanda customer service

Employee attitude and customer service performance admittedly, there is a call to determine more precisely between proximal intermediaries between employee attitudes and customer satisfaction (Brown & Lam, 2008; Hong et al., 2013). For example, follow the meta-examination of an assessment that reviews the association between delegate satisfaction and shopper reliability, Brown and Lam (2008, p. 253) reason that 'intentionally organized investigation is required to give a more precise applied record' the association among delegate and customer viewpoints. Thusly, if foodpanda treats their customers well, they will get unwavering customers and their customers will create. To lay it out simply, it really

exists the need to all the almost certain get where and how laborer points of view impact customers satisfaction. Hence, our first responsibility is to beaten this opening by focusing in on aggregates laborer guarantee to the affiliation and how it impacts purchaser devotion through customer help transport.

From the distinctive potential viewpoints that have been considered in organization advantage change testing and human resource the chiefs models, progressive obligation and occupation satisfaction are the most broadly perceived and definitive in nature obligation can should be a more accurate marker of customer uphold execution given the close by determined relationship with motivation (Meyer, Becker, and Vandenberghe, 2004), whereas satisfaction is closer to satisfaction and thus will when all is said in done be sooner than direct (Bowen and Schneider, 2014).

# 2.3 Foodpanda time delivery

Pickup and delivery problems (PDPs) comprise a significant class of vehicle steering issues in which items or individuals must be shipped among sources and objections. These issues, which have been read for over 30 years, emerge in numerous settings, for example, coordinations, wandering administrations, and considerably more. It is less difficult to depict enlistment and improvement (PDP) issues as displayed by the going with three clear field plans, structures, visits, and vehicles. For foodpanda, their development time phenomenally impacts customers to utilize their associations. The main field, called the structure, picks its number explanation continually for the thing. In different issues, there are centers can fill in as a source or clarification behind any item. In one to different to one issue, the item was from the beginning found at the station and set out toward client point what's more, the thing open to the client is foreordained terminal.

Client get and development sets are not for the most part self-governing (Ropke and Pisinger, 2006b) and from time to time agree, similar to the case in the spread of drinks and plan of void holders and compartments (see, e.g., Priv'e et al., 2006).

At long last, autonomously issue, every thing has a particular explanation a ton. Issues from this sort emerges, for instance, in dispatch activities and entryway to-gateway transportation associations (see, for instance, Cordeau and Laporte, 2003a). The resulting field gives data in transit pickup and transport practices are performed at the client organization.

### 2.4 Research Hypothesis

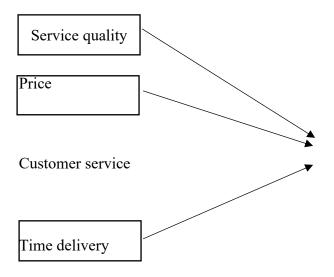
H1: There is a positive relationship between service quality and consumer intention to use Foodpanda service

H2 : There is a positive relationship between price and consumer intention to use Foodpanda service

H3: There is a positive relationship between customer service and consumer intention to use Foodpanda service

H4: There is a positive relationship between time delivery and consumer intention to use Foodpanda service

# 2.5 Conceptual Framework



Independent Variable

Dependent Variables

Dependent variable

#### 3 RESEARCH METHODS

### 3.1 Research Design

This study develops the study model and empirically studies the model with collect data from foopanda service users. Research design is defined as an action plan or structure for finding research answers to research questions as explained by Stacks (2016). This framework outline the systems needed to acquire data to fabricate showcasing research issues in advertising research ventures (Malhotra, 2006). Hence, research configuration is basic for the information assortment cycle to keep blunders from showing up. In this exploration, scientists decide to move toward quantitative examination. The primary concern of quantitative examination is to assemble and apply research goals through observational appraisals including the estimation and investigation of numbers (Sekaran and Bougie, 2016).

Quantitative research focuseson mathematical and constant information and in detail, joined thinking from various thinking (Babbie, 2010). A respectable investigation undertaking starts with the assurance of the subject, issue or zone of revenue, similarly as the perspective (Creswell, 1994; Mason, 1996). Stanage (1987) followed "paradigm" back to its Greek (paradeigma) and Latin initiations (paradigma) which implies model, model or model. A perspective is the planning of the contemplating an individual; it is a crucial model among models, a model or model to follow as shown by which design moves are made. Unmistakably communicated, a perspective is a movement of submitting to a view (Stanage, 1987). This view is maintained by Denzin and Lincoln (2000, p. 157) who describe an assessment perspective as "a fundamental remittance of religious desires that direct movement", overseeing first principles, "ultimates" or the researcher"s viewpoints. Therefore, researchers will use quantitative research to gather representatives data from the target population. This is because quantitative research can measure the relationship between the extent to which foodpanda influences consumer behavior to use their services.

# 3.2 Population

Target population is defined as people in the group who are interested in researchers and prefer analysis to obtain relevant information based on research objectives (Sekaran & Bougir, 2016. The purpose of this study is to examine the extent to which Foodpanda influence, consumer behavior to use their services. The number of Foodpanda customers in Malaysia are around 8000 to 10000 consumers. Therefore, the target population of this research is Malaysians who have experience using Foodpanda service. Everyone who has experience using Foodpanda service will be taken as respondents and their data will be reviewed.

#### 3.3 Sample Size

Sample size is a significant issue in exploration to gauge amount singular examples are determined or assessments utilized in the study. Test size required decide unmistakably dependent on the specific number of examining outlines. All things considered, specialists have not had the option to distinguish the specific number Foodpanda consumer. The number of Foodpanda customers in Malaysia is increasing every year. In Malaysia alone, there are about 8000 to 10000 consumers of the Foodpanda service. The respondents chose comprised of varying backgrounds who

utilized foodpanda administration from the age of 16. Accordingly, the objective of this examination respondents are online clients who use Foodpanda administration from the age of 16 to 39 years. The explanation specialists pick online clients between the ages of 16 and 39 as the objective respondents is on the grounds that the more youthful age is happy to utilize new and focused energy innovation to direct online reviews prior to setting out on an excursion.

The research with sample size that more than 30 and less than 500 are suitable for most of the researchers (Roscoe, 1975). According to Thompson (2004), it is advisable that more than 200 respondents must be sampled in order to obtain stability in factor analysis. Therefore, the researchers select 384 target respondents to perform data collection to maximize the result.

#### 3.4 Data Collection

Primary data as data collected through research studies whose purpose solve specific problems (Malhotra, 2006). Key data can be obtained from the questionnaire activities. Primary data can be collected through surveys and interviews, observations and experiments (Ghauri & Grønhaug, 2005). This is because the questionnaire shared by the researcher to the target respondents based on different demographic characteristics, population and social status. Therefore, the researcher must maintain cooperation between respondents because the authenticity of the date depends on it.

### 3.5 Sampling Techniques

Sampling is a type of non-probability sampling. Internet research has become increasingly popular due to researchers being able to reach millions of respondents online through the use of opt-in panels. Optin panels are groups of people that are recruited (typically by a marketing or research firm) to participate in studies through the Internet using computermediated survey software (Baker et al., 2013). They are often incentivized in some way for their participation. Most often this comes in the form of points an individual earns for participating in a study.

Over time their points aggregate and they can cash them in for a prize, such as a gift card. Opt-in study participant recruitment is a form of convenience sampling, also known as river sampling (Baker et al., 2013). It is important to immediately recognize that non-probability sampling is not random. People have to be willing to opt-in or sign up to be a part of a pool of individuals that may be contacted when a group needs

respondents. Where people from the target people that meet sure practical models, for instance, ease transparency, geographical partition, openness at a given time, or availability to take a premium is joined for research purposes (Dörnyei, Z, 2007). It also insinuates people study subjects that are adequately accessible by researchers (S. K., and Given Lisa M., 2008). So the population of foodpanda has different ages, genders and living standards. Research Instrument

Research instrument involves questionnaire design, and construct measurement that talks about the instrument that examines the instrument that will be utilized to gauge the viability of online media on buying dynamic. Rowley (2014) claimed that the questionnaire is recognized as the best research tool when a researcher is faced with a huge number of respondents in various locations; for easy analysis of the finding, standardized data from the similar questionnaire, and to request almost straightforward information.

The questionnaire is divided into three parts, Part A, Part B and Part C. Part A for demographic profiles related to personal information such as gender, age, marital status, race, employment status, level of education respondents and income with multiple choice answer options with closed design. In section B, the researchers want to know the factors that influence consumers to use foodpanda service. In Section C, public opinion concerns the measurement of the structure of review some independent variables, such as Foodpanda quality service, Foodpanda price, Foodpanda customer service and Foodpanda delivery time.

### 3.6 Data Analysis Technique

The data analyzed the data collected using pearson correlations conducted by the researchers to examine the correlation between two variables X and Y (Goodwin & Leench, 2006). Researchers will use pearson correlation to analyze their data since this association can be used when available is a straight association between factors. This examination will achieve the objective thinks about that are the association between the factors affecting the determination of pilgrims travel decisions. Next, this analysis will also achieve this hypothesis study positive linear relationships between variables. Possible research the hypothesis for this statistical model is that there is a positive linear relationship between variables.

After that, pearson correlation measures linear direction and level the relationship between the two variables. According to Goodwin (2006), there is no linear the relationship between two variables when the number is 0. Value -1.00 or + 1.00 shows a strong correlation between the two variables. However, the problem multicolineinearity should not exceed +/0.90 (Hair, Bush, & Ortinau, 2006). Various collinearities occur when there are two highly correlated independent variables, which can be detected by testing the correlation matrix between all independent variables in his study. If a multicollinearity problem occurs, one of the variables is independent related to it should be discarded.

### 3.7 Procedure for Data Analysis

The data analyzed the data collected using pearson correlations conducted by the researchers to examine the correlation between two variables X and Y (Goodwin & Leench, 2006). Researchers will use pearson correlation to analyze their data since this association can be used when available is a straight association between factors. This examination will achieve the objective thinks about that are the association between the factors affecting the determination of pilgrims travel decisions. Next, this analysis will also achieve this hypothesis study positive linear relationships between variables. Possible research the hypothesis for this statistical model is that there is a positive linear relationship between variables.

#### 4 DATA ANALYSIS AND FINDINGS

Demographic Profile of Respondents

Firstly, gender. The result of respondent's gender of male is 272 (70.8%) respondents and the gender of female respondent's is 112(29.2%). The total were 384 (100%) of respondent's gender ratio.

Next, race. The result show that majority of the respondents that answered the survey question was Malay, which is 325(75.8%). Followed by 30(7.8%) of Chinese respondents and 24(6.3%) come from Indian respondent while the rest come from other races which is 5(1.3%),

Then, martial status. The result show the largest group of respondents were single, which is 325(57.8%). Followed by 46(12%) of the respondents that were married while 11(2.9%) of the respondents were divorced and 2(0.5%) of repondents were widowed

Moreover, age. From the questionnaire result, that the majority of the respondent's average age is between 16 to 21 years old that is 74(19.3%). Followed by 270(70.3%) of respondent those are aged between 22 to 27 years old. There was little number of respondents that aged between 28 to 33 years old, which is only 36(9.4%). The rest 4(1%) were respondent that are aged between 34 to 39 years old.

Besides, level of education. From the questionnaire result, the most of the respondent was from Degree level that is 274(71.4%). Follow by Master graduate which was 35(9.1). 64(16.6%) of the respondent comes from Diploma/Stpm/SPM. Only 11(2.9%) of respondent have a PhD educational level.

Lastly, the income level of the respondents. The most of the respondents earn below RM1000, which is 224(58.3%). Followed by the 79(20.6%) of the respondents earn RM1001 – RM2000. 56(14.6%) and 22(5.7%) of the respondent earn RM2001 to RM3000 and RM3001 to RM 4000 above respectively. The lowest respontents earn RM4001- RM5000, which is 3(0.8%).

Descriptive Analysis

Variables	N	Mean	Srd. Deviation
Service Quality	384	4.5010	.069207
Price	384	4.4135	.78179
Customer Service	384	4.4703	.69894
Time Delivery	384	4.4396	.72255
Consumer Intention	384	4.4641	.73464
Valid N (listwise)	384		

Table 4.1 shows the average mean for all independent variables namely Service Quality, Price, Customer Service, Time Delivery, and Customer Intent. Service Quality recorded the highest mean level of 4.5010. The price recorded the lowest mean of 4.4135. Then, the mean for customer service is 4.4703, and the mean for time delivery is 4.4396. Finally, the mean for consumer intent is 4.4641. Thus, all four of these variables indicate that they obtain a high level score.

Reliability Analysis

Variables	Cronb	N
	ach's	
	Alpha	
Service	.928	5
Quality		
Price	.946	5
Customer	.943	5
Service		
Time Delivery	.935	5
Consumer	.934	
Intention		

Table 4.2

Based on the results from Table 4.2, Cronbach's Alpha for service quality is 0.928. Also, Cronbach's Alpha for the price is 0.946. Next, Cronbach's Alpha for customer service is 0.943, and Cronbach's Alpha for delivery time is 0.943. Finally, Cronbach's Alpha for consumer intention is 0.934

### 4.1 Correlation Analysis

Variables	Mean(SD)	Service Quality	Price	Customer Service	Time Delivery	Consumer Intention
Service Quality	4.50(0.69)	1	0.887	0.899	0.899	0.896
Price	4.41(0.78)	0.887	1	0.896	0.889	0.896
Customer Service	4.47(0.69)	0.899	0.896	1	0.916	0.895
Time Delivery	4.44(0.72)	0.889	0.889	0.916	1	0.892
Consumer Intention	4.46(0.73)	0.896	0.896	0.895	0.892	1

<sup>\*</sup>p-Value<0.05 Person correlation analysis applied.

Size of Correlation	Strength of Correlation
0.00-0.25	Little or no correlation
0.26-0.50	Fair correlation
0.51-0.75	Moderate – good correlation
0.76 - 1.00	Very good correlation

### 4.2 Hypothesis

H1. There is a positive perfect significant relationship between service quality and consumer intention (p<0.05, r=0.896)

H2There is a positive perfect significant relationship between price and consumer intention (p<0.05, r=0.896)

H3There is a positive perfect significant relationship between customer service and consumer intention (p<0.05, r=0.895)

H4. There is a positive perfect significant relationship between time delivery and consumer intention (p<0.05, r=0.892)

### 5 Discussion and Recommendation

#### 5.1 Discussion

#### **Hypothesis 1**

There is a positive perfect significant relationship between service quality and consumer intention (p<0.05, r=0.896)

There was a positive perfect significant relationship between service quality and user intention (p <0.05, r = 0.896). Based on the results of the service quality study has a significant positive relationship with consumer intentions. This relationship is also a perfect relationship. This proves that service quality greatly affects the intention of users to use the Foodpanda service. Therefore, Foodpanda must upgrade their service quality so that their consumers will be satisfied with the service they offer.

#### **Hypothesis 2**

There is a positive perfect significant relationship between price and consumer intention (p<0.05, r=0.896)

There was a positive perfect significant relationship between price and consumer intention (p <0.05, r = 0.896). Based on these results, it shows that price has a significant positive relationship with consumer intentions. The relationship between price and consumer intent is also a strong relationship. Therefore, Foodpanda should charge appropriate and reasonable prices to consumers. This is because consumers will buy and use food delivery services if the price offered is in accordance with the rate of food ordered and the price must be reasonable.

### **Hypothesis 3**

There is a positive perfect significant relationship between customer service and consumer intention (p<0.05, r=0.895)

There was a positive perfect significant between customer service and consumer intent (p <0.05, r=0.895). Based on the results of the study, there is a significant positive relationship between customer service and user intentions. This relationship is also a perfect relationship. Therefore, this factor greatly affects the intention of consumers to use the Foodpanda service. This is because the better Customerpanda customer service, the higher the customer satisfaction. Therefore, they will be satisfied with Foodpanda customer service.

### **Hypothesis 4**

There is a positive perfect significant relationship between time delivery and consumer intention (p<0.05, r=0.892)

There is a positive perfect significant relationship between time delivery and user intention (p < 0.05, r = 0.892). Based on the results of the study, time delivery has a significant relationship with consumer intentions. That relationship is also a perfect relationship. Therefore, Foodpanda needs to speed up the delivery time of food for customers. Their delivery time must also be consistent and not slow. If it is slow, users will be angry and dissatisfied with the Foodpanda delivery time. Therefore, Foodpanda needs to take this seriously. This is because the delivery time must be exactly as promised. Otherwise, consumers will complain and may switch to another food delivery company.

#### 5.2 Recommendation

As the time and duration of this study are limited, several subject-related hypotheses have emerged explored, but not from a general point of view, to provide a broad picture for the reader. Therefore, if further study is needed, an in-depth review should be conducted to complete the research objectives of this study. Certainly useful and interesting to make case companies as a source of research. Through observing the case company, may provide a difference between what the organization feels strive and what consumers see when they make the intention to buy at Foodpanda on an ongoing basis. These findings will help the company to get a clear view and determine the real thing strategies for dealing with the situation.

The researcher will choose the questionnaire over the interview because it is the most actions recommended for survey. The researcher will then show the guide to the person who has difficulties with questionnaires. This will help reduce uncertainty among people towards the questionnaire.

In addition, future researches can also use interview method when conducting the survey instead of using online questionnaire only. This is because by using the interview method, the researchers can directly ask to the respondents and explain about the question so that the respondents do not misunderstanding and interpreting the questions by themselves. By using interview, it may take time but can give good results 75 than using online questionnaire. This approach can reduce misunderstanding and produce better results of study.

Lastly, in this research, the researchers choose to approach quantitative research. The main points of a quantitative research are to build and employ the research objectives through empirical assessments that involve numeric measurement and analysis. However, future research may take in account for the study by including qualitative study in which the respondents are interviewed or allowed to make comments at the end of the survey or answer some open-ended questions. Future research can conduct longitudinal studies instead of relying on cross-sectional data and should consider collecting additional data to further validate this research model.

#### 6.0 Conclusion

In conclusion, the researcher presents a conceptual framework for research factors that influence the intention of consumer to use the Foodpanda service. The the effects of variables such as Foodpanda quality service, Foodpanda price, Foodpanda customer service, and Foodpanda delivery time are positively linked to factors influencing consumer intention to use Foodpanda service. Additionally, all data is collected through questionnaire. Data were analyzed by SPSS software based on descriptive analysis, Pearson reliability test and correlation analysis. From the result, the relationship between independent variables and dependent variables has been identified. Based on coefficient values, all variables have a positive correlation. Conclude and discuss it inference analysis, descriptive analysis and limitations in the last chapter, as well recommendations have been clarified and future

research has been prepared.

#### **ACKNOWLEDGEMENT**

I would like to express my deepest gratitude to my supervisor, Mrs. Nadia Hanum binti Amiruddin who has the attitude and nature of genius, she continues and reassured me in terms of the research of this study. Without his guidance and continued help may not be able to complete this study. A part from that, thanks are also due to Puan Raja Rosnah binti Raja Daud who is the examiner for this study. Finally, I would also like to thank Universiti Malaysia Kelantan for giving me the opportunity to complete this research. namely FACTORS THAT INFLUENCES THE CONSUMER INTENTION TO USE FOODPANDA SERVICE AT MALAYSIA. With this, we will

be able to know the factors that influence the intention of consumers in using the Foodpanda service in Malaysia. There is nothing more important to me in implementing this project than our family members. I want our loving parents and guidance with us in whatever we pursue. They are the main role models.

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# STUDY THE LEVEL OF FINANCIAL CRISIS EXPERIENCED BY HAWKERS IN TELUK INTAN PERAK DURING COVID 19

### Mohammad Shafiq Bin Mohd Hashim and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email:shafiqhashim58@gmail.com; ayunni.s@umk.edu.my

#### Abstract:

The primary objective of this study is to examine the hawkers strategy to sustain the small business during the pandemic among hawkers in Teluk Intan Perak. The data will be collected using the online platform like Google Form to approach and get the number of respondent of business owner in Teluk intan, Perak. For this study, the cross-sectional study will use convenience sampling as 167 data collected in Rembau. This data will be analysis using the Statistical Package for the Science Social (SPSS). This software to show the relationship between independent variables and dependent variables in the method of regression, correlation or factor analyzes. On other hand, it was very convenience and simple way for the researchers to convey the responses from the respondent with the way coded accordingly before being transferred into data file for the subsequent analyze procedures. spearman's correlation Analysis will be used in this study to get the hypothesis. For the final, they can found that all independent were significant with the dependent variable and get the reach the objectives.

**Keywords**: Hawkers, Business, Covid 19

#### 1 Introduction

In retail the meaning of retail is the mechanism by which manufactured products or services are distributed to consumers by several distribution networks in order to make profit. The supply chain has been used by the retailers to meet demand. The word "retailer" is generally appropriate where a service provider fills in a few orders from a few wholesale, business, or government clientele for several people who are

consumers rather than massive orders. In general, shopping applies to the purchase act. Often the finished items, including supplies such as food and clothes, are obtained; often it is performed as a leisure exercise. Hobby shopping also requires shopping and navigation of windows: it does not necessarily end in shopping.(Retailing Market Research Reports & Retailing Industry Analysis | MarketResearch.com, 2020)

The standard informal street retail industry is available in many countries including Malaysia (Lee, 2008; Ealham, 2008; Sookram & Watson, 2008; Franck, 2011; Rahman, Haque & Khan, 2013, Hassan, 2003). Yukio (2011) notes that street shopping provides a significant number of people in developed countries with work and livelihoods. Recently, in most cities in Malaysia, street retailers or hawks have become an overwhelming occurrence (Hassan, 2003). In Malaysian towns and cities, the growing number of informal street retail operations has also imposed negative disturbances and disrupted traditional businesses (Harian, 2015). The conduct of informal businesses is thus important to grow the firms as

progressive business start-ups and yet other types of formal enterprises are not cannibalised.

In Malaysia, according to the Local Government Act 1976, a "hawker" means A individual who offers merchandise for sale or creates a stall to sell goods to itinerant, static or temporary hawkers. With the increasing number of hawking types, its definition becomes increasingly difficult. Currently, Malaysia classifies hawkers by the types of structures they occupy or where they manage as stalls, (secured), hawker centres, kiosks, night markets (licenced), night markets (unlicensed) and food courts. Travellers (peddlers) are defined as mobile hawkers.(Hassan, 2003).

The Malaysian economy can be improved by entrepreneurship growth and entrepreneurs who are willing to produce innovative goods from home. These new independent retail businesses and small retailers should be recognised and assisted, among other items, in financial support and skill preparation for the nation's informal economy.(Ishak et al., n.d.)

### 1.1 Significant of Study

This learn about contributes some great value which deliver benefits to several parties which encompass researches and entrepreneurs. Future study is able to follow the steps of previous research in order to find out about new causes and choices in order to provide community with additional very helpful data and knowledge. This find out about gives higher understanding and expose of thinking as well as the determinants of hawker and financial crisis. This research enables hawkers to forecast and design strategies in survive during pandemic outbreak of Covid 19. The results obtained from this study will help the hawkers industry who still try to survive and have a clear vision to survive during outbreak.

### 2.0 LITERATURE REVIEW

### 2.1 Strategies

Strategy is a strategic method for meeting one or more long-term or overall targets under unclear circumstances. The word was used during the Sixth century C.E. in the spirit of the "art of the general" and comprised many sub-sets of abilities, including military strategy, siegecraft, logistics etc. in Eastern Roman vocabulary and only in the 18th century was converted into Western vernacular languages. From then up to the 20th century, the term "strategy" in an armed war in which all enemies engage, denoted "a comprehensive way to try to pursue political ends, including the threat or actual use of force, in a dialectic of wills "Freedman, Lawrence (2013).

Strategy is necessary since there are typically minimal resources available to accomplish targets. In general, this approach involves setting objectives and strategies, determining actions to accomplish goals, and mobilising resources to carry out actions. Freedman, Lawrence (2013) A strategy explains how the aims are accomplished by means of resources. Simeone, Luca (3 July 2020 A strategy may be planned or can emerge as a course of operation, as the company adapts or competes with the environment.

Henry Mintzberg, from McGill University, defined strategy as an example of the decision-making stream, which opposes strategy as planningHenry Mintzberg (May 1978). The strategy's nature is defined by Henrik von Scheel as a single combination of value-added tasks, preferring to conduct activities differently or to carry out activities separate from competitors. Dr. Vladimir Kvint defines strategy as a system of finding, formulating, and developing a doctrine that will ensure long-term success if followed faithfully." Kvint, Vladimir (2009) The theorist of complexity defines strategies as the unfoldment, in a socio-economic sense, of the internal and external aspects of an organisation which results in actions Kvint, Vladimir (2009).

The relationship between relationship between the strategies that been apply and the business survival. Strategies have big impact in terms of survival in in the pandemic outbreak.

# 2.2 Time pressure

Generally, time pressure is defined as subjective perceived time pressure or imposition of deadlines to improve individual and group performance rates to make decision making (Kelly & Karau, 1999). But preliminary studies in psychology have shown that consumers can reduce the adverse effects of time pressure and task complexity for better choices by increasing the speed of processing information (Payne, Bettman, & Johnson, 1988). Time pressure also is one of the most critical external cues affecting consumer decisions (Park, Iyer, & Smith, 1989)

The relationship between the time pressure and the financial crisis during MCO. Time pressure is for the hawkers who have more debt in order to pay during MCO . there is some difficulty to all hawkers to pay because of the pandemic outbreak.

# 2.3 Technologies

Technology is the sum of the techniques, abilities, strategies and procedures used to manufacture products or services or fulfil goals such as science analysis. Technology may be the understanding of methods, procedures and the like, or it can be incorporated in computers that run without comprehensive operational knowledge.

Systems (for instance machines) use technology by input, adjust it according to the system's operation and then generate a result called technology systems or technical systems.

The simplest type of technology is the creation and use of fundamental instruments. The prehistoric discovery of how to manipulate fire and the later Neolithic Revolution expanded the supplies of food available, and the advent of the wheel helped people travel and control their climate. Historical advances, including the printing press, telephone and the Internet have lowered the barriers to physical contact, allowing people to communicate openly internationally.

Technology has many consequences. It led to creating more mature economies (including the global economy today) and enabled a leisure class to grow. Many technological processes create harmful byproducts called waste to the detriment of the Earth's atmosphere and deplete natural capital. Innovations have often shaped society's ideals and posed new problems of scientific ethics. Examples include the raise of the notion of human production performance and the problems of bioethics.

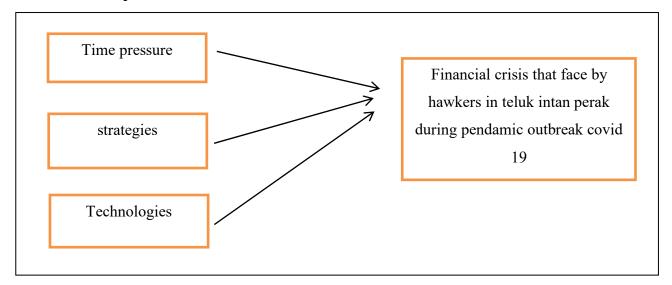
There is a relationship between the strategies that been apply and the business survival. During pandemic not all hawkers know about the technologies so the some of them close their business during pandemic outbreak because MCO.

### 2.4 Research Hypothesis

H1: There is a significant relationship between technologies and financial crisis that been occur to hawkers.

H2: There is a significant relationship between the time pressure and the financial crisis during MCO H3: There is a significant relationship between the strategies that been apply and the business survival

# 2.5 Conceptual Framework



### 3 RESEARCH METHODOLOGY

Research methodology is used to collect and analyse data that were used for answering the research questions in a more systematic and organized way. This chapter consist of the research design, data collection method, population of research, sample size, unit of sampling, research instrument and data analysis. Furthermore, the objective of this chapter is to ensure appropriate research procedures are followed to have better understanding and evaluating the outcome of the research.

### 3.1 Data Collection Method

Primary data will be used through questionnaire. The primary data will be collected directly from questionnaire. The data collected will become the main sources for this research.

### Primary Data

Primary data sources are an original data, which the data are collected first hand by the researcher for a research. The researcher had used questionnaire to collect data from primary data sources. The primary data collected have become the main sources for this research.

### 3.2 Study Population

Target population is the main step of the sampling design. Target population is very important as it was the complete group of objects or elements relevant to the study (Hair,

2015). In this study, the population of this research study was hawkers around Teluk Intan. Their are 334 hawkers at around Teluk Intan (Majlis penbandaran Teluk Intan) the hawkers that receive one-off assistance of sellers & small traders in teluk intan municipal council area and base on self observation their are 202 hawkers that work at night market. So the total in 536 hawkers. The purpose of this study is to examine factors that financial crisis experienced by them. The questionnaire for this study will be distributed on hawkers at around Teluk Intan.

### 3.3 Sample Size

A sample in the context of science research and statistics is a representative subset of a population. According to Sekaran and Bougie (2016), the application of sample size to help researchers to obtain more reliable results. In this study, researchers used the equation of Krejcie and Morgan (1970) to determine the sample size.

Thus, 270 respondents have been selected as sample size for this study based on Krejcie and Morgan equation.

Beside the researchers also refer to the size table by Krejcie et al. (1970) for finite population. Krejcie et al. (1970) sample size is shown as table 3.0 below. In this study, population is 536 hawkers which required 270 students as sample size for this study.

### 3.4 Sampling Techniques

In a sampling method, sampling is a process where a researcher chooses their sample accordingly and sampling is something that is not too straightforward just like what it looks. There is a set of processes to help the researcher to choose a good sample into their study (Boyd, 2019). There are two types of sampling in business research. Which are non-probability and probability sampling techniques (Sekaran & Bougie, 2016).

This study used convenient sampling that the respondents chose based on their availability and this method could save the time and cost of researchers in collecting the data. The convenience sampling technique enable the researchers to choose any of these preferable respondents who are available instead of selecting from the population (Hair, 2015). Therefore, the non-probability sampling method is chosen as the

sampling technique where the sampling framework is difficult to determine in this study.

### 3.5 Research Instrument

The research instrument is the process by which the data is gathered. The method used in this analysis is asking questionnaire. Based on Sekaran and Bougie (2016), note that the questionnaire is a series of questions that must be answered by the respondents to interpret the response. The best method is designed to compile vast quantities of quantitative data in several places. Besides that, the question set out in the questionnaire should be easy to understand even without the researcher's guidance the respondents will answer the question.

### 3.6 Pilot Test

A pilot test was conducted to determine the reliability and validity of the items in the questionnaire before the final questionnaire being distributed in the actual study.

### 3.7 Questionaire Method

The questionnaire was designed with the study questions and variables in mind. The close-ended style with bilingual English and Malay script would be included in the questionnaire which used in this study. According to Kumar et al. (2013), adding the closing questions in the study will minimize respondents' time and energy when reacting to the questions.

The purpose of this study is to study the level of financial crisis experienced by the hawkers at Teluk Intan. The design of questionnaire was divided into 3 section which section A, B and C respectively. The questionnaire consisted of 39 questions which section A consisted of 9 question on demographics information, section B consisted of 6 questions on dependent variable which Hawkers in Teluk Intan Perak

and while section c consisted of a total of 24 questions on independent variable which is Strategies, technologies and time pressure

### 3.8 Measurement Of The Variables

### Demographic

In part A, researcher used nominal scale to obtain information about demographic profile. Nominal scale is using to identify the general information of respondent like age, race and online business experiences.

In IV section the interval scale is used to measure data about the statements. All independent used interval scale to determine how strongly and not strongly the respondent agree about the statements given. The scale is based on strongly disagree, disagree, neutral, agree and strongly agree.

The respondents will answer questions based on a scale that helps the respondents to convey how much they agree with the argument or disagree with it. According to Kumar et al. (2013), the Likert scale has been described as the most common

non-comparative scaling technique usually used in the study. The respondent suggests a degree of consensus or inconsistency with each of the statements set. Besides, the Likert scale also makes it simpler to build and implement to make it harder for the respondents to answer the questions since the response is already given and the respondents merely have to express their opinion using the scale.

### 4 DATA ANALYSIS

Data analysis has been conducted after data collection from the target respondents. Kumar et al. (2013) stated that analysis data is the process which turn the raw data into useful information for a study. The research analyzed the data collected from questionnaire by using Statistical Package for the Social Science (SPSS) in this study. SPSS is a programming language for conducting statistical analysis which to test and interpret the results at the end of the research. Accordingly, this research applied pilot

test, descriptive analysis, reliability analysis and Pearson correlation analysis to the collected data. Details of each analysis were explained as below.

According to Hair (2015), the word reliability is related with the extent of consistency to which the research findings regarding the form of questions. The reliability analysis is used to indicate the extent to which the items measured are stable and has a consistent measurement of variables. The Cronbach's Alpha Coefficient is a test for reliability that measures the internal consistency of the instruments. Hair (2015) had discussed about the strength of association regarding to the Cronbach's Alpha value. If the Cronbach's Alpha is 0.6 and above is consider as acceptable. Based on Table

3.2 had clearly showed the strength of association regarding the Cronbach's alpha coefficient size.

### 4.1 Descriptive Analysis

Descriptive study is importance to explain the basic feature in the study and it helps the researches to summary the data or measure in the sample. Descriptive analysis is a fundamental component of this process which helps to identify research questions and generating hypotheses based on what has been observed (Loeb et al., 2017).

Descriptive analysis enables researchers to understand and interpret data using simple summaries about the sample and the measures. Descriptive statistics helps to describe, show or summarize the responses obtained into significant data.

Researchers will be collected data about demographic information in section A, dependent variables which is financial crisis among the hawkers in section B and independent variable include each element of determination such as price, time pressure, lifestyle and health conscious in section C. Descriptive statistics was useful for this study as to describe and analyze the frequency and central tendency of the items measured.

### 4.2 Inferential Analysis

According to Zikmund, Carr, and Griffin (2013), inferential analysis is defined as the inferences made or generalization from samples to an entire population. Pearson Correlation Coefficient Analysis is being used on this study.

### 4.3 Pearson Correlation Coefficient Analysis

The Pearson correlation analysis is a technique for clarity the relationship between the variables in this study. Pearson Correlation Coefficient Analysis to test and measure the association between independent variables and dependent variables. The correlation analysis helps research This analysis is appropriate to achieve the research objectives which to investigate the Study the level of financial crisis experienced by Hawkers in Teluk Intan Perak during Covid 19.

Pearson's correlation coefficient used for measuring the strengths of linear relationship between paired data. It is represented by r and design in the range of  $-1 \le r \le 1$ . Hence, the value of r is 0 refers as no correlation relationship among variables. (Hair, 2015)

### 4.4 Findings

### 4.4.1 **DEMOGRAPHIC**

Frequenc	cy		Percent	Valid Percent	Cumulative Percent
Valid	Lelaki	169	62.4	62.4	62.4
	Perempuan	102	37.6	37.6	100.0
Total	2′	71	100.0	100.0	

From 271 respondent 169 (62.4 %) was male and 102 (37.6%) was female respondents were involved in answering this questionnaire. Majority respondent are male and it can be conclude that the population of male who has business is more than female. AGE

### 4.4.2 AgeUmur

Freque	ency		Percent	Valid Percent	Cumulative Percent
Valid	18 – 25 years / 18 – 25 tahun	34	12.5	12.5	12.5
	26 – 34 years / 26 – 34 tahun	58	21.4	21.4	33.9
	35 – 40 years / 35 – 40 tahun	47	17.3	17.3	51.3
	41- 49 years / 41- 49 tahun	59	21.8	21.8	73.1
	Over 50 years / Lebih 50 tahun	73	26.9	26.9	100.0
	Total	271	100.0	100.0	

Based on table 4.1.2, out from 271 respondent, 34 (12.5 %) was 18-25 years old , 58 (21.4%) was 26-34 years old , 47 (17.3%) was 35-40 years old , 59 (21.8 %) was 41-49 years old and last 73 (26.9) was respondent over 50 years old. So we can see that most of the hawkers was over 50 years old.

### 4.4.3 MARTIAL STATUS

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Divorced / Bercerai	3	1.1	1.1	1.1
	Married/ Berkahwin	163	60.1	60.1	61.3
	Single / Bujang	105	38.7	38.7	100.0
	Total	271	100.0	100.0	

Based on the pie chart above, form 271 respondent 3(1.1%) was divorced, 163(60.1%) was married and 105(38.7%) was single. So the conclusion is most of the hawkers at Teluk Intan is married.

### **4.4.4 RACE**

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Chinese /Cina	74	27.3	27.3	27.3
	India/ India	31	11.4	11.4	38.7
	Malay /Melayu	166	61.3	61.3	100.0
	Total	271	100.0	100.0	

Based on pie chart 4.1.4 from 271 respondent 74 (27.3%) was Chinese, 31 (11.4%) was Indian and 166 (61.3%) was Malay. So most of the hawker at Teluk Intan is Malay.

### 4.4.5 RELIGION

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Buddha	50	18.5	18.5	18.5
	Christian	49	18.1	18.1	36.5
	Hindu	5	1.8	1.8	38.4
	Islam	167	61.6	61.6	100.0
	Total	271	100.0	100.0	

Based of pie chart above, form 271 respondent ,  $50 \, (18.5\%)$  was Buddha ,  $49 \, (18.1\%)$  was Christian ,  $5 \, (1.8\%)$  was Hindu and  $167 \, (61.6 \, \%)$  was Islam . so most of the respondent was Islam

### 4.4.6 TYPE OF EMPLOYMENT

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Bekerja Sendiri / Self- employed	236	87.1	87.1	87.1
	Kerajaan / Government	28	10.3	10.3	97.4
	Swasta / private	7	2.6	2.6	100.0
	Total	271	100.0	100.0	

Based of pie chart above, form 271 respondent, 236 (87.1%) was self employed, 28 (10.3%) was work for Government and 7 (2.6%) was work for private. So most of the hawkers is self employed

### 4.4.7 MONTHLY INCOME

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	RM 2 001 – RM 4000	93	34.3	34.3	34.3

RM 2,000 and below / RM 2,000 dan bawah	81 ke	29.9	29.9	64.2
RM 4 001 – RM 6 000	48	17.7	17.7	81.9
RM 6 001 – RM 8 000	47	17.3	17.3	99.3
RM 8 001 and above / RM 8 001 dan ke atas	2	.7	.7	100.0
Total	271	100.0	100.0	

Based of pie chart above, form 271 respondent 81 (29.3%) have an income below RM 2000, 93 (34.3%) have income RM 2001 - RM 4000, 48 (17.7%) have an income RM 4001 - RM 6000, 47 (17.3) have an income RM 6001 - RM 8000 and 2 (0.7%) have income RM 8000 and above. So most of the respondent is having income form RM 2001 - RM4000.

### 4.4.8 Spearman Correlation Analysis

Spearman's correlation coefficient is a mathematical indicator of the strength of a monotonous relationship between paired data. In the sample, the configuration is constrained as follows and its meaning is identical to that of Pearsons, e.g. the closer the greater the monotonous relationship. Correlation is the scale of the effect, so we can orally explain the intensity of the effect.

Table 4.2.1 Relationship between the time pressure and the financial crisis during MCO

### Correlations

DV				IV1
Spearman's rho	DV	Correlation Coefficient	1.000	.572**
		Sig. (2-tailed)		.000
		N	271	271
	IV1	Correlation Coefficient	.572**	1.000
		Sig. (2-tailed)	.000	
		N	271	271

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

H 1 There is a significant relationship between the time pressure and the financial crisis during MCO This table shown the relationship between the time pressure and the financial crisis during MCO with a correlation 0.572. This implies that the relationship between the time pressure is positive and moderate the financial crisis during MCO toward the Hawkers. The P value of time

pressure is 0.000 which is less than the highly significant level of 0.01. this can be seen through the 58.2% dependent variable(financial crisis) influenced by the independent variable (time pressure). therefore There is a significant relationship between the time pressure and the financial crisis during MCO

Table 4.2.2 relationship between the strategies that been apply and the business survival

### Correlations

			DV	IV2
Spearman's rho	DV	Correlation Coefficient	1.000	.530**
		Sig. (2-tailed)		.000
	N		271	271
	īV2	Correlation Coefficient	.530**	1.000
		Sig. (2-tailed)	.000	
		N	271	271

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

H 2 There is a significant relationship between the strategies that been apply and the business survival. This table shown the relationship between the strategies and the financial crisis during MCO with a correlation 0.530. This implies that the relationship between the strategies is positive and moderate the financial crisis during MCO toward the Hawkers. The P value of time pressure is 0.000 which is less than the highly significant level of 0.01. this can be seen through the 53.0% dependent variable(financial crisis) influenced by the independent variable (strategies), therefore There is a significant relationship between the strategies that been apply and the business survival

Table 4.2.2 relationship between technologies and financial crisis that been occur to hawkers . Correlations

DV				IV3
Spearman's rho	DV	Correlation Coefficient	1.000	.524**
		Sig. (2-tailed)		.000
		N	271	271
	IV3	Correlation Coefficient	.524**	1.000

Sig. (2-tailed)	.000		
N	271	271	

<sup>\*\*.</sup> Correlation is significant at the  $\overline{0.01}$  level (2-tailed).

H 3 There is a significant relationship between technologies and financial crisis that been occur to hawkers.

This table shown the relationship between the technologies and the financial crisis during MCO with a correlation 0.524. This implies that the relationship between the technologies is positive and moderate the financial crisis during MCO toward the Hawkers. The P value of time pressure is 0.000 which is less than the highly significant level of 0.01. this can be seen through the 52.4% dependent variable (financial crisis) influenced by the independent variable (technologies). therefore There is a significant relationship between technologies and financial crisis that been occur to hawkers.

### 5 CONCLUSION

### **5.1** Time Pressure

The relationship between the time pressure and the financial crisis during MCO with a correlation 0.572. This implies that the relationship between the time pressure is positive and moderate the financial crisis during MCO toward the Hawkers. The P value of time pressure is 0.000 which is less than the highly significant level of 0.01. this can be seen through the 58.2% dependent variable(financial crisis) influenced by the independent variable (time pressure). therefore There is a significant relationship between the time pressure and the financial crisis during MCO

### 5.2 Strategies

the relationship between the strategies and the financial crisis during MCO with a correlation 0.530. This implies that the relationship between the strategies is positive and moderate the financial crisis during MCO toward the Hawkers. The P value of time pressure is 0.000 which is less than the highly significant level of 0.01. this can be seen through the 53.0% dependent variable(financial crisis) influenced by the independent variable (strategies), therefore There is a significant relationship between the strategies that been apply and the business survival

### 5.3 Technologies

The relationship between the technologies and the financial crisis during MCO with a correlation 0.524. This implies that the relationship between the technologies is positive and moderate the financial crisis during MCO toward the Hawkers. The P value of time pressure is 0.000 which is less than the highly significant level of 0.01. this can be seen through the 52.4% dependent variable(financial crisis) influenced by the independent variable (technologies). therefore There is a significant relationship between technologies and financial crisis that been occur to hawkers.

### 5.4 Recommendation

Research on the degree of financial crisis faced by Hawkers in Teluk Intan Perak during Covid 19 Based on the outcome, few recommendations are suggested for tourists to revisit the region. From this analysis, researchers find that business tactics are very important for the maintenance of business, but two other factors, time pressure and technology, are also important for the maintenance of business. During this crisis, most companies are facing worries about their businesses, which may see a decrease in profits. The idea is that owners should do business online to help their business like hawkers; they should develop their business like distributing or enter the online distribution business like grab food, food panda and jommakan. More variables must be included in future research to make the results more reliable.

### 5.5 Limitations

Limitations have an important role to play for prospective researchers. This is because of Limitations will encourage prospective researchers to develop and increase the consistency of their study. First limitation of this analysis is the restricted findings of quantitative studies. Quantitative analysis involving a standardized questionnaire with closed questions has been used in this study and findings have been reduced. The researcher applied the five-point Likert scale (strongly unhappy, dissatisfied, neutral, accepted and strongly agreed) in the sample and the respondents had restricted choices of response depending on the researcher's collection. Respondents who have confused themselves with the questions can implicitly provide more neutral answers and make the result wrong. Second disadvantage of this analysis is a particular viewpoint for the respondent. This is because each of the target respondents comes from diverse origins, age, ethnicity, income level, profession, faith, status, community and lifestyle. These elements would influence the opinion of the respondents at the conclusion of the questionnaire study.

### 5.6 Conclusion

Today, small business has grown faster from time to time. It could be the first sector in the hawkers industry. All hypotheses have been supported and accepted. From the finding, the financial is the most hawkers' strategy to sustain the hawkers' business among the hawkers in Teluk Intan Perak. With a stable financial presence in a small business, the business can continue to grow over time. In addition, small enterprises should continue to follow the latest trends in order to improve their business.

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### FACTORS THAT INFLUENCING CUSTOMER ACCEPTANCE TO SELF-SERVICE TECHNOLOGY AT MCDONALD'S IN WAKAF CHE YEH, KELANTAN

### Mohammad Shahrul Aidil Bin Maktar and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, University Malaysia Kelantan Malaysia

Email: aidilmaktar97@gmail.com; fazlirda.h@umk.edu.my

#### Abstract:

This study examines the factors that influence customer acceptance of self-service technology at McDonald's in Wakaf Che Yeh, Kelantan. The objective of this study is to identify the relationship between the three variables namely performance expectations, perceived uses and functionality of customer acceptance on the use of this self-service technology at McDonald's. Dependent of this study is self-service technology. This study uses a very simple sampling method such as collecting 373 data of respondents in Wakaf Che Yeh. This study found that all independent variables were significant against the dependent variables and achieved the objectives.

Keywords: Performance Expectancy, Perceived Usefulness, Functionality, Self-service technology

### 1 INTRODUCTION

The idea of establishing McDonald's as a fast food company began in the United States, which was established in 1940. The idea of establishing this restaurant was from McDonald's founders Richard and Maurice McDonald, and the first McDonald's settlement was opened in San Bernardino, California, USA. McDonald's as we know it is the largest fast food restaurant brand in the world according to the high income achieved and the many branches available all over the world. At the beginning of the establishment of McDonald's in Malaysia in 1982 until now is still firmly one of the best fast food restaurants in the world. In Malaysia it has been established for 39 years as a Malaysian company. McDonald's in Malaysia has expanded their branches to every state in Malaysia including Kelantan. The McDonalds Wakaf Che Yeh branch was opened in 2009 and they have been based in Kelantan for almost 11 years. The move to use self-service technology (SST) into the services sector, especially the restaurant industry has had a huge impact on customers, employees, and management, especially given the huge impact felt by the company itself. McDonald's is one of the restaurant industries that uses this self-service technology but not in all branches provided including McDonald's in Wakaf Che Yeh, Kelantan. This technology was developed based on a literature review showing the factors that influence customer acceptance. The results of the study show that the influencing factors regarding SST have a direct and indirect effect through the influence on customer acceptance.

### 1.1 SIGNIFICANT OF STUDY

### Researchers

To future researchers who want to dig deeper information and gain more knowledge about customer acceptance of self-service technology at McDonald's Wakaf Che Yeh, Kelantan. Through this research, researchers focus on the importance of factors on customer acceptance of self-service technology, namely performance expectations, perceived uses and functions of self-service technology. These are the factors that play an important role in influencing customer acceptance. Through this research they will know that all the factors mentioned are very important to attract customers using self-service technology.

### **Retail Industry**

Through the implementation of this research, it can benefit the retail industry to make a lot of profit to any company that wants to increase their retail income. Not only makes it possible to reach saturated customers, but it can also increase revenue and customer satisfaction as well. Using technology like this in strategic place to place orders can attract more customers and build a bigger brand identity and be known by more customers. This study is also an important factor for every retailer to understand customer buying behaviour and the factors that influence customer acceptance by using self-service counters more accurately and well.

### **Retailing Student**

This study can also help especially students in the retail field to understand the important factors that will influence the purchasing decision by using this self-service counter technology. As retail course students, we can determine the importance of benefits using self-service counters that can attract more customers to purchase products. The use of this technology can be key to generating increased revenue, increasing brand loyalty, increasing customer loyalty, and increasing employee loyalty. This technology will be the method that causes many retailers to use it and is very effective in accelerating the growth of any grocery store.

### 2 LITERATURE REVIEW

### **Self-service Technology**

Self-service technology is a simple and fast technology to attract customers and consumers, especially in the restaurant industry according to (Hanks, Line, & Mattila, 2016). Self-service technology (SST) is one of the best forms and innovations of technology and facilitates customers to use services that are independent and more comfortable than direct service employee involvement (Blut, Wang, & Schoefer, 2016). The implementation of self-service technology (SST) allows customers to provide their own services through interaction with electronic or machine services instead of using the services of such business employees. Among the examples of self-service technology that we always use without realizing it is one of the SST is self-service laundry, airport kiosk tickets, online banking and hotel websites to make reservations in advance before traveling.

### **Performance Expectancy**

Performance expectations can be described as the extent to which users' expectations of the use of the system will help them achieve work and service performance. Thus, performance expectations can be understood when users are more likely to use technology if they believe that the technology can help and improve their work performance and facilitate their work. In another study it was written that performance expectations are individuals 'perceptions of system use will improve their work performance. All studies only mention the relationship between performance expectations and consumer acceptance of the technology used.

### Perceived Usefulness

Perceived use means action that needs to be taken to capitalize on the technology and complexity of the service delivery process (Hong & Slevitch, 2018). In fast food restaurant vending machines, some researchers reported a positive effect on perceived consumption. That is, if users navigate the interface without problems or a lot of effort, they will be more satisfied with the use of technology as quoted by (Hong & Slevitch, 2018). Perceived usability determines every perceived ability and expertise of the perceived customers that enables them to use self-service technology efficiently in fast food restaurants and facilitate their every action (Li & Huang, 2019). The use that customers feel is related to what they can do on their own. When consumers want to use self-service technology, they must have the skills and confidence needed to complete tasks in technology systems (Li & Huang, 2019).

### **Functionality**

Functionality can be defined as processes or movements that occur according to customer requests, and include accessibility, response, customization, ease of use and excellent SST services initially (Gures et al., 2018). Using SST allows users to perform and provide their own services without direct assistance from employees, and this allows customers to enjoy efficient and customized services (Ujang et al., 2016). The function of technology has the potential to have a positive impact on the customer experience of facing waiting times to place shorter orders, queue for short queues, and greater customer control (Hanks et al., 2016). The drive to use self-service technology (SST) has been mentioned by (Considine & Cormican, 2016) as an important element in controlling costs and improving the customer experience. The quality of SST services can be assessed by examining through various dimensions including functions. Self-service customers should often take into account environmental and social influences when completing transactions other than employee engagement, which can directly influence the attractiveness of this channel's choice (Collier et al., 2015).

### 2.1 RESEARCH HYPOTHESIS

In this study, there are three hypotheses about the significance between the two variables namely performance expectations, perceived usability, functionality and customer acceptance of this service technology.

H1: There was a significant study on the relationship between performance expectations and customer acceptance of self-service technology at McDonald's.

H2: There was a point in a significant study of the relationship between perceived usability

and customer acceptance of self-service technology at McDonald's.

H3: There were several statements in the study that are significant on the relationship between functionality and customer acceptance of self-service technology at McDonald's.

### 2.2 CONCEPTUAL FRAMEWORK

The research framework was conducted to analyse the relationship between independent variables consisting of performance expectations, perceived uses and functions. While customer acceptance of self-service technology is a dependent variable.

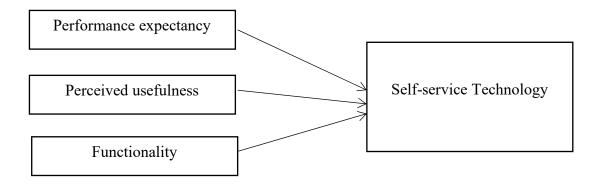


Figure 2: The Self-Service Technology

### 3 METHODOLOGY

### **Research Design**

Research design is a concept that shows the structure in planning a study that provides a specification of procedures that should be used by each researcher who conducts their research in an effort to obtain each piece of information in detail and test the hypotheses formulated from the study. Research design is basically divided into several types for example qualitative and quantitative research used by each researcher to obtain research information and data. In this study apply descriptive research to examine each example of customer representation to regulate independent variables such as performance expectations, perceived use, functions that influence customer acceptance of the use of self-service technology. The data collected using the techniques that will be used by most researchers is quantitative. According to (Bernard, 2017) the data collected by the researcher is quantitative based on methods such as direct observation, questionnaire, and pile type. The function of the use of quantitative data is to inform and understand procedures and understandings in a way that cannot be duplicated by the only approach.

### **Data Collection**

The first phase of the method used in the information collection process includes library research. A study library is a library that contains a complete collection of content on one or more topics such as reading journals, articles and so on. In general, through library research we

will be able to understand in more detail to do research because it includes primary and secondary sources and easy to understand. A research library can be a reference library that does not lend ownership, or a loan library that lends ownership to all or part of it (Mohd Ikhwan Aziz ,2016).

This method used in the implementation of this research is the questionnaire method. This method is one of the most popular information gathering methods and many researchers use this method. It is a questionnaire concept used by every researcher (Mohd Ikhwan Aziz ,2016). Questionnaires will be distributed to customers and residents in the Wakaf Che Yeh area who are experienced in using self-service technology and buying products at McDonalds Wakaf Che Yeh. This is also known as the process of completing this study. This respondent will answer the questionnaire which is to answer all the questions in the questionnaire where the researcher will give the form online or offline as a questionnaire form to participants who are residents of Wakaf Che Yeh or customers who have purchased products at McDonalds Wakaf Che Yeh.

### **Sampling**

Sampling method is defined as the process of population sampling. This is meant as a process of selecting a group of participants in a smaller scope to tell the researcher what the larger population can know if the researcher asks the same question to each member of the larger population (Adwok J ,2015) Simple random sampling is defined as the type of probability sampling in which numbers are given to units that compile populations. A set of random numbers will be generated and units with this number will be included in the sample (Adwok J ,2015). Due to the large customer population and Wakaf Che Yeh population which are around 10290 populations, the use of this method makes it easy for me to select a sample and distribute the questionnaire form to the respondents who will be targeted smoothly.

### **Data Analysis**

Data collected from respondents in this research will use Statistical Package for Social Science (SPSS). The function of using the SPSS method is to process the received data and extract the results in statistical data. Data will be received to answer all questions about the objectives studied in this study. Part A is mostly about the profile of the respondents, which is the demographics related to the personal information of each respondent who answered the questionnaire. Section B is about questions designed to measure respondents' experience using SST and all questions are measured through 5 interval scales. Part C it measures the independent variables that influence the acceptance of the use of this self-service technology. The last part, part D, is about the dependent variables in the study. Data collection from this section is mainly for the use of variables based on the actual use of SST.

### 4 FINDINGS

### **Demographic**

The profiles of the respondents are explained in Table 1 of 373 respondents which is 265 males and 108 females. The majority of them are in the age category of 24 - 28 years as many as 208 with 55.8%. Then, the Malays have leaded the highest amount with 72.4% (n = 270). The majority of respondents had a bachelor's degree with 47.7% (n = 178). From the occupation,

respondents from the private sector became the highest respondents with 40.2% (n = 150). The highest income level with 39.7% (n = 148) is the respondents who have income level from RM 1, 201 to RM 2, 500. The last part is marital status. According to the number of respondents through age stated most respondents are single with 49.6% and 48.8% of respondents are married and included the others with 1.6% (n = 6).

Table 1: Demographic profile

Cha	Ite	Frequent	%
ract	ms	1114	
eris			
tics			
Gen	Mal	265	71.0
der	e		
	Female		29.
		0	0
		8	
Age	<18 ye	ars 1	2.7
Age	old	0	2.1
	19-23	7	19.
	years o		6
	24-28	2	55.
	years o		8
	j <b>cu</b> rs c	8	Ŭ
	29-33	4	11.
	years o	ld 3	5
	34-38	2	7.5
	years o	ld 8 5	
	39-43		1.3
	years o	ld	
	44-48	3	0.8
	years o	ld	0.7
	49-53	2	0.5
	years o	ars 1	0.3
	old	ars 1	0.3
	olu		
Rac	Malay	2	72.
e	1.1	7	4
		Ô	
	Indian	4	10.
		0	7
	Chines	e 6	16.
		3	9
Edu	SPM	5	13.
cati		0	4

on leve 1			
1	Diploma	1 2 0	32. 2
	Bachelor degree	1 7 8	47. 7
	Master	2 3	6.2
	degree PHD	2	0.5
	ΓΠΟ	2	0.3
Occ	Student	2.	6.2
upat ion	Stadent.	2 3	0.2
	Unemploy	1	2.7
	ment	0	
	Self-	5 2	13.
	employed		9
	Private	1	40.
	sector	5	2
	Governme	0 1	37.
	nt sector		0
	III SCCIOI	3 8	U
		O	
Inco	No income	3	8.9
me leve	2 10 2220	3 3	Ç.Ş
	<rm 1200<="" td=""><td>4 5</td><td>12. 1</td></rm>	4 5	12. 1
	RM 1201-	1	39.
	RM 2500	4	7
		8	
	RM 2501-	1	37.
	RM 3500	4	5
	DM 2501	0 5	1.2
	RM 3501- RM 5000		1.3
	>RM 5001	2	0.5
Mar	Single	1	49.
ital		8 5	6
stat		5	
us	Marrie 1	1	40
	Married	1	48.
		8 2	8
	Others	6	1.6
	Onicis	U	1.0

### 4.1 ANALYSIS RELIABILITY

Reliability analysis was conducted for a total of 373 respondents to determine the consistency of independent variables such as performance expectations, perceived uses and functions as well as dependent variables that are customer acceptance of self-service technology. Scale and subscale reliability analysis shows that various measurements have good internal consistency as expressed by alpha coefficient values. As shown in the table below, the Cronbach's Alpha values of all dimensions and dependent variables are greater than 0.7.

### Reliability test

Variables	N	No. of items	Cro
	0.	deleted	nba
	of		ch'
	ite		S
	m		Alp
	S		ha
Perform	5	None	0.9
ance			09
expectan			
cy			
Perceive	5	None	0.8
d			65
usefulne			
SS			
Function	5	None	0.8
ality			99
Custome	5	None	0.9
r acceptance			01
towards self-service to	echnology		

### 4.2 DESCRIPTIVE STATTISTIC

The table below shows descriptive statistics for the two variables namely performance expectations, perceived usability, functionality and customer acceptance of self-service technology which includes mean values and standard deviations.

### **Descriptive Statistics of Performance Expectancy**

Questions	N	Mean	Standard
deviation			

It is easier for me to use self-service technology at McDonald's I'm prefer to use self- service technology provided at McDonald's

373

373

My	will	373	4.04	0.876
ord	m			
er	ore			
efficient	I'm			
if	using			
self-service	technolog			
	У			
provided at M	AcDonald's			
By using self-service technology provided at McDonald's, it can save my time		373	4.19	0.866
It is much convenience to place order by using self-service technology provided by McDonald's		373	4.11	0.912
Valid N (Lis	stwise)	373		
Descriptive S	Statistics of P	erceived Usefuln	ess	
Questions		N	Mean	Standard deviation
Self- service easier to use	technolog y	373	4.14	0.873
Self- service able to efficiency order	technolog y improve to pl ace	373	4.14	0.907
By	self-	373	4.03	1.025
usi	service			
ng	it			
technology	wi			
	11			

1 '.1 1 '			
reduce mistake during			
place order		т	1
It is much	373	4.17	0.878
convenience			
for me to place order			
through self-service			
technology			
Self-service	373	4.17	0.855
technology			
is very			
helpful in			
placing order			
Valid N ( Listwise )	373		
Descriptive Statistics	of Functional	ity	
Questions	N	Mean	Standard deviation
Self-service	373	4.19	0.833
technology			
inMcDonald's			
functioning well			
My order can be	373	4.13	0.876
placed	373		0.070
without any mistake			
by			
using self-service			
technology			
I feel	373	4.11	0.895
secure			
during			
making payments			
through the self-			
service			
technology			
McDonald's			
Self-service	373	4.14	0.852
technology			
provided by			
McDonald's help me			
a			
lot when			
placing my			
order			
The instruction of	373	4.20	0.814
self-			
service technology			
is			
understandable			
Valid N ( Listwise )	373		

**Descriptive Statistics of Self-service Technology** 

Question		N	Mean	Standard deviation
I'm prefer service	to use self- technolog y	373	3.81	1.038
when plac	ing an order			
I will never use self- service technology for my order ever		373	3.46	1.323
	chnology at l's if I want	373	4.17	0.882
service technology	ese self- y tists, I	373	4.06	0.986

### 4.5 PEARSON'S CORRELATION

Pearson's correlation is implemented to study the relationship between two variables namely independent variable and dependent variable. To test the relationship of each variable, the mediator in this study is considered as a dependent variable. Correlation coefficients will be used in statistics to measure how strong the relationship between the two variables is.

### **Performance Expectancy**

H1: There are a significant on relationship between the performance expectancy and customer's

acceptance towards self-service technology at McDonald's.

		Customer's	
		acceptance	
Performance	Pearson's	0.681	
Expectancy	Correlation		
	Sig. (2 tailed)	0.000	
	N	373	

### **Perceived Usefulness**

H2: There are a significant study on relationship between the perceived usefulness and customer's

acceptance towards self-service technology at McDonald's.

		Customer's acceptance
Perceived usefulness	Pearson's Correlation	0.692
	Sig. (2 tailed)	0.000
	N	373

### **Functionality**

H3: There are a significant study on relationship between the functionality and customer's acceptance towards self-service technology at McDonald's.

		Customer's acceptance
Functionality	Pearson's Correlation	0.697
	Sig. (2 tailed)	0.000
	N	373

### 5 DISCUSSION

RO1: To examine the relationship between performance expectations and customer acceptance of self-service technology at McDonald's

## **RQ1:** What is the relationship between performance expectations and customer acceptance of MacDonald's self-service technology?

Based on the research that has been done, the results of the research show that the positive relationship between performance expectations and customer acceptance of self-service technology at McDonald's. The research shows the results of the correlation coefficient that the value of r is 0.681 and the value of p is significant which is 0.000 at p = 0.000 < 0.001. The result shows that the significance is strong because the value is less than the alpha route 0.5 between the two variables namely performance expectations and customer acceptance of self-service technology. This indicates that customer acceptance of self-service technology emphasizes performance expectations on the self-service technology provided. Expected performance of self-service technology is important to ensure that the machines found by users are realized by them.

According to the results in the article (Haeng-Nam Sung et al., 2015) it shows the result of a positive relationship between performance expectations and Mobile Learning Services. Moreover, this article tends to explain the relationship of performance expectations to the use of mobile learning systems. Next, referring to the article (Min et al., 2008; Jambulingam, 2013) it also shows positive results on the relationship between performance expectations and behavioral acceptance of the technology used. The article expresses strong support for the results obtained from this research

RO2: To identify the relationship between perceived uses and customer acceptance of self- service technology at McDonald's

## RQ2: What is the relationship between perceived usefulness and customer acceptance towards self-service technology at McDonald's?

Based on the research that has been done in this study, it shows the results of a positive relationship between perceived use and customer acceptance of self-service technology. The results in this research show the correlation coefficient that the value of r is 0.692 and the value of p is significant which is 0.000 at p = 0.000 < 0.001. Its value shows a strong significance because the value is less than the alpha route 0.5 between perceived uses and customer acceptance of self-service technology. This shows that customers' acceptance of self-service technology at McDonald's is also concerned with the perceived usefulness of self-service technology. The perceived use of self-service technology can be attributed to saving customers time in service or process in serving food at McDonald's.

Based on the results in this research, researchers have confirmed that the results of previous studies have stated about the number of studies agreed and felt to be among the factors that influence positive acceptance as quoted from (Hong & Slevith, 2018). Furthermore, (Hong & Slevith, 2018) have explained that some researchers report a positive influence on perceived uses. Then, referring to the article from (Li & Huang, 2019) it shows a significant positive relationship between perceived use and acceptance of the use of self-service technology. Most of the journals read and researched have supported the results of this research.

## RO3: To find the relationship between functionality and customer acceptance of self-service technology at McDonald's

## RQ3: What is the relationship between functionality and customer acceptance towards self- service technology at McDonald's?

Referring to the research that has been done, the results show a positive relationship between functionality and customer acceptance of self-service technology. In the results of this study shows the correlation coefficient that the value of r is 0.697 and the value of p is significant which is 0.000 at p = 0.000 < 0.001. The results show a strong significance because the value is less than route 0.5 between the two variables namely the function and customer acceptance of self-service technology. This shows that the customer's acceptance of self-service technology at McDonald's is very much a function of good self-service technology. Among the functions of self-service technology are accessibility, response and adaptation. The function of self-service technology is also to ensure that customer requests are expressed and functioning properly without any errors.

According to an article from (Hanks et al., 2016) tells that the function of technology has the potential to have a positive impact on every aspect especially is the customer experience through shorter waiting times, shorter lines, and greater customer control to place their food orders. In addition, there are other journals that give full support to the results of this research as can be referenced in the article (Blu et al., 2016) it proposes a positive relationship between the perceived technology and its use. This means that the journals support all the factors listed as a positive result in customer acceptance.

### 6 RECOMMENDATION

From the study, based on the discussions and findings available on this technology, it should be made in every McDonald's branch because it not only gives advantages to customers but also gives advantages to restaurants in terms of more effective and systematic service. Based on a successful study, the use of self-service technology in restaurants provides high profits to both parties, namely customers and McDonald's in Wakaf Che Yeh itself. So in conclusion, in the future, McDonald's branches especially in Wakaf Che Yeh must use self-service technology in restaurants to achieve significant improvement in various aspects.

Furthermore, current research hypotheses can be further expanded in future research if there are researchers who want to do research on this topic. It can be studied in more depth by not only focusing on self-service technology alone. Self-service technology must actually be used in restaurants especially fast food restaurants that already have big brands in the global market. In the future, the type of machine must be improved from higher features, usage and security when placing a purchase order to ensure customer safety.

Conducting research requires high costs. In the future, researchers who are capable and have great expenses and if have a good team should make improvements in this research and learn and learn more about self-service technology. Thus, the establishment of self-service technology in turn can improve functionality and develop many new features on new machines.

The results of the application of this self-service technology are based on the variables from this study. The variables from this research are the performance expectations, uses and functions of self- service technology at McDonald's. Research is done to ensure that customers also have knowledge of this self-service technology and also ensure that they know the factors that influence their acceptance of this self-service technology.

### 7 CONCLUSION

Overall summary for this research, this study has three independent variables namely performance expectations, perceived uses and functions of self-service technology. Based on the research done, it shows that self-service technology has become one of the technologies used in the daily life of customers and self-service technology is also one of the factors that increase the profitability of a business. This is one of the marketing strategies to existing businesses to improve their performance and increase company revenue.

With this research, fast food restaurant organizations, especially McDonald's, can further develop their understanding of self-service technology. This will compete with other developed countries by improving business performance. With the results of this research, I hope in the future customers are ready to accept this self-service technology and maybe McDonald will reduce counter space and each employee is placed in the most difficult part before the use of this self- service technology. This also gives more space in the restaurant and gives more comfort to customers. By knowing the customer's choice, the retail industry can continue to develop the company's performance well while obtaining more sales revenue and achieving every goal set by the company.

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### IMPACT OF AFTER SALES SERVICES CHARACTERISTICS ON CUSTOMER SATISFACTION AMONG UNIVERSITY MALAYSIA KELANTAN STUDENT

Mohd Syahyusrizal Ashraf Bin Zakaria and Md Zaki Bin Muhamad Hasan

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <u>syahyusrizal97@gmail.com</u>; zaki.mh@umk.edu.my

### Abstract:

Researcher examines the impact of after sale service characteristics on customer satisfaction among University Malaysia Kelantan student. To what extent does characteristics like delivery service, warranty time of product, and quality of service provided satisfies customers? In this globalized market, organizations try to differentiate themselves, so they tend to provide value added services to its customers according their needs and wants. After detail and extensive review of literature researcher found that after sale service is essential in retaining and satisfying customers. Due to limited time, quantitative study is not possible. Practically our study benefitted for the manager of the organization that are mostly related to home appliances, so that they can check the customers trend toward safter sale services characteristics.

### 1.0 INTRODUCTION

This research is mainly focus on customer satisfaction among University Malaysia Kelantan students. In this study, the researchers examine the after sales services characteristics on customer satisfaction among University Malaysia Kelantan students. The pre-study stage found certain indications that the supplier and customer could perceive things differently and that this would make customers and suppliers decision making even more complex

Service positions in the organization have to interact with the customers. They have to deliver high satisfaction to them. However, the capabilities of these front-line workers to satisfy customers mainly depend on the environment the organization Customer satisfaction is considered very important now a day, it shows how firms are committed to provide quality product or services to their customers that eventually increase customers loyalty. Satisfying the customer is one of the basic objectives of the organization, as it is often said that customer is boss and boss is always right, so it means customer is right when he demands for after sale services. After sales service is an emerging concept in the business community. Organizations have to provide better after sale services to retain and satisfy its customer. Making and retaining valuable relationship with customer while using every aspect of taking, retaining and enhancing customer is known as customer relationship management(Kotler and Armstrong, 2010). Through customer relationship management, organizations can achieve their objective of retaining and satisfying customers. Customer satisfaction results in increased demand of product or service and the organization or brand reputation increases. When organization sell product effectively it has to make effective planning for services after sale, such planning is a part

of customer relationship management. After sales services has been important for organization to compete in the market by using such extended services (Vitasek, 2005).

### 2 LITERATURE REVIEW

Technology Acceptance Model

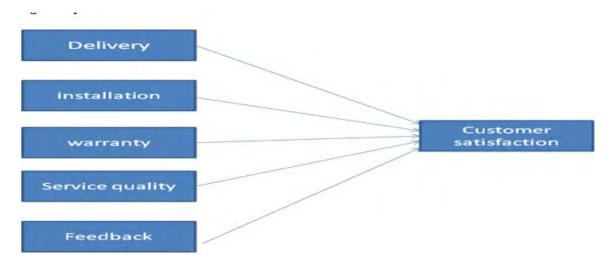


Figure 2.1: Technology Acceptance Model

Figure 2.1 shows the theoretical model that has created by Ali Iftikhar Choudhary, Syed Azeem Akhter, Muhammad Asif, Rashid Mehmood Choudhry, Zafarullha Siddique, Asif MughalIqra University, Islamabad Campus, Islamabad, Pakistan. Figure above shows five factors (independent variable) that influence online customer satisfaction. The independent variable is delivery, installation, warranty, service quality, feedback while the dependent variable is the customer satisfaction. For this research, the researcher chose delivery, warranty and service quality. Moreover, based on this study, it shows that delivery, warranty, services quality has a positive relationship with the customer satisfaction.

### 2.1 Consumer Satisfaction

Customer satisfaction is an output, resulting from the customer's pre-purchase comparison of expected performance with perceived actual performance and incurred cost (Churchill & Surprenant, 1982). Arnould and Price (1993) and Westbrook and Oliver (1991) pointed out that customer satisfaction through an understanding of the emotional content of services encountered. Customers could experience positive, negative or both feelings during services delivery process. Price et al. (1995) noted that customer satisfaction and positive feelings can be provided by extra attention given to the customers by the service provider.

### 2.2 Delivery services

A proper customer service delivery approach improves customer satisfaction and loyalty to the product (Rajesh and Uday, 2004). The product life cycle time shrinks due to technological progress, so companies must ensure timely delivery of the product, since IBM implements the integrated product delivery system for this. Four solutions for distribution management, product programme management, enterprise release management, quality and test lab management, and

final software library are supported by the Integrated Delivery System.

Product delivery raises the satisfaction of the consumer excessively (Shaharudin et al., 2009). For delivery of service and product Dealers, independent Service center, franchised Service center and mobile service centers can be used. Delivery of the product defined by two dimensions that is speed and reliability (Michael, 2001), and ensuring that the correct product is delivered from the right source to the right individual at the right price at the right destination at the right time in the right quantity (Michael, 2001).

### 2.3 Warranty

A warranty is believed to be a seller's duty or a seller's liability and the buyer's satisfaction with the long-term service of the commodity (Udell and Anderson, 1968). The main aim of the warranty offering is to illustrate that compared to similar products, the product can work and last for a longer time. To provide warranty organisations, the standard of a product must be improved to the degree that they can produce a consistent and better product and offer long-term warranty to their customer (Kelly, 1988)

### 2.4 Service quality

The service quality is the key categories where companies are facing challenges these days, this concern is mostly in the service sector where consumers also complain about service quality. To retain and satisfy consumer to greater extent it is necessary that service quality should be high (Cronin, J.and Taylor,S.1992). Functional quality is very important dimension in services and dimensions of quality are interrelated (Christian, 1984)

### 2.5 Proposed Conceptual Framework

The framework is design to explain about the relationship between dependent variables (Customer satisfaction) and independent variables (Delivery service, warranty, services quality). From this framework, it has proven that delivery services, warranty, services quality can influence online purchasing behaviours among Umk students.

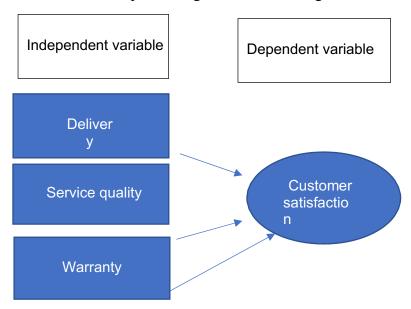


Figure 2.6 Research Framework (Develop for the research)

### 3.0 RESEARCH METHOD

This research used descriptive, reliability test and Spearman correlation. Descriptive research was taken to investigate the impact of after sales services in Malaysia with the independent variables: Delivery services, warranty, and services quality. Descriptive assisted with reliability and correlation in order to accomplish research objectives. Moreover, it also consists of a research framework design and plan of action for the research. Most importantly, it is to ensure the data collected from field work are appropriate for solving the problems. Research instruments are measurement tools such as questionnaire or scales which designed by researcher to obtain data on a topic of interest from research project. Basically, questionnaire is the main instrument for researcher for collecting data in survey research. It is a set of questions for obtaining statistically useful or personal information from respondent and sometimes it will be in written or printed form questionnaire often with spaces for answer.

In this study, the close ended questionnaire with structured questions will be used. It will be designed and distribute to respondents in two type of language which is English and Malay from avoiding any difficulty and were simply wording which ease respondents to understand since they were differences in their background.

The closed ended questionnaire will have multiple choice of answer and it is allowing respondents to select a single choice from amongst them. This type of questionnaire can help to reach at opinions about a product or service in a more efficient manner. Likert scale questions have been choosing from one of the type of close ended questionnaire for this study. It is it is designed to examine how strongly the respondents agree or disagree with the statements that has been provided and it is also appropriate to measure the attitudes, behaviour and opinion and typically a three, five or seven-point agreement scale used to measure respondents' agreement with a variety of statements. As a consequence, for this study, there are four point Likert with closed ended questionnaire scales ranging from 1 (Strongly Disagree), 2 (Disagree), 3 (Agree) and 4, (Strongly Agree) were used as the instrument in this study.

### 4 ANALYSIS AND DISCUSSION

### Demographic profile of respondent

Table 4.1.1: Frequency Analysis on Respondent's Age

AGE (YEARS OLD)	FREQUENCY	PERCENT (%)
19-21	48	32.0
22-24	83	53.3
25-27	15	10.0
28 and above	4	2.7
Total	150	100.00

The number of the respondent based on age. Based on the collected result from the total number of respondent is 150. There are 48 respondent aged between 19-21, at frequency 83 are aged between 22-24 years old, 15 respondents are aged between 25-27 years old, for frequency 4 are aged 28 and above years old. The result clearly stated that most of the respondent are from the age range between 22-24 years old, with highest percentage 53.3% and the result shows that most of the respondents are aged between 22-24 years old in University Malaysia Kelantan.

Table 4.1.2: Frequency Analysis on Respondent's Gender.

GENDER	FREQUENCY	PERCENT %
Male	50	33.3
Female	100	66.7
Total	150	100.00

The number participant is 150. There are 100 respondents from female, and 50 respondents from male. The result clearly stated that most of the respondent are from the female with highest percentage 66.7% and the lowest percentage is male with 33.3% student in University Malaysia Kelantan.

Table 4.1 on Respondent's.3: Frequency Analysis Race

RACE	FREQUENCY	PERCENT %
Malays	121	80.7
Chinese	16	10.7
Indian	8	5.3
Others	5	3.3
Total	150	100.00

The number of the respondent based on race. Based on the collected result from the total number of respondent is 150. There are 121 respondents from malays, and 5 respondents from others. The result clearly stated that most of the respondent are from the malays with highest percentage 80.7% and the lowest percentage others with 3.3% student in University Malaysia Kelantan.

### **Customer satisfaction**

Table 4.2.1 Reliability Analysis

Reliability Statistics

remaining official				
Cronbach's Alpha	N of Items			
.811	5			

In this study, five questions were used to measure impact on after sale service that influence customer satisfaction. The Cronbach's Alpha result of customer satisfaction was 0.811, which was resulted as high. Thus, the coefficient obtained for the questions of customer satisfaction is valid and reliable.

### **Delivery service**

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.691	3

In this study, five questions were used to measure impact on after sale service that influence customer satisfaction. The Cronbach's Alpha result of delivery service was 0.691, which was resulted as moderate. Thus, the coefficient obtained for the questions of delivery service is valid and reliable.

### Warranty

### **Reliability Statistics**

Cronbach's Alpha	N of Items	
.652		3

In this study, five questions were used to measure impact on after sale service that influence customer satisfaction. The Cronbach's Alpha result of warranty was 0.652, which was resulted as moderate. Thus, the coefficient obtained for the questions of warranty is valid and reliable.

### Service quality

### **Reliability Statistics**

Cronbach's Alpha	N of Items
.890	3

In this study, five questions were used to measure impact on after sale service that influence customer satisfaction. The Cronbach's Alpha result of warranty was 0.890, which was resulted as high. Thus, the coefficient obtained for the questions of service quality is valid and reliable.

### 4.2 HYPOTHESES TESTING

Using Spearman's Rho Correlation Coefficient Analysis, the researcher can make a hypothesis regarding the relationship between dependent variables, namely customer satisfaction with three independent variables (delivery service, warranty, service quality). Therefore, the table below shows the hypothesis for each independent variable and dependent variable.

### **Delivery service**

Table 4.4.1: Correlation Between delivery service and customer satisfaction

		·	N	Spearman's Rho Correlation
delivery service	<b>*</b>	customer satisfaction	150	.656**

<sup>\*\*.</sup> Correlation is significant at the 0.01 (1-tailed)

H1: There is a significant relationship between delivery services and customer satisfaction Table shows the correlation between delivery service and customer satisfaction. The relationship between is significant due to the p-value as 0.000, which less than the alpha value 0.01 (p<0.01). The result showed a positive relationship between delivery services and customer satisfaction, with the value of the correlation coefficient of 0.656 being moderate. This can be seen through a 65.6% dependent variable (customer satisfaction) is influenced by an independent variable (delivery service). As a result, hypothesis 1 is accepted and there is significant positive relationship between delivery services and customer satisfaction.

Based on the result of our study, the hypothesis H1 is accepted. There is positive significant relationship delivery service and customer satisfaction. A proper customer service delivery approach improves customer satisfaction and loyalty to the product. Organizations without a strategic product or service delivery strategy are similar to those that begin their journey without knowing the final destination. As we can see, delivery service is one of the impact on customer satisfaction among University Malaysia Kelantan student.

### Warranty

Table 4.2.2.: Correlation Between warranty and customer satisfaction

			N	Spearman's Rho Correlation
Warranty	<b>4</b> >	customer satisfaction	150	.706**

<sup>\*\*.</sup> Correlation is significant at the 0.01 (1-tailed)

H2: There is a significant relationship between warranty and customer satisfaction

Table 4.2.2 shows the correlation between warranty and customer satisfaction. The relationship between is significant due to the p-value as 0.000, which less than the alpha value

0.01 (p<0.01). The result showed a positive relationship between warranty and customer satisfaction, with the value of the correlation coefficient of 0.706 being strong. This can be seen through a 70.6% dependent variable (customer satisfaction) is influenced by an independent variable (warranty). As a result, hypothesis 2 is accepted and there is significant positive relationship between delivery services and customer satisfaction.

According to our study result, the hypothesis H2 is accepted. There is positive significant relationship between warranty and customer satisfaction among University Malaysia Kelantan student. A warranty is believed to be a seller 's duty or a seller's liability and the buyer's satisfaction with the long-term service of the commodity (Udell and Anderson, 1968). The main aim of the warranty offering is to illustrate that compared to similar products, the product can work and last for a longer time.

### Service quality

Table 4.4.3: Correlation Between service quality and customer satisfaction

			N	Spearman's Rho Correlation
service quality satisfaction	<b>4</b> >	customer	150	.799**

<sup>\*\*.</sup> Correlation is significant at the 0.01 (1-tailed)

H3: There is a significant relationship between service quality and customer satisfaction Table 4.4.3 shows the correlation between warranty and customer satisfaction. The relationship between is significant due to the p-value as 0.000, which less than the alpha value 0.01 (p<0.01). The result showed a positive relationship between service quality and customer satisfaction, with the value of the correlation coefficient of 0.799 being strong. This can be seen through a 79.9% dependent variable (customer satisfaction) is influenced by an variable (service quality). As a result, hypothesis 3 is accepted and there is significant positive relationship between delivery services and customer satisfaction.

According to our study result, there is positive significant relationship between service quality and customer satisfaction among University Malaysia Kelantan student. Service quality helps to assess the global distribution mechanism of the product or service companies, customer satisfaction and service quality have causal relationships with each other, and service quality influences the potential buying behaviour of organisations (H, -H. Hu et al., 2009). It is important that service quality should be high in order to attract and satisfy customers to a greater extent (Cronin, J. and Taylor, S. 1992). Service / product quality has a positive effect on client satisfaction.

### 5.0 DISSCUSSION

This study basically is to understand impact of after sales service toward customer satisfaction. From the impact given in this study may help e-retailer to penetrate customer satisfaction in order to planning a strategy to attract consumer for their retail store or online retails. Moreover, as a new entrances online marketer, they can refer to this study for the knowledge impact on after sales service toward customer satisfaction before enter to this market business. This will help the marketer to focus on what they need to do to attract and gaining customer interest in their business. As the other factor, it also need to have in the store or website as the attraction for consumer to revisits to the store or websites and become loyal customer. In a nutshell, this research concludes that all of the independent variables which are delivery services, warranty, service quality have positive related towards customer satisfaction among University Malaysia Kelantan student. It is important that the company to adopt a good after–sales service management to enhance the effectiveness and efficiency to serve the customer. For example, by implementing extensive customer relationship management (CRM) with sophisticated software and analytical tools, this can help to integrate customer information and build stronger capabilities in delivery, warranty, and service quality

### 6.0 ACKNOWLEDGEMENT

The completion of this research would not complete without assistance and participation of so many people whose names that cannot be enumerated. The researchers are very much thankful to En.Md Zaki bin Muhamad Hasan who provided detail guidance, expertise and valuable advice in the process of writing this research. She has been motivating and encouraging us to strive in finishing the research in the best manner. The researchers would like to express deep indebtedness

and appreciation to all the respondents who were willing to participate in the survey in spite of their busy schedule. Their contributions to this research are sincerely appreciated and acknowledged. The researchers' gratitude also extended to family and friends for their support and sacrifices. This research would not succeed without them.

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# THE FACTOR THAT INFLUENCE CUSTOMERS REPURCHASE INTENTION ON E-COMMERCE AT KOTA BHARU, KELANTAN

Muhamad Ibnu Sina Bin Mohd Husin and Nurul Azwa Binti Mohamed Khadri

Faculty of Entrepreneurship and Business,
-Universiti Malaysia Kelantan,
Malaysia

Email: sina.a17a0243@siswa.umk.edu.my; azwa.mk@umk.edu.my

#### Abstract:

The accessibility of the internet nowadays already exists all over the world and has become a world phenomenon without matching the creation of several generations of the internet such as 3G, 4G, and 5G. As such, many e-commerce platforms are developed by many parties such as shopee, Lazada and Alibaba. However, this platform still lacks the full trust of customers. Furthermore, attitudes and subjective norms and perceive behaviour control were examined to determine factor that influence customers repurchase intention on e-commerce. Theory Planned behavior will be used as the main basis of this study. First, attitudes, customers influence the repurchase of customer intentions in e-commerce. In other words, when customers believe in business activities in e-commerce they will easily buy more in the future. Second, our study shows that perceiving bahaviour control over repurchase intention is very important because information from people around is very helpful in binding purchase decisions. Finally, perceive behavior control have a positive and strong relationship with the intention to repurchase when the customer has the supportive resources in making a repurchase in e-commerce. The results of the study shed light on important issues relating to the behavior of customer. To remain competitive, e-commerce companies should constantly work at enhancing customer trust, satisfaction and loyalty.

**Keywords**: Repurchase Intention, E-commerce, Theory of Planned Behavior, Attitude, Subjective Norm, Percieve Behaviour Control, Customer Intention, Buy Back

# 1 Introduction

In this age of globalization, the invention of the internet is a great success that must be appreciated by everyone. This is because the reason for the accessibility of the internet nowadays already exists all over the world and has become a world phenomenon without matching the creation of several generations of internet such as 3G, 4G and 5G. The use of the internet nowadays has affected all aspects such as industry, education, economy and social. According to (Liu & Tsai, 2010)due to the fast growth of Internet technology, consumers' lifestyles have changed drastically. From the social aspect we can see that society is now no stranger to the existence of the internet which helps a lot from their daily affairs and activities, especially in disseminating information quickly without using letters that will be posted less effectively nowadays. According to (Turban et al., 2017) the Internet is a useful tool for dispersing information to customers as it is being flexible, open, informal, and interactive. The economic sector has also undergone major changes in the last decade. This has been led by the internet which has given birth to several e-commerce websites such as Lazada, Shopee, Alibaba and Groupon. E-commerce is an

online commerce that allows consumers buy goods directly from sellers over Internet by using the internet browsers (Bhagat, 2015). These changes have indirectly affected user behaviour. Previously, researchers have seen that consumer behaviour before the use of online shopping is the complete customer has no choice in making a purchase compared to after almost all consumers in Malaysia use e-commerce and can make a choice in purchasing. Therefore, the researcher will conduct this study in the area around Kota Bharu, Kelantan to conduct interviews and surveys.

Today, there are reports that there is an increase in online purchases, but some customers still use the offline purchase method. This is because there are some negative specifics on online purchases that use the customer's mind. According to E-Commerce-Milo, "lack of trust" is the root cause of people not shopping online (Wong, 2016). This "lack of trust" factor probably comes from the experience you have had while making an online purchase. In addition, there is likely to be a service experience faced by those around them who have bought them in online shopping. In addition, online products can't be physically touched by offline products that can be seen directly and they do not need the product made to make payment.

Next, a lack of confidence in the protection of personal privacy information on online shopping websites. Privacy refers to the degree to which the online shopping website is safe and protects the customer's information (Chiu, Chang, Cheng, & Fang, 2009). This shows the importance of information that needs to be protected by online shopping. However, there are further, According to Nielsen, a Malaysian online shopper, there are still some who are careful and do not feel safe by providing credit card information when they make online payments because there are many credit card scams. This has affected the repurchase in online shopping.

There are three objectives of this research:

To examine the attitude of customers repurchasing intention on E-commerce.

- 1. To examine the subjective norm of customers repurchasing intention on E-commerce.
- 2. To examine perceived behaviour control towards customers intention repurchase on E-commerce.

In the current economic situation, there is a change in consumer behavior in online purchases. Looking at the context of the increase in e-commerce today, it has a significant impact on society today, especially during the Covid-19 season. Besides, countless e-commerce has made it easy for many consumers to make the best choice so that they feel

satisfaction in purchasing. With this study, researchers can help upgrade educational institutions and social institutions in Malaysia.

### 2 LITERATURE REVIEW

### 2.1 Underpinning Theory

Theory of Planned Behaviour

The construct 'perceived behavioural control' is formed by combining the perceived presence of factors that may facilitate or impede the performance of a behaviour and the perceived power of each of these factors. Actual behavioural control refers to the extent to which a person has the skills, resources, and other prerequisites needed to perform a given behaviour. Actual behavioural control is difficult to accurately assess and so perceived behavioural control is measured through specially designed questionnaires and serves as a proxy measure of the influence. In the TPB, behavioural intention is controlled by a dynamic mix of attitude, subjective norm and Perceived Behavioural Control variables. Actual behaviour is again derived largely from behavioural intention, but is mediated to some degree by perceived behavioural control (Rajput & sharma, 2019).

#### **Previous Study**

#### Attitude

There are several factors of attitude towards repurchase including e-commerce in customer satisfaction with an e-commerce website Customer satisfaction in making a purchase is very important. According (Wen, Prybutok, & Xu, 2011), Consumer satisfaction has a positive effect on repurchase intention. The satisfaction of a consumer when shopping at a marketplace or shopping online will encourage consumers to return to the same marketplace.

#### Subjective Norm

The subjective norm in Malaysia do plays an important role where family members, friends, and a colleague are an individual strong reference point (Afendi, Azizan, & Darami, 2014). The environment of society also influences customer repurchase in ecommerce. One's experience with e-commerce will affect the people around him, or others' experience will influence the buyer in making online purchases. This is proven based on (Nasermoadeli, Ling, & Maghnati, 2013) assume the time "Every social experience can have an impact on individuals in social procedures through family, school, peers, and mass media. Each of these social effects has the power to influence thinking, our feelings and activities." Social experience will change the behaviour in socializing from consumers.

#### Perceive Behaviour Control

Perceived behaviour control involves two factors including internal factors such as skills, abilities, information, emotions and external factors such as, the situation or environment

of the individual is usually quite rational and able to use the information they have systematically. So, if an individual feels he does not have the resources or opportunity to do something, then the individual will not engage in behaviour that requires that resource, even in situations where the individual has a positive attitude and subjective norms that approve of that behaviour.

### Research Hypothesis

In this study, there are four hypothesis:

H<sub>1</sub>: There is significant relationship between the attitudes of customers repurchasing intention on E-commerce.

H<sub>2</sub>: There is significant relationship the subjective norm of customers repurchasing intention on E-commerce.

H<sub>3</sub>: There is significant relationship between the perceived behaviour controls towards customer intention repurchase on E-commerce.

#### Research Framework

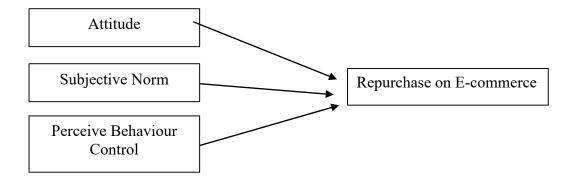


Figure 1: Research Framework of 'Factors that Influence Customers Repurchase Intention on E-commerce at Kota Bharu Kelantan'.

# 3 Methodology

### Research Design

In this research, a quantitative research method has been applied. Meanwhile, 383 questionnaires are distributed via Google Form. Respondents are the population Kota Bharu, Kelantan. Target respondents is those who have used e-commerce websites. The sampling technique used to select respondents is convenience sampling and data is collected through online channels such as Facebook, and WhatsApp. Section A has eight questions that are multiple-choice. For section B to section dependent variables which are a question about repurchase on e-commerce. Section C until section E is a question about independent variables there have 13 questions for this section. Likert scale is applied in the research for section B to section E. The scope ranges from 1= very, disagree, 2= disagree, 3=Natural", 4=agree, and 5=strongly agree, There are several types of analytical

techniques that are used to check the accuracy of the data collected throughout the research such as descriptive analysis, Spearman correlation coefficient analysis.

# 4 Analysis and Discussion

Descriptive Analysis

Demographic Profile of Respondents

Table 4.1: Respondent' Demographic

Items		N	Percentage (%)
Gender	Male	157	41
	Female	226	59
Age	24 And Below	99	25.8
	25-34	114	29.8
	35-44	120	31.3
	45-54	41	10.7
	55 And Above	9	2.3
Status	Single	169	44.1
	Married	182	47.5
	Divorce	32	8.4
Ethnic	Malay	268	70.0
	Indian	53	13.8
	Chinese	61	15.9
	Sabah	1	0.3
Academic qualification	SPM	64	16.7
	STPM	53	13.8
	Diploma	137	35.8
	Degree	121	31.6
	Master	2	0.5
	SRP	2	0.5
	STAM	1	0.3
	MBA	1	0.3
	PHD	2	0.5
Profession	Student	97	25.3
	Employee	276	72.1
	Unemployee	4	1.0
	Housewife	5	1.3
	Retiree	1	0.3
Income	Below RM 1000	111	29.0
	RM 1000- RM2999	214	55.9

	RM 3000-RM4999	45	11.7
	RM 5000 And Above	13	3.4
Ecommerce users	Shopee	265	69.2
	Lazada	71	18.5
	Alibaba	45	11.7
	Zalora	2	0.5

*N*=383 respondents

The demographic of the respondent is collected and recorded in table 4.1. The demographic includes gender, age, academic qualification, profession, ethnic, status, income, and ecommerce user. Based on the result, there is 59% of the female respondents and 41% of female respondents in the data. It concludes that the total of female respondents is more than the total of male respondents. As for the age the majority is in the age range of 35 – 44 who agreed to participate in the studies which are 31.3% of the respondents. The majority of the respondents have a diploma holder as their academic qualification level which is 35.8%. As for the status, there are 47.5% of the respondents are married. A married person can be categorized as a mature respondent in answering questions. As for the profession, the majority of the respondents in Kota Bharu have jobs which is 72.1% of the respondents. RM 1000 until RM 2999 is the salary earned by the respondent where 55.9% is higher than the others. Finally, Shopee is the most common user of respondents for this questionnaire study which is 265 respondents with 69.2%.

Spearman Correlation Analysis

Table 4.2: Result Spearman Correlation Analysis

Correlations							
			RE	ATT	SN	PBC	
Spearman's rho	RE	Correlation Coefficient	1.000	.231**	.323**	.424**	
		Sig. (2-tailed)	•	.000	.000	.000	
		N	383	383	383	383	

The table 4.2 shows the result of spearman correlation on this research. The highest value is perceive behaviour control (PBC) with 0.0.424 while the lowest is attitude (ATT) with 0.231. Besides that, subjective norm shows that value with 0.323. However, the p-value is significant for all variables with the value of 0.000. That's mean all independent variable has a significant relationship between dependent variable in this study.

#### 4.4 Hypothesis Testing

### 4.3: Summary of Hypotheses Testing

Hypothesis	Statement	Significant Value	Result
$H_1$	There is significant relationship between the attitudes of customers repurchasing intention on E-commerce.	0.000	Accepted
H <sub>2</sub>	There is significant relationship the subjective norm of customers repurchasing intention on E-commerce.	0.000	Accepted
H <sub>3</sub>	There is significant relationship between the perceived behaviour controls towards customer intention repurchase on E-commerce.		Accepted

Based on Table 4.3, all of the hypotheses showed the same significant value, which is 0.000. So, all hypothesis is significant because the p-value is below 0.005. All hypothesis, which is H1, H2, and H3 are accepted.

#### 5.0 Recommendations

As a result of the results obtained from this study, several factors drive customers' intentions in making repurchases in E-commerce, among them are attitude, subjective norm, and belief behaviour control has shown promising results in this study Kota Bharu, Kelantan. Therefore, the researchers suggest that website developers use the report results from this study in marketing the products available in their e-commerce. This study report can also be used by every educational institution such as University and school for those interested in studying repurchase; they can use the existing independent variables as drivers for new ideas that they want to present in their study.

Besides that, retailers in e-commerce in using this study report in improving service to customers so that the influence of the customer environment can attract people's interest. Most customers value quality service before making a purchase other than seeing a reasonable price based on their ability. Every retailer must understand the attitude and behaviour of customers in making a purchase.

Future research suggests that this study does not represent the general population around Kota Bharu, Kelantan. Researchers only took a sample of 383 respondents. This can be used as an example and reference for future researchers by getting feedback from respondents. The study location can also be expanded to obtain more accurate data and obtain opinions in understanding the study related to repurchase intentions.

### 6.0 Conclusion

In this research, there are three main independent variables such as attitude, subjective norms, and behaviour control. To conduct this research, researchers collected data through questionnaires. This questionnaire was distributed to 383 residents around Kota Bharu, Kelantan as respondents. This area is liked by researchers because this area is nearby and will make it easier for researchers to do this research. In addition, respondents around Kota Bharu will be screened based on online purchases on E-commerce websites. The purpose of this study is to identify the factors that influence the intention to repurchase customers in E-commerce. The results of the researcher's study found that the independent variables presented by the researchers such as attitudes, subjective norms, and perceive behaviour control have a positive relationship with repurchase in E-commerce. This has thus made the objectives of this study have all been achieved. These three variables are important factors to consider for every E-commerce website developer. This will make the customer will repeat the purchase and E-commerce website can successful if these factors are taken into consideration.

# Acknowledgements

It gives me immense pleasure to present this proposal on The Factor that Influence Customers Repurchase Intention on E-commerce in Kota Bharu, Kelantan at Research Project Retailing 1 (ARS4112). In partial fulfilment of Bachelor of Entrepreneurship (Retailing). No work can be carried out without the help and guidance of various kind persons. I am happy to take this opportunity to express my gratitude to those who have been helpful to me in completing this research. I would like to thank my supervisor for this research, Miss Nurul Azwa Binti Mohamed Khadri, for her guidance. I also would like to thank my parents, friends, and well-wisher who encouraged me to do this research work and those involved directly in completing this research.

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# FACTORS AFFECTING USAGE OF E-WALLET PAYMENT DURING THE PANDEMIC COVID-19 AMONG GENERATION Z

### Muhammad Hamizam Bin Zameri and Raja Rosnah Raja Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hamizam.a17a0275@siswa.umk.edu.my; rosnah.d@umk.edu.my

#### Abstract:

The purpose of this study was to identify the factors affecting usage of e-wallet payment during the pandemic Covid-19 among generation Z at University Malaysia Kelantan (UMK). The element investigated the perceived ease of use, perceived usefulness, social influence, and facility condition were selected and justified by researcher form literature review. This study was conducted by using quantitative research approach with total of 139 respondent involved in this study. The respondents were selected by using a convenient sampling method among Generation Z students at University Malaysia Kelantan. This study analysed the data by using the Statistical Package for Social Science (SPSS) software. The finding shows that all elements had significant relationship with usage E-wallet payment among Generation Z students. Next this research also can be used for other researcher as a reference for their future research.

**Keywords:** E-wallet payment, perceived ease of use, perceived usefulness, social influence, facility condition, generation Z

#### 1 INTRODUCTION

The recent growth and acceleration of innovation in information technology have emerged as a catalyst to promote commercial transaction users in their everyday lives (Keng-Soon & Chong, 2019). Financial technology advances have helped business entities build a more exclusive model of financial transactions aimed at satisfying client needs (Salmony, 2014). This can be illustrated by the rising consumption of banking services, which, following developments in the financial sector, is increasing annually. This presumption is then integrated into non-cash transactions to show that consumption is one of the variables that strengthens society's class advantage and preserves community ties (Welly, Yerisma, Supitriyani, Yusnaini, & Sudirman, 2020).

Children of the Internet, Digital Generation, Digital Natives 87F, Media Generation, .com Generation, iGen 8F or Instant Online (Levickaite, 2010) are often referred to as Generation Z, which consists of people born since 1995. Dependence, independence, individualism, addiction to technology and pace are the most distinctive characteristics of Generation Z. This research was carried out on the basis of several unresolved issues concerning variables that drive Generation Z to use E-Wallet, and other reasons why this study was conducted are because this study was the first to be conducted in University Malaysia Kelantan. The issue of the research is that the use of E-Wallet as a platform for non-cash transactions and variables that drive Generation Z's ability to use E-Wallet as part of the Uncertain Cash Association is not yet optimal (Rif'ah, 2019).

#### **Problem Statement**

The country's survival is now threatened due to the Covid-19 epidemic that has hit our country. It is now impossible for Malaysians to purchase products at nearby shops because they have to follow the prescribed Standard operating procedure (SOP). So, Malaysians can purchase products from home using E-Wallet to prevent this corona virus from spreading further. While the issue of covid-19 is well known around the world, this e-wallet facility is not used by all societies. Although e-wallet payments have become the subject of research in the last year (Blockchains, 2018; Halim, Efendi, Butarbutar, Malau, & Sudirman, 2020; Intarot & Beokhaimook, 2018) There is a lack of research exploring this perceived ease of use of the e- wallet on Generation Z. Few studies investigate the perceived ease of use effect of Fintech on behaviour. (Bagla, Kumar, & Sancheti, 2018; Huei, 2018). Thus in the sense of e-wallet payment, the effect of perceived ease of use on generation Z belief can shed some light on existing technologies and contribute to the growth of the public.

### **Research Objective**

There are four objectives of this research:

To examine relationship between affecting usage of e-wallet payment during the pandemic covid-19 among generation z.

To examine relationship between perceived ease of use affecting usage of e-wallet payment during the pandemic covid-19 among generation z.

To examine relationship between perceived usefulness affecting usage of e-wallet payment during the pandemic covid-19 among generation z.

To examine relationship between social influence affecting usage of e-wallet payment during the pandemic covid-19 among generation z.

#### Significance of study

#### Researchers

Future researchers able to follow the footsteps of past researchers to continue the study in discovering more factors in order to provide more beneficial information and knowledge to the young generation.

#### E-Wallet

For further research on the adoption of E-Wallet, additional researchers are expected to be able to establish and explore issues related to previous research variables, or to incorporate other variables related to and not included in this report, such as risk perception, safety factor, advancement in technology, trustworthiness, and promotional appeal.

#### 2 LITERATURE REVIEW

### **Underpinning Theory**

### The Unified Theory of Acceptance and Use of Technology (UTAUT) Model

UTAUT has been used in various sectors of the industry in the last few decades to research different applications of technology for organisational reinforcement. UTAUT environments have been modified to fulfil these criteria as technology is increasingly used for individual use, by incorporating additional constructs: hedonic motivation, habit, price value, and perceived pleasure (Kim, Li, & Kim, 2015). A paradigm used to describe the interest of users in their consumption actions is the Unified Theory of Acceptance (UTAUT). The UTAUT model consists of four systems, including performance goals, work expectations, social impact (SI) and conditions of the facility. It can be considered that UTAUT is a TAM renewal model, which is used to describe how technology acceptance and adoption can alter the behaviour patterns of people (Venkatesh, Morris, Michael, Davis, & Davis, 2016). The TAM and UTAUT models are typically used simultaneously or only one of them in a report on the adoption of technology. Based variables are often frequently added to quantify the actions of technology adoption, such as social effects, protection, and facility condition. Linked studies of mobile banking, electronic money, digital payments (Nidhi, Srivastava, & Sinha, 2017) include studies by (Beheshti, Benatallah, & Motahari-Nezhad., 2018) using the TAM and UTAUT models.

#### **Research Framework**

A research framework has been conducted to investigate the connection between independent variable and dependent variable of usage E-wallet payment applications during coronavirus 2019 pandemic period.

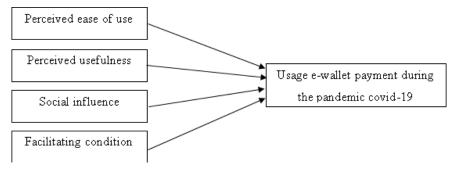


Figure 1: Conceptual Framework

#### 3 METHODOLOGY

## **Research Design**

In the current research, the study design by Cavana, Sekaran, and Delahaye (2001) is adapted. Since the features of phenomena in a situation are known and the researcher is able to explain them more clearly, the object of the present study falls under descriptive study and hypothesis testing. Thus, from an individual perspective, the present thesis explores the essential aspect of the phenomenon of interest. Subsequently, the present study includes the creation and testing of hypotheses to clarify the proposed relationship in order to make a prediction of research results on the consumer.

In order to achieve the research goals, it is important to explain the forms of investigation to ensure that the research understands the concept of the research issue clearly. The present analysis opts for a correlational study in which the researchers try to look for important variables that can resolve the issue of the study. The study needs to find a correlation between the independent variable and the dependent variable relation in the current study. However, there are other variables that are mediating and moderating variables that can influence the direct relationship between these variables.

#### **Data Collection Method**

Data are values that belong to a collection of things for a qualitative and quantitative variable (Smith, 2016). To perform this analysis, primary data will be used. Primary data means initial data that has never been obtained before, according to Burns and Bush (2014), the primary data, such as survey, interview, observation, and questionnaire, can be gathered from various sources (Smith, 2016). The questionnaire will be used as the basis for the primary data collection for this analysis. The questionnaire was distributed directly to the relevant respondents, who are also the target population at the University of Malaysia Kelantan, using the convenience process.

### **Sampling**

In market analysis, there are two types of sampling techniques, which are techniques of non-probability and probability sampling (Sekaran & Bougie, 2010). Smith (2016) indicated that the technique of probability sampling requires a general sampling frame specification. A non-probability convenience sampling method was therefore selected as the sampling technique where it is difficult to define the sampling frame in this analysis. The technique of convenience sampling allows researchers to choose any of their chosen respondents available rather than choosing from the entire population (Hair, Celsi, Samouel, Money, & Page, 2015). In addition, the method of convenience sampling was implemented in this analysis because this method could save researchers time and expense in collecting the data (Smith, 2016). The respondents to the questionnaire will be the students of Generation Z at University Malaysia Kelantan Pengkalan Chepa.

### **Data Analysis**

The process of data analysis starts with the selection of the correct programme to conduct the analysis process that fits the aims of the current report. This research uses statistical software, such as the Statistical Kit for Social Sciences (SPSS) and Structural Equation Modeling (SEM). For the data entry process, data conversion and running for descriptive statistical analysis, SPSS software is intentionally used to obtain demographic results. Meanwhile in the current research, SEM software was used to analyse complex structures.

Data entry is the first step in the process of analysis of data. To get the mean percentage of sample distribution, standard deviations and normality test for variables and demographic profiles, the researcher uses SPSS software to key in data and runs the study for descriptive statistical analysis. After that under a new project, the SPSS data set is stored as a Comma Separated Value (CSV) file and imported into SmartPLS programme. Since SmartPLS programme is unable to read other file formats such as excel or word files, the SPSS file should be stored in a CSV file. The researcher must acquire basic knowledge of this programme before conducting the SmartPLS analysis. On the option of Structural Equation Modeling and SmartPLS, the following subheading further describes.

#### 4 FINDINGS

#### **Preliminary Analysis**

Table 1:Pilot Test Result of 30 Respondents

Variables	Cronbach's Alpha
Perceived Ease of Use (PE)	0.891
Perceived Usefulness (PU)	0.823
Social Influence (SI)	0.801
Facility Condition (FC)	0.838
Usage E-wallet payment during pandemic	0.812
COVID-19 (DV)	
TOTAL	0.965

Table 1 shows the pilot test result and its coefficient of Cronbach's Alpha by each variable from 30 respondents at University Malaysia Kelantan. Base on the value of Cronbach's Alpha the highest value which is Perceived Ease of Use (PE) is 0.891 can be considered as very good. While the lowest value of Cronbach's Alpha is Social Influence (SI) which is 0.801 and can be considered as very good. The total value Cronbach's Alpha of 5 Variables is 0.965 is consider as excellent. So, researcher can run the research because all of 5 variable is accepted.

# **Demographic Profile of Respondent**

Table 2: Demographic Profile (N = 139)

Demographic Characteristic	Category	N	Percent (%)
Gender	Male	56	40.3
	Female	83	59.7
Age (years old)	20 - 23	104	74.8
	24 - 26	35	25.2
Marriage Status	Married	2	1.4
	Single	137	98.6
Races	Malay	111	79.9
	Chinese	12	8.6
	Indian	16	11.5
Education Level	Matric	18	12.9
	STAM	19	13.7
	STPM	58	41.7
	Diploma	30	21.6
	Bachelor's Degree	14	10.1
Frequency Analysis on E- wallet use times of Respondents	1 to 3 times	66	47.5
	4 to 6 times	46	33.1
	7 to 9 times	12	8.6
	10 times or more	15	10.8
Frequency Analysis on Buying Items Using E-wallet of Respondents	Accessory	24	17.3
	Electronic	20	14.4
	Food	23	16.5
	Other	72	51.8

Table 1 shows the demographic of respondents. As can be seen from the table above,

40.3 percent of respondents are male and 59.7 percent of respondents are female. Moreover,74.8 percent of respondents were from the age range 20 to 23 years old, and 25.2 percent of respondents were from age range 24 to 26 years old. For marital status of the respondents, there are 137 respondents are single which is 98.6 percent and 2 respondents are married which is 1.4 percent. Based on the information shown above, there are 111 Malay respondents, 16 respondents are Indian and the remaining 12 respondents are Chinese. The percentage of each of the categories are 79.9 percent, 11.5 percent, and 8.6 percent respectively. There are five levels of educational qualification that discussed in the survey where consist of STPM, STAM, MATRIC, Diploma, and Bachelor's Degree. Table 2 had clearly stated the educational qualification of the respondents. Most of the respondents had the educational qualification on STPM where there are 58 respondents or 41.7 percent of them. After that, there are 30 respondents have complete their Diploma and contributes 21.6 percent from the total of 139 respondents. Followed by the STAM respondents who are 19 of them and contributes 13.7 percent in the survey. There are only 18 respondents who have MATRIC qualification which consist of 12.9 percent. The smallest group for the educational level is fall under Degree category and there only 14 of them which consist of 10.1 percent from the overall. Based on the data collected, the highest ranking E-wallet use times by respondents is 1 to 3 times which 66 respondents which represented 47.5 percent. Second higher ranking is 4 to 6 times which 46 respondents which represented 33.1 percent. Next ranking of E-wallet use times by respondents is 10 times or more which is 15 respondents or 10.8 percent. The rest 12 respondents was use E-wallet 7 to 9 times which is 8.6 percent. Table 2 show percentage of the frequency the items that respondents buy using E-wallet among University Malaysia Kelantan students. It was categorized into four group which were Accessories, Electronics, Food, and Other. Based on the data collected, the higher ranking items buy among respondents is 'Other' items which is 72 respondents with 51.8 percent represented. Second higher ranking is Accessories which is 24 respondents with represent 17.3 percent. Next is Food where there has 23 respondents with 16.5 percent represented and the rest is Electronics items which has only 20 respondents with represent 14.4 percent.

#### Reliability Test

Table 3: Reliability Test

	Cronbanch's Alpha	Cronbanch's Alpha Based On Standardized Items	N Of Items
Perceived Ease Of	0.928	0.930	5
Use			
Perceived	0.920	0.920	4
Usefulness			
Social Influence	0.866	0.867	3
Facility Condition	0.862	0.866	3

Usage E-Wallet	0.879	0.880	3
Payment During			
Pandemic Covid-			
19			

Based on the reliability analysis in Table 3, it can be concluded that the Cronbach's alpha based on standardized items which is 0.930. This means the consistency and stability of 0.930 is excellent according the Rules of Thumb about Cronbach's Alpha Coefficient Size (Hair Jr., Celsi, Money, Samouel, & Page, 2011). According to the reliability analysis, it can conclude that the coefficient alpha for reliability of independent variable perceived usefulness is 0.920. This means the consistency and stability of 0.920 is exellent refer to the Rules of Thumb about Cronbach's Alpha Coefficient Size. Based on the reliability, it can conclude that the coefficient alpha for reliability of independent variable Social Influence is 0.866. This means the consistency and stability of 0.866 is very good referring to the Rules of Thumb about Cronbach's Alpha Coefficient Size. According to the reliability analysis, it can conclude that the coefficient alpha for reliability of independent variable Facility Condition is 0.862. This means the consistency and stability of 0.862 is very good refer to the Rules of Thumb about Cronbach's Alpha Coefficient Size. Based on the reliability, it can conclude that the coefficient alpha for reliability of dependent variable Usage E-wallet Payment is 0.869. This means the consistency and stability of 0.869 is very good referring to the Rules of Thumb about Cronbach's Alpha Coefficient Size.

# Spearman Correlation Analysis

Table 4: Spearmen's correlation of independent variable and dependent variable

Corr	elations					
		PE	PU	SI	FC	EP
PE	Pearson	1	.909**	.849**	.887**	.914**
	Correlation					
	Sig. (2-tailed)		.000	.000	.000	.000
	N	139	139	139	139	139
	PU	Correlatio	1	.861**	.854**	.863**
	Pearson	n .909**				
	Sig. (2-tailed)	.000		.000	.000	.000
	N	139	139	139	139	139
	SI	Correlatio	.861**	1	.821**	.826**
	Pearson	n .849**				
	Sig. (2-tailed)	.000	.000		.000	.000
	N	139	139	139	139	139

FC	Correlatio	.854**	.821**	1	.816**
Pearson	n				
	.887**				
Sig. (2-tailed)	.000	.000	.000		.000
N	139	139	139	139	139
EP	Correlatio	.863**	.826**	.816**	1
Pearson	n				
	.914**				
Sig. (2-tailed)	.000	.000	.000	.000	
N	139	139	139	139	139

Based on Table 4, it can be seen that all of variables which were perceived ease of use (PE), perceived usefulness (PU), social influence (SI), Facility Condition (FC) and usage E-wallet payment (EP). The highest correlation coefficient between independent variable and independent variable is perceived ease of use and perceived usefulness, which is 0.909. Secondly, the lowest correlation coefficient between independent variable and independent is social influence and facility condition, which is 0.821. The dependent variable of this research is usage E-wallet payment (EP). Next, the highest correlation coefficient between independent variable and dependent variable is perceived ease of use, which is 0.914. Moreover, the lowest correlation coefficient between independent variable and dependent variable is facility condition, which is 0.816.

#### 5.0 CONCLUSION

In this research, there are four independent variables include perceived ease of use, perceived usefulness, social influence, and facility condition. In order to conduct this research, the researcher collected the data by using questionnaire. The questionnaires was distributed to 139 Generation Z student at University Malaysia Kelantan during the pandemic Covid-19. This research is to find generation Z who use E-wallet payment as platform to buy goods. However, commitment and guided from supervisor, Madam Raja Rosnah binti Raja Daud help researcher to finish this research smoothly.

According to the result, perceived ease of use is the highest factor influence the generation Z continuance intention to use E-wallet payment applications during coronavirus 2019 pandemic period. Besides that, perceived usefulness facility condition also influence customers to choose what the suitable E-wallet payment application that they want to use. Moreover, social influence also has a significant relationship with customer's continuance intention of using E-wallet payment applications. It is because social influence, such as your best friends will attract to use this applications because it their save time and easy to pay when you shopping.

In conclusion, the results for this study have contributed beneficial information to their future

research about the factors determining usage of E-wallet payment among Generation Z during coronavirus 2019 pandemic period. Besides that, the present study gives an understanding of this factors, especially to application developers. Last but not least, there are some limitations for the present study, it is hoped that the first step taken in studying about the factors determining customer's continuance intention of using E-wallet payment applications during coronavirus 2019 pandemic period is significant for future justification, especially students of University Malaysia Kelantan

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# THE COMPARISON OF SERVICE QUALITY DIMENSION BETWEEN CUSTOMERS SATISFACTION TOWARDS E-HAILING AND TAXI SERVICES IN MALAYSIA

#### Muhammad Husaini Bin Ahmad Tarmizi and Nadia Hanum Binti Amiruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: husaini.a17a0279@siswa.umk.edu.my; nhanum@umk.edu.my

#### Abstract:

This paper aims to analyze customer satisfaction with the services provided by analyzing the five service quality dimensions; tangibility, empathy, reliability, assurance, and responsiveness. In this research, the SERVQUAL model is used to identify the comparison between E-hailing and Taxi toward customer satisfaction Primary data was collected from people that experience both services using a Likert type scale questionnaire. The target population for the study was people that experience E-hailing and Taxi services. The questionnaire includes 147 respondents followed by a data statistical Cohen analysis table. Data were cleaned and edited to eliminate errors and omissions then coded to assign numbers to responses and were arranged against each research question. The data were analyzed using descriptive statistics, reliability test, normality test, and Spearman analysis. The overall findings conclude that all the five service dimensions in E-hailing and Taxi have a significant correlation towards customer satisfaction.

Keywords: Service Quality Dimensions, SERVQUAL Model, E-hailing, Taxi, Customers Satisfaction

#### 1 Introduction

In this modern era, E-hailing services are increasingly common in the city. E-hailing service is a service that links the customer with the driver with a smartphone or device linked through the internet and Taxi is a type of rental vehicle driven by a driver to transport one or a small number of passengers to their destination of choice compared to other public transport where the volatility location is set by the service operator, not the passenger even though the taxi service in this country was very common in the past but now it is increasingly affected because introduction of E-hailing before this, and because of that, now Taxi has growth through application such as MyTeksi, Public Car and others . E-hailing services apply to the booking of transport services using the smartphone application as they operate with transport network firms (Pham et al., 2017). In today's technology, customers worldwide, including Malaysia, are growing and embraced. E-hailing services have been legalized in Malaysia since 2017 and there are currently 5 cars operating in Malaysia including Grab, Pink Riding, PicKnGo, and MULA (Rao, 2018). Grab and Uber are famous among the service providers because of their services in Malaysia.

During decades of other modes, taxis offered rental service without real competition. However, in 2018, Malaysia was turned over by ride-hail services like Uber and Grab. Business model by using mobile applications to connect drivers to drivers. The mainstream press has been pitting taxis against the ride-hail services both as well as policy initiatives since 2012, mostly concentrating on the condition of the taxi driver, and the potential elimination of these legacy services (Nelson, 2016).

Therefore the purpose of this paper is to investigate the relationship between the service quality and customers satisfaction toward E-hailing and Taxi services in Malaysia. Specifically, this study aims to evaluate the five service quality dimensions, namely tangibility, efficiency, responsiveness, assurance, and empathy, towards customer satisfaction on ride-hailing services in Malaysia. The results of the study will provide further insight into the ride-hailing services especially in filling the research gap by empirical testing on the relationship between the service quality dimensions and customer satisfaction in the E-hailing and Taxi services industry in Malaysia. Moreover, this study will raise awareness of the value of the standard of service for enhancing customer satisfaction, leading to further retention of customers and increased business performances by e-hailing and taxi service providers.

# 1.1 Research Objectives

Based on the outlined objectives of the research, the research questions that need to be addressed as follows:

To examine the relationship between reliability and customers satisfaction toward E-hailing and Taxi services

To examine the relationship between assurance and customers satisfaction toward E-hailing and Taxi services

To examine the relationship between tangible and customers satisfaction toward E-hailing and Taxi services

To examine the relationship between empathy and customers satisfaction between E-hailing and Taxi services

To examine the relationship between responsiveness and customers satisfaction between E-hailing and Taxi services

### 1.2 Significance of Study

This research would compare customer satisfaction with service quality with e-hailing and taxi services. Understanding the dimensions of service quality: Reliability, assurance, tangibility, empathy, and responsiveness(Ananthanarayanan Parasuraman, Zeithaml, & Berry, 1988) to customer satisfaction. It provides more customers with positive or negative customer satisfaction responses. The positive reaction we know is E-hailing since it links us through online services, which will make it easier for people around Malaysia. Users simply use the device and mobile phone and collect the drives in the given time. It is more convenient than a taxi to wait for passengers to pick up a taxi from their location. The researcher are already aware that the comparison will be negative and positive because most of them are in daily need to Malaysian people. In addition, the researcher find out that certain Taxi services has got negative reaction

from people but still got positive reaction from most people in Malaysia compare to E-hailing has positive reaction from the people because of the functional of the application .

#### 2 Literature Review

### Service Quality

The contrast between service expectations and perceptions depends on the quality of services (Arun Parasuraman, Berry, & Zeithaml, 1991). It is difficult to describe the quality of services since services are primarily intangible. Most researchers have adjusted the quality of the services in five main dimensions to SERVQUAL created by Anantharanthan Parasuraman, Zeithaml, and Berry (1985); reliability, assurance, tangibility, empathy, and responsiveness.

### Reliability

The dimension of reliability in this study is more focused on the ability of drivers who are on duty to fulfill promises through the provision of quality services to passengers such as on time faster and more efficient so that passengers do not have to wait. Reliability is a key factors that influence the perception of the quality of service by consumers in providing a service (Alex & Ondiek, 2014).

#### Assurance

Assurance means employees' knowledge of the courtesy of the company and its staff and the ability to inspire confidence. As a result, the quality of service that customers assess by the quality of service rendered by the service provider is considered by the customers as a significant factor (Kang & James, 2004).

#### **Tangibility**

The physical facilities, equipment, and personal presence of all those involved in the operation, including taxis and E-hailing, are tangible. Consumers consider a substantial effect on the consumer's view of service quality from the service provider's tangibility factor (Kotler & Keller, 2012).

### **Empathy**

The element of empathy is a feeling that exists when a taxi driver or E-hailing understands the feelings of the customer by offering services that satisfy the customer. One of the main elements of service quality that impacts customers' understanding of service quality is the empathy of the service provider (Kotler & Keller, 2012).

#### Responsiveness

The willingness to help customers and offer a speedy service is responsiveness. The focus of this dimension is to address customer requests, questions, complaints and problems in a quick and effective manner. for example, services are delivered in good time and meet the needs of customers, consumers are aware of the high standard of service quality (Al-Azzam, 2015)

#### **Customer Satisfaction**

Customer satisfaction is characterized to the degree that a customer realizes that an individual, firm, or company has made a product and service accessible that meets the customers' requirements in such a way that the customer knows about and/or utilizes the service (Oliver, 1977).

# 2.1 Research Hypothesis

The hypothesis of the research is known as a scientific hypothesis and involves the statement of the relation between two variables. The findings or outcomes of the analysis are also suggested (Haber, 2010). This research, therefore, proposed to test the relationship between the two variables, independent and dependent. The hypothesis of the present study can be summarised in the following way, based on the literature review and the research question that discussed:

H<sub>1</sub>a: There is a significant relationship between reliability and customers satisfaction on E-hailing in Malaysia.

 $H_1b$ : There is a significant relationship between reliability and customers satisfaction on Taxi services in Malaysia.

H<sub>2</sub>a: There is a significant relationship between assurance and customers satisfaction on E-hailing services in Malaysia.

H<sub>2</sub>b: There is a significant relationship between assurance and customers satisfaction on Taxi services in Malaysia.

H<sub>3</sub>a: There is a significance relationship between tangibility and customers satisfaction on E-hailing services in Malaysia.

H<sub>3</sub>b: There is a significance relationship between tangibility and customers satisfaction on Taxi services in Malaysia.

H<sub>4</sub>a: There is a significant relationship between empathy and customers satisfaction on E-hailing services in Malaysia.

H<sub>4</sub>b: There is a significant relationship between empathy and customers satisfaction on Taxi services in Malaysia.

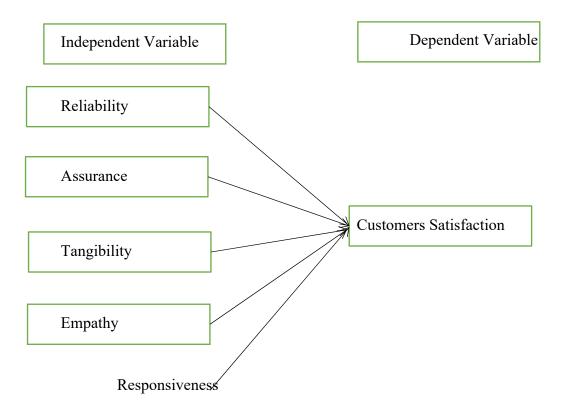
H<sub>5</sub>a: There is a significant relationship between responsiveness and customers satisfaction on E-Hailing services in Malaysia.

H<sub>5</sub>b: There is a significant relationship between responsiveness and customers satisfaction on Taxi services in Malaysia.

#### 2.2 Research Framework

Based on the literature review, the conceptual framework has been developed. Which the conceptual framework had included five independent variables and one dependent variable. The independent variables are travel environment, accessibility, infrastructure and heritage attraction while the dependent variable is about the tourist satisfaction to the heritage museums. The conceptual framework is shown as below figure:

Figure 1 : Conceptual Framework



### 3 METHDODOLOGY

### 3.1 Research Design

Research design for this study conducted by using a quantitative method. Quantitative research can be defined as the study of systematic phenomena by collecting measurable data and performing statistical, mathematical, or statistical techniques (Adi Bhat, 2020) and it also used to quantify behaviours, opinions, attitudes, and other variables and make generalizations from a

larger population (Formplus, 2019). Researchers prefer to use quantitative research rather than qualitative research because it involves data that have large amount to be collected and analysed statistically. At the end of this study, researchers will find the same number when analysing data. Next, researchers have more control over how the data are collected. External perspectives can also be obtained using this quantitative research method. Next, researchers have more control over how the data are collected. External perspectives can also be obtained using this quantitative research method. Last but not least, the quantitative analysis aims to design the study before it begins and uses research to evaluate a hypothesis that researchers either end up accepting or rejecting.

### 3.2 Data Collection Methods

Data obtained from first-hand sources using methodologies such as surveys, interviews, or studies are the primary data in the first stage.

The second stage of data collection was a fieldwork but through online platform. The researchers used the Google form questionnaire to be distributed to the experienced people that use E-haling and Taxi services through Whatsapp groups in Malaysia. In the questionnaires, the researchers will set one of the questions to identify whether the person is meeting the criteria or not before answering the survey.

### 3.3 Population

Population refers to the number of data that can be obtained based on elements required to fulfill the study criteria. In Malaysia, the researcher's research on the comparison of the service quality dimension to customer satisfaction between E-hailing and Taxi services. E-hailing and taxi users in Malaysia will be from the population survey.

#### 3.4 Sample Size

Population refers to the number of data that can be obtained based on elements required to fulfill the study criteria. In Malaysia, the researcher's research on the comparison of the service quality dimension to customer satisfaction between E-hailing and Taxi services. E-hailing and taxi users in Malaysia will be from the population survey.

the researchers select 147 target respondents based on Cohen 1992 statistical power analysis table to perform data collection to maximize the result. The number of respondent need to achieve the statistical power of 80 per cent for detecting R values of at least 0.10 with a 5 per cent probability of error.

Table 1 Cohen 1992 Statistical Power Analysis

	Significance Level											
		1	%			5	%			10	PN	
Maximum Number of Arrows Pointing at a		Minin	num R <sup>3</sup>	7		Minim	um R <sup>y</sup>	. 11	Minimum R <sup>2</sup>			
Construct	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.75	0.10	0.25	0.50	0.75
2	158	75	47	38	110	52	33	26	88	41	26	21
3	176	84	53	42	124	59	38	30	100	48	30	25
4	191	91	58	46	137	65	42	33	111	53	34	27
5	205	98	62	50	147	70	45	36	120	58	37	30
6	217	103	66	53	157	75	48	39	128	62	40	32
7	228	109	69	56	166	06	51	41	136	66	42	35
8	238	114	73	59	174	84	54	44	143	69	45	37
9	247	119	76	62	181	88	57	46	150	73	47	39
10	256	123	79	64	189	91	59	48	156	76	49	41

Source: Cohen, J. A power primer. Psychological Bulletin, 112, 155-519.

### 3.5 Sampling Technique

Non-Probability sampling was used as the sampling design in this study as the samples are collected in a method that does not offer equal opportunities for all people in the population for being selected. In the judgemental sampling it is known as a survey type in which a population sample is chosen based on its own knowledge and judgement instead of using statistical sampling techniques. Samples on this research were taken from Malaysian people that has been experience Ride-Hailing and Taxi users. In order to obtain sample data for this study, we have provided some form of questionnaire to distribute to the respondents that will be selected. The questionnaire will also be distributed through online to collect all the required data and information beside reduce cost and time consuming.

#### 3.6 Research Instrument

The questionnaire had designed and distribute to respondents in two type of language which is English and Malay from avoiding any difficulty and were simply wording which ease for the respondents to understand all the question. Besides, Likert scale question have been choosing by the researcher from one of type of close ended questionnaire of this study. Each set of the questionnaire will consist of 30 question in total and the survey questionnaire will be separated into four main sections and there were listed in Table 2.

### 4 RESULTS AND DISCUSSION

Table 2: Sources of Questionnaire

Section	Description	No. of Items
Section A	Service quality Dimension of E-hailing	
	-Reliability	5
	-Assurance	5
	-Tangibility	5
	-Empathy	5
	-Responsiveness	5
Section B	Service quality Dimension of Taxi	
	-Reliability	5
	-Assurance	5
	-Tangibility	5
	-Empathy	5
	-Responsiveness	5
Section C	Customers Satisfaction of E- hailing	5
Section D	Customers Satisfaction of Taxi	5
Section E	Demographic	-

# 4.1 Data Analysis Technique

The researchers have used version 26 of the Social Sciences Statistics Package (SPSS) for this study. The results of this study include descriptive analysis, validity and reliability test, and overall hypothesis testing if this study is shielded. Researchers may use the statistics of IBM SPSS for data interpretation, analysis, prediction, and research preparation.4 Data Analysis and Findings.

### 4.2 Demographic Profile

The demographic profile of the respondents included information about gender, age, race, salary

income, the current level of education, and usage. From the sample collected, the majority of the respondents come from females (52.4%) and males (47.6%). It can be concluded that males become the most consumed in the use of E-hailing and Taxi. in terms of race, the majority of the respondents are Malay which contributes 84 (57.1%) to the total number of 147 respondents. The Chinese and Indian are contributes in second and third highest which are 37 (25.2%) and 24 (10.3%). There were respondents in this research that other races that contribute 2 (1.4%) in this survey.

based on segmentation of age. The highest of respondents is category 20-30 years with the total age group 89 (60.5%). The second highest is 31-40 years with the total age group 30 (20.4%) followed by 41-50 years 19 (12.9%) and 51 and above 9 (6.1%)

in terms of salary income, less than RM 1000 is the highest number in salary income 85 (57.8%) and followed by second highest and third highest RM 1001 - 3000 and RM 3001 - 5000 with 36(24.5%) and 17(11.6%). The lowest salary income is more than RM 5000 with 9(6.1%).

Next, based on the education level shows the highest number of education level in this survey is Degree with 70(47.6%) and second highest is Diploma with 20(13.6%). The number of education level in third-highest SPM with 17(11.6%). The fourth highest in education level has the same frequency and percent is STPM 14(9.5%) and Master 14(9.5%). After that, followed by No Education 9(6.1%) and Ph.D. 3(2.0).

Lastly, that the highest number of usage between respondents is 1-2 per weeks 50(34.0%) and the second-highest number of usage is 1-2 per month 36(24.5%) and followed by 1-2 per year 34(23.1%) and 1-2 per day 27(18.4%).

The result of the service quality dimension also has a positive effect and is based on variables consisting of reliability, assurance, tangibility, empathy, and responsiveness this is in a good ranking in the opinion of the respondents. The independent variable for E-hailing is reliability(0.828, Good), assurance (0.806, Good), tangibility (0.721,Acceptable), Empathy (0.851,Good), and responsiveness (0.772, Acceptable). Other than that, the independent variable for Taxi is Reliability (0.906, Very Good), Assurance (0.905, Very Good), Tangibility (0.898, Good), Empathy (0.906, Very Good), and Responsiveness (0.887, Good)

Result of customers satisfaction has a positive effect on the dependent variable for E-hailing is Customers Satisfaction 0.898 which is Good and dependent variable for Taxi is Customers Satisfaction 0.821 is also Good.

#### 4.3 Descriptive Analysis

The descriptive analysis was tested according to their variables and listed out on the summary of the mean and standard deviation of computed items in the table below:

Table 3 Descriptive Analysis for E-hailing

	N	Minimum	Maximum		Std. Deviation
Reliability	147	3.00	5.00	4.5279	.38673
Assurance	147	3.00	5.00	4.5306	.38009
Tangibility	147	3.00	5.00	4.5429	.39169
Empathy	147	3.00	5.00	4.4871	.42592
Responsiveness	147	3.00	5.00	4.5211	.39348
Customers Satisfaction	147	3.00	5.00	4.6204	.43839
ValidN (lightwise)	147				

Table 4 Descriptive Analysis for Taxi

	N	Minimum	Maximum	Mean	Std. Deviation
Reliability	147	2.00	5.00	4.1578	.64201
Assurance	147	2.00	5.00	4.2912	.54659
Tangibility	147	1.40	5.00	4.2313	.57132
Empathy	147	2.00	5.00	4.2558	.60172
Responsiveness	147	2.00	5.00	4.2871	.54197
Customers Satisfaction	147	1.40	5.00	4.1946	.55539
Valid N (lightwise)	147				

Table 3 and Table 4 showed that all the independent variables consist of reliability, assurance, tangibility, empathy, and responsiveness that seems to measure the service quality toward E-hailing and Taxi. Based on the result, for the E-hailing the highest mean value came from tangibility based on the description, which was 4.5429, where respondents agreed more for this variable, while the lowest mean value was 4.4871 for the variable on empathy, where respondents agreed lower with that variable in this study. While, Based on the result, for the Taxi, the highest mean value came from assurance based on the description, which was 4.2912, where respondents agreed more for this variable, while the lowest mean value was 4.1578 for variable on reliability, where respondents agreed lower with that variable in this study.

# 4.4 Reliability test

Sekaran and Bougie (2016) indicated that internal consistency reliability can be defined as a test for respondent's responses whether is consistency at all sections. Cronbach's Alpha can be used as the reliability coefficient to determine the items in a variable are positively associated with others. The high reliability means that the goods are acceptable to the variable to be tested.

Table 5 Reliability Statistic for E-hailing

Variables	Cronbach's	h's Alpha ValueNo. of ItemStrength				
Reliability	.746	5	Acceptable			
Assurance	.732	5	Acceptable			
Tangibility	.757	5	Acceptable			
Empathy	.750	5	Acceptable			
Responsiveness	.735	5	Acceptable			
Customers Satisfacti	on.893	5	Good			

Table 6 Reliability Statistics for Taxi

Variables	Cronbach'	s Alpha ValueNo. of I	temStrength
Reliability	.867	5	Good
Assurance	.855	5	Good
Tangibility	.846	5	Good
Empathy	.827	5	Good
Responsiveness	.897	5	Good
Customers Satisfact	ion.897	5	Good

Based on the result of Table 5, the Cronbach's Alpha of customers satisfaction in E-hailing as the dependent variable is 0.893 and showed all the items of the customer's satisfaction are related with the title and it indicated as a "Good" result because it is closed to 1.0. Other than that, the Cronbach's Alpha result for reliability was 0.746 which result is "acceptable". Thus, the coefficient obtained for these questions about reliability variable is good. For assurance is obtained an "acceptable" result, which is 0.732. The Cronbach's Alpha result for tangibility is 0.757 which also resulted as "acceptable". For empathy is obtained an "acceptable" result which is 0.750 and responsiveness is an "acceptable" result with 0.735. Overall for this analysis, all of the items in this research can be accepted and there is positively correlated with each other.

Based on the result of Table 6, the Cronbach's Alpha of customers satisfaction in Taxi as the dependent variable is 0.897 and showed all the items of the customer's satisfaction are related with the title and it indicated as a "Good" result because it is closed to 1.0. Other than that, the Cronbach's Alpha result for reliability was 0.867 which result is "good". Thus, the coefficient obtained for these questions about reliability variable is good. For assurance is obtained an "good" result, which is 0.855 The Cronbach's Alpha result for tangibility is 0.846 which also resulted as "good". For empathy is obtained an "good" result which is 0.870 and responsiveness is an "good" result with 0.827. Overall for this analysis, all of the items in this research can be accepted and there is positively correlated with each other.

# 4.5 Spearman Correlation Analysis

According to Kumar and Talib (2013) the Spearman's Correlation Coefficient is used to show the strength of association between two quantitative variables which is the independent variable and dependent variable that measure in ordinal scale. The results of the Spearman's Correlation Coefficient analysis showed in this study that the independent variable between the E-hailing and Taxi reliability, assurance, tangibility, empathy, and responsiveness with the customers satisfaction as dependent variable.

Table 7 Spearman Correlation Coefficient E-hailing

Correlation	s							
			TAN	R	RE	A	Е	CS
Spearman's rho	Tangi bility	Correlation Coefficient	1.000	.623**	.678**	.657**	.689**	.588**
		Sig. (1-tailed)	•	.000	.000	.000	.000	.000
		N	147	147	147	147	147	147
	Reliab ility	Correlation Coefficient	.623**	1.000	.634**	.663**	.660**	.599**

		Sig. (1-tailed)	.000	•		.000	.000	.000		
		N	147	147	147	147	147	147		
	=	Correlation Coefficient	.678**	.634**	1.000	.692**	.770*	*.563**		
		Sig. (1-tailed)	.000	.000	•	.000	.000	.000		
		N	147	147	147	147	147	147	,	
A		Correlation Coefficient	.657**	.663**	.69	2**	1.0	000	.594**	.552**
		Sig. (1-tailed)	.000	.000	.00	00			.000	.000
		N	147	147	14	7	14	7	147	147
Ē	Empat hy	Correlation Coefficient	.689**	.660**	.77	′0**	.59	94**	1.000	.629**
		Sig. (1-tailed)	.000	.000	.00	00	.00	00	•	.000
		N	147	147	14	7	14	7	147	147
		Correlation Coefficient	.588**	.599**	.56	3**	.5:	52**	.629**	1.000
		Sig. (1-tailed)	.000	.000	.00	00	.00	00	.000	
		N	147	147	14	7	14	 17	147	147

Table 8 Spearman Correlation Coefficient Taxi

Correlations									
			TAN	R	RE	A	E	CS	
Spearman's rho	TAN	Correlation Coefficient	1.000	.833**	.736**	.709**	.711**	.668**	
		Sig. (1-tailed)		.000	.000	.000	.000	.000	

	N		147	1	147   147		7   147		147		147			
R	Correlation Coefficient.		.833*	** 1	.000	.758	**	766**	.814	**	.684**	<b>-</b>		
	Sig. (1-	-tailed)	.000			.000	) .	000	.000	)	.000	-		
	N		147	1	47	147	1	147	147		147			
F	RE	Correlation Coefficient	•	736	**	.7	758	3**	1	.0	00	.865**	.780**	.665**
		Sig. (1-tailed)		000	)	.0	)00	0				.000	.000	.000
		N	1	147		1	47	,	1	47	7	147	147	147
Ā	A	Correlation Coefficient		.709**		.7	.766**		3.	.865**		1.000	.807**	.693**
		Sig. (1-tailed)	.(	000	)	.0	)00	0	.(	00	0		.000	.000
		N	1	147		1	47	,	1	47	7	147	147	147
F	E	Correlation Coefficient		711	**	.8	314	<b>4</b> **	.7	78	0**	.807**	1.000	.687**
		Sig. (1-tailed)	.(	000	)	.0	)00	0	.(	00	0	.000	•	.000
		N	1	147		1	47	,	1	47	7	147	147	147
(	CS	Correlation Coefficient	.(	668	<b>}</b> **	.6	584	4**	.6	56	5**	.693**	.687**	1.000
		Sig. (1-tailed)	.(	000	)	.0	)00	0	.(	00	0	.000	.000	
		N	1	147		1.	47	,	1	47	7	147	147	147

Based on Table 7 Spearman Correlation Coefficient E-hailing, it can be seen that all of the independent variables which are reliability, assurance, tangibility, empathy, and responsiveness are significantly correlated to the dependent variable which is customer satisfaction at 0.01 level (1-tailed). The relationship between variables, 0.70 is strong, within the range of 0.30 to 0.60 is moderate and below 0.30 is weak. The correlation coefficient between the independent variable between independent variable showed that reliability was 0.599, assurance was 0.522, tangibility was 0.588, empathy was 0.629, and 0.563. Thus, all of the independent of this study have a strong relationship between the dependent variable.

Based on Table 8 Spearman Correlation Coefficient Taxi, it can be seen that all of the independent variables which are reliability, assurance, tangibility, empathy, and responsiveness are significantly correlated to the dependent variable which is the customer's satisfaction at 0.01 level (1-tailed). The relationship between variables, 0.70 is strong, within the range of 0.30 to 0.60 is moderate and below of 0.30 is weak. The correlation coefficient between the independent variable between independent variable showed that reliability was 0.684, assurance was 0.693, tangibility was 0.668, empathy was 0.687, and 0.665. Thus, all of the independent of this study have a strong relationship between the dependent variable.

### 4.6 **Hypothesis Testing**

Table 9 Hypothesis Test for E-hailing and Taxi

	Hypothesis	Significant Value	Magnitude Relationship	Supported or Rejected
H1a	There is a significant	.599**	Moderate	Accept
	relationship between			H1a
	reliability and			hypothesis
	customers			supported
	satisfaction			
	on E-hailing in			
	Malaysia.			
H1b		.684**	Moderate	Accept
	There			
	is a significant			H1b
	relationship between			hypothesis
	reliability and			supported
	customers			
	satisfaction			
	on Taxi services in			
	Malaysia.			
H2a		.552**	Moderate	Accept
	There is			

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a significant		H2a	
relationship between		hypothesis	
assurance and		supported	
customers satisfaction on E-hailing services in Malaysia.			
H2b Hypothesis 2b: There is a significant relationship between assurance and customers satisfaction on Taxi services in Malaysia.		Moderate	Accept H2b hypothesis supported
H3a <b>Hypothesis 3a</b> : There is a significance relationship between tangibility and customers satisfaction E-hailing services in Malaysia.		Moderate	Accept H3a hypothesis supported
H3b <b>Hypothesis 3b</b> : There	.668**	Moderate	Accept
is a significance			H3b
relationship between			hypothesis
tangibility and			supported
customers satisfaction			
Taxi services in			
Malaysia.			
H4a <b>Hypothesis 4a</b> : There is	.629**	moderate	Accept
a significant			H4a
relationship between			hypothesis
empathy and customers			supported
satisfaction on E-hailing			

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services in Malaysia.			
H4bHypothesis 4b:  There is a significant relationship between empathy and customers satisfaction on Taxi services in Malaysia.		Moderate	Accept H4b hypothesis supported
H5aHypothesis 5a:	.56	3**ModerateA	ccept H5a
There is a significant relationship responsiveness and customers satisfa E-Hailing services in Malaysia.			pothesis
H5bHypothesis 5b: There is a signal relationship between responsivene customers satisfaction on Taxi ser Malaysia.	ss and	hy	ccept H5b /pothesis apported

### **5** Conclusion and Future

### 5.1 Suggestion for the Future Research

In this analysis, there were three constraints. Some guidelines will be released in order to resolve these limitations. First of all, The researchers cannot get the correct data of respondents because some respondents are in hurry to answer the question. Besides that, even though the researcher only specific on experience people but in google form, a handful of people answer No in column answer and the researcher has excluded these people from the data review to get more accurate data about the sample.

In addition, for researchers to get accuracy in data collection, the time constraint is the biggest challenge. Both responses are evaluated using the questionnaire method to verify the hypothesis for the relationship between the dependent variable and the independent variables. From here, because it may take time to sort all these mistakes, no scanning of biased answers or constantly answering the same scale for each question was done. Future research may expand the time to sort the actual data and examine only the perfect random scale that has been addressed.

Last but not least, the information searched from the internet sometimes was not subscribed by the library event though we have a lot information from My Athens in UMK library but the study that researcher analyze doesn't have lot information because this topic is still new to the researcher. Researchers unable to get the full or complete information. Sometimes of the information was not fulfil the information that researchers need to use as references in this study. Besides that, all the information come from the blog, so it was not suitable to use for complete this research in a good performance. Furthermore, the data available on the internet were limited and some information were even cannot be accessed through the internet. So this study did not get fuller proposal to make as a references.

#### 5.2 Conclusion

The main objective of this research is to investigate the relationship between the service quality dimension which are reliability, assurance, tangibility, empathy, and responsiveness and dependent variable customers satisfaction toward E-hailing and Taxi. In addition, all data collection was collected through an online questionnaire and the data was analyzed using SPSS software based on descriptive analysis, reliability analysis and Spearman's Correlation Coefficient analysis. As a result, the relationship between the independent variable and the dependent variable was positively associated with the high and moderate relationship.

This research concludes the key findings, discussions, implications, limitations and recommendations. The Spearman Correlation Analysis showed that all variables, including reliability, assurance, tangibility, empathy and responsiveness, had a significant positive relationship with the customers satisfaction. In addition, all the assumptions had been tested, where all the assumptions about reliability, assurance, tangibility, empathy, and responsiveness had been accepted.

Finally, the researcher also discussed some limitations encountered during the course of the research, as well as some recommendations for improvement in future research. As a final word for this study, this study aims to give an overview to the community about awareness toward service quality dimension and customers between E-hailing and Taxi.

## Acknowledgement

First of all, I would like to thank my lecturer, Mrs. Nadia Hanum Binti Amiruddin, a lecturer at the University of Malaysia Kelantan. In the first place, I want to thank you very much. With her awareness, patience, and inspiration, she constantly supports me completely in this final year. Her advice offers me feedback on this research project for the last year, still. The guidance of Mrs. Nadia Hanum also helps me to develop my research skills.

Other than that, I want to thank the University of Malaysia Kelantan's office and knowledge management, which offers you a place full of content. I have discovered the necessary material for the research study. This research project also gives me a relaxed environment.

After that, I want to thank my friends who always help me in completing my research project. The friend who can tell me in writing the research project their various ideas and understanding of IT.

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# FACTORS AFFECTING CONSUMER BUYING DECISION TOWARDS ONLINE SHOPPING IN PENGKALAN CHEPA

### Muhammad Luqman Bin Adenan and Nurul Azwa Binti Mohamed Khadri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <u>luqman.a17a0919@siswa.umk.edu.my</u>; azwa.mk@umk.edu.my

#### Abstract:

Online shopping is a trend that is now growing rapidly. A look at the main players in this industry's exponential growth shows that there is still a huge pool of e-commerce market potential. The convenience of online shopping makes it a trend that is emerging among consumers, particularly the consumer at Pengkalan Chepa. The proliferation of online shopping has increased retailers 'interest in concentrating on this area. This analysis was therefore to establish relationship between quality information provided, security of website, brand reputation of product and consumer buying decision towards online shopping in Pengkalan Chepa. Online shoppers that currently living in Pengkalan Chepa were selected as the subject of analysis. 400 sets of questionnaires distributed and valid for coding, analysing and testing the hypothesis. Collected data were then analysed using SPSS version 25.0 and this study can be used in future in this field.

**Keywords:** online shopping, consumer buying decision, quality information provided, security of website, brand reputation of product.

#### 1.0 Introduction

The Internet played an important role in human life following the trend of the digital revolution (Liu et al., 2013), which enables communicators to interact around the world (Katawetawaraks and Cheng, 2013). It has been used as a marketing tool for retailers as a market and transaction channel both domestically and globally (Lim et al. 2015). The Internet's increasing trend allowed users to buy products online and even on the Internet through e-commerce (Wang et al., 2015). All normal trade activities are carried out via the internet, such as the production, distributing, presentation, procurement and payment via the internet (Aren et al., 2013).

The population of customers who approved online shopping has increased year by year (Liu et al., 2013). Online shopping continues to develop in Malaysia, but has already drawn the interest of Malaysians. As a result of Malaysia's internet and mobile connectivity, as well as public sector encouragement, Malaysia has high rates of ecommerce usage. According to government statistics, Malaysia boasts 16.53 million online shoppers (50 percent of the population) and 62 percent of mobile users use their devices to shop online.

Online shopping is taking its place in Malaysia, said Masaya Ueno, the president and chief executive of Rakuten Online Shopping Malaysia (Zieman, 2014). It can be seen from the newly launched webstore such as 11street, a South Korean brand considered to be the formidable intimidator in the already dynamic domestic e-commerce market in Malaysia (Law, 2015). Pengkalan Chepa is one of the cities that influence to the online shopping trend. Thus, this research is primarily to identify factors affecting consumer buying decision towards online shopping in Pengkalan Chepa.

#### 2 Literature Review

#### Stimulus-Organism-Response (S-O-R) Model Theory

The theory was applied in this research is Stimulus-Organism-Response (S-O-R) model by Mehrabian and Russell (1974). By using the S-O-R model, physical stimuli on human emotions and behavioral responses can be used to investigate results (Mehrabian & Russell, 1974). This show the completing of stimulus as an independent variable throughout the S-O-R model, organism as mediator and response as the dependent variable (Goi, Kalidas & Zeeshan, 2014). This model may involve people with many sets of actions and present the individual's pattern of behavior in a conduct setting. The combinations of this model show stimuli, organism and response making the research easier to use as a research guide. The situation therefore represents the relationship between elements of the holistic system at a given time.



Figure 2.1: S-O-R Model Theory (Source: Mehrabian and Russell (1974))

Stimulus is described as an influence that stimulates the individual and factors that influence the internal state of the individual. It is combined with mixed marketing variables and other environmental statements (Chang et al., 2011). It is the organism that interferes between stimulus and response. Organisms should consider that effectiveness is seen as the dominant measure produced between environmental stimuli and a person's response cognition (Jacoby, 2002).

Thus, the organism as a mediator for the respondent makes an assessment and decision- making process because when a respondent makes a decision based on their circumstances such as what they see, touch, hear and smell (Chang et al., 2011). Dominance reflects control over environmental perceptions by respondents (Zimmerman, 2012).

The variables applied in the S-O-R model in this research are conditions using environment and experience. This study can complement the limitations in the S-O-R model and also improve current academic knowledge with the S-O-R model by

investigating how different variables can contribute to the consumer buying decision towards online shopping in Pengkalan Chepa.

#### 2.1 Consumer buying decision

Similar to other customers, online shoppers often have a procedure before making a buying transaction. It is necessary to visit the retail websites in order to purchase products via the Internet. Consumers will request information about the goods or services they want before they make a decision (Mathew, 2013). Most customers want to shop smart in productive way (Miyatake et al., 2016). Online shopping helps customers where they can shop anywhere and at any time (Miyatake et al., 2016).

The customer's experience of making a decision is a consideration that could affect consumer circumstances (Iyer & Kuksov, 2010). Each customer had different characteristics when making a decision, fear of making a wrong decision is an obstacle for them to try new things and to be loyal to quality products (Lamour & Robertie, 2016).

### 2.2 Quality Information Provided

Quality information is a measure of accuracy or precision, of the ability and relevance of this information to inform which allows customers to make decisions and assumptions while shopping online. Quality information is also described as the ability to provide information on the attributes of goods, brands or companies that are useful for the assessment of customers (Milan et al., 2015). It enables consumers to make important decisions on the product or service aspect and attributes based on website details, while in conventional retail, decisions and evaluations can only be made by using product visualisation in a direct way. In the online world, quality information enables customers to make buying decisions in the absence of physical contact with products that lead to the satisfaction of online customers (Ghasemaghaei & Hassanein, 2013). Quality information therefore is relevant since customers seek information on the online website.

 $H_1$ : There is significant relationship between quality information provided and consumer buying decision towards online shopping.

#### 2.3 Security of Website

In consumer buying studies, the perception of security can be described as a degree of trust between the security of online vendors or websites and consumers. It is a big concern when customers make changes to information such as credit card numbers. Security is a significant factor that affects customers when making online buying decisions, and customers are still worried about it in consumer buying studies (Chung-Hoon & Young- Gul, 2003; Katawetawaraks & Wang, 2011; Meskaran et al., 2013).

 $H_2$ : There is significant relationship between security of website and consumer buying decision towards online shopping.

### 2.4 Brand Reputation of Product

Reputation for strong market positioning and branding have always been associated. Reputation theory relies on the core popular perception and observation about the recent actions of the company. Consumers are more focused than products on their perception of the brand (Hur et al., 2014). Only if the brand has a high reputation and commercial first-class reputation (Zhang, 2015). "Brands must acknowledge that if they offer privacy choices, they will not lose customers; instead, they'll set the stage for a bond of trust" (Bundhoo, 2013).

*H*<sub>3</sub>: There is significant relationship between brand reputation of product and consumer buying decision towards online shopping.

### 2.5 Proposed Theoretical Framework

The purpose for this research to identify the factors affecting consumer buying decision towards online shopping in Pengkalan Chepa. It is illustrated by three factor which is quality information provided, security of website and brand reputation of product. Figure 2.2 shows theoretical framework for this research.

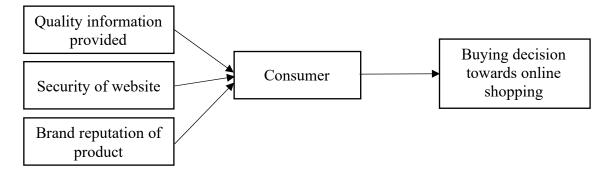


Figure 2.2: Proposed Theoretical Framework (Source: Develop for this research)

#### 3.0 Research Methods

In this research, a quantitative research method has been applied. The researcher applied a survey in this research study. Out of 400 questionnaires are distributed, 400 questionnaires are collected from the target respondents. Respondents are the online shopper consumers around the target location. Convenience sampling techniques applied to the target population for the purpose of a research study as if they meet certain criteria, to be interviewed or willing to participate and readily available to provide information to the study. Likert scale is applied in the research. Section A has ten questions which are intended with an arrangement of nominal scale. The nominal scale is applied to identify the respondents' wide range info which is gender, age, race, marital status, education level, employment, income, platform used, time spend and types of products. The 5-point likert scale in section B and C allows respondents to indicate their consent or disagreement with the statement of problem. The scope ranges from "strongly disagree", "disagree", "neutral", "agree" and "strongly agree". There are several types of analytical techniques that are used to check the accuracy of the data collected throughout the

research such as descriptive analysis, reliability analysis and Spearman's rho correlation coefficient.

### 4 Analysis and Discussion

### 4.1 Demographic Profile of Respondents

The demographic of the respondent is collected and recorded in the table 4.1. The demographic includes with gender, age, race, marital status, education level, employment, income, platform used, time spend and types of products. It concludes that the total of female respondents is more than the total of male respondents. The result explained online shopping dominated by a female. As for the age majority of them who agreed to participate in the studies in the range of 22-24 years old which is 37.8% of the respondents. Majority of them are Malay with 94.8% of the respondents. As for marital status, the single status mostly dominated than married status which is 86.0%. Most of the respondents are undergraduate degree as their educational level which is 49.0%. It can be seen that the students are the most respondents that participate this study which is 60.5%. It obviously the online shopper mostly from the group of students. Respondents which monthly income range of below RM1,000 dominated with 65.8%. The respondents pretend to use Shopee as the platform to purchase product which is 85.3%. As for the time spent on online store, most of respondents spent below 3 hours per week which is 63.7% and the most type of product purchased is fashion which is 32.8%.

Table 4.1: Respondent's Demographic

Respondent	Demographic	Category	Frequency	(%)
profile				
(n = 400)				
	Gender	Male	107	26.8
		Female	293	73.3
	Age	18 years old	35	8.8
		19-21 years old	131	32.8
		22-24 years old	151	37.8
		25-27 years old	42	10.5
		28-30 years old	41	10.3
	Race	Malay	379	94.8
		Chinese	10	2.5
		Indian	4	1.0
		Others	7	1.8
	Marital status	Single	344	86.0

	Married	56	14.0
Education level	Primary school	3	0.8
	Secondary school	43	10.8
	Diploma	141	35.3
	Undergraduate	196	49.0
	degree		
	Postgraduate degree	17	4.3
Employment	Student	242	60.5
	Employed	81	20.3
	Housewife	11	2.8
	Unemployed	14	3.5
	Own business	52	13.0
Personal monthly	Below RM1,000	263	65.8
income/ Allowance			
	RM1,001 to	55	13.8
	RM1,500		
	RM1,501 to	28	7.0
	RM2,000		
	RM2,001 to	19	4.8
	RM2,500		
	RM2,501 and above	35	8.8
Platform used to	Lazada	22	5.5
purchase product or			
service			
	Shopee	341	85.3
	Mudah.my	10	2.5
	Carousell	1	0.3
	Others	26	6.5
Time spent on online	Below 3 hours	255	63.7
store per week			
	3 hours to 6 hours	107	26.8

	9 hours to 12 hours	22	5.5
	12 hours and above	16	4.0
Type of product or services purchased	Gadget	62	15.5
	Fashion	131	32.8
	Health and Beauty	85	21.3
	Food delivery services	31	7.8
	Others	91	22.8

### 4.2 Descriptive Analysis

Based on the table 4.2, the descriptive statistics of the variables. Consumer buying decision has the highest mean of 4.2775. Then, it followed by Quality Information Provided and Brand Reputation of Product which are 4.2100 and 3.9150 respectively. However, the security of website has the lowest mean of 3.8994. The result shows majority of respondents agreed that Quality Information Provided is the most factor to consider before making buying decision while the Security of Website is the less factor to consider before making buying decision. In addition, standard deviation shows how close the data is to the mean. In this case, Security of Website has the highest standard deviation which is 0.73408, followed by Brand Reputation of Product which is 0.68031. Then, standard deviation for Consumer Buying Decision is 0.64272. Lastly, Quality Information Provided has the lowest standard deviation which is only 0.62148.

Table 4.2: Descriptive Analysis of The Variables

Variable	Frequency (N)	Mean	Std. Deviation
Consumer Buying Decision	400	4.2775	0.64272
Quality Information Provided	400	4.2100	0.62148
Security of Website	400	3.8994	0.73408
Brand Reputation of Product	400	3.9150	0.68031

#### 4.3 Reliability Analysis

Table 4.3 shows the Cronbach's Alpha values of the questionnaire were above the acceptance level with the value range above than 0.70 based on Rule of Thumb for Cronbach's Alpha. The dependent variable or response that is consumer buying decision found to be an acceptable reliable (4 items;  $\alpha = 0.774$ ). The stimulus or independent variable that is quality information provided showed a good reliability (4 items;  $\alpha = 0.836$ ). The second independent variable that is security of website showed a good

reliability (4 items;  $\alpha = 0.832$ ) and the last independent variable that is brand reputation of product found to be questionable reliability (3 items;  $\alpha = 0.677$ ).

Table 4.3: Reliability Analysis of Variables

Variable	Number of	Cronbach's	Strength of
Variable	items	Alpha	Association
Consumer Buying Decision	4	0.774	Acceptable
Quality information provided	4	0.836	Good
Security of website	4	0.832	Good
Brand reputation of product	3	0.677	Questionable
All	15	0.915	Excellent

### 4.4 Spearman's rho Correlation Coefficient Analysis

Based on the literature review and the current studies, the hypotheses can be formulated as the quality information provided, security of website and brand reputation of product have a significant relationship with consumer buying decision towards online shopping. Table 4.4 shows the result of Spearman's rho correlation coefficient analysis. The objective of Spearman's rho correlation coefficient is to a measure the strength and direction of association between two ranked variables.

Based on the results, the three independent variables (quality information provided, security of website, brand reputation of product) have a positive relationship with consumer buying decision towards online shopping. The correlation coefficient for the quality information provided towards consumer buying decision is 0.633 which is fall under the coefficient range of  $\pm$  0.5 to  $\pm$  0.69. Meanwhile the value for security of website towards consumer buying decision is 0.556 which is fall under the coefficient range of  $\pm$ 

0.5 to  $\pm$  0.69. Besides, the value for brand reputation of product towards consumer buying decision is 0.568 which is fall under the coefficient range of  $\pm$  0.5 to  $\pm$  0.69. The variables indicate that there is moderate relationship between two variables.

Table 4.4: Spearman's rho correlation coefficient analysis

Variable	\ /	Buying	Quality Information Provided (IV1)	Website	Brand Reputation of Product (IV3)
Consumer Buying Decision (DV)	4.28 (0.64)	1	0.633*	0.556*	0.568*

Quality Information	4.21 (0.62)	0.633	1	0.653	0.678
Provided					
(IV1)					
Security of	3.89 (0.73)	0.556	0.653	1	0.713
website (IV2)					
Brand	3.92 (0.68)	0.568	0.678	0.713	1
Reputation of					
Product					
(IV3)					

<sup>\*</sup>p-value<0.05, Spearman's rho correlation analysis

In addition, table 4.5 shows the summary of hypotheses testing. The results show that the three independent variables have a significant relationship between consumer buying decision towards online shopping. As the significant value is lower than 0.01 level in 1-tailed test, it can be concluded that all of the hypotheses are accepted.

Table 4.5: Summary of Hypotheses Testing

Hypothesis	Spearman Correlation	Supported or Rejected
There is significant relationship between quality information provided and consumer buying decision towards online shopping.	r = 0.633 p = 0.000	Supported
There is significant relationship between security H2 of website and consumer buying decision towards online shopping.	r = 0.556 p = 0.000	Supported
There is significant relationship between brand H3reputation of product and consumer buying decision towards online shopping.	r = 0.568 p = 0.000	Supported

Note: \*\*\*Correlation is significant at the 0.01 level (1-tailed)

#### 5.0 Conclusion and Recommendations

This research concludes all the independent variables which are quality information provided, security of website and brand reputation of product have a significant relationship between consumer buying decision towards online shopping in Pengkalan Chepa. However, based on the results, it shows that quality information provided became

the most factor to consider by consumer before making a buying decision towards online shopping. Most of consumer interested in specific item in providing information. Thus, it is important to online sellers make sure that they provide clearly and accurately information to influence consumer make buying decision towards online shopping.

Besides that, the future researcher should discuss additional factors that affecting consumer buying decision or apply the similar variables in different context to identify the main factor affecting buying decision among online shoppers. The future researcher also can expand the study area from Pengkalan Chepa to wide range area or the big cities. Lastly, the questionnaires should not be circulated privately in order to avoid responses from similar races, social class, income level and values. In order to include more respondents from different demographic statuses, researcher suggested to look for a more accurate form ofquestionnaire distribution. For new researchers, a professional survey website might be a good option to get different and more respondents.

### 6.0 Acknowledgements

The completion of this research would not complete without assistance and participation of so many people whose names that cannot be enumerated. The researcher appreciative of the endless efforts and dedication to Miss Nurul Azwa Binti Mohamed Khadri who provided detail guidance, expertise and valuable advice in the process of writing this research. She has been motivating and encouraging us to strive in finishing the research in the best manner. The researchers would like to express deep indebtedness and appreciation to all the respondents who were willing to participate in the survey in spite of their busy schedule. Their contributions to this research are sincerely appreciated and acknowledged. The researchers' gratitude also extended to family and friends for their support and sacrifices. This research would not succeed without them.

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# FACTORS THAT INFLUENCE E-WALLET USAGE AMONG GENERATION Y IN MALAYSIA

#### Muhammad Syafiq bin Kamaruzaman and Nadia Hanum Binti Amiruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: syafiq@gmail.com; nhanum@umk.edu.my

#### **Abstract**

The research is aimed to examine the factors that influence e-wallet usage among generation Y in Malaysia. The study examines the adoption of E-wallet by including independent variables of privacy and safety, perceived usefulness, convenient to use and social factor with the aid of The Technology Acceptance Model (TAM). Target respondents that included in the research are generation Y in Malaysia where age average 24 to 39 years old by collecting data with a total of 137 sets of survey questionnaires. SPSS version 25 is used to assist in our data analysis along the research. The quantitative methodology is adopted for this study and the result concluded that the independent variable of privacy and safety, perceived usefulness, convenient to use and social factor have significant relationship toward e- wallet usage among generation Y in Malaysia.

**Keyword:** E-wallet usage; Generation Y

### 1 Introduction

Nowadays, Payment is the movement of money, products or services in return for goods and services in appropriate quantities that have already been settled upon by all the parties concerned. Pay instrument is one of the payment systems for electronic graphics. It can be likened to a method that helps to achieve a mission. Tools make it really convenient. It can be described as a means of payment for services or products through electronic means without the use of cash or checks. That is also known as an automated banking device or an electronic payment system. The root of digital payment is related to the beginning of the Internet, which has transformed the environment like never else. If the internet weren't there, there wouldn't be e-services and retail retailers. The history of the Internet started in 1969 with the Advanced Research Projects Administration Network (ARPANET), a combat network that was intended to be a contact network during the Vietnam War. However, a significant turning point happened in 1989 when Tim Berners-Lee found the so- called "pages" or "places" that made it simpler to view and publish knowledge on the Internet (Angela, 2016).

The integration of multifunctional electronic devices, the payment system and the rise of wireless telecommunications have changed the means of purchasing in the western world, in addition to cards and currency. However, the e-wallet has now become the next big change in payment technology. In Malaysia, there are two main e-payment systems have been used is the large value payment system

(SIPS), which involves the real time electronic transfer and securities system (RENTAS).

E-wallet is one of the payment methods used in multi-functional electronic devices to store money and purchases online and offline on any smart device. Consumers can only load the funds into a virtual wallet in order to continue to enjoy the services. Contrarily to holding cash or checks, users literally store payment details on smart devices. Some e-wallets use QR code scanning to create links between customers and vendors, others use near-field communication NFC while others are confined to internet transactions. The strongest advantages of e-wallet is the immediate payment that would be approved within seconds relative to any other e-payment that could take longer, within hours or business days (Valchev, 2019).

Nowadays, e-wallet have been sproting in Malaysia over the last few years. There are 40 e-wallet licences issued by Bank Negara Malaysia. The country's central bank aims to make Malaysia a cashless nation by 2020, with electronic transfers as a payment transaction. Generation Y consumers remain a remarkable group in the world economy (Noble, Haytko & Phillips, 2009). Chaston (2009) said Generation Y is the largest consumer group of any economy. According to Branchik (2010), Generation Y is worth the interest of both marketing professionals and analysts because of its purchasing power and scale. Therefore, this study conducted to measure factors that influence e-wallet usage amongst the majority of digital technology users is generation Y. The research is based on the TAM model which has been widely used in the technology adoption studies.

#### 2 Literature Review

Technology Acceptance Model

The Technology Acceptance Model (TAM) was created by Fred Davis in 1986 and primarily tailored to model users' acceptance of new product information structures or technologies. The purpose of Davis (1989) TAM is to understand the general determinants of technology adoption that contribute to an understanding of consumer activity over a large variety of end-user software technologies and user populations. The study centred on the Technology Acceptance Model established by Venkatesh and Davis (1996) after the core results of both perceived value and perceived ease of use were found to have a direct effect on purpose, removing the need to establish an attitude.

The two essential principles in TAM are perceived utility and perceived ease of use. TAM further postulates the perceived simplicity of usage stimuli perceived utility that the simpler it is to use a single platform e-payment method, the more beneficial it is to be perceived by the single platform e-payment system. There are empiric analyses of TAM, including this association, and the results share a significant connection between these two variables (Moon and Kim, 2001; Van der Heijden, 2003; Shih, 2004).

The theories have been developed to explain the consumer's intention to use technology. TAM models have been widely discussed in a variety of literatures (Davis, 1989) and it is in reality the philosophy of communication systems that model how people implement and use a specific technology (Dauda, et al., 2015). A number of researchers have expanded the TAM paradigm and adapted it to a range of innovations, including e-learning (Cheung and Vogel, 2013; Al-Maroof

and Al-Emran, 2018), m-commerce (Barry, et al., 2018) and quick messaging services (Muk, et al., 2015). TAM is known to be well-recognized extensions of empirical science to research the adoption and use purpose of new technology (Aydin, et al., 2016).

However, the initial TAM variables do not adequately represent the key biases that influence customer perceptions towards e-shopping. Privacy and safety is one of the expanded variables considered to be positive for social intention to use emerging technologies (Barry, et al., 2018). Centered on the aforementioned assertions, this analysis uses privacy and protection as one of the expanded variables (Barry, et al., 2018) to examine the behavioural purpose of using an e-wallet. The remaining two factors are interpreted as utility and ease of usage.

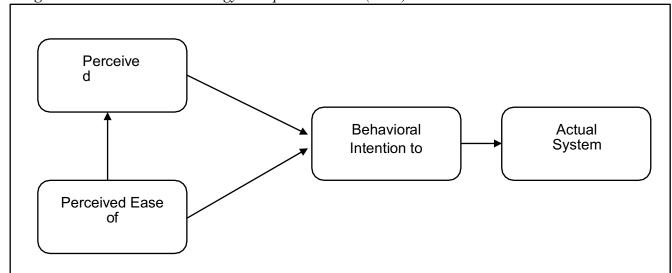


Figure 1: Framework Technology Acceptance Model (TAM)

Source: Davis et. al. (1989), Venkatesh et. al. (2003)

#### Privacy and safety

Past studies have shown that privacy is defined as an individual's right to directly control self-relevant details (Cliquet et al., 2015). Wang (2005) reported that privacy and safety have a direct connection with customer adoption of technology. Luan and Lin (2005) claimed that the intention of consumers to use mobile banking is highly influenced by privacy and safety. Their results have showed that privacy and safety have a greater effect on customers' decisions to use mobile banking than perceived utility and ease of usage. Since the effect of perceived reputation on the decision to use online technologies is strong, this design is difficult to overlook in this analysis.

Furthermore, according to the Marimuthu and Roseline (2020) the e-wallet has gained prominence due to effortless transactions, but still lack of knowledge and understanding among citizens and fear of transactions due to security issues are main factors that need to be considered. Customers can not trust the information system vendor and will hesitate to make any transaction through e- payment unless privacy and protection features are involved (Gitau, et al., 2014). Customers with

little expertise in the area of technology usage may have privacy and safety issues. Since the exponential growth in technology and its security issues are of significant concern to consumers who use smart technology for purchases. Ahmad et al. (2010) suggests that owing to the accelerated development of technology, consumers have been increasingly worried with privacy and safety concerns and that this has led to their reluctance to reveal their financial information (i.e. debit or credit card details) on the Internet and on e-commerce pages.

#### Perceived Usefulness

From various researches, perceived usefulness is one of the variables built in the technology acceptance model (Davis, 1989), while the TAM model is focused on the theory of reasoned action (TRA) (Ajzen & Fishbein, 1980) which seeks to understand the actions and purpose of using technology. From the point of view of TAM, perceived usefulness is described as the degree to which an individual believes that using a particular application can improve his or her success experience (Redzuan et al., 2016). In other terms, while the application is strong in perceived usefulness, it contributes to a favourable usage partnership where customers will use it again and favour it over other payment methods (Umek, 2016; Davis, 1989).

In addition, according to the diffusion theory Rogers (1995), consumers are able to consider innovations if inventions have some benefits over current solutions. Dependent on the TAM sense, this is expressed in the construction of perceived usefulness. According to Davis (1989), usefulness is described as the degree to which an individual believes that using a device can increase the efficiency of his or her work. Several current study experiments have tested the effect of perceived usefulness on plan to use. Wong and Hiew (2005) observed that the usage of mobile commerce is strongly influenced by the usability of mobile devices, including customization, ubiquity, localization, timeliness and network stability. This construct also illustrates how mobile payment systems will help users meet the goals of their tasks, such as productivity and efficacy. Previous research, identified a favourable association between perceived usefulness and actual propensity to use electronic textbooks (Baker-Eveleth and Stone, 2015; Stone and Baker-Eveleth, 2013), wireless service providers (Abbas & Hamdy, 2015), internet travel platforms (Li & Liu, 2014).

#### Convenient to use

In general, convenience may also be characterised as an individual's desire for a convenient product or service and a means of deciding if the good or service is easy, it relies on time and commitment (Khrais, 2017). This can involve the mental and physical work involved in the process and are deemed convenient if it saves time or decreases the cognitive, emotional and physical stress on the customer (Ambali & Raufu, 2014). Moreover, many consumers wishing a service to be short and convenient have often related to the definition of convenience (Tai & Liu 2015). Lai and Ariffin (2015) claim that it provides a convenient and fast way to perform basic online transactions. There are many e-payment systems in recent times, one of which is e-wallet payment. In other terms, since consumers will spend less time and resources to facilitate a purchase, the relative utility of the payment system is higher. In addition, according to the Barry and Jan (2018) showed that the positive and significant impact of convenient usage on perceived utility and perceived use on behavior intention to use a specific system was positive and significant.

Paripunyapat & Kraiwanit (2018) also mentions in their Bangkok research that simplicity and pace are the key factor why the implementation of financial technology is gaining popularity.

Social factor

As the past researcher pointed out, social factor have a major role to play in different aspects of human behaviour, such as product and service use. One mainstream in social impact science, social contagion theory claims that individuals in the same social community are behaving in the same manner and that customers prefer to obey what their peers and family choose (Herrera, Armelini & Salvaj 2015). These forms of power can be seen as local knowledge which drives actions in certain respects, such as how people create lifestyle decisions and desires, and as they hear more about them, they are considered to be more useful than others (Lwoga & Lwoga, 2017).

This is attributed to a person's understanding of the need to behave in a certain manner to satisfy societal expectation, and individuals adjust their ideas and behaviour to meet the expectations of a social community (Haderi & Aziz, 2015). According to Stockman (2017), citizens want to behave, even though they are not themselves supportive to its effects, if they believe that one or more significant referents think that they can use the new framework as an e-wallet, which allows them enough willing to cooperate with the referents. Under the social advice paradigm of Zhang et al. (2016), social factor may be classified as local and global in order to influence e-wallet usage.

- H1. There is a significant relationship between privacy and safety and e-wallet usage among generation Y in Malaysia.
- H2. There is a significant relationship between perceived usefulness and e-wallet usage among generation Y in Malaysia.
- H3. There is a significant relationship between convenient to use and e-wallet usage among generation Y in Malaysia.
- H4. These is a significant relationship between social factor and e-wallet usage among generation y in Malaysia.

# 3 Research Methodology

This study highlighted the factors that influence e-wallet usage among generation Y in Malaysia. Therefore, a quantitative methodology was adopted for the present study. Quantitative approach is to illustrate objective and statistical, analytical or computational data analysis obtained by questionnaires using pre-existing statistical data using analytical techniques. (Babbie, 2009). The quantitative approach centred on collecting and generalizing numerical data through groups of people or describing a specific phenomenon (Mujis, 2010).

Besides that, this study also utilized questionnaires as a survey to the targeted respondents. The survey was carried out in the generation Y group that is age range starting from 24 years old to 39

years old were born between 1981 to 1996. The consumers at this age mostly make purchases which are often required to make a payment for every purchase of a product or use of a service. Respondents included both male and female who are Malaysian citizens within the generation Y group. Hence, the data sampling population is therefore between 24 and 39 years of age who tend to make payments on every purchase of products and services.

Furthermore, this study were selected using the judgmental sampling technique. Researchers often believe that they can obtain a representative sample by using a sound judgment, which will result in saving time and money" Black (2009). Judgmental sampling is a non-probability sampling method and it occurs when "elements selected for the sample are chosen by the judgment of the researcher. Judgemental sampling technique may prove to be effective when only limited numbers of people can serve as primary data sources due to the nature of research design and aims and objectives Saunders, Lewis and Thornhill (2012). Judgmental sampling is one of the most cost- effective and time-effective sampling methods available. This data was analyzed using Statistical Packages for the Social Sciences (SPSS) version 25.

### 4 Finding and Discussion

Demographic Profiles of Respondent

Demographic	Frequency	Percentage	
Gender Male Female			
Total	84	61.33%	
	53	38.7%	
	137	100%	
Age			
24-29 years old	102	74.5%	
30-35 years old	33	24.1%	
36-39 years old Total	2	1.5%	
-	137	100%	
Ethnicity Malay Chinese Indian	116	84.75	
Total	14	10.2%	
	7	5.1%	
	137	100%	
Status Single Married			
Total	108	78.8%	
	29	21.2%	
		100%	

Besines	S COLLOQUI	201012021
Current Level Monthly Spending	ıg	
Using E-wallet		
Below Rm 150.00	63	46.0%
Between Rm 151.00 to Rm 250.00	58	42.3%
Between Rm 251.00 to Rm 350.00	10	7.30%
Between Rm 351.00 to Rm 450.00	5	3.60%
	1	<u> </u>
Above Rm 451.00 Total	1	0.70%

100%

137

For the present study, there are 84 male respondents which was (61.3%) of the population and the balance of the respondents are female which is (38.7%) which consisted of 53 respondents. Based on table 4.3.1 and the figures 4.3.1, the difference between both genders were 31 people which was (22.6%). Next, three stages of age in our research questionnaire which was 24 to 29 years old, 30 to 35 years old, and 36 to 39 years old. The majority of 102 respondents which was (74.5%) of the population were from the age of 24 to 29 years old. For the age of 30 to 35 years old, 33 respondents were involved which was (24.1%). For the next stage of age 36 to 39 years old who contributed 2 respondents which was (1.5%). Besides, 3 types of ethnicity listed in the questionnaire which is Malay, Chinese, Indian and Others. Based on Chart 4.3.3, Malay respondents are taking the lead which is more than half of the respondent and consisted of 116 (84.7%) people. Followed by chinese respondents which was 14 (10.2%) of the respondents. Indian respondents were in third place by 7 people (5.1%). Furthermore, the status of the respondents consisted of single and married. From the figures 4.3.4, (78.8%) of the population which is 108 of the respondents were single and the rest of the percentage which is (21.2%) or 29 of them were married. Finally, the current level of monthly spending using e-wallet. Out of 137 respondents, there were 63 (46.0%) respondents monthly spending using e-wallet below Rm150.00, 58 (42.3%) respondents monthly spending using e- wallet between Rm151.00-Rm250.00, 10 (7.3%) respondents monthly spending using e-wallet between Rm251.00-Rm350.00, followed by 5 (3.6%) respondents monthly spending using e- wallet between Rm351.00-Rm450.00 and 1 (0.7%) respondent monthly spending using e-wallet above Rm 451.00.

#### Overall Reliability Analysis

Variable	Number of Item	Cronbach's Alpha	Strength of
			Association
E-wallet usage	5	0.890	Good
Privacy and safety	5	0.898	Good
Perceived usefulness	5	0.822	Good
Convenient to use	5	0.885	Good

Social factor	5	0.815	Good
All	25	0.967	Excellent

According to the reliability test for all variables at table 4.5.1, it shows the result of the reliability test on both independent and dependent variables which is e-wallet usage, privacy and safety, perceived usefulness, convenient to use and social factor. There are 25 questions used to test for these variables and the researcher uses likert scale to measure the questions. Cronbach's Alpha for both independent and dependent variables show 0.967 which is considered as excellent, which means that this variable is reliable.

Cronbach's Alpha value of privacy and safety showed 0.898 which is the highest value among all the variables. This indicated that perceived usefulness is the most reliable variable compared to others. Besides that, the variable of e-wallet usage showed that the Cronbach's Alpha value is 0.890 which falls under 0.9 to 0.8. Followed by the convenient to use and perceived usefulness which show the Cronbach's Alpha value for each variable is 0.885 and 0.822 respectively. Also followed by social factors which show Cronbach's Alpha value is 0.815. Thus, these five variables have the same level of reliability with the speed which is under the good reliability level. Based on the result of Cronbach's Alpha, all the values were between 0.8 and 0.9. It can be defined as these variables had a good reliability and fulfilled the requirement of the Cronbach's Alpha.

### Normality test

	Kolmogor	ov-Smirn	ov <sup>a</sup>	Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Privacy and safety	.173	137	.344	.635	137	.506
Perceived usefulness	.117	137	.093	.720	137	.000
Convenient to use	.176	137	.117	.789	137	.639
Social factor	.121	137	.046	.718	137	.000

Data normality was tested and analyze by SPSS system Kolmogoroc-Smirnov Test and the Shapiro-Wilk Test. The Shapro-Wilk Test is more appropriate for small sample size which is lower than 50. But, it also can handle a large sample size such as 2000 samples. For this reason, the researcher used the Shapiro-Wilk Test as assessing normality of the data. In this method, if the Sig. value of the Shapiro-Wilk Test is greater than 0.05, the data can interprate as normal.

Based on Table 4.6.1, it is shown that the result of the normality test is Kolmogorov-Smirnov and Shapiro-Wilk. In both tests, there are two the significance of privacy and safety is .506 and

convenient to use is .639 that shown in the table is more than 0.05. This show normality test using SPSS was normal data. Meanwhile, there are two the significance of perceived usefulness and social factor. The p-value of this independent variables was 0.000 which is less than 0.05, (p<0.05). The result shows that the data do not follow a normal distribution. Therefore, the null hypothesis for this variable is rejected.

#### 5 Conclusion and Limitations

The results and finding of this research, facility providers and entrepreneurs could get some guidelines from the findings to provide more efficient services. Moreover, existing businesspersons can pay attention to the element that will improve E-wallet services while for future entrepreneurs can have estimation on what the consumer desires in E-wallet. Furthermore, financial institutions can improve privacy and convenience of transactions in order to increase attraction of consumers in adoption. Through this, they will be able to increase their ability in order to compete with others in the market. From this research, future studies can use this research as a reference to carry out their future research.

However, there are some limitations in this research. In the research, the target audience only focuses on generation Y in Malaysia. Second, this study only focused on comparing the gender difference rather than the field of study. In future study, researchers are recommended to expand the range of age and involve different education levels of target audiences. Besides, this research proposed that fields of studies should be included in future study and make comparison toward adoption of E-wallet.

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# MEASURING THE EFFECTIVENESS OF PROMOTIONAL SCHEMES AT RETAIL STORES AMONG AMPANGAN, SEREMBAN CONSUMER

### Muhammad Syahiman bin Azahar and Md Zaki Bin Muhamad Hasan

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <u>ssyahiman@gmail.com</u>; zaki.mh@umk.edu.my

#### Abstract:

Promotional schemes is a temporary discount on one or more products. Promotional schemes help businesses become successful as lower prices for a limited period of time to attract more customers. The idea is to make people aware, attract and induce to buy the products. The study aim to develop conceptual framework using promotional schemes theories to measuring the effectiveness of promotional schemes at retail stores among Ampangan, Seremban consumer. Three independent variables were selected for this research namely: sales promotion, personal selling and advertising. This study was conducted using quantitative research and 303 respondents among the residents of Ampangan, Seremban area were selected for data collection. All responses were analyzed with SPSS software. The results show that the three independent variables in this study are related to the effectiveness of promotional schemes in retail stores in Ampangan, Seremban. This study is important for future researchers if they intend to study which promotional scheme is more influential for consumers.

Keywords: Advertising, Personal Selling, Promotional Schemes, Sales, University Malaysia Kelantan

#### 1 Introduction

Basically promotional schemes for business is an activity to increase the quantity of goods purchased in business by the organization. However, there are several techniques that can be used to achieve that goal, one of which is sales promotion (Palmer, 2004). Promoting products and services are one of the main instruments of marketing activities in any company and stores. Companies now have a large number of promotional methods and techniques, so they need to adapt well to mixed elements of promotional schemes including as advertising, catalogue sales, sales promotion, internet marketing and personal selling to consistent and reliable messages in the market (Jober and Fahly, 2006).

However, according to some of authors, the key element of promotional mix is sales promotion (Blattberg and Neslin, 1990; Oyedapo, Akinlabi and Sufian, 2012; Palmer, 2004). This is why the need to explore the importance and effectiveness of sales promotion is set as a necessity. As we know that there are many ways to increase business sales by implementing various methods of promotional schemes tools including promotion and advertising. The majority of marketers think that the products they produce have their own price or value, and they use promotional schemes as a way to change this price mix by increasing the value or reducing the value assessed with additional components of the marketing mix such as advertising, personal commerce and publicity). Much research has been done on the promotion of sales worldwide, in developed countries and the developing countries. Sigue et al, (2008) found that sales promotion tools are for consumers and retailers; Zhang et al, (2008) evaluated three thoughtful effects in the context of major media namely television, internet and newspapers. There are also various platforms to promote sales using mass media or the internet. By using this method, the promotion conducted is more effective and fast to attract customers. Therefore, sales revenue will increase more rapidly. However, with regard to research conducted in Malaysia, there are many academic

articles, which usually refer to insufficient resources.

A highly competitive environment forces sellers to use different and effective marketing tools and strategies to attract new customers and thus increase their profits. Sales promotion is one of the best tools to attract new customers and gain the trust of old loyal customers including marketing activities to add value to the product for a limited time, to stimulate consumer purchasing and intermediary effectiveness. According to Palmer (2004) distinctive, they offer additional incentive to buy. Gilbert and Jakarta (2002) show that sales promotion consists of several highly varied shirt-term promotional tools designed to generate good and desired response from customers. The growing interest in the use of scales promotion as a marketing strategy or tactics has to led to great growth in research in this field.

According to J. Stiincamp (2005) promotional schemes helps to increase consumer sensitivity, evokes a desire to switch between brands, which further increase brand popularity. Sales promotion usually lower the price of product in larger quantities purchased. This will result in the value of product price felt by the customer leading to the purchase decision initiative. The step by step promotional schemes are urged more in order to achieve quick results, but should be combined with other things to increase sales as well. These promotional combination tools not only help build customer loyalty to the brand but also drive increased sales. To survive in today's serious competition situation, sellers also use other marketing activities such as advertising, community relations, personal sales and direct marketing.

### 1.1 Research Objectives

The objective of this research is:

To identify effectiveness of promotional schemes towards consumer attracted among consumer in Ampangan, Seremban.

To investigate things that affecting of customer mind towards promotional schemes among consumer in Ampangan, Seremban.

To investigate the impact of promotional tools on consumer satisfaction and type of offer that attract them most among consumer in Ampangan, Seremban.

To identify the internet marketing instrument that most effective on customer among consumer in Ampangan, Seremban.

#### 1.2 Significance Study

#### Customers

This is because customers can know a quality of the product with the promotion or discount made, this can give new customers confidence in an existing product. They can choose whether to buy a new product or an old product. Therefore, customers will be able to buy more affordable products in their view

Researcher

This study can be a reference for future researchers who want to do research on this topic. This study is also reliable and important for postgraduate and undergraduate students as a reference in doing their assignments or research and even for future business.

#### 2 Literature Review

### 2.1 Independent Variables

**Sales Promotion** 

Sales promotion is defined as compilation of varied driving tools usually short-term, designed to drive faster purchases and / or ideal of a particular product or all users (Kolter, 1999). Mendez et al. (2015) reported that sales promotion is the beginning of a good and systematic technique for acquiring marketing communications. According to Ahmad and Fatawu (2014) sales promotion increases the competition between the provision of mobile network services so as to convince sellers in manufacturers to offer quality services to their customers thus earning more profit for their consumers. Totten & Block (1994) asserts that sales promotion phrases refer to various types sales incentives and planned ways to have a direct or short-term sales effect. According to Peattie and Peattie, (1994); Lehman and Winer (2002) and Walsh (2000) argue that sales promotion can be termed a 'special provision'. Personal Selling

Personal sales are straight verbal communication between the seller and possible customers, normally in person but occasionally over the phone. Personal sales functional as a communication path between the organization and the community. It is effective because it allows straight two-way communication between consumers and vendors. This gives organizations a greater chance of researching their user needs and greater pliability in their offerings to meet these needs (Perreault and McCarthy, 2000; Doyle and Stern, 2006). Examples of good personal selling are available at perfume and cosmetics department stores. Customers can continue to inquire about the product. Expensive products are often sold using personal sales.

#### Advertising

Advertising can be defined as any form of paid strategic communication by an identified sponsor that aims to inform and convince the recipient of the object of the advertisement and traditionally it is delivered through time spent in the media (Thorson & Rodgers, 2012). In economic terms, advertising is a subcategory and the most important part of all brand- promoting activities. In addition, price or other forms of marketing communication such as personal sales. Advertising plays a variety of important social roles (Fennis & Stroebe, 2010, pp. 5–6; Tellis, 2004, pp. 3–5).

#### 2.2 Research Hypothesis

A research hypothesis is the statement created by the researcher when they speculate upon the outcome of a researcher or experiment. A hypothesis is needed in the study at the core of its structure, as the ultimate aim of the experiment. There are few hypotheses have been predicted in this study:

- H1: There is significant relationship between sales promotion and the effectiveness of promotional schemes on consumer in Ampangan, Seremban.
- H2: There is significant relationship between personal selling and the effectiveness of promotional schemes on consumer in Ampangan, Seremban.
- H3: There is significant relationship between personal selling and the effectiveness of promotional schemes on consumer in Ampangan, Seremban.

#### 2.3 Theoretical Framework

Figure 1 show the theoretical framework on the measuring the effectiveness of promotional schemes at retail stores among Ampangan, Seremban consumer. There is two type of variables. The first variable is independent variables, which consist of sales promotion, personal selling and advertising. The second variable is dependent variable, which is promotional schemes.

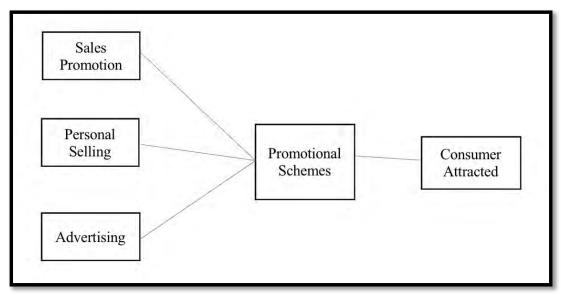


Figure 1: Theoretical Framework of measuring the effectiveness of promotional schemes at retail stores among Ampangan, Seremban consumer.

### 3 Methodology

### 3.1 Research Design

Study design refers to the methods and methods used during research to analyze and gather all the information obtained (Burns & George, 2009). Sampling design will be used in this analysis to obtain important information as this study is to measure the objectives. In this research, quantitative approach will be used to define the variable that will effectiveness of promotional

schemes. It was, therefore, appropriate for us to utilize questionnaires in this research in collecting sampling data from a large number of target respondents.

### 3.2 Population

Population refers to the entire group of people, events, or interest that the researcher wishes to investigate. It is simple defined as the target audience for this study. This study is identifying the effectiveness of promotional schemes on consumer in Paroi, Seremban. Then the target population is the community who stay in area Ampangan, Seremban. According to the JPS Disrict Johor Bahru, the total number or people in Ampangan, Seremban is 131,016. The total number of people in Ampangan, Seremban is known as population and it is denoted by "N".

### 3.3 Sample Size

Researchers will use the non-probability sampling techniques for sample selection. The questionnaire is designed by using manually, through word and will be in google forms and distributed to the community in Ampangan, Seremban. The researcher will distribute the questionnaire to community, residential area and so on.

Table 3	.1								
Table for Determining Sample Size of a Known Population									
N	S	N	s	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
Note: N	is Popul	ation Size,	S is San	iple Size		Sou	rce: Krej	cie & Morgan	, 1970

#### 3.4 Data Collection

Primary data are first-hand data obtained by a researcher using techniques such as surveys, interviews or experiments. It is directly obtained from primary sources with a studies project in mind. (Sekaran et. al., 2016).

In the research, primary data was collected through an online questionnaire survey. The questionnaires were distributed to consumer in Ampangan, Seremban who are 20 years old and above. The online questionnaire was chosen because it covers a wide geographical location, population environment and a wider range of occupations. The survey was made using Google Forms online distributed through social media platforms.

#### 3.5 Sampling

Probability sampling was selected as a sampling design indicating that respondents tended to be attached to their selection as the sample subject. In sample collection, sampling is easy to choose because a quick and effective response can be obtained. It manages to obtain data from respondents who are willing to provide it easily.

#### 3.6 Research Instrument

Questionnaires will be used as research tools in this study. Questionnaires are the best research tool to process the large number of respondents (Nardi, P.M, 2018). The questionnaire consists of four parts, namely part A, part B, part C and part D.

Part A consists of the background information of the respondents, among them are age, gender, race, status, occupation, salary and frequently visited stores. Meanwhile, in section B, C and D ordinal scale was effectiveness on promotional schemes and factors influencing consumer interest in promotional schemes.

#### 3.7 Data Analysis Technique

Data analysis is the process of evaluating research data and to identify each component of the data that has been obtained. The data collected in this study will be interpreted using Statistical Package for Social Sciences (SPSS). Analysis of analytical data in this study using descriptive analysis method, Pearson correlation. and multiple linear regression analysis.

# 4 Data Analysis and Findings

### 4.1 Demographic Profile

The demographic profile of the respondents included the information of gender, age, race, status, monthly income, shop most visited. It is shown that the age gap of our respondents in Ampangan, Seremban. Among the 303 respondents, the majority in this age there were only 143 respondents (47.2%) who were 20 years old to 30 years old. Follow with age between 31 years to 40 years which has a total of 55 respondents (18.2%). Next, aged between 40 years to 50 years with a total of 47 respondents (15.5%). Finally, that aged 50 years and above had a total of 58 respondents (19.1%).

Gender shows that a total of 136 (44.9%) respondents in the research are male, of which the remaining 167 (55.1%) respondents are female.

There race a total of 268 respondents (88.4%) are Malay. Next is the Chinese respondents, which consists of 13 respondents (4.3%). Followed by the majority of respondents were Indian, consisting of 11 respondents (3.6%). Finally, there are only 11 respondents from other races.

Status shows that a total of 159 (52.5%) respondents in the research are single, of which the remaining 144 (47.5%) respondents are married.

It is shown that the income per month gap of our respondents in Ampangan, Seremban. Among the 303 respondents, there were only 119 respondents (39.3%) were below <1000 per month. Follow with that between 1001-2000 per month which has a total of 71 respondents (23.4%). Next, between 2001-3000 per month with a total of 34 respondents (11.2%). Finally, that above 3000> had a total of 79 respondents (26.1%).

It is shown that the most people visited. Among the 303 respondents, there were only 74 respondents (24.4%) were went to hypermarket. Follow with that supermarket which has a total of 147 respondents (48.5%). Next, convenience store with a total of 19 respondents (6.3%). After that, mini market with a total of 18 respondents (5.9%). Finally, that went to family store had a total of 45 respondents (14.9%).

#### 4.2 Descriptive Analysis

The descriptive analysis tested 4 variables consisted of dependent variables and independent variables. A summary of the mean and standard deviation is listed in table 4.7. Based on the summary, the highest mean value is from advertising which is 4.3245 where respondents agree more on this variable while the lowest mean value is on the effectiveness of the promotion scheme which is 4.2614 which shows respondents agree lower for the variable in this analysis. The data set of 303 respondents with a standard deviation of less than 1, showed a more reliable value.

Table 4.7: Dependent Variable (DV) and Independent Variable (IV)

	N	Mean	Std. Deviation
Promotional Schemes (DV)	303	4.2614	.45492
Sales Promotion (IV)	303	4.2921	.44763
Personal Selling (IV)	303	3.9164	.71640
Advertising (IV)	303	4.3245	.53905
Valid N (Listwise)	303		

## 4.3 Pearson's Correlation Analysis

In this section, Pearson Correlation Analysis will examine that whether the independent variables, is sales promotion, personal selling and advertising are statistically significant with the promotional scheme, are dependent variables. In this case, researchers have used Pearson Correlation Analysis (two-sided test) to investigate the relationship between consumer and the effectiveness of promotional schemes. The table below shows the interpretation of the coefficient of strength with the variables Guilford and Fruchter (1973)

#### **Correlations**

		PSc	SP	PS	ADs
PSc	Pearson Correlation	1	.969**	.445**	.603**
Sig. (2-tailed)			.000	.000	.000
	N	303	303	303	303
SP	Pearson Correlation	.969**	1	.530**	.683**
	Sig. (2-tailed)	.000		.000	.000
	N	303	303	303	303
PS	Pearson Correlation	.445**	.530**	1	.664**
	Sig. (2-tailed)	.000	.000		.000
	N	303	303	303	303
ADs	Pearson Correlation	.603**	.683**	.664**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	303	303	303	303

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

According to Table, the correlation is significant at the 0.01 level, which means there is less than one in a hundred chances to be wrong when testing the hypothesis. Sales promotion reached its highest correlation at 0.969, followed by advertising at 0.603, and last personal selling at 0.445.

## 4.4 Normality Test

Quantitative plots, Q-Q plots, or short QQ plots are popular plots among plot forms to check the distribution of data samples. The researcher will compare the ideal sample distribution when the plot is produced. The opposite of the standard normal cumulative versus the compiled observations shows in the plot. The point will be made in a straight line when the underlying data distribution is normal.

## 4.5 Summary

make an assessment.

From the data, the findings will be analyzed and a number of solutions and recommendations can be made. In addition, Pearson correlation analysis was used to identify the strength of the relationship between the dependent and independent variables. The results show that a moderate positive correlation result has been achieved by both of these variables. The hypothesis of this study was also tested at the end of the chapter and the results of the hypothesis showed that there was a significant relationship between consumer attracted and the effectiveness of the promotion scheme.

## 5 Discussion and Recommendation

This study was conducted to measure the effectiveness of promotional schemes at retail stores among Ampangan, Seremban consumer. Among the available promotional schemes, researchers choose to check are personal selling, sales promotion and advertising. The main purpose of this study is to determine the promotional scheme that affects consumers in Ampangan, Seremban. For this study, primary data were handled using a set of questionnaires to obtain responses from respondents consisting of residents in Ampangan, Seremban. According to the wikipedia website, the population in Ampangan, Sermban in 2019 is 130,823 people. This study analyzes how promotional schemes such as personal selling, sales promotion and advertising affect consumers in Ampangan, Seremban.

In this research, the effectiveness of the promotion scheme is influenced by 3 variables. The data collected in this research is very useful and beneficial to help retail stores in Ampangan, Seremban to understand what are the factors that can affect business performance and continue to improve these factors.

To increase the promotional scheme in retail stores in Ampangan, Seremban must continue to improve the quality of their services so that customers are satisfied. Improving quality will keep the business growing. A large number of respondents are in the area and the age of the population is between 20-50 years and above in this finding. This research can see the possibility of a store surviving and the possibility of transforming into a larger company in the future.

To increase customer satisfaction, store managers or employees can examine the impact of business decisions on sales promotion networks by increasing the promotional methods and prices offered by them, as the majority of respondents have agreed with statements on sales promotion can ensure effectiveness for sales promotion operations in retail stores. Furthermore, for personal selling, the majority of respondents have agreed that this personal selling method or face-to-face method will provide effectiveness to retail stores in Ampangan, Seremban, and therefore, will encourage all retail stores to use this method to facilitate users who visit. Finally, for advertising, which means most respondents agree that retail stores that use this method of advertising are able to maintain and always be effective in a business. Therefore, it encourages retail stores to continue to use this effective method to attract the attention of consumers and customers such as displaying billboards or advertisements in the mass media for customers to

Moreover, time constraints are the biggest problem for researchers to obtain accuracy in data collection. Using the questionnaire method, all responses were analyzed to test the hypothesis of the relationship between the dependent variable and the independent variable. From here, there is no one-sided or always-scanned answer scans for each query as the time required may be required to resolve all of these errors. Future research can extend the time to compile actual data and analyze only the perfect random scale answered.

Finally, relevant parties such as the population of Negeri Sembilan should provide specific statistical data of the population in Ampangan, Seremban. This party plays a key role in collecting certain statistical data and avoiding outdated data age because researchers need the latest information. This will influence the results to infer hypotheses on how retail stores performance depends on sales promotion methods to grow their business in the future.

## 5.1 Conclusion

The main purpose of this research is to measuring the effectiveness of promotional schemes at retail stores among Ampangan, Seremban consumer. A total of 303 sets of questionnaires were distributed to the target respondents in completing this research. In the final step of the research, all questions and objectives of the research have been answered and achieved during the data analysis in Chapter 4.

Overall, Pearson Correlation Analysis has shown that all variables including sales promotion, personal selling and advertising have a significant positive correlation with the promotional scheme in retail stores Ampangan, Seremban, where sales promotion has reached the highest correlation at 0.969. In addition, all hypotheses were tested, where all hypotheses including sales promotion, personal selling and advertising were accepted, which means that sales promotion, personal selling and advertising have a significant relationship with the effectiveness of promotional schemes in Ampangan, Seremban retail stores.

Finally, the researchers also discussed some of the limitations encountered while conducting research, as well as some suggestions for improvement for future research. In conclusion, researchers have expected the purpose of this research findings is to provide insight to retail stores in Ampangan, Seremban in improving their business performance.

## Acknowledgement

First of all, we would like to express our appreciation to our supervisor, Dr. Mohd Zaki, Lecturer of Faculty of Entrepreneurship and Business, University Malaysia Kelantan. She continuous give fully support for us in this final year research project with her knowledge, patience, and motivation. Her advice gives us a direction in writing this final year research project all the time. The guidance from Dr. Mohd Zaki also helps us improved our knowledge in making research.

Besides the supervisor, we would like to thanks the office and knowledge management of University Malaysia Kelantan, which provides a place that full of material. We can find out the suitable material for writing the research project. It also provide a comfortable environment for us to discuss our research project together.

After that, we would like to extend our gratitude to my friends, who always gave me a lot of support and help to complete my research project. The friends can share me with their different ideas and knowledge of IT in writing the research project.

Last but not least, we feel thankful to our family. Our parents and peers always give us mental support in writing the research project. Their supporting helped us to release our stresses that gain from the processing of the research project.

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# THE IMPACT OF CELEBRITY ENDORSEMENT IN SOCIAL MEDIA THAT INFLUENCE CONSUMER PURCHASE INTENTION AMONG STUDENTS IN UNIVERSITY MALAYSIA KELANTAN CITY CAMPUS

## Natasya Farhana Nia Binti Muhammad Busrak and Noorshella Binti Che Nawi

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: natasya.a17a0308@siswa.umk.edu.my; norshella@umk.edu.my

## Abstract:

In order to analyze the impact of celebrity endorsement in social media that influence consumer purchase intention among students in University Malaysia Kelantan City Campus, this study outlines four objectives, first, to identify the influence between celebrity endorsement in social media from trustworthiness aspect and consumer purchase intention. Second is to study the influence between celebrity endorsement in social media from expertise aspect and consumer purchase intention. Third is to determine the influence between celebrity endorsement in social media from familiarity aspect and consumer purchase intention. To achieve all the objectives, the survey method was conducted on students in University Malaysia Kelantan City Campus. The results of the study found that there is a significant positive relationship between the impact of celebrity endorsement in social media and consumer purchase intention in University Malaysia Kelantan City Campus. So trustworthiness, expertise, and familiarity will affect consumer purchase intention in University Malaysia Kelantan City Campus Future research could also use different methodologies such as focus group and interviews.

**Keywords:** Source Credibility Model, Source Attractiveness Model, trustworthiness, expertise, familiarity.

### 1 Introduction

Social media can be defined as an applications or sites that give users experienced to communicate and interact with each other, input about community-based, content sharing, and even collaborating with various people (Rouse, 2020). Nowadays, social media users among people not just only in Malaysia but in the whole wide world are very widespread. People tend to use social media such as Facebook, Instagram, and Twitter as a platform to discuss or argue about current issue. The use of social media in running business is also very widespread among the users. This is because social media can be used for market the products, promoting the brands, associate with current and potential customers, and encourage new business. Regarding the feedback from the customer, social media makes it simple to inform the organization and people about their experiences with that organization or company, regardless those experience are positive or negative. In running a business, getting consumer trust and confident are very important.

The marketing from famous people is not new, however its fame has increased alongside the rush of social media (Wilcox, 2019). nothing can influence someone more than another person itself, and of course it is famous people who are more influencing (Smart Insights, 2017). It is critical in terms of attracting publicity and making strong recalls from consumers. Endorsements may be either be in the form of celebrity or a created spokesperson. The use of well-known and popular people to advertise and promote products is a common practise with a long tradition of marketing. The celebrity must be well recognised enough to increase the brand's visibility, image and reaction (Keller, 2013).

### 1.1 Research Questions

There are three questions in this research:

- 1. Does celebrity endorsement in social media from trustworthiness aspect influence consumer purchase intention?
- 2. Does celebrity endorsement in social media from expertise aspect influence consumer purchase intention?
- 3. Does celebrity endorsement in social media from familiarity aspect influence consumer purchase intention?

## 1.2 Research Objectives

There are three objectives in this research:

- 4. To identify the influence between celebrity endorsement in social media from trustworthiness aspect and consumer purchase intention.
- 5. To study the influence between celebrity endorsement in social media from expertise aspect and consumer purchase intention.
- 6. To determine the influence between celebrity endorsement in social media from familiarity aspect and consumer purchase intention.

### 2 Literature Review

## 2.1 Previous Study

There are three independent variables that will be determine by the definition under this research which are purchase intention, trustworthiness, expertise, and familiarity.

### 2.1.1 Purchase Intention

Purchase intention intends to buy is greatly influenced by external factors where the interest comes for certain reasons. It promotes more profitable businesses to the industry, particularly when they are satisfied with the production (Xiao, Yang, & Iqbal, 2018) Hence, purchase intention has been recognized as one of the most important parts of the business sector. It is also responsible for determining if a product meets the customer's expectations and needs to explore their assessment of goods and services further. More importantly, this is the key to promoting long-term business success, which helps keep customers and collect customer lifetime value

### 2.1.2 Trustworthiness

The level of certainty of the recipient in believing the message conveyed by the celebrity is the model of trust in communication (Abdulmajid & Wahid, 2012). Users are more willing to consider the product recommended by celebrities that they find reliable (Liu et al., 2015). People make meaningful purchase decisions based on their level of confidence in the goods, salesperson, and the business (Hosmer, 1995). The potential of celebrities to draw consumer interest has made it the most common promotional tactic among marketers. Celebrity endorsement space has grown dramatically over the past decade. Capitalizing on the celebrity fandom, driven by the immense impact of social media such as Instagram, Facebook and Twitter, has made it more strong than ever before. According to Tzoumaka, Tsiotsou, and Siomkos in 2016, found that celebrity trustworthiness is the only character of celebrity that affects the purchase intention. Celebrity-brand partnerships that associate with celebrities have given them the potential, as a trusted source for customers, to use their social media channel to affect customer belief in the brand-sponsored message (Kapitan & Silvera, 2016).

## 2.1.3 Expertise

The competence of the endorser is identical to the skill of the source, which strongly affects the degree of conviction for persuading customers to buy what is endorsed. Expertise has a favourable impact on purchase intention (Till & Busler., 2000). If a customer believes that a celebrity endorser has a high degree of competence, they are more likely to be swayed by the message in the commercial (Amos, G. Holmes, & D. Strutton, 2008). According to (Erdogan, 1999) the expertise may be obtained from the assumed accuracy of the claims made by the endorser. The level of expertise experienced by customers relies on their confidence in the source of knowledge and competence in the field of expertise. By using social media platform, celebrity interacted with their followers with professional experience, knowledge and personal observations that enables celebrities to display expertise and makes their followers feel extra confident about them (Kapitan & Silvera, 2015).

### 2.1.4 Familiarity

Familiarity refers to the degree of trust between the source and the customer, and familiarity implies that whether the source is viewed as "known" or has a relationship with the consumer, they are more positive and are more secure making a decision (Lee & Yurchisin, 2011). The source must be viewed as trustworthy in order for the information to have a preferred influence on consumers. The same principle often relates to online sales, as familiarity has a beneficial impact on online confidence and thus raises the probability of online purchases from a familiar store (Fanoberova & Kuczkowska, 2016).

## 2.2 Conceptual Framework

Based on the conceptual framework, there are three factors that impact e-service quality on customer behaviour in online shopping at UMK Students. First is the website design, second is the customer service and lastly is the security/privacy which has contributed to the overall e-service quality.

Trustworthiness

Expertise

Purchase Intention

Familiarity

Figure 2.1: The conceptual framework

## 3 Methodology

IV

## 3.1 Research Design

In this research, quantitative method is selected because the data and information from this method is more efficient and capable to test the hypothesis. This research attempts to analyse the influence between celebrity endorsement in social media and consumer purchase intention using quantitative methods. The study used quantitative method following the survey methods conducted, and data were obtained using online questionnaire which is google forms and will be shared through social media platforms such as WhatsApp either it is groups or personal message, Facebook, Twitter, and Instagram.

### 3.2 Data Collection

There are two data collection methods that being used in this research which is primary and secondary data. In this study, the method used to get the primary data is questionnaires. Questionnaires are a list of questions that are either open-ended or closed-ended and answered by the respondents. It is the most widely used method in the survey to collect all relevant information. The secondary data that being used in this study are article, journal, internet, and textbook which identified with the research. It is to get more information about the study of celebrity endorsement that influence consumer purchase intention since the data can be obtained from various sources form secondary data.

## 3.3 Population

The target population in this research are students of University Malaysia Kelantan City Campus aged in between 18 years old and above. This samples then been further reduced to users who have social media account such as Facebook, Instagram, and Twitter and they followed celebrity on their social media. Researcher choose university's students as respondents in this study because nowadays students are more preferred to purchase items through online platform.

## 3.4 Sample Size

The number of individuals in that age group who will be surveyed in this situation will provide the sample size. There were a total of 5,631 students in UMK City campus as of the year 2020. As proposed in the sample size of Krejcie and Morgan's table, a total of 364 sample would be suggested as appropriate for this research.

## 3.5 Sampling

For this study, the type of sampling used is non-probability sampling technique which is convenience sampling. The convenience sample is basically one in which the units chosen to be used in the sample are the most easily accessible. This is in contrast to the probability sampling methods, where the choice of units is rendered at random. As the aim of convenience sampling is easy access, researcher may simply choose to give the online questionnaire which is the Google Form and forward it to WhatsApp groups and personal message of UMK students where it would be easy to reach the many students to take part in the research.

## 3.6 Data Analysis

For this research, Statistical Package Social Science (SPSS) version 26 is being used to understand the data, analyse, forecast and plan about the study. The results are descriptive analysis, validity and reliability test, spearman's correlation and overall hypothesis testing.

## 4 Findings

## 4.1 Demographic Profile

Demographic analysis include gender, age, race, the frequency of connecting to social media per day, and consumer purchase that influence by celebrity. The data is gather from the students of University Malaysia Kelantan in Pengkalan Chepa. There are a total of 364 respondents but only 357 data of the respondents that being used in this study.

### 4.1.1 Gender

Table 4.1: Frequency Analysis of Gender

			Percent	Valid	Cumulative
		Frequency	(%)	Percent (%)	Percent (%)
Valid	Female	220	61.6	61.6	61.6
	Male	137	38.4	38.4	100.0
	Total	357	100.0	100.0	

Table 4.1 shows the gender of the respondents. From the total of 357 respondents, there are 220 female respondents which is 61.6% and 137 male respondents with the percentage of 38.4%.

4.1.2 Age

Table 4.1: Frequency Analysis of Age

			Percent	Valid	Cumulative
		Frequency	(%)	Percent (%)	Percent (%)
Valid	19-21 years old	91	25.5	25.5	25.5
	22-24 years old	252	70.6	70.6	96.1
	25 years old and above	14	3.9	3.9	100.0
	Total	357	100.0	100.0	

Table 4.2 shows the age of the respondents. There are three range of age that take part in the online questionnaire survey. The highest group age is 22-24 years old which is 252 respondents with the percentage of 70.6% and the lowest group age is 25 years old and above which is 14 respondents with 3.9%. For group age of 19-21 years old, it consists of 91 respondents with percentage of 25.5%. As a result, it shown that most respondents are in age between 22-24 years old

### 4.1.3 Race

Table 4.3: Frequency Analysis of Race

			Percent	Valid	Cumulative
		Frequency	(%)	Percent (%)	Percent (%)
Valid	Arabian	2	.6	.6	.6
	Chinese	7	2.0	2.0	2.5
	Indian	2	.6	.6	3.1
	Malay	346	96.9	96.9	100.0
	Total	357	100.0	100.0	

Table 4.3 shows the race of the respondents. From the 357 respondents, 346 of them are Malay with the highest percentage of 96.9%. 7 Respondents are Chinese with 2.0% and 2 respondents are Indian with the percentage of 0.6%. 2 respondents from other race is Arabian with 0.6%.

## 4.1.4 The frequency of user connecting to social media per day

Table 4.4: Frequency Analysis of User Connecting to Social Media Per Day

			Percent	Valid Percent	Cumulative
		Frequency	(%)	(%)	Percent (%)
Valid	4-6 times	13	3.6	3.6	3.6
	7-9 times	63	17.6	17.6	21.3
	More than 10 times	281	78.7	78.7	100.0
	Total	357	100.0	100.0	

Table 4.4 shows the frequency of user connecting to social media per day. From the 357 respondents, 281 respondents answer is more than 10 times with the highest percentage of 78.7%. 13 respondents chose 4-6 times with the lowest percentage of 3.6%. Meanwhile, there are 63 respondents that answer 7-9 times with 17.6%.

## 4.1.5 Consumer purchase that influence by celebrity

Table 4.5: Frequency Analysis of Consumer Purchase That Influence by Celebrity

			Percent	Valid Percent	Cumulative
		Frequency	(%)	(%)	Percent (%)
Valid	No	7	2.0	2.0	2.0
	Yes	350	98.0	98.0	100.0
	Total	357	100.0	100.0	

Table 4.5 shows the number of respondents based on their purchase that influence by celebrity. From the total number of 357 respondents, 350 respondents which is 98% answers is yes while the other 2% that consists of 7 respondents answer no for the purchase that influence by the celebrity. Because of this, researcher delete the data for 7 respondents as their answer for this question is no and only use 357 data for the research.

## 4.2 Descriptive Analysis

The descriptive analysis was tested according to their variables and listed out on the summary of the mean and standard deviation of computed items in table 4.6

Table 4.6: Results of the Descriptive Analysis

Descriptive Statistics					
			Std.		
	N	Mean	Deviation		
TRUSTWORTHINESS	357	4.3204	.62184		
EXPERTISE	357	4.3412	.65292		
FAMILIARITY	357	4.3412	.70057		
PURCHASE INTENTION	357	4.4667	.71228		
Valid N (listwise)	357				

Based on the mean analysis in table 4.6, the range of mean value in this study is 4.3204 until 4.4667. By comparison the mean value between independent variable which is trustworthiness, expertise, and familiarity, the highest mean value is 4.3412 which indicated expertise and familiarity are the most acceptable independent variables in this study.

### 4.3 Reliability Analysis

Reliability analysis is calculated by achieving the proportion of systematic difference in the scale that can be accomplished by determining the relation between the scores received from the various scale administrations. Thus, if the correlation in the reliability analysis is high, the scale shows accurate findings and is thus reliable.

Table 4.6: Reliability analysis for all variable

Variable	Total	Cronbach's Alpha	N	
	items	Value	(sample size)	
Trustworthiness	5	0.924	357	
Expertise	5	0.932	357	
Familiarity	5	0.945	357	
Purchase Intention	5	0.977	357	

The result of reliability analysis shows that all variables above 0.7. The result of Cronbach's Alpha value shows the range from 0.924 until 0.977. Therefore, the results are accepted as it is above the 0.7 Cronbach's Alpha value. This alpha value can be accepted because 0.7 as suggested HR-Guide, LLC (2018) state that if alpha value is below 0.5 cannot be accepted, the value 0.6 and above are normal, 0.7 is more than normal, 0.8 is good and 0.9 is better. Moreover, the alpha value of reliability coefficient for independent variables trustworthiness is 0.924, expertise is 0.932, and familiarity is 0.945, which are in range better and the reliability is accepted.

### 4.4 Normality Test

Normality test is a statistical method used to assess if a variable or a set of data matches the regular normal distribution. If the result of normality test is normal, Pearson's Correlation Coefficient will be use by the researcher and if the result is abnormal, researcher will have to use Spearman's Correlation Analysis.

Table 4.7: Normality test for all variables

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
TRUSTWORTHINESS	.208	357	.000	.818	357	.000
EXPERTISE	.222	357	.000	.778	357	.000
FAMILIARITY	.237	357	.000	.740	357	.000
PURCHASE	.269	357	.000	.724	357	.000
INTENTION						

## a. Lilliefors Significance Correction

Based on the table 4.7, the test of normality of Kolmogorov-Smirnov<sup>a</sup> for trustworthiness, expertise, familiarity, and purchase intention is 0.00, while Shapiro-Wilk for trustworthiness, expertise, familiarity, and purchase intention is 0.00. Since the significant value is less than 0.05, therefore all variables in this study is abnormal. Thus, Spearman's Correlation Coefficient will be used for the data analysis in this study

## 4.5 Hypothesis Testing

Table 4.8: Hypothesis testing

Objective	Hypothesis	Result of analysis	Decision
To identify the influence between celebrity endorsement in social media from trustworthiness aspect and consumer purchase	H1: There is significant relationship between celebrity endorsement in social media from trustworthiness aspect and consumer purchase		
intention.	intention.	r = 0.703	Accepted
To study the influence between celebrity endorsement in social media from expertise aspect and consumer purchase intention.	H2: There is significant relationship between celebrity endorsement in social media from expertise aspect and consumer purchase intention.	r = 0.860	Accepted

To determine the influence	H3: There is significant	r = 0.672	Accepted
between celebrity	relationship between celebrity		
endorsement in social media	endorsement in social media		
from familiarity aspect and	from familiarity aspect and		
consumer purchase	consumer purchase intention.		
intention.			

Based on the table 4.8, it can be summarized that all three independent variables which are trustworthiness, expertise, and familiarity have a relationship towards purchase intention. All the hypothesis is accepted as the p-value is less than 0.05

## **5 Discussion and Conclusion**

## 5.1 Suggestion for Future Research

For future research, the researchers can enlarge the scope of the study to not only focus for students in University Malaysia Kelantan, but also can include people from many sectors. As we all know, students have no permanent job yet and they also did not have any monthly income so it will be hard for them to spend their money on pricey things.

Other than that, this research was conducted only in Malaysia and it is sampled by Malaysian respondents. This means that the findings could only be valid on the Malaysian market. Since cultures are diverse across countries, different outcomes can be obtained by performing this research in other countries. The impact of Celebrity can be higher and vice versa in other countries.

In addition, future studies may consider using foreign celebrities in their research. If the research is to be carried out only in Malaysia, the future researchers may also include celebrities from various countries or other religions. Because of local consumers may also opt for international products, and these products can use international celebrities for their marketing strategies. Foreign celebrities may also influence the purchasing intentions of local consumers. As a result, their influence could be greater compared to local celebrities. In the end, this could lead to different outcomes.

## 5.2 Overall Conclusion of the Study

From the results of this study, it can be interpreted that celebrity endorsement in social media will influence consumer purchase intention by UMK students in Kota Bharu. The studies show that trustworthiness, expertise, and familiarity has a significant impact towards consumer purchase intention among UMK students in Kota Bharu. This study was conducted to the target population of UMK city campus students with a sample size 357 respondents.

This study used the source credibility model and source attractiveness model as independent variables and purchase intention as dependent variables. Based on the Spearman's Correlation result findings got from SPSS analysis, all of the strategies have a positive relationship towards consumer purchase intention among students in University Malaysia Kelantan City Campus. In this chapter, the researcher has listed some limitations faced by the researcher during the process of this study. The researcher also proposed some recommendations and suggestions that can be used by future research and to know the purchase intention in details by UMK city campus students.

## 6 Acknowledgement

First and foremost, I would like to express my thankfulness to Allah S.W.T, the Almighty, for His continuous blessing which had helped me in completing the research study. I would like to thank all people who given me helpful advices, suggestions, and assistance that help to contribute of completion of this study.

Secondly, I would like to express my deepest thanks to my supervisor, Prof Madya Dr. Noorshella Binti Che Nawi for her patient and greatest assistance for this paper. She always gives me support and provide me with her insightful point of view, guide me to conduct a proper and systematic research. Her useful opinions and knowledge is much appreciated.

Besides my supervisor, I also would like to thank my examiner, Prof. Madya Dr Noor Hasmini Binti Abd Ghani. Thank you for her valuable comments and opinions to improve my research project during final year project presentation.

Apart from this, great appreciation goes to the participants which helped me to conduct the survey questionnaire. Thanks to their help, I am able to collect data for analysis and their opinion towards my research.

Lastly, a special thanks and appreciation to my friends and families for their endless support and advice to complete this research.

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## IMPACT PERCEIVED RISK ON ONLINE IMPULSE BUYING: A STUDY OF CONSUMERS AT KOTA KINABALU,SABAH

Nabilazzahra binti Mustaring and Noorhazila binti Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia.

Email: nabilazzahra9707@gmail.com; noorhazila.nm@umk.edu.my

### Abstract:

This study was conducted to identify the impact perceived risk (product risk, convenience risk and non-delivery risk) towards online impulse buying of the consumers at Kota Kinabalu, Sabah. The purpose of this study to determine which perceived risk that significant towards online impulse buying. Data were collected through questionnaires obtained from 384 respondents from consumers at Kota Kinabalu, Sabah. Convenience sampling was applied to allow the researchers to collect the responses easily and quickly because of our population just in a large range. Results: The study utilized descriptive analysis and multiple linear regression to analyze the data. From this research, the factors that significant are convenience risk (p<0.004,  $\beta$ =-0.141 and non-delivery risk (p<0.001,  $\beta$ =0.636). Online Impulse Buying effect most the perceived risk were mom-delivery risk.

Keywords: Online Impulse Buying, Perceived risk, Product risk, Convenience risk, Non-delivery risk

## 1 INTRODUCTION

The phenomena now had surge by a pandemic virus called Covid-19. The people had to stay at home to avoid the virus became serius. This make the consumers had many time in online context. As we know, technology now growing rapidly and the consumers live became more easily. The needs and wants of the consumers can be determine by one finger. This will make the consumers became desire to doing online purchasing due to the product is convenience and the online store operated 24/7 hours. The products also can be compared around the worldwide. As compared to the tradisional store, the online text will be more encouraged the consumers to impulsiveness in online decision making will be benefits to the retailers. According to the Moksina, Fungb, Ahmadc, and Nazrid (2019), in Malaysia, the government had been made

effort to increasing the nationwide internet usage. This is because to government Malaysia's want to stimulate the online shopping activities in Malaysia. Therefore, only 9.3% of the internet user that purchased online even though the Malaysia e-commerce industry has been immerse growing. The phenomena impulse buying behavior became popularity recent times because the researcher actively search new dimension about consumers behaviour towards the online text. Consumers will overspending money on online text because of the special attributes that attract consumers to become impulsiveness buying. According to the (Abrar, Naveed, & Ramay, 2017), the impulse buying is the basic human traits and its varies from person to person.

### 1.1 PROBLEM STATEMENTS

The previous studies that Al-dweeri, Obeidat, Al-dwiry, Alshurideh, and Alhorani (2017) had mention is their more focus in the trust and loyalty in online purchasing. Many research talk about how to maintain their trust and loyalty towards the customers with many way. The researchers want the impact of the online purchasing can maintain their trust and loyalty towards business. Although the increase of the competitive environment, thee-retailers must determine of their online division channels in terms of the influence of this e-loyalty and e-satisfaction and service quality (Al-dweeri et al., 2017)

As we know, the online text has many advantages and disadvantages either for consumers or retailers. The problem that the researcher found is the risk of the perception that personal information of consumers will be leaked out. This will makes the consumers became wary towards the online shopping. Other than, consumers worry about the product or services that sold in the online text. This is because consumers can be cheated by the retailers online. Lastly, the researcher always wary about the online impulse tendency of consumers when shopping in online. This is very serious problem that always happen to the consumers.

### 1.2 RESEARCH OBJECTIVES

The first objective of this research was to measure the relationship between product risk and online impulse buying. Next objectives was to measure the relationship between convenience risk online impulse buying. Thirdly, the research objectives is to measure the relationship between non-delivery risk and online impulse buying and the last research objectives was to determine most effect impact perceived risk on online impulse buying.

### 2 LITERATURE REVIEW

The literature review of this study researchers will research the impact perceived risk on online impulse buying: a study of consumers at Kota Kinabalu, Sabah. The researchers will explore theoretical background that online impulse buying, previous study, research hypothesis, conceptual framework from this study. The independent variables of this research was product risk, convenience risk and non-delivery risk and how these variables affect to online impulse buying at Kota Kinabalu.

## **Online Impulse Buying**

According to the Mathur (2019), the impulse buying is an enigma in the field of marketing for a long period of time. This is because the impulse buying is a dark side of consumer in the behaviour literature. Usually, the consumers very addicted towards the tradisional buying but the growing e-commerce driving the consumer to online purchasing. The impulse buying behaviour are connected to the sudden buying with accompanied by a strong feeling of joy and excitement (Akram, Hui, Khan, Yan, & Akram, 2018).

#### Perceived risk

Perceived risk is a consumers conscious of contradictory consequences and insecurity as a result of buying a service or product (Abrar et al., 2017). Perceived risk also a belief of an individual consequences from their decision. The consumer perception is uncertainty and unintended consequences doing the online shopping. There are more risk in the online context. There are many different perceptive risk but currently study focus at product risk, convenience risk and non-delivery risk. Biucky and Harandi (2017) mention in their study about perceived risk are a multidimensional concept and it is will bring impact on the consumers buying behaviour with focus on the multiple risk. Thus, according to the Zendehdel, Paim, and Delafrooz (2016), the perceived risk is the trade platform of online text between retailers and consumers but also had to secure the protected operation policy and authorized the verification means.

#### **Product risk**

Product risk define as the protection the most significant effect on the cognitive trust on the perceived risk (TRAN, 2020). The online purchasing usually had the higher confusion and risk compare to the offline text due the influence attitudes of online buying. The cognitive attitudes of consumers on online even very important. Other than that, product risk also known as performance risk, it means that the chance of failure to the consumers requirement (Bhatti, Saad, & Gbadebo, 2018). According to the article (Hong, Zulkiffli, & Hamsani, 2016), the product risk are the significant effect on the quantity of purchase online. This is due to the product risk that conventional when it is being purchase online, especially the some product that cannot be test attributes online and cannot be examine due to the shippers.

### Convenience risk

The losses of time while search, compare or buy product on online are called as time or convenience risk (Abrar et al., 2017). Thus, convenience risk is associate with consumer perception that consumer will faced difficulty in order place, unable to cancel one order, delay in receiving product or returning product (Bhatti et al., 2018). Although, the convenience risk does not have the strong influencer over the online buying behaviour than other dimension of

perceived risk. According to the Moksina et al. (2019) the convenience risk is the inconvenience that will occurs during the online transaction such as difficult to submit the order and search the product, hard to cancel the order once the order is placed or delay in receiving the products.

## Non-delivery risk

Non-delivery risk known as not get the product after complete the settlement and doing the payment to the online store (Abrar et al., 2017). According to the Wai, Dastane, Johari, and Ismail (2019) mention that the damage or losses of the product are related to the potential delivery is loss and it is consumers to worry their product did not receive on time. Consumers will find it very uncertainly while deal with the new online retailers for making the payment due to the risk of the vendors will not deliver their product. According to the Hong et al. (2016), the non-delivery risk is the potential fail of delivery.

### 2.1 HYPOTHESIS

This research will analyse and examine the impact perceived risk on online impulse buying. Three hypothesis have been developed:

H1: There is significant positive relationship between product risk and online impulse buying.

**H2**: There is significant positive relationship between convenience risk and online impulse buying.

**H3:** There is significant positive relationship between non-delivery risk and online impulse buying.

### 2.2 CONCEPTUAL FRAMEWORK

The conceptual framework is an analytical tool woth several and contexts. It can be applied in different categories of work where an overall picture is needed. It is used to make conceptual distinctions and organize ideas. The aims of this study is the impact of perceived risk on online impulse buying: a study of consumers at Kota Kinabalu, Sabah.

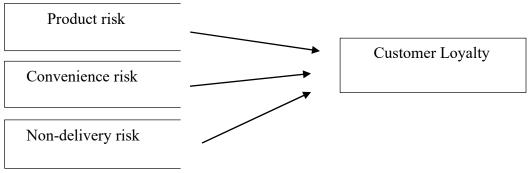


Figure 1: Conceptual Framework

Figure 1, this research model is study of the relationship between the perceived risk on online impulse buying that is based on the literature review. Based on the framework, research can make the relationship between independent variables and dependent variables.

## 3 METHODOLOGY

This study will use primary data which is quantitative of questionnaire method data collection to measure the respondent toward impact perceived risk on online impulse buying . A 5-point Likert Scale will be used on the questionnaire to gain the response from respondent which is (1) strongly disagree (2) disagree (3) neutral (4) agree (5) strongly agree. Three sections of questionnaire which is Section A is about demographic respondent while section B consists of independent variables which is product risk, convenience risk and non-delivery risk, and Section C is question based on dependent variables which is online impulse buying. The questionnaire will be arranged in the number of population in Kota kinabalu which is 527,600,000 people (Malaysia, 2019) The number of respondents is 384 based on sample size Krejcie & Morgan (1970). The data collected from questionnaire had been analysed by using SPSS v 26 (Statistical Package Science Social) version 26.0. Lastly but not least, the data will be analysed by using descriptive analysis, reliabilty analysis, normality test, correlation analysis, simple liner regression and multiple regression.

#### 4 FINDINGS

Data of demographic respondents obtained from Section A such as age, gender, race and other more. There are some other questions also in demographics that researcher want to analysed from respondents and researcher will be shows the demographic respondent based on using the table

Table 1: Descriptive Analysis for Demographic Profile of Respondents

Demographic	Item	Frequency (n=384)	Percentage (%)
Gender	Male	64	16.7%
	Female	320	83.3%
Age	15-25 years old	292	76.0%
	26-35 years old	53	13.8%
	36-45 years old	23	6.0%
	46 years old and above	16	4.2%
Occupation	Student	278	72.4%
-	Self-employed	24	6.3%
	Profesional	38	9.9%
	Retiree	12	3.1%
	Unemployed	25	6.5%
	Others	7	1.8%
Race	Malay	282	73.4%
	Chinese	28	7.3%
	Indian	18	4.7%
	Other	56	14.6%
Marchles Income	No Louis	202	75 240/
<b>Monthly Income</b>	No Income RM500-RM1000	293 41	75.34%
	RM1001-RM2000	21	10,7% 5.5%
	RM2001-RM4000	21 19	3.5% 4.9%
		19	2.6%
	RM4001 and above	10	2.070
Often purchasing online	0-2 times	224	58.3%
	3-5 times	64	16.7%
	More than 6 times	96	25.0%

According to descriptive analysis, based on table 1, which is the demographic respondents of the age it has been stated that the highest number from the age group of 15-25 years oldwhich is about 76.0% and under is 292 respondents. This shows that respondents aged between 15-25 years answered this survey more compared to the other age group While the lowest age group was 46 and above which is 4.2% (n=16). Next, the gender respondents shows that the highest of female respondents is 320 with a percentage 83.3%. This shows that there are more female answer respondents that answer this survey compared the male with percentage of 16.7% and under is 64 respondents answered this survey. Then, the highest of race respondents which is Malay respondents with percentage 73.4% (n=282). This shows that there are more

Malay race groups answered this survey and the lowest is Indian group of respondents with 4.7% and 18 respondents just answered the questions. Furthermore, the highest of occupation sector is student which is 72.4% (n=278) and followed by the lowest occupation is other groups which 1.8% (n=7). Next, the highest of monthly income is no income which is 75.34% and 293 respondents answer that survey. Meanwhile, the lowest income is RM4001 and above which 2.6% (n=10). Lastly, 0-2 times is the most often purchase online is 58.3% and 224 respondents. Besides that, the lowest is 3-5 times which 16.7% (n=64).

Table 2: Level of Mean

Variable	Mean	Interpretation
Product risk	4.32	High
Convenience risk	3.40	High
Non-delivery risk	4.42	High
<b>Online Impulse Buying</b>	4.78	High

Based on table 2, it can be summarized that the most higher it can be summarized that for the dependent variable of this study which is the online impulse buying. From the result, it is stated that majority respondents agree with all the respondents of the perceived risk will be affected to the online impulse buying. Thus, this variables has the highest number mean which is 4.78 compared other independent variables as believe that online impulse buying very important to the consumers.

Next, the second highest value of mean for independent variables of this study which is the non-delivery risk which is 4.42. From the result, it is stated that majority respondents is agree with all the questions of this variables. Thus, it has been stated that respondents agreed with all questions that non-delivery risk is will be effectively to the online impulse buying.

Then, product risk is the third highest value of mean for the independent variable of this study which is 4.32. Thus, from these outcomes, it can be stated clearly that there are some respondents who agree with the item that provided in this section of variables. Therefore, the respondents believe that when the online text will causes the product risk to effect the online impulse buying. In addition, it can be summarized that for the independent variables of the study which is convenience risk is the lowest in effected the online impulse buying which is mean 3.40. From the result, it is stated that the minority respondent agrees with all questions of this variable. Thus, it has been stated that the respondent agrees with all questions that non-delivery risk is more effecting the online impulse buying.

As conclusion, in this research study, the range of mean for each variable are  $(3.0 \le 5.0)$ . The outcome mean for each variable is classified as good result.

## 4.1 Normality test

Table 3: Normality test

			Skewness	ŀ	Kurtosis		
Items	Deviation						
1001115		Statis	tics St	td. Statist	ics Std.		
	N		Devi	ation	Deviation		
Mean Product	t 3844.316 0.874	-0.797		0.125-0.864	0.248		
Mean	3.395 0.986	0.559	0.125	-0.698	0.248		
Convenience risk	384						
Mean Non-	4.418 0.746	-0.791	0.125	-0.785	0.248		
delivery risk	384						
ne Impulse 384	4.737 0.438	-2.168	0.125	3.962	0.248		

Based on table 3, itshows it shows that there is a simple linear regression results show that there is a significant linear reliability of customer loyalty b=0.49 which is increase compared other varibales.

## 4.2 Spearman's Correlation Analysis

Table 4: Results of Spearman's Correlation Analysis between Variables

Variables		<b>Correlation coefficient</b>	
Product risk	Spearman Correlation	0.603**	
	Sig. (2-tailed)	< 0.001	
	N	384	
Convenience risk	Spearman Correlation	0.194**	
	Sig. (2-tailed)	<.001	
	N	384	
Non-delivery risk	Spearman Correlation	0.662**	
	Sig. (2-tailed)	<.001	
	N	384	
Online Impulse	Spearman Correlation	1	
Buying	Sig. (2-tailed)	<.001	
	N	384	
	0.04.1 1.00 11.1		

<sup>\*\*.</sup>correlation is significant at the 0.01 level (2-tailed)

Table 5 presented the results of the Spearman's correlation analysis between variables on the effectiveness of Foodpanda service affect customer loyalty in Sabah. The value of the Spearman's correlation for responsiveness 1.000. It is shown that the responsiveness is

moderate positive level. Followed by trust,, the value of the Spearman's correlation trust is 0.550. It is shown that the trust is at a high positive level. Next, the value of the Spearman's correlation reliability is 0.454 It is shown that the trust is at a positive level. Last but not least, the value of the Spearman's correlation customer loyalty is 0.496 It is shown that the trust is at a high positive level.

## 4.3 Hypothesis Testing

Table 6: Summary of Hypotheses Testing

Hypotheses	Statistical Analysis	Result
H1 There is a significant positive relationship between product risk and online impulse buying	-	Unsupported
H2 There is a significant positive relationship between convenience risk and online impulse buying	-0.141	Supported
H3 There is a significant positive relationship between non- delivery risk and online impulse buying	0.636	Supported

Based on table 6, it can be concluded that all the three ndependent variables namely non-delivery risk has a high positive with statistical analysis is 0.636, while convenience risk has a good positive with statistical analysis is -0.141. In short, only two hypotheses in this study were accepted after Spearman's correlation testing was conducted.

#### 5 DISCUSSION

#### **Convenience risk**

From the research, it shows that convenience risk gives the most effect towards online impulse buying. Based on Multiple Linear Regression, convenience risk showed a result  $\beta$ =-0.141, p<0.004. Hypotheses (H2) was accepted as there was a significant positive relationship between convenience risk and online impulse buying.

Convenience risk is known as the time spent on the purchase of the product and tome wasted for the product or services choice (Silaban, Jaunanda, & Ferdinand, 2020). The case of convenience risk happen when the consumers tries to find the information related certain product or services. In addition, convenience risk happen when the shoppers lose their time due to the challenges of fast navigation or delays in submit order, find appropriate websites and receive the products (Aminu, Olawore, & Odesanya, 2019).

## Non-delivery risk

From the research, it shows that non-delivery risk gives the most effect towards online impulse buying. Based on Multiple Linear Regression, non-delivery risk showed a result  $\beta$ =--0.141, p<0.001. Hypotheses (H3) was accepted as there was a significant positive relationship between non-delivery risk and online impulse buying.

Delivery risk is known as a potential loss that relate to the loss of purchase product, quality loss because of damaged during delivery process and the destination is loss because of the deliverance of wrong address after shopping (Silaban et al., 2020). Many consumers may avoid for shopping online due to the delivery problem and return of incorrect product (Aminu et al., 2019). Besides that, A various factor may impact whether the product received by the consumers (Wai et al., 2019). For example, improper deals during the delivery process.

### 5.1 RECOMMENDATION

## **Implications**

The main theoretical implications were the interlinking of the different roles of product risk, convenience risk and non-delivery risk. In addition, research focused on the online impulse buying. The results indicated that the product risk was a non-effect for consumers who were not affected by the online impulse buying consumers. In addition, product risk sensitivity were not important for research as long as the delivery of product meet their expectation. Due to a lack of research.

#### Limitations

There are several limitations in this study. First, the lack of peer reviewed scientific articles on consumer buying impulse behaviour in an online context has forced researchers to explore literature in an economic crisis context rather than in a real context. As a result, future researchers aiming to study the impact perceived risk on online impulse buying should first explore literature in an online impulse buying context. Secondly, the non-delivery risk for the product during the delivery process. Future researchers could also compare countries with the same levels of restrictions or different levels of restrictions as they would provide insights into how restrictions affect the online impulse buying, and can also look at the role of different risk that consumers will faced on online text. Third, all of the interviews were conducted online, which might have limited the researcher's ability to gather more insights from the respondent, although the respondent used a Google form questionnaire, thought that face-to-face interviews could have increased the reliability.

#### **Practical Recommendations for Future Research**

From the study, the researcher found that the non-delivery risk is important to the online impulse buying. But not only are the other two independent variables, the product risk and convenience risk, also important. This research only wants to know what the risk that have had an effect towards the online impulse buying.

During the multiple regression analyses, the non-delivery risk is the only one affected by this, because the consumers very panic towards the product that online retailer's delivery through the shipping company. This is because the consumers worry that need to face uncertainty towards the new online retailers due to their product will not be received. It is therefore recommended that future researchers include more variables, such as financial risk and security risk, which also play an important role in creating new discoveries in their investigation. Finally, future researchers can also use qualitative methods instead of questionnaires only when conducting a survey.

## 5.2 CONCLUSION

This research was carried out with a view to the perceived risk that affected on online impulse buying. The impact that affected the product risk, convenience risk and non-delivery risk. In addition, this research was carried out by the researcher at consumers Kota Kinabalu. The research focuses on the design of the research, data collection methods, population study, sample size, sample techniques, development of the research instrument, variable measurement and data analysis procedure.

On the other hand, the data analysis of the researchers shows the results obtained throughout the survey questionnaire. Data analysis was collected from the survey to conduct a test of reliability, descriptive analysis and multiple linear regressions. The researcher determined the significance of the research hypothesis in the study. As a result, from this chapter, we can conclude the significant between the independent variable and the dependent variable. And, lastly, from the entire chapter of this research, there are many things that can be improved and can be a reference benefit for online impulse buying and future research.

#### ACKNOWLEDGMENT

First of all, I would like to express my special thanks to gratitude supervisor Madam Nik Noorhazila binti Nik Mud for giving me the opportunity to research and providing invaluable guidance through this research. Her dynamism, vision, sincerity and motivation have deeply inspired me. It was a great privilege and honor to work and study under her guidance. I am really thankful.

Secondly, I would like to thank my examiner, Dr. Nurul Izyan binti Mat Daud for her support throughout presentation time, sincere guidance and inspiration in completing this project and I would like to thank the Faculty of Entrepreneurship and Business by providing me the information to complete this project and I really indebted to my University which is Universiti Malaysia Kelantan providing platform for me.

Secondly I would also like to thank my parents and friends who helped me a lot in completing this project. I am making this project not only for marks but to also increase my knowledge and finally I would like to express my deep appreciation to all the respondents which have been cooperative in answering my questionnaire. I really appreciate all your time and sacrifice by helping me to complete my project.

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## FACTOR OF INFLUENCING FINANCIAL RISK TOWARD FOOD HAWKER DURING COVID-19 OUTBREAK AT JOHOR BAHRU

## Nor Azreena Binti Jaini and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: azreena.a17a0345@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

A new infectious disease, Coronavirus, is now plaguing the planet. The virus was first identified in Wuhan, China, and currently, there are 89,416,559 cases of COVID-19 worldwide, including a number of deaths of 1,935,028. The current epidemic of Coronavirus has had a devastating impact on the economic sector and has brought about drastic changes in the way business is conducted. When the Malaysian government implemented the Movement Control Order (MCO) that forced many business activities to close, the situation becomes worsened. The continuity of business needs to be sustained becomes a question mark for Food Hawker. This research was therefore carried out to study the factor of influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru.. In this study, debt, lack of preparation and increase of rival and seller can influence financial risk. This study was compiled through an online survey (google form) and through the dissemination of questionnaires to food hawker. The target respondents in this study are food hawker then use non-probability and snowball techniques sampling methods for data analysis. With 127 respondents, the data will be analysed into the descriptive analysis, reliability analysis, Pearson correlation analysis. Then, Spearman's Correlation also used in this study to test the normality. Three of the financial risk factor were generated and tested using Statistical Package for the Social Science (SPSS). The factor of financial risk toward food hawker during COVID-19 provides evidence that it has something to do with food hawker. These findings indicate that all Covid-19 effects have a significant positive relationship with financial risk.

Keywords: COVID-19, Financial Risk, Food Hawker

### 1 INTRODUCTION

Coronavirus is a Covid-19 native to Wuhan State, China. The estimated spread of Covid-19 is December 2019. This pandemic was declared in March 2020 by the WHO. Pandemic Covid-19 has had a huge impact on the social and economic life of a country as well as globally. This pandemic also had a huge impact on the demand for product, food and need of customer, various sectors and jobs. Covid-19 has also had a detrimental effect on large, medium and small economic sectors. Furthermore, according to previous study, the loss of cash flow induced by the partial, complete and gradual lockdown rendered it impossible for workers to meet the compensation and pensions of staff, thereby lowering expenses in the form of salary increases, layoffs and

termination steps (Madinah, 2020). An example that can be linked to this study is, employees who will be laid off from work will have problems in meeting their basic daily needs. For example, workers who are laid off from the job of hawking food who have been laid off need patience because they want to find a new job to cover the cost of their daily lives.

In addition, the employer must take into account and need to feel sympathy for the laid off employee or they make various initiatives so that at the same time can continue the business and not dismiss the employee who has long served in his business. Employees were advised to work as much as possible at home to prevent office congestion in order to minimise the chance of illness and reduce operating cost (Madinah, 2020). For example, related to the study, food hawker employers need to be prepared in continuing their business, for example traders work and take food orders from customers and make food preparation at home then make delivery to customer home. Delivery and order can be made online such as using Food Panda, Grab food and so on.

Food hawker is someone who handles and sells local food around in residential areas, downtown areas, bus top areas or by the roadside. Researcher from previous studied found that the open air food market is generally referred to as "hawker stalls," which are arguably a distinctive characteristic of the culinary culture in Malaysia (Leong, Stephenson, & Research, 2020). Furthermore, hawkers or known as street food vendors, they will usually bring their own cooking utensils or merchandise that can move on their own such as cars or stalls to continue their daily business operations. Usually, these food vendors will place their sales in places allowed by the authorities such as city buses for business, night markets or so on. There are also found that the traders who trade in a permanent location, as well as traders who do not trade in a permanent place (Kiem, 2013).

Other previous studies defined the sense of the Malaysia Local Government Act 1976, the word "hawker" applies to anyone who offers products for sale to individuals and may be classified as "temporary hawker," "static hawker," or "nomad (In & Adnan; Leong et al., 2020). Furthermore, the word "hawker food" is synonymous with other traditional words such as "street food", "ready-to-eat food" or "prepared-on-demand-food: manufactured by smaller entrepreneurs from the stalls they developed for the on-site consumption or take-away of their customers (Leong et al., 2020). Next, other studied also found the financial risk is a risk resulting purely from the financial arrangement of the business (Cornell & Shapiro, 1987) and (Berger, Udell, & finance, 1998). Identified the risk that the organisation would be unable to fulfil its financial obligations (Ufo, 2015) (Utami & Business, 2011). Besides, the financial risk is the added risk

levied on common owners as a result of the debt funding decision. (Singapurwoko, El-Wahid, & Sciences, 2011). For example, using and making loans from companies or banks will increase the likelihood of bankruptcy. This is because, the nature of the contract in the payment of interest and principal on the borrowed funds makes the risk to the company directly related to the debt portion.

There are three objectives of this research:

- 1. To identify the relationship between debt that can influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru.
- 2. To identify the relationship between lack of preparation that can influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru.
- 3. To identify the relationship between increase of rival and seller that can influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru.

## 1.1 Significance Of The Study

#### 1.1.1 Researchers

This study will show the relationship between the factors influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru. For example, the debt incurred by food hawkers can be a factors of financial risk in their business. Apart from that, there is also a lack of preparation from hawker food in starting a business. In this study will also discuss the importance of experience, business knowledge and experience that need to be emphasized to start a business. Increase of rival and seller that will be explained about the competition during COVID-19. There are many who sell food products through the Food panda application, with this service can help sellers do business without restrictions during this COVID-19.

#### 1.1.2Food Hawker

This study can help them to make initial preparations about the risks that will be faced in the business. With enough knowledge, business will always be thriving and strong.

## 2 LITERATURE REVIEW

## 2.1 Underpinning Theory

The theories that related and suitable to this research is the stream of entrepreneurship theory. Therefore, in other word of entrepreneurship theory is multi-functional approaches (Freiling, 2007). The entrepreneurship theories are allowing for a balance view of opportunities approaches. This reminds one to point out the understandings carefully. The fundamental logic of the multi-functional plan to which we refer. The interpretations. The business process theory is traditional and can be outlined as follows. For example, the knowledge, skill, brave to taking the risk in management and lacking of motivations of the entrepreneurs asymmetrically distributed. Without the knowledge and the skills in business, all entrepreneurs are difficult to survive in retail industry (Freiling, 2007).

#### 2.1.1Debt

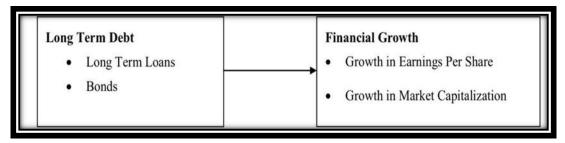


Figure 2.1.1: Framework of Previous Study independent variable of Debt (Shikumo, Oluoch, & Wepukhulu, 2020)

Furthermore, the figure 2.1.1 show the previous study framework that related in this study is theory of growth of the firm. The theory was propagated (Geroski & Research, 2002). Penrose was argues that companies do not own and have long-term determinations will provide constraints and problems within a certain period of time to the business (Geroski & Research, 2002). Financial means by retained revenue, borrowing, and new issues of stock shares, financial means for growth could be sought. In addition, retained profits are one of the most critical sources of finance for new projects in developing economies where capital markets are not well established. However, businesses in the start-up age may not face a restriction on their development project because their original investment has not yet matured or their investment venture is considerably higher than their existing profits, if not enough financial resources from their retained obtained.

### 2.1.2Lack of Preparation

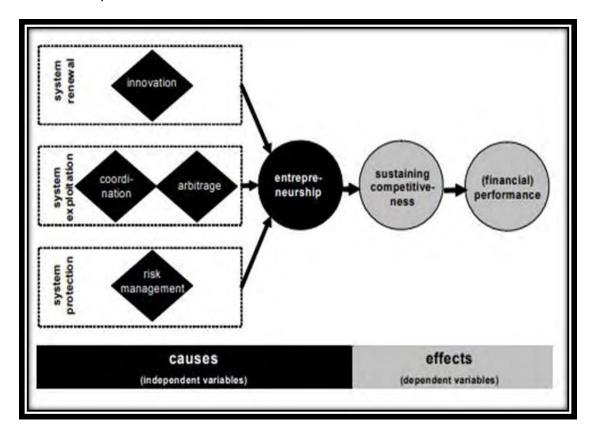


Figure 2.1.2: The Theories That The Cause And Effect That Related To Financial Risk And Performance Toward Entrepreneurship (Freiling, 2007).

Furthermore, the figure 2.1.2 show the theories that related to second independent variable is lack of preparation which is human capital theory. For example, of lack of human capital theory is the added importance of human capital is discussed of human resources in their self (Van Teeffelen, 2012). For the concept that related to this theory of human capital's equivalent to the concept of capabilities is RBV which means to manage and utilize the firm's tangible resources (Van Teeffelen, 2012). For example, that can have related to this theory is human capital encompasses the formal education, age, gender, skill and knowledge of entrepreneurs (Van Teeffelen, 2012). Furthermore, with this skills, it can be more talented and can developed skill through education, training and personal experience of entrepreneurs, retailers and food hawker (Van Teeffelen, 2012).

Lastly, theories that related to the third independent variable which is increase of rival and seller is theoretical; work that tries to keep pace with this innovation. This is because, the

theories that see attempts to recognise if not direct modern organisational conduct, yearning for social gain and for the many technologies themselves (Donaldson & Walsh, 2015). For example, studies from previous that found (Prahalad & Hart, 1999) proposed to formulate a modern business behaviour theory, one that requires us to look to the weakest of us for both new product and service innovations and markets (Donaldson & Walsh, 2015) and offered positive theory of social entrepreneurship (Donaldson & Walsh, 2015) and (Kolk, Rivera-Santos, Rufin, & Society, 2014).

### 2.2 Research Hypothesis

In this study, there were three hypothesis that are positively related between the factors of influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru.

- H1: There is significant relationship between debt and the factors influencing of financial risks toward food hawker during Covid-19 Outbreak at Johor Bahru.
- H2: There is significant relationship between lack of preparation and the factors influencing of financial risk toward food hawker during Covid-19 Outbreak at Johor Bahru.
- H3: There is significant relationship between increase of rival and seller and the factors influencing of financial risk toward food hawker during Covid-19 Outbreak at Johor Bahru.

### 2.3 Research Framework

Based on the literature review, the conceptual framework has been developed. Which the conceptual framework had included four independent variables and one dependent variable. The independent variables are debt, lack of preparation and increase of rival and seller while the dependent variable is about the financial risk.

The conceptual framework is shown as below figure:

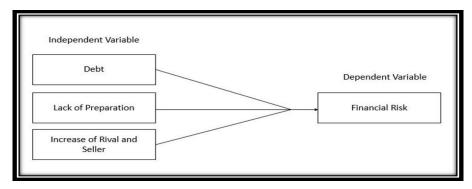


Figure 2.3: Research Framework

### 3.0 METHODOLOGY

### 3.1 Research Design

Research design for this study conducted by using a quantitative method. In this study, quantitative research will measure the independent variables for debt, lack of preparation and increase of rival and seller via a questionnaire survey. The purpose of quantitative research is to validate the relationship between independent variable and dependent variables. According previous studies it discussed the following design strategies that are commonly used in choosing population (Fitzmaurice et al., 2017).

### 3.2 Data Collection

In the first stage, primary data is a source collected at hand for specific research problem using the right method. Some method can collect the primary data for research, such as surveys, questioners, interview, observation, and focus groups. The second stage of data collection was a fieldwork but through online platform. The researchers used the Google form questionnaire to be distributed to the random people for used pilot test. And Face-to-face interview, the researcher normally searches the respondent and will distribute the questionnaire and record the data from respondent. For the secondary survey method, researcher collected data from previous study which is journal and article.

### 3.3 Sampling

In this study, researcher is using G\*Power to calculate the fix amount of respondent. G\*Power is a software which is a tool to compute statistical power analyses for many different F test. This is also can be used to compute effect sizes and to display graphically the result of power analyses. After calculate the total of respondent or sample size by G\*Power will be receive minimum 119 respondents but researcher decided to collect 127 respondents to complete the questionnaire that distribute by researcher. Furthermore, respondents are required to read the instructions and answer all the questionnaire to complete the survey on their own without the presence of an interviewers. In this research the researcher are using non-probability sampling which is snowball sampling techniques. The questionnaire was distributed by manually found the food hawker in the area which is Skudai and Iskandar Puteri.

### 3.4 Data Analysis

The data analysis presents the finding of this study, which were obtained from the various analyses. The chapter starts with the preliminary analysis This chapter is intended to examine the implications and conclusions of the report. This segment would include the respondent's demographic analysis, reliability analysis dependent on Cronbach's Alpha, descriptive analysis and Spearman's Rho Correlation analysis. The results were obtained from 127 respondents of food hawker by using quantitative information. In version 25 of the Social Science Statistical Package (SPSS) the data was evaluated.

### 4.0 FINDINGS

In this study, the reliability test was performed by 127 respondents of food hawker using the survey. It was measured using Cronbach's Alpha Coefficient showing a range from 0.685 to 0.704 which indicated that the result was moderate to good where increase of rival and seller has the maximum Cronbach Alpha value of 0.704, lack of preparation has the second highest alpha value of Cronbach, which was 0.689, and then followed by debt (0.685). Thus, all variables fulfilled the minimum criterion of reliability, as all Cronbach alpha coefficients of all variables were greater than 0.6.

In the Descriptive Analysis for Independent Variables, the maximum mean value was

4.50 increase of rival and seller, followed by lack of preparation (4.47). While the debt is was the lowest mean value for independent variables. The total mean value was 4.36. It was concluded that the increase of rival and seller had the biggest factor that influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru.

The researchers carried out the correlation analysis in order to calculate the linear association between the two variables defined as the purposes of this report. A review of Spearman's Rho Correlation Analysis indicating that the linkage between the debt and financial risk is 0.574 which mean that there was a strong positive correlation, while increase of rival and seller and financial risk was in a moderate positive correlation (0.563), and the lowest value of correlation was lack of preparation and financial risk which only 0.536 and was in a moderate to strong in relationship. A correlation table of these variable as showns as below.

#### Correlation

		Intention to Use
	Spearman's Rho Correlation	.574**
Debt	Sig. (2-tailed)	.000
	N	127
	Spearman's Rho Correlation	.536**
Lack of Preparation	Sig. (2-tailed)	.000
	N	127
	Spearman's Rho Correlation	.563**
Increase of Rival and Seller	Sig. (2-tailed)	.000
	N	127

Table 4.0: Spearman's Rho Correlation Analysis

### 5.0 DISCUSSION & RECOMMENDATION

#### 5.1 Debt

Based on the result of Spearman's Rho Correlation, the researcher had identified that there was a significant relationship between debt and financial risk. A strong correlation relationship between debt and financial risk toward food hawker during COVID-19 is showed. In testing the relationship between variables, 0.70 is very strong, within the range of 0.30 to 0.60 is considered moderate and less than 0.16 would be weak. Furthermore, retained earnings are one of the most significant sources of financing for new ventures in emerging economics where capital markets are not well developed. However, companies in the start-up era when their initial investment has not matured yet or their investment venture are significant greater than their current earnings, may not ample financial capital from their retained earned will face a constraint on their growth project. The relationship between the variables is stated as 0.574, which further reinforces the relatively strong relationship between the IV and the DVs. This correlation indicates that the higher the debt, the higher the financial risk.

#### 5.2 Increase of Rival and Seller

According to this study, there was a significant relationship between increase of rival and seller and financial risk. A moderate correlation relationship between increase of rival and seller and

financial risk toward food hawker during COVID-19 is showed. For example, service delivery will become a competitor at the same time further enhancing a business that uses this service. This is because, most customers easily by ordering food through online only will get the food ordered up in front of their home or office. Employees are not of the valuable resources for Food Panda especially driver, due to higher demand (Kamilah et al., 2020) and (Maroofi et al., 2017). The relationship between the variables is increase of riva; and seller as 0.563, which the relatively strong relationship between the IV and the DVs. This correlation indicates that the higher the increase rival and seller, the higher the financial risk.

### 5.3 Lack of Preparation

A moderate correlation relationship between lack of preparation and financial risk toward food hawker during COVID-19 is showed. The relationship between the variables is stated as 0.536, which further reinforces the relatively strong relationship between the IV and the DVs. This correlation indicates that the higher the number of lack of preparation, the higher the financial risk. Many studies have identified the vital role of training programmes and reasons that connect and contribute to the performance of entrepreneurship and business that affect financial risk and management (N. A. Rahman et al., 2015). In addition, entrepreneurs will get the positive outcome in their industry by getting a good programme training that applied to company expertise and skills. And this is so both founders can contribute to their organisation with well-prepared expertise

### **6.0 RECOMMENDATION**

There are several directions that can be taken by future researchers relevant to the factor influencing financial risk toward food hawker during COVID-19 outbreak at Johor Bahru, Johor. First, this study's data has been collected in two district which is Skudai and Iskandar Puteri at Johor Bahru and focuses on all food hawker that running their business at the morning until night. Therefore, the future can carry out a new study that focuses on a comparative study financial risk between the food hawker versus the retailer. This research will get exciting, and the future researcher can compare how counterfeit goods important for them. Second, under part data collection method, the quantitative designs are used in this study. The future researcher can be study about how the food hawker manage their financial during COVID-19 outbreak. The study

could be broader in order to get more honest answers. Besides, communication becomes more manageable, and information and news can be spread quickly.

### 7.0 CONCLUSION

In conclusion, the research finding that the three factor really influencing financial risk toward food hawker. Three factor that influencing financial risk is debt, lack of preparation and increase rival and seller. For the debt, it is strongest related to debt issues will guide managers to have confidence ability to manage to pay off debts. Furthermore, lack of preparation are having a good training programme, an entrepreneur is expected to be well equipped in term of knowledge for managing a business which subsequently good result to their business. For increase of rival and seller can related during COVID-19 there are more people doing the online selling to rise income. Lastly, financial risk was very affect the food hawker when the high capital injection in their business.

### 8.0 ACKNOWLEGDEMENT

I would like to take this opportunity to express my appreciation to all the groups of people who have contributed their time and efforts to make the research process easier to accomplish and greatly helped me in this research study. I would like, first of all to express my gratitude to Universiti Malaysia Kelantan for the opportunity to work on this research.

Secondly, I would like to say thank you to my supervisor, Dr Nur Ain Ayunni Binti Sabri. To lead me to the conclusion of this research study. Throughout the entire process of finishing this mission, she is still gracious. I would not have achieved it within the time limit without her encouragement and help and I also like thank to Faculty of Enterurship and Business was provided the information for finishing the final year project.

Nevertheless, I am grateful toward my family, classmates and friends for their understanding and assistance during my writing phase. I would like to thank our respondents for their cooperation. Thank you.

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# THE FACTORS AFFECTING PURCHASE INTENTION OF CUSTOMERS TO SHOP AT HYPERMARKET AMONG UMK STUDENTS

#### Nor Farrahin Binti Rohadi and Md Zaki Bin Muhamad Hasan

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email:farrahin.a17a0347@siswa.umk.edu.my; zaki.mh@umk.edu.my

#### Abstract:

This study was conducted to investigate the factors affecting purchase intention of customers to shop at hypermarket among University Malaysia Kelantan students. So, this study concentrates to find out the relationship between the factors affecting purchase intention. The independent variable in this study product quality, brand image and social influence; whereas the dependent variable in this study is purchase intention. The quantitative research method was used and 361 respondents were evaluated in this study. Questionnaires were distributed to collect the primary data as a survey with online questionnaire and personally to get the information needed for this study. Data collected is analyzed by using IBM SPSS software based on descriptive statistics, reliability analysis, Person's correlation, and multiple regression analysis. As for the result, most of the independent variables (product quality, brand image, social influence) that had been studied in this research have a significant relationship with the dependent variable (purchase intention) among the students University Malaysia Kelantan. Through this study, it will understand the factor that the factors affecting purchase intention to shop at hypermarket and have a better understanding and knowledge that affect the implementation of purchase intention

Keywords: Hypermarket, Product Quality, Brand Image, Social Influence, Purchase Intention

### 1 Introduction

The definition of the customer and the consumer is not the same. Consumers are also the end customers of products or services, but they do not need to purchase them. In the meantime, the customer is indeed a purchaser of products or services who may become a business entity who would buy them with reselling purpose. This research is evaluated to identify the purchase intentions of the customer. In addition, this research also explores the relationship between factors and their intention to purchase hypermarkets.

A hypermarket sector in Malaysia have made a major step into modern retail concept (Hassan, Mahdee, Sade, & Rahman, 2015). In 2013, the Malaysian Department of Statistics has shown that the central region has the highest distribution with hypermarket outlets as a big hypermarket participant than in any other region. Many such young people have relocated from another country to a central region to better living standards. As a result, population proportions were expected to be more

balanced when there are more hypermarkets in a given area. It is because hypermarkets have had the competence to become a platform for people to make more profits to their living standards (Hassan, 2013).

Among the most significant considerations influencing the purchasing intention of the hypermarket consumer is the quality of the goods (Leow et al., 2011). Most organizations understand the product consistency has become one of the main factors driving consumer loyalty. Also as effect, many companies are changing the company practices in order to face strong competition from emerging competitors with new product styles, new product features and new technological products. That's really relevant because consumers have even more options of same product they will buy.

Brand image drives quality in such a number of ways, helping consumers process content, recognizing products, creating purchasing motives, offering positive emotions and creating opportunities for growth. Aaker's (1991).

Social influence may have an active or passive effect on the consumer. Active social control refers to concrete physical or verbal encounters which are both understood and communicated by the parties (the actor and the focal customer). Examples of such a sort of influence may involve a salesperson physically telling the focal customer about in an instore deal, another unknown shopper unintentionally approaching a focal customer, or two friends shopping around each other.

### 1.1 Research Objectives

Based on the problem statement, any objective of the customer's purchase intention in a hypermarket among UMK students is:

- i. Identifying the relationship between product quality and purchase intention of customer to shop at hypermarket.
- ii. Identifying the relationship between brand image and purchase intention of customer to shop at hypermarket.
- iii. Identifying the relationship between social influence and purchase intention of customer to shop at hypermarket.

### 1.2 Significance of Study

That customer has been a purchaser of goods or services. That purchasing power of a customer is influenced through their desires and the intentions. Even so, just few other studies have been performed also on issue of customer purchase intentions in the hypermarket. A thorough analysis of these relevant issues would also provide a good understanding for advertisers to figure out the purpose of consumers to purchase hypermarket products and services. Also as consequence, the method in which hypermarkets perform retail operations must be focused on the customer's intentions.

Next, it researches also allows advertisers to relation to the meaning the potential of hypermarket goods and the customer's propensity to buy services. And it will be helpful to grow the local hypermarket companies in order to increase the overall sales and to benefit the industry.

### 2 Literature Review

### 2.1 Dependent Variables

#### 2.1.1 Purchase intention

Purchase intention may have been described as such advanced plan in the future, for the procurement of certain services or goods, although this arrangement not necessarily contribute execution, as its affects the ability to delivers (Davis & Warshaw, 1985). Many other, what else the customer feels and buys in the heads is the purchase intention (Miniard, Blackwell, & Engel, 2001). In addition, purchasing intention also assess the likelihood for a buyer to take a purchase decision by identifying the frequency of the desire to buy, although that is a significant chance of buy a certain product whenever purchase intention was higher (Grewal, 1991, Schiffman & Kanuk, 2000 Dodds, Monroe).

### 2.2 Independent Variable

#### 2.2.1 Product quality

The consistency of goods and services offered in stores is a significant aspect in customer loyalty. Quality was its ability of thea commodity to fulfil the unique needs of its consumers. Perceived quality relates to the appraisal by the customer of goods or brands which satisfy the standards of the individual. One such appraisal by individuals is the perception of two brands of items. And according Chowdhury & Andaleen (2007), the quality of the commodity increases the competitive advantage. Compared to Local and personal brands, customers prefer for prefer national brand and there more families, trustworthy and greater advertising attention (Chen et al., 2007, Besharat, 2010;). Product quality are generally calculated by the characteristics of the product, the advantages and the potential to meet the needs needed, and so forth. It's also known to be among the essential determinants of customer purchase intention (Gilmore, 1974).

### 2.2.2 Brand image

That image of a brand determines the process people see a specific business or product. Hsieh & Liljander (2009) described the image of a brand as a psychological impression dependent over its interaction with its a brand. Organization are seeking to build strong identity the consumers recognise like a particular product. Next, to the need to establish market awareness for particular, many companies often want that product or business to get a particular logo or be perceived in that certain manner. Brand image is thus the ultimate perception in the mind of customers which is created by all modes of contact with the company. That image of a brand will outline how them distribute the product, the kind of product them distribute, a types of ads they promote, and also the type of consumers they represent. That origins of a product, including the country of production and the producer, influences the interpretation of customer brand picture (Koubaa, 2007). That indicates that perhaps the recall process is focused on previous knowledge with the company, market image and product characteristics, which could have some effect on customer reactions and buying behaviour (Chowdhury & Andaleeh, 2007). Good brand value exceeds the aspirations of consumers. Strong portrayal of a company enhances the popularity and brand equity of an entity (MSG, 2014).

### 2.2.3 Social influence

The study aims to develop the perception of social effects to purchase intention and behaviour of simulated user societies. Online communities may be a major source of knowledge a social effect on buying intentions (Schindler & Bickart, 2001). That were based on the mutual experiences, such relationships are established and expectations were exchanged (Lin, 2008). Members with these communities search and share applicable information to a brand of products and shops. A result of a lack of understanding in the sector of virtual user communities, increased social consciousness impact the impacts buying intentions among these consumers has been improved. The definition of the purpose of the consumer is main with mostly on TRA (Ajzen & Fishbein, 1975). The TRA has accounted for the social effects of actions by adding the concept of a subjective norm.

### 2.3 Research Hypothesis

The research hypothesis would be a relevant, clear and verifiable proposition or even a theoretical statement on the potential outcome of a scientific research analysis focused on a demographic specificity, such as the supposed difference between populations on even a specific variable or the relationship among variables. In this research, few hypotheses have indeed been assumed:

Hypothesis 1 – Product quality

H<sub>0</sub>: There really is no significant relationship between product quality and purchase intention of customers of hypermarkets among UMK students.

H<sub>1</sub>: There really is significant relationship between product quality and purchase intention of customers of hypermarkets among UMK students.

#### Hypothesis 2 – Brand image

H<sub>0</sub>: There really is no significant relationship between brand image and purchase intention of customers of hypermarkets among UMK students.

H<sub>1</sub>: There really is significant relationship between brand image and purchase intention of customers of hypermarkets among UMK students.

#### Hypothesis 3 – Social influence

H<sub>0</sub>: There really is no significant relationship between social influence and purchase intention of customers of hypermarkets among UMK students.

H<sub>1</sub>: There really is significant relationship between social influence and purchase intention of customers of hypermarkets among UMK students.

#### 2.4 Theoretical Framework

That framework below is adapted from of the literature review, with three independent variables (product quality, brand image, social influences) being established that describe the relation to dependent variables (purchase intention). Their relationship with dependent variable (purchase intention).

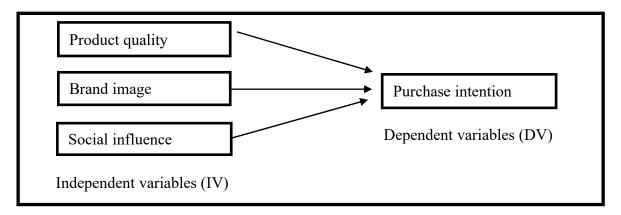


Figure 2.1: Conceptual framework of the study

### 3 Methodology

### 3.1 Research Design

The question will be produced in the questionnaire form to collect data from the target respondents. That questions would be created more by secondary data collected from previous surveys about related topics like the demographic profile, their expectation of a respondent and even the factors influencing the purchase intention. Questionnaire were designed Evaluate a relationship between a dependent variable and a independent variable. That show how factors affecting purchase intention of customers to shop at hypermarket among UMK students.

#### 3.2 Data collection

Primary data were information gathered directly from the first data, — for example survey, experiment and analysis. These statistics really aren't recently released on the website or elsewhere and are recent or original data obtained again from respondents, like marketing survey sources. Throughout this research review, a survey questionnaire approach was its primary data collection method as that of the key information source. Sets of questionnaire would be provided random to some students of UMK in 1,2,3 and 4 years in Pengkalan Chepa, Kota Bharu, using the online form.

Secondary data with three types that were survey, documentary, and multi-source, secondary documentary data are useful to the evaluate of written content that collected existing information for proper of supporting the researcher study as a basis such as a book, journal, journal articles and newspaper. Secondary data was collecting online like articles and online journals. Simplicity to accessible and performance, research uses Google for the primary application check or secondary data collection method of Google Scholar as well as the website library sponsored by the University of Malaysia Kelantan.

#### 3.3 Population

The population that's the whole through with a statistical survey is take. The population would apply the whole group of individuals, activities, hospital visits, things, or measurements. Therefore, the population would be assumed to become the abstract analysis for subject group in together with a specific function. The research focuses on undergraduate student who still currently studying in UMK to find out factors affecting purchase intention of customers to shop at hypermarket. this will include only one campus of UMK which are campus Kota locate in Pengkalan Chepa, Kota Bharu. Total population of UMK Campus Kota was 5988 students UMK 2020.

### 3.4 Sample Size

Selection of the sample size was its process of selecting a number of samples or recreates to be used in the statistical sample. That size of the sample is also an important element of every detailed research where the aim would be to make inference regarding the sample population. 361 students will be the sample size to represent the whole population for this research.

Table 3.1: Krejcie and Morgan (1970) table

$$n = \frac{X^2 N p (1 - p)}{e^2 (N - 1) + X^2 p (1 - p)}$$

n = sample size

N= population size

e = acceptable sampling error

 $X^2$ = chi-square of degree of freedom 1 and confidence 95% = 3.841

P = proportion of population (if unknown, 0.5)

#### 3.5 Sampling

This research uses the probability sampling technique where a sample is chosen using random selection and each element the populated does had a known possibility to been choose. Next, analysis uses stratified random sampling so it is easy to distribute and compile the questionnaire. The researcher guarantees that population becomes equal and independent probability of been chosen to be part of sample and that there no risk of bias. Sampling from different types of non-probability sampling methodology is often known to

be usable and straightforward.

#### 3.5 Research Instrument

Various ways for data collection may be used by the researcher for such a structured questionnaire and personal interview. Researchers will design a series of questions based on variables of the study such as the factors affecting intention of customers to shop at hypermarket among UMK students. The questionnaire will be calculated using the Likert Scale five-point.

Characteristics Strongly Disagree Neutral Agree Strongly agree

Table 3.2: The table of five-point Likert Scale

3

4

5

### 3.6 Data Analysis Technique

Number

The data analysis is being meaning as a technique an examining the data for the evaluation within each aspect of the data collected.

2

### 3.6.1 Statistical Package for Social Science (SPSS)

The Statistic Package for Social Sciences (SPSS) for version 22.0 of the International Business Machine (IBM) would be a software platform for achieve that tasks. Use of such computer software would make it easier and safer to gather data and enable quantitative analysis. Next, SPSS to analyses a data which was already obtained in important to maintain also that data is handled in line only with standard of quality.

### 3.6.2 Frequencies analysis

That frequency methodology involved figure and diagrams provides which are helpful also for definition of several variable types. Graphic representations involve histograms, bar graphs, pie charts and frequency tables. Through transforming data through graphical, it's indeed helpful to evaluate and evaluate the data of each variable throughout the analysis. Usually, demographic data was the first part of the correspondence to be evaluated by frequency analysis. In this study, the frequency distributions were used to view demographic data and to rate the demographic significance accordingly.

### 3.6.3 Descriptive analysis

Descriptive analysis would be evaluating result including its demographic questions of a respondent. In the descriptive analysis in this study, the researcher would evaluate the central trend of mean, mode, median and standard deviations. Descriptive statistics are being used in this study to describe the data gathered with its questionnaire. Descriptive statistics have been used in a analysis to summarise the information collected with its questionnaire.

#### 3.6.4 Person's correlation

Pearson's correlation coefficient was its statistical test which tests the statistical relation or connection between two continuous variables. It's also recognized as the best method of calculating the association between variables with concern even though it is focused on the correlation coefficients method.

### 3.6.5 Multiple linear regression

Multiple linear regression would be type that using measure the linear relationship with the independent variable and multiple dependent variables. It's being used to make identify the relationship of multiple independents variables with dependent variables to make the accurate prediction in each other's and it is often used to predict effects or impacts of changes. Helps prove when to use dependent variables adjust as independent variables change. In this analysis, multiple linear regressions will be evaluated as a quality product, brand image and social influence affecting purchase intention of customers t shop at hypermarket among UMK students.

### 4 Data Analysis and Findings

### 4.6 Demographic Profile

The demographic profile of the respondents included the information of gender, age, race, course and marriage status. From the sample collected, majority The total respondent of 361 participated in the survey questionnaire. The result of gender analysis consists of 98 males and 263 females. Percentage of male is 27.1% while female is 72.9%.

In terms of age, the major occurs in the age range from The result of the survey indicates the most of the 317 respondents age 23 to 25 years old (87.8%). Age of 20 to 22 years old and 26 years old and above have the same number respondents is 22 (6.1%).

Next, eight different course groups of respondents who answered the questionnaire. The respondents are majority came from retailing which are 132 respondents (36.6%). It followed course commerce with a frequency of 66 respondents (18.3%). The third highest are come from logistics and distribution trade, and Islamic banking and finance which constituted by 39 respondents (10.8%). Then, there are 25 respondents of wellness course that represent (6.9%). The remaining 8 respondents represent by hospitality with (2.2%) and 3 respondents by tourism course with (0.8%)

Furthermore, the respondents come from the race respondents are Malay which amounted to 323 respondents (89.50%). The second highest are Chinese which is 29 respondents (8.0%). Indian has 8 respondents (2.2%) while others had only 1 respondent (0.3%).

Lastly, table 4.6 and figure 4.5 shows marriage status of respondents. As shown in the pie chart, there are 353 respondents (97.8) are single while 8 respondents are married (2.2%).

### 4.7 Descriptive Analysis

The descriptive analysis tested 361 items according to their variable and listed out the summary of the mean and standard deviation of computed items.

### **Product quality**

Table 4.1: Descriptive statistics for product quality

Variables	Statements	N	M	Std.
			ean	Deviation
P1	I find product high quality in the	336	4.6786	0.48032
	hypermarket that gave me the			
	satisfaction of shopping			
P2	I like to shop at hypermarket	336	4.6012	0.50832
	because product in hypermarket is			
	Durable			
Р3	I find fresh product in the	336	4.6875	0.52458
	Hypermarket			
P4	I find product with clear label and	336	4.6905	0.48194
	original in the hypermarket			
P5	Products in hypermarket are safe to use and harmless to costumers	336	4.6875	0.48311

Table 4.1 shows the N, mean and standard deviation for the items to measure the product quality. There were five questions measured with the highest mean of 4.6905 for the item on statement "I find product with clear label and original in the hypermarket" which indicate respondent agree on the item. Meanwhile, the lowest mean with 4.6012 was for the item "I like to shop at hypermarket because product in hypermarket is durable" which indicate respondent very close to agree on the item. The mean value for other three items were 4.6875 "I find fresh product in the hypermarket", 4.6865 "Products in hypermarket are safe to use and harmless to costumers" and 4.6786 "I find product high quality in the hypermarket that gave me the satisfaction of shopping".

In terms of standard deviation, the items that scores the lowest of the standard deviation which is 0.4803 and the items that scored the highest of standard deviation which is 0.52458. Then followed 0.50832, 0.48311 and 0.48194.

#### **Brand image**

Table 4.2: Descriptive statistics for brand image

Variable	Statements	N	Mean	Std.
				Deviation
B1	Brand image is my priority when	336	4.4345	0.66953
	making a purchase decision			
B2	I will make my purchase according to	336	4.1845	0.94720
	brand image, regardless of the price			
В3	I will consider the reputation of brand	336	4.3869	0.75192
	image before purchasing it at			
	Hypermarket			
B4	Brand images makes a good	336	4.4107	0.70249
	impression of me on other people			

B5	Brand images provides solution to my	336	4.3810	0.72326
	Expectations			

Table 4.2 shows the descriptive statistics for brand image. In terms of brand image, the item which scored lowest for mean was "I will make my purchase according to brand image, regardless of the price" which scored 4.1845. The next item which scored the second from the lowest was "Brand images provides solution to my expectations" which is 4.3810 and next is "I will consider the reputation of brand image before purchasing it at hypermarket" which is 4.3869. The item that scored highest was "Brand image is my priority when making a purchase decision" which is 4.4345. "Brand images makes a good impression of me on other people" is the item that score second highest which is 4.4107. In terms of standard deviation for items used to measure brand image, the item with the highest standard of deviation which 0.94720 and the second highest with a standard of deviation score of 0.75192. The item which came in third which is 0.72326 and followed by 0.70246. The item with the lowest score with a score of 0.66953.

### **Social influence**

Table 4.3: Descriptive statistics for social influence

Variable	Statements	N	Mean	Std. Deviation
Variable	Statements	11	Wican	Sid. Deviation
S1	Most of my friends and family shop at	336	4.7113	0.46036
	Hypermarket			
S2	Friends and family are very helpful to	336	4.6667	0.51447
	me making decision of purchase at			
	Hypermarket			
S3	I will ask the opinions from my	336	4.6548	0.54623
	friends and family when I shop at			
	, i			
	Hypermarket			
S4	I trust my friends and family about	336	4.7173	0.47044
	their advice and opinions purchase at			
	Hypermarket			
S5	I will shop at hypermarket because my	336	4.6964	0.48572
	friends and family recommend to me			

Table 4.3 shows the mean and standard deviation for item used to social influences. There were five questions measured with the highest mean of 4.7173 for the item on statement "I trust my friends and family about their advice and opinions purchase at hypermarket" which indicate respondents agree on the item. Meanwhile, the lowest mean with 4.6548 was for the item "I will ask the opinions from my friends and family when I shop at hypermarket" which indicate respondents very close to agree on the item. The mean value for other three items were 4.7113 was "Most of my friends and family shop at hypermarket", 4.6964 which is "I will shop at hypermarket because my friends and family recommend to me" and 4.6667 was "Friends and family are very helpful to me making decision of purchase at hypermarket" respectively which indicate the respondent agreed on the item.

The item with the highest score in standard deviation with a score 0.54623. It then followed with a score of 0.51447 and the third highest with a score 0.48572. The lowest score in standard deviation which scored 0.46036 and followed which 0. .47044.

### **Purchase intention**

Table 4.4: Descriptive statistics for purchase intention

Variable	Statements	N	Mea	Std.
			n	Deviation
I1	I intend to shop at the supermarket in	336	4.75	0.45050
	the near future because I am interested		60	
I2	I search for information about shop at	336	4.68	0.54687
	hypermarket from time to time		75	
I3	I always talk about purchase at	336	4.72	0.49853
	hypermarket with my friends		32	
I4	Purchasing at hypermarket is	336	4.74	0.48399
	beneficial for my daily life		11	
15	I willing recommend my friend to shop	336	4.75	0.43878
	at hypermarket		30	

Table 4.4 shows descriptive statistics for purchase intention. There were five questions measured with the highest mean of 4.7560 for the item on statement "I intend to shop at the supermarket in the near future because I am interested" which respondent agree on the item. Meanwhile, the lowest mean with 4.6875 was for the item "I search for information about shop at hypermarket from time to time". The mean value for other three items were 4.7530 was for the item "I willing recommend my friend to shop at hypermarket", 4.7411 for the item "Purchasing at hypermarket is beneficial for my daily life" and 4.7232 was for "I always talk about purchase at hypermarket with my friends". The item with the highest score in standard deviation with a score of 0.54687. It then followed by the score of 0.49853. The third highest with a score of 0.48399. The lowest scored in standard deviation which scored 0.43878 and 0.45050.

#### 4.8 Reliability Analysis

Reliability test relates to the fact that the scale can accurately represent the configuration that it is measuring. Cronbach's alpha is the most frequent indicator of reliability. It is most widely used when you have several Likert questions in a survey/questionnaire that create a scale, and you want to decide whether the scale is reliable. Cronbach's alpha is a measure used to evaluate the reliability or internal accuracy of a set of scale or test objects. Cronbach's alpha is one way to calculate the strength of this accuracy.

Table 4.5: Reliability test output by using Cronbach's Alpha

Variable	Cronbach's Alpha	Number of items
Independent variable: Product quality Brand image Social influence	0.785 0.879 0.866	5 5 5
<b>Dependent variable</b> Purchase intention	0.863	5

#### 4.9 Normality test

Normality tests have been used to evaluate whether the data set is well-modelled by the normal distribution and to measure how probable it is that the random variable representing the data set is naturally distributed. The main tests for the assessment of normality are Kolmogorov-Smirnov test, Shapiro-Wilk test, skewness test and kurtosis test. Among these, Kolmogorov-Smirnov test is a much used test and the Kolmogorov-Smirnov test and Shapiro-Wilk tests can be conducted in the SPSS explore procedure.

Table 4.6: Table of normality test

Tests of Normality								
	Kolmog	orov-Sı	nirnov	Shapiro-Wilk				
	Statistic Df Sig.			Statistic	df	Sig.		
IV: Product quality	0.262	336	0.000	0.820	336	0.000		
IV: Brand image	0.212	336	0.000	0.874	336	0.000		
IV: Social influence 0.332   336   0.000   0.744   336   0.					0.000			
DV: Purchase intention 0.373 336 0.000 0.711 336 0.000								
Lilliefors Significance Correct	Lilliefors Significance Correction							

Table 4.6 show the result of Kolmogorov-Smirnov test and Shapiro-Wilk test for the normality test. The highest value of Kolmogorov-Smirnov is 0.373 and the lowest values are 0.212. The other value is 0.332 and 0.262. For the Shapiro-Wilk, the highest value is 0.874 and the lowest value are 0.711, the other value is 0.820 and 0.744.

#### 4.10 Pearson correlation coefficient

Pearson's correlation coefficient is the test statistics that calculate the statistical relation or association between two continuous variables which is dependent variable and independent variable. It is known as the best way of calculating the relation between the variables of interest even though it is based on the covariance method.

4.7: Table of Correlations

	Correlations						
		Purchase	Product	Brand	Social		
		intention	quality	image	influence		
Purchase	Pearson	1	.511**	.341**	.631**		
intention	Correlation						
	Sig. (2-tailed)		.000	.000	.000		
	N	336	336	336	336		
Product	Pearson	.511**	1	.342**	.506**		
quality	Correlation						
	Sig. (2-tailed)	.000		.000	.000		
	N	336	336	336	336		
Brand	Pearson	.341**	.342**	1	.273**		
image	Correlation						
	Sig. (2-tailed)	.000	.000		.000		

	N	336	336	336	336	
Social	Pearson	.631**	.506**	.273**	1	
influence	Correlation					
	Sig. (2-tailed)	.000	.000	.000		
N 336 336 336 336						
**. Correlation is significant at the 0.01 level (2-tailed).						

### 4.11 Multiple Regression Analysis

Multiple regression analysis is an analysis including one dependent variable and two or more independent variables. In many other terms, a correlation study in which the results of two or more independent variables on a single, interval-scaled, dependent variable is analyzed concurrently.

Table 4.8: Summary of Multiple Regression Coefficients

Model		Unstan	Unstandardized Standardized		T	Sig.		
		Coefficients		Coefficients				
		В	Std.	Beta				
			Error					
1	(Constant)	1.057	0.226		4.688	0.000		
	Product quality	0.237	0.052	0.221	4.594	0.000		
	Brand image	0.084	0.027	0.134	3.099	0.002		
Social influence		0.469	0.046	0.482	10.252	0.000		
a.	a. Dependent Variable: Purchase intention							

Based on the table 4.20, coefficients show that product quality, brand image, social influence is significant to predict dependent variable is purchase intention. This is because p-value is less than alpha value 0.05, the highest of standardized coefficients Beta is social influence which is 0.486. Then, followed by product quality (0.134) and brand image (0.134). this result was showed that independent variables have a strong relationship between dependent variable. This indicates the independent data was less than 0.05.

### 5 Discussion

The independent variables for product quality was showed the positive result to purchase intention (dependent variable). It shows a moderate positive relationship was found between the two variables. The quality of products and services purchased in shops is an important factor in customer loyalty. Quality is the ability of a commodity to fulfil the unique needs of its consumers. Perceived quality refers to the appraisal by the customer of goods or brands that satisfy the standards of the individual. Such an analysis by individuals is the perception of two brands of items.

The independent variables for brand image was showed the positive result to purchase intention (dependent variable). It shows a weak relationship was found between the two variables. Based on the research, most of customers disagree about the statement which is "I will make my purchase according to brand image, regardless of the price." That is because more customers are more concerned about price than image brand. A weak brand image can also reduce buying intentions or lower purchasing intentions. Most customers are less concerned with brand image than product quality and social influence on shopping.

The independent variables for social influence was showed the positive result to purchase intention (dependent variable). It shows a moderate positive relationship was found between the two variables. Social influence motivates the specific processing of knowledge by concentrating people on a relevant collection of information that includes reality, interactions with others, and self. As discussed in the remaining parts of this article, these factors of influence can alter the social significance of consumption and purchase decisions.

#### 6 Recommendation

In the future, there are few suggestions for researchers. Firstly, it is suggested that research should be carried out in the whole country if time is allowed, so it is more reliable than only choosing one state to do so, such as considering all the state in t whole of Malaysia. It is preferable to include all countries in the world when doing the research, because it helps to reduce the demographic gap between individuals, there would be a difference in thought about the variables that influence the purchase intention to shop in the hypermarket.

Besides, future researchers will proceed their research by providing other independent variables that can evaluate the factors affecting the purchase intention of hypermarket customers among Kelantan University students in Malaysia. Even then, researchers need to be more careful when selecting independent variables, since only the correct variables will maximize the value of R2.

Next, the primary data collected for the studies must not be compromised just the quantitative method, but rather the qualitative method, such as interviewing. Qualitative results collected from the interview session will produce high reliability when there is a two-way conversation between researchers and respondents. This would mean that the respondents understand the study well and that they will make a greater decision.

In the end, researchers were recommended to use interviews during the survey. Its use of interviews can minimize the limitations by using questionnaires so respondents can understand the researcher's questions clearly instead of reading the questionnaires. This eliminates people's misunderstandings when answering the questions in the questionnaire. The respondent would then be able to explain an opinion or explanation on the basis of the variables. Researchers would be able to recognize and correct weaknesses, such as adding definitions to a few words to avoid misunderstandings or uncertainty over the questions asked.

### 7 Conclusion

As a conclusion, the researcher make a conclusion of the study based on the research objectives which show in chapter 1. The implication of this research has already been analysed in this chapter on the impact of this research. In addition, the researchers discussed the limitation of the research and made a set of recommendations to strengthen research.

Based on the problem statement, the researcher evaluates that the factors affecting purchase intention of customers to shop at hypermarket among University Malaysia Kelantan students. It shows that the factors are one of the key that affect the purchase intention of customers to shop at hypermarket.

The objective of this research is to identify the relationship between the factors and purchase intention of customers to shop at hypermarket. Complete number 400 questionnaires have been distributed to students University Malaysia Kelantan, Kota Bharu and the data obtained has been analysed and analysed using SPSS the result of which provided both informative and inferential analysis. All the hypothesis is accepted where there is significant positive relationship between product quality (IV1), brand image (IV2) and social influence (IV3) with purchase intention of customers to shop at hypermarket.

Next, the findings show that the product quality is also one of the factors affecting purchase intention of customers to shop at hypermarket. Product quality is a continual process of change that improves the value of the product and, ultimately, the fulfilment o the needs of the consumer. Production can be increased at all times. A higher quality product produces a higher purchasing intention for poorer quality goods.

Besides, the brand image can give affecting purchase intention of customers to shop at hypermarket. Brand image is established in the minds of the consumers on the basis of the perception and engagement of the customers with the brand, experiences can take place in different forms and not generally only through the purchasing or use of the product and service.

In addition, social influence is also one of the key factors affecting purchase intention of customers to shop at hypermarket. Social influence involves any manipulative strategy, process, method or coercion that relies on the social psychological nature of the organism as a way of generating or altering the belief or behaviour of the subject, whether or not this attempt is based on the particular acts of the influence agent or the product of the self-organizing nature of the social structures.

In summary, all independent variables (product quality, brand image and social influence) and dependent variables (purchase intention) are positive result, which shows that the results of the research are appropriate, accurate and important, thus, this research may be carried out for further research and learning.

### 8 Acknowledgement

First of all, I would like to thank the administrators of University Malaysia Kelantan by giving me the opportunity to conduct this research project. It was enable me to learn and gain more experience in conducting a research.

Other than that, I would like to thank my supervisor, Md Zaki bin Muhamad Hasan, who has given me guidance with the patient to make sure I always stay on the right track. Without he helps, this project would not be completed successfully. In addition, I would like to thank my examiner, Mahathir bin Muhamad, who pointed out the mistakes I made during the presentation. Without him, my mistake will not be apprehended and is likely to cause

serious consequences.

Furthermore, I would like to special thanks to my family and husband for giving me moral and financial support all the time. Thank you to the ones who helped me to distribute the questionnaires. During the progress of the research project, the respondents have given their valuable feedback on the protesting of questionnaire.

Finally, sincerely thank all those who have helped me directly or indirectly in the success of this project.

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# E-BUSINESS PERFORMANCE: THE IMPACT OF COVID-19 ON RETAIL INDUSTRY IN KELANTAN

Nor Shazana binti Mohd Zakariyah and Wan Farha Binti Wan Zulkiffli

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shazana.a17a0359@siswa.umk.edu.my; farha@umk.edu.my

#### Abstract:

Nowadays, e-business is an important role in order to facilitate business transactions in business especially during Coronavirus (Covid-19). This thesis is conducted to study the relationship between consumer behaviour, retail competition, shortage of product and e-business performance. The main purpose of this research is to identify the impact of e-business performance during Covid-19 on retail industry in Kelantan. This study will be conducted to investigate the relationship between dependent variable with independent variables. Dependent variable in this study is the impact of e-business performance, while the independent variables in this study are the consumer behaviour retail competition, and shortage of product. A set of questionnaire will be used to collect data and will be distributed to 200 respondents among online retailers in retail stores and food & beverage industry which located in Kelantan. Thus, this research is to identify the impact of e-business performance that influences online retailers and will be an added advantage to the retailers to gain some information on e-business performance during pandemic.

**Keywords**: Consumer Behavior, Retail Competition, Shortage of Product, E-business Performance

### 1. Introduction

Internet is one of the mediums accessible to users around the world to communicate, contact each other and get information in just one click. The most popular Internet over the past two decades has created a new way for consumers to start making online purchase using e-business. However, the use of e-business platforms is increasing after the Covid-19 outbreak. It has cut off the supply chain of the business. The production and the manufacturers are expected to be hampered more. China is the central manufacturing hub for many businesses globally. Therefore, any disruption in china's output will simply have repercussions (Meyer, S. (2020).

During this pandemic season, it has affected many retailers as they have to figure out the most effective way to continue their business. While fashion, apparel & luxury retailers, such as Zara, H&M and Macy's, have stopped production, other industries, such as retail and food & beverage, have seen an unprecedented surge in demand (Andy Nemes, April 3, 2020). According to Salini Devi Rajendran, Siti Norida Wahab, Yeow Way Ling and Lim Shin Yun (2018) have said that the process of selling and buying products or services can be done easily through the Internet. As a result, there are many online retailers nowadays. However, the performance of this online retailer depends on the level of consumer behavior, online retailer competition and also product shortage. Therefore, there are many effects of Covid-19 on e-business performance in this retail industry. Although COVID-19 has wreaked havoc on the retail industry and the general economy, retailers will always search for opportunities to interact with their existing

customers or embrace new ones and capitalise on them. There are a variety of factors that customers will be searching for from retailers and brands now and in the future which is cleanliness, accountability, leadership, empathy and versatility are some of the most significant ones. Making up for missed revenue and controlling the bottom line will still be priorities, but it is more important for retailers to concentrate on the customer right now and to direct business decisions by taking into account their emotions, worries, financial realities and values (Diana Smith, Associate Director, Retail and e Commerce).

There are three objectives of this research:

- 1. To identify the relationship between consumer behavior and e-business performance during Covid-19.
- 2. To determine the relationship between retailer competition and the e-business performance during Covid-19.
- 3. To examine the relationship between shortage of product and e-business performance during Covid-19.

### 1.1 Significance of the Study

#### 1.1.1 Academic

In academic can record proposals that have related to the impacts of Covid-19 on e-business. Academic can also be a reference for the people who want to know about the e-business performance and the impact that happened to the retail industry during the pandemic. This study is useful for academics to serve as a source of reference in the future.

### 1.1.2 Community

Community also can identify about the impacts of Covid-19 on e-business performance. So, they can know the problem when they have buying in the e-business platform. Also, this study can make the community to understand about the retailers that also have the impact when the pandemic season Covid-19 had approached. The community can see through this study about the online retailers have to facing the problem that have burdened them to supply the goods to the consumer in the right condition and quality.

#### 1.1.3 Industries

This study also can give the benefits to the industries especially the retail industry as they can find information on this study to improved more benefit to this industry so that they can be prepared when it come to the natural disaster. Readers in the industry also will increase their knowledge of the problem among retailers during pandemic season and can make the best decision to development the retail industry e-business performance by reading this study.

### 2. Literature Review

### 2.1 Research Hypothesis

In this study, there were four hypotheses statement of the impact of e-business performance during Covid-19:

H1: There is a significant study on the relationship between e-business performance during Covid-19 and ways to overcome the issues.

H2: There is a significant study on the relationship between the consumer behaviour e-business performance during Covid-19.

H3: There is a significant study on the relationship between the retail competition and e-business performance during Covid-19.

H4: There is a significant study on the relationship between the shortage of product and e-business performance during Covid-19.

#### 2.2 Research Framework

A research framework has been conducted to investigate the connection between ebusiness performance during Covid-19 as depicted in the figure 2 below which was concluded from several previous researchers. The research consists of independent variables, which is the consumer behaviour, retail competition and shortage of product. The research will focus on the analysis of independent variables towards the dependent variable which is e-business performance.

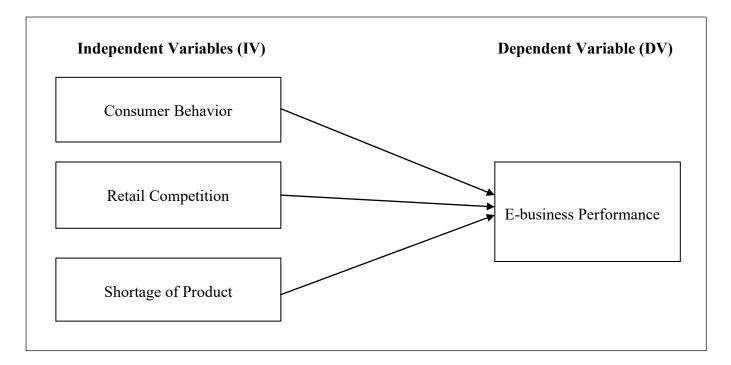


Figure 2: Proposed Conceptual Framework

### 3. Methodology

#### 3.1 Research Design

A structured questionnaire will be used with the quantitative research as this research instrument. According to Zikmund & Babin in Nell, C. (2013), quantitative research refers to which consists of larger representative sample by placing the research objectives from an experiential assessment that involves numerical measurements and analysis. This study will select questionnaire strategy to collect the data. Researcher will do a questionnaire in Google form, then will given to online retailers to answer the questions asked.

#### 3.2 Data Collection

In the first stage, the data collection used in this study was primary data collection method and secondary data collection method. Primary data is the type of data that is collected by researchers directly from main sources. It can be obtained and gained by the distribution of questionnaire. This questionnaire is developed in this research to gain cooperation and clarification from the target respondents.

The secondary data is a type of data sources obtained from indirect and through others source. All other data often gathered from written resources such as newspaper, books, documents, the internet and others. It is also the data or information obtains from other sources such as articles, books and journals.

#### 3.3 Sampling

Sample size is the number of population observations selected. The researchers focus on the respondent which is online retailers in Kelantan to answer the research goals for this study. In this research, the researcher choosing the sample size which randomly consisting of 384 online retailers as a respondents and they need to answer all the questions that ask in questionnaires of Google form.

The sampling method used in this study was the non-probability sampling technique which is the convenience sampling method determined in this analysis. To obtain a representative sample, the researcher will cover the entire population. Based on this study, researchers will decide online retailers from various age categories who conduct business online in Kelantan.

#### 3.4 Data Analysis

The questionnaire that already collected which would be analysed and explained by using three types analysis which were Descriptive Analysis, Validity and Reliability Analysis, and Multiple Linear Regression Analysis. The data obtained was analysed by using Statistical Package for the Social Science (SPSS).

### 4. FINDINGS

### **4.1 Descriptive Analysis**

Table 1: Demographic Profile of the Respondents

Demographic profile	Category	Frequency	Percentage (%)
Gender	Male	79	39.5
	Female	121	60.5
Age	Below 20	6	3.0
	20-29	72	36.0
	30-39	87	43.5
	40 and above	35	17.5
Race	Malay	126	63.0
	Chinese	63	31.5
	Indian	11	5.5
Mutual Status	Single	78	39.0
	Married	98	49.0
	Others	24	12.0
Education Level	Pmr/pt3	7	3.5
	Spm	74	37.0
	Stpm/stam	42	21.0
	Diploma	52	26.0
	Bachelor degree	20	10.0
	Master	3	1.5
	Others	2	1.0

(Sources: Developed of the Research)

Table 1 showed the overall descriptive statistics for respondents' demographics which include gender, age, race, mutual status and education level. There are 200 respondents through Google form that are successfully collected. The number of female respondents was the highest where it made up of 60.5%. The highest number of age respondents falls under category between 30-39 years old with total of 87 from 200 respondents. In term of race, the majority of respondents are Malay which contributes 63.0%. The highest number of respondents who married was 49.0%. Meanwhile, 37.5% respondents come from the SPM students.

<u>Table 2: The Descriptive Statistics of Independent Variables and Dependent Variable</u>

Table 2. The Descriptive Statistics of Independent Variables and Dependent Variable					
Item	N	Mean Score	Standard		
			deviation		
IV1: Consumer	200	4.6500	0.49177		
Behaviour					
IV2: Retail Competition	200	4.4875	0.58764		
IV3: Shortage of	200	4.4688	0.61439		
Product					
<b>DV: E-business</b>	200	4.4638	0.60380		
Performance					

(Sources: Developed of the Research)

Table 2 shows that the mean values range between 4.4638 to 4.4875 and the highest value which is retail competition. This study adopted 5-point Likert Scale that range from 1 (Strongly disagree) to 5 (Strongly agree).

### 4.2 Validity and Reliability Analysis

Reliability test is conducted to determine the understandable of respondents towards all items and it could be measured by using Cronbach's Alpha values (Hair et al., 2012). Table 3 present the results of reliability test in this study from all variables.

Table 3: Reliability Analysis

Item	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of items
IV1: Consumer Behaviour	0.737	0.773	4
IV2: Retail Competition	0.884	0.885	4
IV3: Shortage of Product	0.817	0.821	4
DV: E-business Performance	0.880	0.879	4

(Sources: Developed of the Research)

Table 3 shows that the value of Cronbach's Alpha is range from 0.737 to 0.884. The values indicated that all the variables in this study are reliable and valid since the Cronbach's Alpha value is exceed 0.7 as suggested by Hair et al. (2012).

### 4.3 Spearman Correlation Analysis

Table 4: Summary of Spearman Correlation

Correlations						
			IV1	IV2	IV3	DV
Spearman'	Consumer	Correlation	1.000	.638	.630	.690**
s rho	Behaviour	Coefficient		**	**	
	(IV1)	Sig. (2-tailed)		.000	.000	.000
		N	200	200	200	200
	Retail	Correlation	.638**	1.00	.617	.659**
	Competition	Coefficient		0	**	
	(IV2)	Sig. (2-tailed)	.000	•	.000	.000
		N	200	200	200	200
	Shortage of	Correlation	.630**	.617	1.00	.720**
	Product(IV3)	Coefficient		**	0	
		Sig. (2-tailed)	.000	.000	•	.000
		N	200	200	200	200
	E-business	Correlation	.690**	.659	.720	1.000
	Performance	Coefficient		**	**	
	(DV)	Sig. (2-tailed)	.000	.000	.000	
		N	200	200	200	200
**. Correlation is significant at the 0.01 level (2-tailed).						

<sup>:</sup> Correlation is significant at the 0.01 level (2 tail

(Sources: Developed of the Research)

### 4.4 Multiple Linear Regression

The independent variable in this study, which are consumer behaviour, retail competition, and shortage of product were entered into same regression equation to predict either there was any significant relationship with the e-business performance.

Table 5: Model Summary for Regression Analysis

Model Summary <sup>b</sup>						
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-Watson	
			Square	Estimate		
1	.783ª	.613	.607	.37868	1.819	
a Productors: (Constant) Shortage of Product Potail Competition Consumer Poheviour						

a. Predictors: (Constant), Shortage of Product, Retail Competition, Consumer Behaviour

b. Dependent Variable: E-business Performance

(Sources: Developed of the Research)

The table 5 showed R2 for this model is 0.613. Thus there were 61.3% of the impact of e-business performance during Covid-19 on retail industry in Kelantan can be

explained by the three independent variables which were Shortage of Product, Retail Competition, Consumer Behaviour.

#### 5. DISCUSSION & RECOMMENDATION

The positive of result for research question 1 is, "There is significant relationship between consumer behaviour and e-business performance during Covid-19". From this result, it is proven that the H2 of the study is accepted while for H0 of the study is rejected. The main focus is to study is there significant relationship between consumer behaviour and e-business performance during Covid-19. The result presented revealed that the value of Spearman Correlation for organizational context is 0.000, p < 0.05 which is there is significant relationship between consumer behaviour and e-business performance during Covid-19. In sum, the result shows that the H0 is rejected and H2 is accepted in the hypothesis testing.

The positive of result for research question 2 is, "There is significant relationship between between the retail competition and e-business performance during Covid-19". From this result, it is proven that the H3 of the study is accepted while for H0 of the study is rejected. The main focus is to study is there significant relationship between retail competition and e-business performance during Covid-19. The result presented revealed that the value of Spearman Correlation for organizational context is 0.000, p < 0.05 which is there is significant relationship between retail competition and e-business performance during Covid-19. In sum, the result shows that the H0 is rejected and H3 is accepted in the hypothesis testing.

The positive of result for research question 3 is, "There is significant relationship between the shortage of product and e-business performance during Covid-19". In this study have shown a strong positive relationship was found between the two variables. The result shows there is significant relationship between the shortage of product and e-business performance during Covid-19. The result presented revealed that the value of Spearman Correlation for organizational context is 0.000, p < 0.05 which is there is significant relationship between the shortage of product and e-business performance during Covid-19. In sum, the result shows that the H4 is accepted and H0 is rejected in the hypothesis testing.

For recommendation, the researcher have found out that there are some spaces for improve the quality of this study in the future. The study can be conducted using different independent variable to get better results on the impact of e-business that influences retail stores and also food and beverage industry at Kelantan and not from whole Malaysia. So, in the future the researcher can conduct the research at others country in Malaysia.

Then, researcher prescribed some strategies that the government and its agencies responsible for online retailers to develop their business. The government should play a leading role in educating retailers which is beginners on the incentives available to them and how to access them. Such incentives will help them to improve their e-business performance. These incentives should be delivered through an establishment that really cares for the success and sustainability on online business during Covid-19.

Lastly, this study will give benefit to future researcher to conduct their study. This journal will be a reference and guideline to them to improve their studies in e- business performance during pandemic season. This thesis can be displayed at the libraries and can be uploaded in website to the future researcher's reference. They will have proper guide when they understand about this case study and also the limitations.

#### 6. CONCLUSION

The conclusion of this research study is it aim to find out and examine the impact of e-business performance during Covid-19 on retail industry in Kelantan. This study tried to evaluate factors that impact e-business performance with factors of consumer behaviour, retail competition, and shortage of products. Research framework is developed based on the literature that been viewed. The researcher planned to investigate the relationship of each elements in the independent variables to the dependent variables.

In this study, a total of 200 respondents were collected through questionnaire method. The data was evaluated using SPSS software and methods of Descriptive Analysis, Reliability Test and Multiple Linear Regression Analysis are used. As stated in Chapter 4, the reliability analysis was excellent for the independent variables and dependent variables. The minimum requirement for reliability analysis has been met from the study of the overall variable since the value of the Cronbach's Alpha coefficients is above 0.7. The independent variables identified as the consumer behaviour, retail competition, and shortage of product to the dependent variable known as the e-business performance.

In conclusion, the researcher can study the relationship between independent variables towards dependent variable. This research also can define the real way to analyse the data. Some of limitation of the study can give chance to researcher to give more recommendation to improve the quality of the research.

#### 7. ACKNOWLEDGMENT

In the name of Allah, the Most Gracious and the Most Merciful Alhamdulillah, all praises to Allah for the strengths and His blessing in completing this thesis. Then, researcher would like to express our appreciation to supervisor, Dr. Wan Farha binti Wan Zulkiffli, as well as the examiner, Prof. Madya Dr. Mohammad bin Ismail, for continuous gave fully support in this final year research project with their knowledge, patience, and motivation. Their advice gave us a direction in writing this final year research project all the time and also helps us improved our knowledge in making research.

After that, researcher would like to extend a gratitude to our friends, who always gave a lot of support to complete the research project. The friends can share wih their different ideas and knowledge of IT in writing the research project.

Besides that, researcher would like to thanks the office and knowledge management of University Malaysia Kelantan, which provided a place that full of material. Researcher found out the suitable material for writing the research project

Last but not least, researcher also would like to thankful to family. It is because of parents and family always gave us mental support in writing the research project. Their supporting helped researcher to release the stresses that gain from the processing of the research project.

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# THE FACTORS THAT INFLUENCING CONSUMERS PREFERENCE ON BRAND LOVE IN THE CLOTHING INDUSTRY:A STUDY AT THE PADINI CONCEPT STORE IN KOTA BHARU KELANTAN

#### Norhalili Binti Zainual and Nik Noorhazila Binti Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email:norhalilizainual97@gmail.com; noorhazila.nm@umk.edu.my

#### Abstract:

This thesis is to investigating the factors that influencing consumers preferences on brand love in the clothing industry: a study at the Padini Concept Store in Kota Bharu Kelantan. The purpose of this study is to identify and find out whether factors such as consumer characteristics, references groups, store attributes, promotion, and product attributes influence consumer preferences at Padini Concept Outlet as one of the clothing industry. The data is collected by means of questionnaire obtained from 387 respondents in Kota Bharu Kelantan. Non-probability sampling was applied to allow the researcher to collect the responses easily and quickly because of population is large. This study use Descriptive Analysis, Pearson correlation Analysis and Multiple Linear Regression Analysis. From the result, all the independent variables are significant with the dependent variables with the value of (p<0.005) and the most factors influencing consumers preferences on brand love in the clothing industry is customer characteristics with the value of (p<0.005), (b=0.267). Factors related to the influence of consumer choice on the clothing industry are

Keywords: factors, consumer preferences, brand love, clothing industry, Padini Concept Store

#### 1 Introduction

One of the largest sectors in the world is the clothing industry and many challenges that the industry has faced with enormous sustainable growth impact. To maintain the level of performance and development seen in recent times, the clothing industry needs solutions involving the global side. As the growth of the population and the use of such products in the larger technical applications and garment industry lead to the growth of extraordinary textile demand, the development of innovative designs, processes and materials become very important (Shishoo Consulting AB, 2014).

Consumers in the market today hope to be satisfied with the product or brand they are buying. However, customer satisfaction is not enough to establish a lasting relationship with the brand. It is necessary to forge emotional bonds that exceed satisfaction to provide consumer loyalty. Brands play a major role in the consumer decision-making process (Fischer, Volckner and Sattler, 2010). Consumers may pay premium prices for some brands and continue to choose these brands in a timely manner (Fischer et al., 2010).

Nowadays, consumers spend less of their income on clothing than ever before, although consumers spend more often and buy more clothing items than ever before. The response from manufacturers to the challenge of slow demand growth is to build consumer interest in variety and provide new fashions and various sizes, colors, designs, etc. At regular rates. Details of these developments and their impact on the international trade in textiles and apparel are discussed in this section (Hildegunn Kyvik Nordas, 2014). The objectives of this study will be to investigate The Factors That Influencing Consumers Preference On Brand Love in the Clothing Industry: A Study At The Padini Concept Outlets in Kota Bharu, Kelantan.

#### 2 Literature Review

#### 2.1 Underpinning Theory

#### 2.1.1 Theory of Planned Behaviour

Theory of Planned Behavior (Ajzen, in 1985; in 1991) is an extension of the Theory of Reasoned Action. According to the authors, the need for this new model stems from behavioral limitations over which people have no control. Thus, Ajzen added a third element to his model, which he said influenced one's intention to perform a behavior he referred to as behavior control. Submission of Papers The handling of perceived behavior refers to the resources, skills, and opportunities available as well as one's own perception of the importance of achieving results. The concept of Perceived Behavioral Control is close to the concept of self-efficacy Bandura (1982). The latter explains that a person's belief in his or her effectiveness can influence his or her choice of activities, his or her preparation to perform activities and ultimately on the efforts he or she will undertake during the intended activity. Thus, if for example two people have a strong intention to learn a new language, the person who thinks that he will succeed in mastering it, is the person who will tend to survive more than the others who doubt his ability (Ajzen, in 1991).

#### 2.2 Previous Studies

#### 2.2.1 Customer Characteristics

Personal characteristics affect consumption and purchase volume (Tarasi et al., 2013). Therefore, it can be assumed that these characteristics will also affect the company's income and profits, i.e. its performance, while from the company's perspective it is useful not only to recognize the characteristics of its customers, but also influence them to increase the company's income and profits. PCs most commonly used in customer satisfaction research are age and income (refer to Tarasi et al., 2013), with gender also often emerging (refer to Anderson et al., 2008). Some researchers (e.g. Peterson & Ekici, 2007) describe these variables as demographic characteristics. Given the large number of PC variables and methodologies for conducting research, we will refer to the group of variables of age, income and gender as demographic characteristics, and the group of Personality variables as PC.

on brand love in clothing industry.

#### 2.2.2 References Group

Referral groups are social groups that customers refer to when making decisions (Kotler et al. 2016: 140), and the influence of such reference groups varies between products and brands (Rani 2014: 55). Customers obtain information to make purchasing decisions by communicating with people they trust and respect, and those whom they value (Van Staden & Van Aardt 2011: 38). Customers purchase and use the product to relate to or become a member of a reference group (Lamb et al. 2015: 111). Customers relate to the values and norms of the reference group (Van Staden & Van Aardt 2011: 38). Referral groups can include family members, friends, colleagues, sports associates or fellow church members who pressure customers to adapt to the group's product and / or brand choices. Therefore, opinion leaders such as celebrities are also used as brand ambassadors who can influence product and / or brand choices. (Kotler et al. 201: 140- 141).

 $H_2$ : There is a relationship between references groups and consumer preferences on brand love in clothing industry.

#### 2.2.3 Store Attribute

Martineau (1958) suggested that a picture of a store can be defined in the minds of consumers as a combination of the quality of store function and the effect of the psychological nature of the store. The study also found that the better the picture, the more likely consumers are to buy and sell at the store. In an effort to identify the determinants of retail protection, researchers have highlighted store image as the most important determinant (Erdem et al., 1999). The image of the store has various dimensions and should be measured with various attributes as suggested by Kim and Jin (2001a, b). According to Yue and Zinkhan (2006), the store atmosphere mainly focuses on physical store attributes. In fact, the atmosphere of the store is often designed to evoke emotions in the buyer. Elements in the store such as display, lighting, music, aroma, color, useful workers and product or sample demonstrations are designed to evoke positive feelings in the buyer environment (Solomon, 2007).

 $H_3$ : There is a relationship between store attributes and consumer preferences on brand love in clothing industry.

#### 2.2.4 Promotion

Madura (2007), argued that, "Promotion is the act of informing or reminding consumers about the specifications of the product or brand". Tjiptono (2007), states that "the purpose of promotion is to inform, influence, and persuade and remind customers about the company's objectives and marketing mix". Swastha and Irawan in Angipora (1999) states that, "the promotion is short-term incentives to encourage the purchase or sale of a product or service". Promotion is an important element in corporate campaigns and promotional campaigns are best done by satisfied customers. Therefore, the campaign needs to be addressed carefully because the problem is not only related to how to communicate with customers but also about how much it costs, and the cost should be tailored to the circumstances and capabilities of the company.

 $H_4$ : There is a relationship between promotion and consumer preferences on brand love in clothing industry.

#### 2.2.5 Product Attribute

Various product attributes or features serve as criteria for users evaluating the product. Previous studies have identified important properties used by consumers when evaluating clothing products. Attributes such as price, quality, design, brand image, and marketability are used in the evaluation of clothing products. However, the results of this study are inconsistent (Jin, Park, & Ryu, 2010). For example, one study showed that consumers value comfort and fitness when evaluating jeans (Wu & Delong, 2006), but color and suitability are found to be important attributes of jeans in other studies (Delong, LaBat, Nelson, Koh, & Kim), 2002). However, other studies show that price and brand name are important for consumers who purchase jeans (Lennon, 1984).

 $H_5$ : There is a relationship between product attributes and consumer preferences on brand love in clothing industry.

#### 2.3 Conceptual Framework

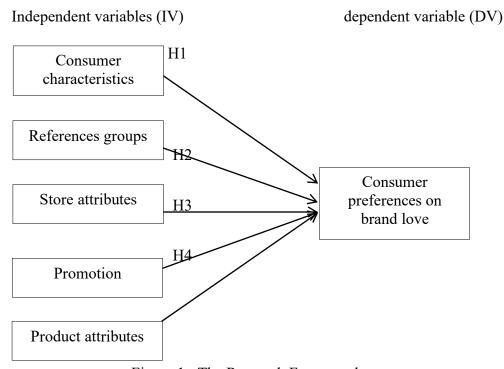


Figure 1: The Research Framework

#### 3 Research Methodology

#### 3.1 Data Collection and Sample Selection

In this research, data will be collected through the use of quantitative research while

being able to measure something accurately in business research. The target population of this study is people who visit Padini Concept Store around Kota Bharu Kelantan which consists of two main stalls, namely Padini Concept Store at KB Mall and Padini Concept Store at Aeon Mall and the number of respondents who have been selected for this study sample is 384 people.

#### 3.2 Measurement and Scales

Questionnaire were used in this analysis as instrument. To measured the questionnaire, researcher using 6 point Likert Scale. The 6 point likert scale was used to calculate the target respondents in Kota Bharu Kelantan, based on their level agreement on the relationship of factors that influencing consumer preferences on brand love in clothing industry.

#### 3.3 Data Analysis

The data collected will be analyzed using Statistical Package for the Social Sciences (SPSS) version 26. The responses from the respondents will be indicated as a requirement before organized enters the data to proceed to the next step.

Therefore, pilot test which to test the reliability, Descriptive Analysis, Pearson Correlation Analysis and Multiple Linear Regression were used to the objectives and hypothesis of the study.

#### 4 Data Analysis

#### 4.1 Reliability Analysis

Table 1 : Dependent and independent reliability analysis

Variables	<b>Total items</b>	Cronbach's Alpha
All variables	31	.950
Consumer characteristics	5	.761
References group	6	.824
Store attributes	6	.816
Promotion	4	.927
Product attributes	5	.775
Consumer preferences	5	.834

Table 1 summarizes the findings of the reliability test of each variables in this study. According table 1, the range of Cronbach's Alpha for each variables is .950 to .761 which means the items for each variables are excellent based on the rule of Thumb of Cronbach's Alpha coefficient.

#### 4.2 Descriptive Analysis

Table 2: Respondent Demographic Profile

Items	Categories	Frequency	Percentage (%)
Gender	Male	205	53.0%
	Female	182	47.0%
	Total	387	100%
Age	<17	16	4.1%
	18-25	153	39.5%
	26-33	138	35.7%
	34-41	51	13.2%
	42-50	22	5.7%
	>51	7	1.8%
	Total	387	100%
Education	PMR	15	3.9%
	SPM	58	15.0%
	STPM	109	28.2%
	Dip.	117	30.2%
	Deg.	87	22.5%
	Other	1	0.3%
	Total	387	100%
Income	<rm1000< th=""><th>99</th><th>25.6%</th></rm1000<>	99	25.6%
	RM2000-RM3000	223	57.6%
	>RM4000	41	10.6%
	Total	387	100%
Job sector	Gov. Sector	56	14.5%
	Pri. Sector	112	28.9%
	Self-Empl.	146	37.7%
	Student	70	18.1%
	Others	3	0.8%
	Total	387	100%
<b>Marital Status</b>	Single	178	46.0%
	Married	204	52.7%
	Other	5	1.3%
	Total	387	100%

Table 2 show that male respondents are dominant in this study. Most of the respondents are age between 18 to 25 years old with the value of n=153 (39.5%) and majority of the respondents were from Diploma with the value of n=117 (30.2%), and their income from RM2000 to RM3000 with the value of n=223 (57.6%). Besides, majority of respondents from self-employed with the value of n=146 (37.7). Lastly, the respondents show that their marital status and married had the highest value of n=204 (52.7%).

#### 4.3 Pearson Correlation Analysis

**Table 3: Result of Pearson Correlations Test** 

		cust_cha					
		<del></del>	ref grou	store_attrib	promoti	product a	cons pr
		cs	p	ute	on	ttribute	ef
cust_character	Pearson	1	.601**	.472**	.383**	.480**	.598**
istics	Correlation						
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	387	387	387	387	387	387
ref_group	Pearson Correlation	.601**	1	.582**	.431**	.438**	.647**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	387	387	387	387	387	387
store_attribute	Pearson Correlation	.472**	.582**	1	.523**	.588**	.609**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	387	387	387	387	387	387
promotion	Pearson Correlation	.383**	.431**	.523**	1	.562**	.528**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	387	387	387	387	387	387
product_attrib ute	Pearson Correlation	.480**	.438**	.588**	.562**	1	.587**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	387	387	387	387	387	387
cons_pref	Pearson Correlation	.598**	.647**	.609**	.528**	.587**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	387	387	387	387	387	387

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

The pearson correlation analysis between independent variable and dependent variable is shown in table 3. The result showed that there were a significant relationship between all independent variables that is customer characteristics (p<0.005, r=0.598), references group (p<0.005, r=0.647), store attribute (p<0.005, r=0.609), promotion (p<0.005, r=0.528), and product attribute (p<0.005, r=0.587) on consumer preferences brand love in clothing industry showing a very high positive correlation between variables since p<0.001. Therefore, the null hypothesis was rejected and the alternative hypothesis was supported by the research.

#### 4.4 Multiple Regression Analysis

Table 4: Multiple Linear Regression

	Simple linear regression			Multiple linear regression		
Variables	b <sup>a</sup>	t-stat (95% CI	p-	Adj.	t-stat(95% CI)	p-
			value	b <sup>a</sup>		value
Cust. characteristic	.662	14.635 (.573,.751)	.001	.267	6.314 (.184,.350)	.000
References group	.600	16.656 (.529,.671)	.001	.197	4.272 (.106,.288)	.000
Store attribute	.642	15.060 (.558,726)	.001	.227	4.760 (.133,.321)	.000
Promotion	.472	12.214 (.396,.548)	.001	.171	3.492 (.075,.267)	.001
Product attribute	.603	14.209 (.519,.686)	.001	.119	3.192 (.046,.193)	.002

After data exploration and cleaning, indistinguishable analysis was performed using Simple Linear Regression (SLR) and the results as shown in table 4.6.4. Simple Linear Regression identified five important factors that did not adjust to a value of p < 0.25 to be included in the selection of variables. The factors are customer characteristics, references group, store attribute, promotion and product attribute. The variables selection method is extended using the smart step method. In this study, customer characteristics, references group, store attribute, promotion and product attribute became significant with p < 0.001. No multicollinearity and interaction were detected in this study.

#### 4.5 Hypothesis Testing Result

**Table 4: Hypothesis Testing Result** 

Objective	Hypothesis	Result of Analysis	Decision
To identify the relationship between customer characteristics and consumer preferences on brand love in the clothing industry.	H <sub>1</sub> : There is a relationship between consumer characteristics and consumer preferences on brand love in clothing industry.	R=.598	Supported
To identify the relationship between references groups and consumer preferences on brand love in the clothing industry.	H <sub>2</sub> : There is a relationship between references groups and consumer preferences on brand love in clothing industry.	R=.647	Supported
To identify the relationship between store attributes and consumer preferences on brand love in the clothing industry.	H <sub>3</sub> : There is a relationship between store attributes and consumer preferences on brand love in clothing industry.	R=.609	Supported
To identify the relationship between promotion and consumer preferences on brand love in the clothing industry.	H <sub>4</sub> : There is a relationship between promotion and consumer preferences on brand love in clothing industry.	R=.528	Supported
To identify the relationship between product attributes and consumer preferences on brand love in the clothing industry.	H <sub>5</sub> : There is a relationship between product attributes and consumer preferences on brand love in clothing industry.	R=.587	Supported

The table 4 shows, it can be summarized that all the five independent variables which are customer characteristics, references group, store attribute, promotion and product attribute has a significant relationship between consumer preferences on brand love in clothing industry at Padini Concept Store Outlet in Kota Bharu, Kelantan. Hence, all the hypothesis is supported as the p-value is less than 0.05.

#### 5 Discussion and Recommendation

Based on the findings in the research of factors influencing consumer preference on brand love in the clothing industry, researchers come out with several suggestions for future improvements to improve factors such as customer characteristics, reference groups, store attributes, promotions and product attributes.

As a recommendation, the researcher suggested using probability sampling methods to collect survey data. For future studies, researcher can use systematic sampling to collect data. By using probability sampling, it will reduce bias in selecting samples. However, findings based on probability sampling can be generalized to the target population with a specified level of confidence.

In addition, because this research is only concentrated in the state of Kota Bharu, Kelantan, researcher can expand research to all state in Malaysia to improve the accuracy of the factors that influences consumer preferences on brand love in clothing industry. This allows future researcher to obtain more accurate data and large responses as well as a broader perspective.

Furthermore, the findings if future studies can be enhanced by collecting extensive data on more clothing store such as Brand Outlet store, H&M store and other clothing store. This will help the researcher to get an idea of the exact satisfaction in the customer. Therefore, they will get more respondents from various clothing store and more accurate information.

#### 6 Conclusion

The purpose of this study is to determine the factors that influence consumer preferences on brand love in the clothing industry. In this study, consumer preferences was influenced by customer characteristics, references groups, store attributes, promotions, and product attributes. Therefore, consumer preferences is represented by residents living in the area around Kota Bharu, Kelantan which is a dependent variable. In addition, there are three independent variables which is customer characteristics, reference groups, store attributes, promotions and product attributes

The independent and dependent variables were analyzed by Pearson correlation coefficient. This indicates that the dependent variable is influenced by the independent variable. Then the results show the relationship between customer characteristics, references groups, store attributes, promotions, product attributes and consumer preferences is very significant. In conclusion, the findings of this study prove that there is a relationship between customer characteristics, reference groups, store attributes, promotions, product attributes and consumer preferences by residents living in the area around Kota Bharu, Kelantan.

#### 7 Acknowledgement

Foremost, I would like to express my sincere gratitude to my supervisor Puan Nik

Noorhazila Binti Nik Mud for the continuous support of my research, for her patience, motivation, and immense knowledge. Her guidance helped me in all time of research and writing of this final year project. I could not have imagined having a better supervisor for my degree study. Secondly, I would also like to thank my family, my parents and friends who helped me a lot in finishing this project within the limited time. I am making this project not only for marks but to also increase my knowledge.

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## FACTORS INFLUENCING THE CHOICE OF FRANCHISING AS BUSINESS START-UP: A STUDY OF FINAL YEAR STUDENTS (BACHELOR OF ENTREPRENEURSHIP (RETAILING) HONOR

Norshafika binti Yusop @ Zakaria and Nurul Ashykin binti Abd Aziz

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: shafika.a17a0379@siswa.umk.edu.my; ashykin.a@umk.edu.my

#### Abstract:

This study is to discuss the factors that influence the final year of retail students who have taken the franchise and license course in the selection of the franchise as a business starter. In addition, this study also discusses the factors influencing the choice of franchising as a business start-up such as franchise fee, recognizable company name or brand, business model and business training and management program. This study uses quantitative methods to obtain data. The quantitative method is a technique associated with changing the information of the image or study into the number which mean this study will represent in number (Bernand, 2006). The target of this research is final year students of retail costs who have taken franchise and license costs. The total number of respondents in this study is 103 people based on the table Krejcie & Morgan (1970). The population is a final year student of retail costs at University Malaysia Kelantan. In addition, in this study, researchers used quantitative methods by distributing questionnaires to respondents. Methods will be analyzed using correlation coefficient. Data will be analyzed using Statistical Package for the Social Science (SPSS) version 26. Sampling technique used by researchers is purposive sampling. The researcher chose this technique because it reduced the cost, reduced time needed to collect information compared to surveys, saved a lot of time and limited source.

**Keywords:** Franchising, franchise fee, recognizable company name or brand, business model, business training and management program

#### 1. Introduction

Most entrepreneurs choose franchising in order to develop their own company and to construct their own destiny. The chance to become one's own boss is seen as one of the entrepreneur's key reasons and the hand on work experience as a means of entrepreneurial self-fulfillment. (Hizam- Hanafiah & Li, 2014). Franchising is a cloning strategy for the organization by replicating an established business and management structure (Hoy et al., 2017: 1). In compensation for royalty contributions or other fee payments, franchisees are denied the authority to lead the business in a prescribed manner within a designated geographical location. (Weaven et al., 2009). Franchising plays a significant role in the advancement of global entrepreneurship. (Chirico et al., 2011) and the accumulation of significant impact on the development (Croonen and Brand, 2015), Value- adding to national and global economies (Grunhagen et al., 2012). Franchising would also be a mechanism in which the franchisor provides a permit, brand and product symbol, as well as resources and cooperation in the organization, distribution and management of business as a lengthy business partnership. In other terms, franchising is a contractual arrangement between a grantee (franchisee) and the grantor (franchisor) for the sale of the product of the franchisor using the name of the franchisor and the patented business method at a particular location for a defined period of time (Dant and Grunhagen, 2014).

According to Vincent Megaline (2019), getting the first client is one of the toughest components of starting any new company, that's one of the reasons why so many people change to franchising. When the entrepreneur purchases a franchise, the entrepreneur receives to eliminate a tremendous amount of work that goes through advertising and branding a new unknown franchise, the entrepreneur has access to a proven, existing customer base and potential selection of employees. By bringing in clients and prospects, buying an existing and recognized brand will provide an accelerated path to profitability. It takes time to create a name and establish a strong brand identity and requires far more than a slogan and a logo like Nike. The ancient Greek goddess who personified victory is also the name of this well-known brand. Behind those letters, there is a great deal of powerful sense. Instead, these large corporations often open their doors without contemplating the creation of a strong brand identity, despite the many advantages brand identity can offer. According to Eric Dontigney, 2012, a poor brand name does not create an instant impact and creates a range of drawbacks. By brand extension, brands with a good grip on customer minds will build on that hold. The new products gain consumer success, at least potentially, on the power of the brand. A poor brand name that lacks this grip on the minds of customers will not offer a new product strength to gain market share. While the new product can be popular on its own merits, on the basis of a poor brand identity, a company should not expect a new product to succeed (Eric Dontigney, 2012).

#### Research Problem

There are a few problems which there are some factor effect the entrepreneur choosing the use franchise as a business growth, the problem is cost. Cost of opening an expensive franchise depends on the name of the company or brand of the product in the market today. Growing a new franchise location is more expensive than starting a new business is one of the disadvantages of a franchise. To buy a franchise, the franchise charges a number of payments such as business start-up expenses, utilities, rent, franchise fees, employees as well as set taxes. The cost charged is

divided into two types, namely initial cost, and continuous cost. The first is the start-up cost. The initial cost is the initial franchise cost that is not returned to the buyer. This is because the franchisee pays the franchisor after joining their system and then pays the percentage of their gross sales as royalties. In addition, the franchisee also charges some expenses except early payment such as rental royalties, advertising fees, equipment maintenance, insurance and inventory, percentage of sales to the franchisor (Bohi, 2010).

Then, even the effective businesses frequently open their entryways without giving adequate thought to creating a solid brand title, in spite of the numerous benefits solid branding can offer. Think of Walmart and business person likely summon a prompt sense of taken a toll investment funds. This quick impression happens since Walmart has a solid brand title built on that thought. A frail brand title falls flat to invoke a quick impression and makes a number of drawbacks (Eric Dontigney, 2012). A frail brand title falls flat to invoke a quick impression and makes a number of drawbacks. The unused items get footing within the advertisement, at slightest in hypothesis, on the quality of the brand title. A powerless brand title that needs this hold on customer minds cannot loan quality to a modern item to capture showcase share. In spite of the fact that the modern item may appreciate victory on it's possess merits, commerce cannot anticipate an unused item to succeed on the premise of a frail brand title. (Eric Dontigney, 2012).

#### 2. Factors influencing the choice of franchising as business start-up

#### Franchise fee

Franchise fee is the compensation a franchise pays to the franchisor for the ability use the company's name, product and property rights. Depending on the length of the franchise agreement, this may be accomplished up front or on an ongoing basis. Rather than building a company from scratch, a franchisee profits from either the brand awareness or system already established by the franchisor. But these advantages come with an expense (Don Daszkowski, 2020). According to Dev, 2016 it is possible to split the franchise fee down into two major groups. Initially, there is also an initial franchisee fee and, second, there are several recurring fees. Initial payment is the enable the entrepreneur to use the franchisor's business system or product include the right to the company's registered trademark, copyright, operating manual, certain proprietary information or computer programs. Franchise fees also cover important points such as initial preparation, materials management and lease negotiation assistance, site build-out assistance, supplier access, employee necessity and training assistance, opening and startup marketing that help entrepreneurs get company up and running. Then, for different ongoing fees, once the entrepreneur has paid the initial fee and the location is up and running, the entrepreneur will expect the franchise company to pay different ongoing fees.

#### Business model

According to Beshel, 2001, Holmes, 2003, Boone & Kurtz, 2010, it is because of a profitable business model that the entrepreneur prefers the franchise as a business start-up. Franchising provides a proven and tested business model with a clear connection to new business failure, which decreases the risk of a new venture. This seems to be possible because the company will survive

in the long term thanks to a strong and creative business model, especially in today's increasingly difficult economy (Bojan R.Jovanovski, Valentina Gecevska, Rdmil Polenakovik, Dragan Sutevski, Nana stankovska, August, 2015). Entrepreneurs have the freedom to trace simple financial support from banks and other financial institutions with lower risks of business failure. In contrast to the new ones, the Bank chooses to promote an established business model, so the probability of funding is greater than that of sole proprietorship (Salar and Salar, 2014). The business model is important to every organization. (Magretta, 2002). That because the business model provides strong ways of knowing, assessing, communicating and managing strategic decisions (Pateli & Giaglis, 2004; Osterwalder et al., 2005; Shafer et al., 2005). The business model is used as a medium for the representation, creativity and assessment of business logic in start-ups and existing organizations (European Commission, 2012). The business model is also used as an obstacle between the strategy of an organization and its business procedures (Moris et al. 2005; Di Valentin et al.2012).

#### Recognizable company name or brand

Branding is recognized as one of the strong market components that has contributed to brand awareness in the mind of the consumer. This suggests that franchising as a business model gives investor reputation benefit and flexibility to use the popularity of the brand since the beginning of the business (Oni, Sekwele, Khusto, Tafadzwa & Pester 2014). According to Srivastava Fahey and Christensen (2001) in order to distinguish their product from the other in competition to increase consumer values, it is also a tool for franchisees. The identifiable name or brand of the company refers to the consumer's ability to distinguish a particular brand or name by its characteristics over another. A term used in advertisement and marketing is brand awareness. When people are able to identify a brand through visual or auditory means such as logo, slogans, packaging, colors or jingle rather than being directly introduced to the name of a business, it is considered effective (Will Kenton, 2018). Branding is recognized as one of the strong business elements that have contributed to brand awareness in the minds of consumers. This shows that shaping franchising as a business mode gives the entrepreneur the value of brand awareness and flexibility to use the competitive advantage of the company since the beginning of the business (Oni, Sekwele, Khusto, Tafadzwa, and Pelser, 2014).

#### Business training and management program

Training is necessary to help them deal with the new challenge effectively and train them for the progress of the future, resulting in increased results and more identify any potential (Gerbman, 2000 & Satterfield and). Hughes, 2007). According latest study of Salar and Salar (2014) franchising offers the benefit of advertisement, networking, training, technological assistance, such as which individuals cannot afford much of the time, thereby being perceived as a significant advantage of franchising over other types of business. Then, although the franchise business investor has the ease of setting up a company that magnifies the most effective barrier to entry into the market and eliminates the obstacle, franchisors can easily help the setup (Salar & Salar, 2014). Business training and management support encourage the encouragement of entrepreneurs to

choose a franchise as a company and also demonstrate that entrepreneurial management skills are also important in franchise business management (Oni, Sekwele, Matiza, and Pleser, 2014). Training will be given, such as an operations manual, headquarters training, on-site training, ongoing training and, eventually, an evaluation. Next, the operations manual covers franchise priorities, regular processes, finances, customer support, staff subjects, and employee training. There is confidentiality of the information contained in the manual. Mostly, before starting this process, franchisees are required to sign a non-disclosure agreement. The franchisor also describes basic performance standards as well as provide sales results with guidance. Franchisees are brought to headquarters for hands-on training after the operations manual training. New franchise owners visit the facility at this point to observe the experts in motion. It is a great opportunity for franchisees during this tour to ask questions and test what they have learned. This is also a time to see for the first time how to work the machines and/or make recipes. Training will last from a few days to a week at headquarters. That would be the moment when franchise owners need to understand every concept in order to run their business. Franchisees are encouraged to bring along a manager or employee who can train other employee members on-site in certain instances. (Kerry Crocco, 2019).

#### Theoretical Framework

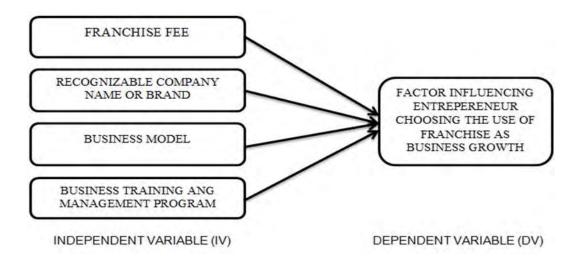


Figure 1: Theoretical framework

#### Hypothesis

H1: There is significant relationship between franchise fee and the choice of franchising as business start-up.

H2: There is significant relationship between business model and the choice of franchising as business start-up.

H3: There is significant relationship between recognizable company name or brand and the choice of franchising as business start-up.

H4: There is significant relationship between business training and management program and the choice of franchising as business start-up.

#### 3. Research Methodology

This study emphasizes on the factor influencing the choice of franchising as business start-up among final year students of retail costs who have taken the subject of franchise and license at University Malaysia Kelantan. An analysis perspective helps the researcher to arrange the questionnaire into the usually sharpened and specific perspectives on how the examination is driven with a clear true aim to keep a focus on the conclusion. (Haryani, 2016). In this study, researchers have used quantitative methods to obtain data on the factors that influence the selection of franchises as a business start-up. Among the factors that affect the franchise fee, business model, recognizable company name or brand and business training and management program. The quantitative method is a technique to change the data from the picture or work to the number, which means that this analysis will be presented in number (Bernand, 2006). The quantitative methods were used by distributing questionnaires to respondents. The target of this research is final year students of retail costs who have taken franchise and license costs. The total number of respondents in this study is 103 people based on the table Krejcie & Morgan (1970). In general, a research population is a large number of individuals or items that is the primary subject of the research investigator's research. (Sekaran & Bougie, 2013). The population is a final year student of retail costs at University Malaysia Kelantan. In addition, in this study, researchers used quantitative methods by distributing questionnaires to respondents. Methods will be analyzed using correlation coefficient. Data will be analyzed using Statistical Package for the Social Science (SPSS) version 26.

Sampling technique used by researchers is purposive sampling. Sampling is the process of drawing conclusions regarding the whole population using a limited number of sections or a large population. Purposive sampling is the systematic collection of informants based on their ability to elucidate a particular subject, idea or phenomenon. This method was chosen by the researcher because to reduce cost, to reduce time required collecting data compared to census, saving time and limited source. Four independent variables are franchise fee, recognizable company name or brand, business model and business training and management program to complete this study, the researcher describes. Then, for the dependent variable is the choice of franchising as business start- up. Then, the researcher uses the nominal scale for the variable calculation to calculate data from the demographic component to collect personal data such as gender or age. The researcher then uses the interval scale to determine the relationships between the independent variable and the dependent variable. The interval scale used by the respondent to calculate a variable from the scale point to the numerous.

#### 4. Finding

The study of a population based on variables such as age, ethnicity, and sex is demographic analysis. Demographic data refers to statistically expressed socio-economic statistics, including employment, schooling, wages, rates of marriage, rates of birth and death and more variables.

Demographic Profile of Respondent

Table 1: Demographic Profile Analysis

Gender		Frequency	Percent	Valid	Cumulative
				percent	percent
	Female	84	81.6	81.6	100.0
	Male	19	18.4	18.4	18.4
	Total	103	100.0	100.0	
	18-24	94	91.3	91.3	91.3
Age	25-39	9	8.7	8.7	100.0
8	Total	103	100.0	100.0	
	Muslim	82	79.6	79.6	79.6
	Buddha	9	8.7	8.7	88.3
Religion	Hindu	11	10.7	10.7	99.0
9	Other	1	1.0	1.0	100.0
	Total	103	100.0	100.0	
	Malay	78	75.7	75.7	75.7
	Chinese	8	7.8	7.8	83.5
Race	Indian	11	10.7	10.7	94.2
	Other	6	5.8	5.8	100.0
	Total	103	100.0	100.0	

Demographic analysis is a method used to gain an understanding of the age, gender identity, occupation, working history, and various statics of a population or the targeted interest group associated with a particular action. The information collected by the respondent in the separate associations were gender, age, religion, and race with the ultimate purpose of this study. As seen in the table above, the questionnaire respondents were mainly Female, 84(84%) with 19 Male (18.4%). The highest number of respondent is found in between 18-24 years old 94% and 25-39 years old 9%. As for the religion 79.6% respondents are Muslim, 8.7% are Buddha, 10.7% are Hindu and 1.0% of respondent are other religion. In highest Race 75.7% of the respondent are Malay which is the highest 10.7% respondent are Indian, 7.8% are Chinese and 5.8% of respondent are other.

#### Reliability Test

Variable	No. of Item	Cronbach's Alpha	Measurement Rule	Ranting
Over all	24	.965	>0.70	Excellent
Franchise fee	5	.904	>0.70	Excellent
Business Model	5	.929	>0.70	Excellent
Brand Name	5	.958	>0.70	Excellent
Training	5	.932	>0.70	Excellent
Choice	4	.912	>0.70	Excellent

Table 2: Normality Test-Reliability Test

Reliability is the degree to which the technique or methods of data accumulation can provide continuity in the discoveries, opinions or conclusions drawn by various observers, or how the crude knowledge was generated is straightforward. The reliability test in this analysis is to determine how accurate the items in the questionnaire are, which is to assist its supported variables. In mostly sociology reviews, reliability estimation lead is set in a perfect world over 0.70 is considered worthy. Structure of the size or greater asserts that with their associated element and a sign that the questionnaire is valid, items in the questionnaire are emphatically defined. The reliability of the test instrument (questionnaire) for this analysis will be the rate of using Cronbach's Alpha after the estimation lead as discussed. Referring to Table 3, the estimation of all factor, franchise fee (0.904), business model (0.929), Brand name (0.958), training (0.932) and the choice of franchising as business start-up (0.912) as shown by the acknowledgement review for the reliability test, they are considered to be acceptable and reliable on the basis of that.

	Mean	Std.
		Deviation
Franchise Fee	4.2874	.61464
Business Model	4.3417	.61652
Brand name	4.4000	.62371
Training	4.4155	.60045
Choice	4.4393	.58939
Valid N (listwise)		

Table 3: Descriptive Statistic

Descriptive test is a method to analyze whether the example data is derived from a traditionally distributed population. There are two techniques, the graphical approach and numerical strategies, for measuring normality. Everything appreciation shows that polls were apart from the satisfactory scope of ordinary dispersion within the satisfactory scope of ordinary dispersion from first variable is franchise fee which is FF1 at 4.15, FF2 at 4.21, FF3 at 4.42, FF4 at 4.37 and FF5 at 4.29. Then, for second variable is business model which is BM1 at 4.38, BM2 at 4.31, BM3 at 4.37, BM4 at 4.38 and BM5 at 4.27. For the next variable is brand name which is BNC1 at 4.41, BNC2 at 4.42, BNC3 at 4.42, BNC4 at 4.38 and BNC5 at 4.38. Then, for the variable training which is BT1 at 4.43, BT2 at 4.50, BT3 at 4.33, and BT4 at 4.42 and BT5 at 4.41. Lastly, for the last variable is the choice influencing which is FR1 at 4.47, FR2 at 4.40, FR3 at 4.47 and FR4 at 4.43. The response was 103 and according to the table 4 of descriptive statistics franchise fee has value of (Mean 4.2874) and (Standard Deviation 0.61464), Business model (Mean 4.3417) and (Standard Deviation 0.61652), brand name (Mean 4.4000) and (Standard Deviation 0.62371), training (Mean 4.4155) and (Standard Deviation 0.60045), the choice of franchising (Mean 4.4393) and (Standard Deviation 0.58939).

#### Correlation

	Correlat	ions				
		Franchise Fee	Busines s Model	Brand name	Training	Choice
Franchis	Pearson	1	.855**	.812**	.799**	.798**
e fee	Correlation		.000	.000	.000	.000
	Sig. (2-tailed) N	103	103	103	103	103
Business	Pearson	.855**	1	.917**	.847**	.859**
Model	Correlation	.000		.000	.000	.000
	Sig. (2-tailed) N	103	103	103	103	103
Brand	Pearson	.812**	.917**	1	.873**	.832**
Name	Correlation	.000	.000		.000	.000
	Sig. (2-tailed) N	103	103	103	103	103
Training	Pearson	.799**	.847**	.873**	1	.859**
	Correlation	.000	.000	.000		.000
	Sig. (2-tailed) N	103	103	103	103	103
Choice	Pearson	.798**	.859**	.832**	.859**	1
	Correlation	.000	.000	.000	.000	
	Sig. (2-tailed) N	103	103	103	103	103

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Table 4: Correlation Analysis

A correlation coefficient is a way to deal with putting a source of inspiration in the relationship. The correlation coefficient of an approximation between -1 and 1.A '0' means that there is no relation between the component, while -1 or 1 indicates that the negative or positive connection is faultless (negative and positive relationship here implies the sort of outline the relationship will deliver) (Hippael, 2010). This study uses Pearson analysis. Pearson's correlation measures the linear relationship between two measured variables. A correlation coefficient is referred to as the number describing the Pearson's correlation. The Pearson's correlation coefficient, the significant value and the number of case which is 103. The index for franchise fee p = 0.798 and p - value =

0.00 which is highly significant. Since 0.798 is relatively close to 0.61 to 1.00, this indicated that both variable are strong correlated (p = 0.798, p < 0.01). Then, the researcher accepted the

hypothesis (H1) and rejected the first null hypothesis (H0). Then, the index for business model p = 0.859 and p - value = 0.000 which is highly significant. Since 0.859 is relatively close to 0.61 to 1.00, this indicated that both variable are strong correlated (p = 0.859, p < 0.01). Then, the researcher accepted the hypothesis (H1) and rejected the first null hypothesis (H0). Next, for recognizable company name or brand, the index is p = 0.832 and p - value = 0.000 which is highly significant. Since 0.832 is relatively close to 0.61 to 1.00, this indicated that both variable are strong correlated (p = 0.832, p < 0.01). Then, the researcher accepted the hypothesis (H1) and rejected the first null hypothesis (H0). Lastly, The index for business training and management program p = 0.859 and p - value = 0.000 which is highly significant. Since 0.859 is relatively close to 0.61 to 1.00, this indicated that both variable are strong correlated (p = 0.859, p < 0.01). Then, the researcher accepted the hypothesis (H1) and rejected the first null hypothesis (H0).

#### Regression

#### **Model Summary**

Mode 1	R	_	3	Std. Error of the Estimate	Durbin- Watson
1	.798ª	.637	.634	.35676	2.201

a. Predictors: (Constant), Franchise fee, business model, Brand name,

#### **Training**

b. Dependent Variable: The choice of franchising as business star-up Table 5: Regression-model summary

Regression Coefficient

#### Coefficients<sup>a</sup>

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta	-	
(Constant)	.453	.203		2.231	.028
Franchise fee	.113	.086	.117	1.306	.195
Business Model	.378	.123	.395	3.079	.003
Brand Name	006	.120	006	048	.962
Training	.427	.096	.435	4.457	.000

a. Dependent Variable: The choice of franchising as business start-up

Table 6: Regression Coefficient

Regression analysis is the method of statistical techniques used to estimate the relationship between a dependent variable and one or more independent variables. The objective of this analysis to identify whether franchise fee, business model, brand name or company and business training and management program has relationship between the choices of franchising as business start-up. Alluding above table with respect to the R square, the r square esteem is 0.637 that show in rate as 36% of the needy variable to gauge for the autonomous factors which are franchise fee, business model, brand name and training. The table has demonstrate that the r square esteem is 0.637 which demonstrates that the model is normal fit model as the esteem is lower than the dependable guideline connected in this exploration which is 0.798 above for a solid match. The Durbin-Watson esteem is 2.201. Standardized coefficient beta is used to determine which independent variable gives the most influence to the dependent variable. The result indicate that, business training and management program is the most influential factor toward the choice of franchising as business start-up with the highest beta value of 0.427 with significant level p <0.05.

#### 5. Discussion of finding

Based on the analysis done by the researcher with correlation coefficient through reliability test, descriptive analysis, correlation analysis and regression analysis found that the An independent variable that significantly affects respondents to select a franchise as the beginning of their company is a business model and a business training and management program that records the same point that is 0.859. This shows that, the selection of franchises as the start of their business is very important in terms of business model of a business as well as training programs offered to individuals who want to start a business as a franchise. This is also possible because a strong and imaginative business model enables the company to thrive in the long term, especially in today's increasingly difficult economy. (Bojan R.Jovanovski, Valentina Gecevska, Rdmil Polenakovik, Dragan Sutevski, Nana stankovska, August, 2015). In addition, for independent variables such as recognizable company name or brand recorded a result of 0.832 while for independent variable franchise fee recorded the lowest result among other variables which is 0.798. This situation indicates that respondents are less motivated by franchise fees and familiar company name or brand to select a franchise as the start of their company. This may be because the franchise fees offered

are so high which respondents react to choosing a franchise as their business. In conclusion, the hypothesis accepted after performing correlation coefficient analysis is the first hypothesis that there is a significant relationship between franchise fee and franchising choice as a start-up company, therefore it was accepted for the second hypothesis that there is a significant relationship between business model and franchising choice as a start-up company and there is a significant relationship between the recognizable company name or brand and the choice of franchising as a business start-up for the next hypothesis that was accepted. Finally, the theory that was agreed is that there is a major connection between the franchising option as a business start-up and the business training and management program. In the meantime, the hypothesis was rejected that there is no significant relationship between franchise fee, business model, recognizable company name or brand name and business training and management program and franchise choice as a start-up.

#### 6. Conclusion

In conclusion, the researcher found that many would-be entrepreneurs strongly agree with the factors that influence the respondents that are the factors that influence the choice to choose a franchise as a business start is such as franchise fee, business model, recognizable company name or brand and business training and management program. After doing a detailed analysis, the researcher found that almost all the respondents strongly agreed with the factors stated by the researcher in the distributed questionnaire.

#### **ACKNOWLEDGE**

The success and outcome of this assignment required a lot of helpful guidance and assistance from many people and friends and researcher feel very fortunate to have got this all along with the completion of assignment work. Whatever, researcher have done is only due to such guidance and assistance and researcher would not forget to thank them. Researcher respect and feeling thankful to subject lecturer, Dr. Nurul Ashykin Binti Abd Aziz for allowing researcher to conduct this assignment work and providing researcher all support and guidance wish make researcher complete the research study on time.

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## CONSUMER'S ATTITUDES TOWARD RECYCLABLE PACKAGING PRODUCTS IN TANAH MERAH KELANTAN

#### Nur Adlin Syuhada Saidi and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email:adlin.a17a0390@siswa.umk.edu.my; mahathir.m@umk.edu.my

#### Abstract:

The main cause of environmental degradation is the ongoing rapid growth in the economy, the trends of consumer consumption and actions worldwide. As the environment continues to deteriorate, developed countries have become a persistent public concern and have recently awakened developing countries to the green movement. To identify the most impacting influence on consumer attitudes towards recyclable packaging goods in this context and also to identify the relationship between environmental concern, demographic role, and government role of independent variables. In this context, 249 respondents were considered for this were selected by using random sampling method and data were collected from by using structured questionnaires. Descriptive analysis, correlation analysis, were used in analysis and key findings are consumer's attitude towards recyclable packaging products in Tanah Merah Kelantan is strong positive. Eventually, it was concluded that consumers in Tanah Merah Kelantan are very concerned about the environment and their community. Therefore, the results of this study contributed to the government's identification of what action should be taken to avoid environmental pollution in Tanah Merah and contributed to manufacturing by identifying what the consumer's reaction would be if their goods were made using environmentally friendly packaging materials.

**Keywords:** consumers attitudes towards recyclable packaging product, environment concern, demographic role, government role.

#### 1.0 INTRODUCTION

This chapter will introduce the concept of the recyclable packaging product and define the term as it will be used in this study so as to differentiate it from other common products. Therefore, the study findings enable to determine what steps should be taken in the state of Kelantan to avoid environmental pollution and contribute to development by identifying what would be the customer response in the case of manufacturing recyclable packaging materials for their goods. As a result, the need for the idea of recyclable packaging is now rapidly spreading among customers and producers. However, the effectiveness of the introduction of a recyclable packaging policy would depend on whether or not customers adopt this type of package.

#### 2.0 LITERATURE REVIEW

#### 2.1 ENVIRONMENT CONCERN

Market demand of goods and services has risen over the past year. Throughout the planet, the scarcity of natural resources and extreme harm to the ecosystem is growing tremendously (Chen & Chai, 2010). The environmental concern of customers is becoming more serious because there are many natural disasters currently occurring. It occurs because of the consumer's attitude toward those who still neglect and really don't think about the environment and pollute the environment in different ways at all times. Industrial companies and more retailers are now becoming more concerned with issues of packaging sustainability. Consumers have also recently opted to make choices and to make better sense of their everyday consumption. According to (Akehurst, Afonso, & Gonçalves, 2012), Green consumers are consumers that are interest to practice and aware about environmental issues in their daily day.

H<sub>0</sub>. There is no significant relationship between environment concern and consumer's attitude towards recycle packaging.

H<sub>1</sub> – There is significant relationship between environment concern and consumer's attitude towards recycle packaging.

#### 2.2 DEMOGRAPHIC ROLE

(Straughan & Roberts, 1999) found that younger individuals were more likely to be more sensitive to environmental concerns based on ecologically aware consumer behaviour. The findings of their analysis showed that demographic variables such as age and sex were strongly associated with ecologically conscious consumer behaviour when viewed individually. Over all ages and incomes excluding schooling, the purpose of green purchases correlates positively (Soonthonsmai, 2001). Several studies have demonstrated substantial differences between men and women in environmental attitudes, with men having more negative environmental attitudes compared with women (Eagly, 1987; Tikka et al., 2000).

H<sub>0</sub>. There is no significant relationship between demographic and consumer's attitude towards recycle packaging.

H<sub>2</sub> – There is significant relationship between demographic and consumer's attitude towards recycle packaging.

#### 2.3 GOVERNMENT ROLE

In order to encourage a sustainable consumption activity among Malaysians, the Malaysian government has promoted various strategies for the continuous consumption and production of appliances. In addition, the government of Malaysia is also committed to social issues. Media exposure to inform and foster the community's understanding of the environment (Haron, Paim, & Yahaya, 2005). Many people have high concern on ecological but they have some sentiment that the government is a prime responsibility in preservation of our environment (Ab Rahim et al., 2012).

H<sub>0</sub>. There is no significant relationship between government role and consumer's attitude towards recycle packaging.

H<sub>3</sub> – There is significant relationship between government role and consumer's attitude towards recycle packaging.

#### 2.4 CONSUMER ATTITUDES

Green marketing has created profitable opportunities for both large and small companies amid consumer willingness to spend more money on personal health and the environment. Recent surveys find that almost 90 percent of consumers are more likely to buy products from companies with the best reputations for social responsibility, when price, quality and services are equal. After profitability, the Investor Responsibility Research Centre listed environmental problems as the third most active shareholder concern in 1995, indicating that environmental problems are not just market issues (Donnely,1995)<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Chen, T. B., & Chai, L. T. (2010). Attitude towards the environment and green products: Consumers' perspective. *Management science and engineering*, 4(2), 27-39.

Straughan, R. D., & Roberts, J. A. (1999). Environmental segmentation alternatives: a look at green consumer behavior in the new millennium. *Journal of consumer marketing*.

Soonthonsmai, V. (2001). Predicting intention and behavior to purchase environmentally sound or green products among Thai consumers: An application of the Theory of Reasoned Action. Nova Southeastern University, Haron, S. A., Paim, L., & Yahaya, N. (2005). Towards sustainable consumption: an examination of environmental knowledge among Malaysians. International Journal of Consumer Studies, 29(5), 426-436.

#### 2.5 CONCEPTUAL FRAMEWORK

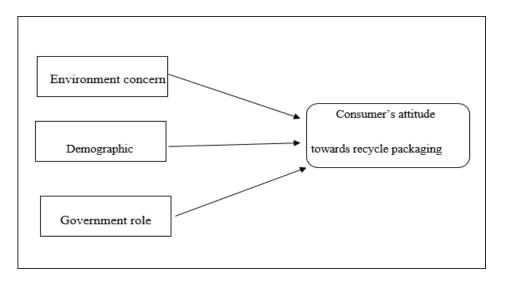


Figure 1 : Conceptual Framework

Figure 1 shows the relationship between independent variables and dependent variable. Based on the figure 1, shows the relationship between environment concern, demographic role and the government role among consumers in Tanah Merah, Kelantan. The main objective of the study is to investigate consumer attitudes towards recyclable packaging products. The importance of this study is also to determine the variables that influenced the consumers while making their evaluation. The independent variables are environment concern, demographic role and government role. The dependent variable is the consumer's attitudes towards recyclable packaging products in Tanah Merah, Kelantan.

#### 3.0 METHODOLOGY

#### 3.1 RESEARCH DESIGN

Based on (Sekaran & Bougie, 2016) mention that a research design is a decision making choice. Research design can also be defined as a system of methods and techniques chosen by a researcher to relatively logically combine different components of research so that the research problem is handled effectively. Quantitative analysis will be used for this research by distributing questionnaires as a guide to the respondents. Quantitative analysis is a method that uses mathematical and statistical modelling, calculation, and testing to explain behaviour. The goal of quantitative analysis is to reflect, in terms of numerical value, a given fact. The objective of this study is to obtain credible evidence of the cause and effect of the research study by the researcher on the relationship between the consumer attitudes toward recyclable packaging.

#### 3.2 DATA COLLECTION

Data collection is how the information are collected about certain study in a systematic way that might be come from primary data or secondary data. Primary data research involves collecting information specifically for the study in hand from the actual sources such as consumers, user/non-users or other entities involved in the research. Secondary data research involves any information from published sources which has been specifically collected for the current research problem. There are two types of method in data collection which are qualitative and quantitative. In this research, the quantitative method being used to collect the data.

To the purpose to collect the data for this study, the researcher has chosen three day to distribute the questionnaire to the respondent which is among consumer at Pantai Timur, PKT and KS Chu in Tanah Merah town in Kelantan. The total respondent is 248 consumer which will be divided into three supermarket which is Pantai Timur, PKT and KS Chu.

#### 3.3 SAMPLE SIZE

The sampling method used in this study was through convenience sampling techniques. As checked by (Taherdoost, 2016), convenient sampling selects participants where they are readily available. The sample groups are select from individual consumer in Tanah Merah town in Kelantan. Researchers create a questionnaire and distribute a questionnaire to the population members who come from individual consumer which based in Tanah Merah town, Kelantan. In this study, 248 sets of questionnaires were distributed to individual users in Pantai Timur Supermarket, PKT Supermarket, KS Chu Supermarket.

#### 3.4 RESEARCH INSTRUMENT

These three sections were constructed based on the study. Section A focused on demographic gender, age, occupation and others. While Section B focus on consumer attitudes toward recyclable packaging product. Section C is about independent variables, namely environment concern, demographic factors and government role. There are five questions formed for each variable in this questionnaire. In the demographics section, the nominal scale is used, and in the other sections that consist of the respondent choosing from scale 1 to scale 5 for each question, the interval scale is used. The scale that have been used is Likert Scale.

#### 3.5 PROCEDURE FOR DATA ANALYSIS

From the data collection and questionnaire, the researcher used statics package for social science (SPSS) version 26. There were three types of data analysis used in this study which is descriptive analysis, reliability test & Spearman's correlation and pilot study used to see the reliability of the study.<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*: John Wiley & Sons.

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# 4.0 RESULTS AND DATA ANALYSIS

### **4.1 DEMOGRAPHIC**

Table 4.1 shows the summary of 249 respondent's demographic background that has been collected by questionnaire in Google Form. There are seven questions were asked such as gender, age, ethnicity, academic qualification, profession, monthly income and status.

Table 4.1 Demographic Profile

Variables	Frequency	Percentage
Gender:		
Male	53	21.4
Female	195	78.6
Age:		
17-22	44	17.7
23-26	51	20.6
27-32	113	45.6
32 and above	40	16.1
Ethnicity:		
Malay	225	90.7
Chinese	22	8.9
India	1	4
Academic Qualification:		
Pmr	8	3.2
Spm	16	6.5
Stpm	19	7.7
Undergraduate	171	69
Postgraduate	34	13.7
Profession:		
Student	72	29
Employed	170	68.5
Unemployed	6	2.4
Monthly Income:		
Below RM 1000	63	25.1
RM 1000-RM 2999	20	8.1
RM 3000-RM 4999	120	48.4
RM 5000 and above	45	18.1
Status:		
Single	79	31.9
Married	162	65.3
Divorce	7	2.8

The demographic used in this research is 249 respondents, and result are all summarized. Among 249 respondents, the majority show females with a frequency of 195 (78.6%) and males with 53 (21.4%). The highest number of the respondents' age is from the generation between 27-32 years old that is 113 (45.6%). The majority ethnicity was Malay with a frequency of 249 respondents that is 225 (90.7%) and the most percentage of respondent's academic qualification with the frequency of 249 respondents is undergraduate, which is 171 (69%). The majority profession is employed that is 170 (68.5%) and the majority result for the monthly income is RM 3000 – RM 4999 that is 120 (48.4%). The most percentage of respondent's marital status is married respondents there were 162 respondents (65.3%).

### **4.2 DESCRIPTIVE STATISTICS**

Table 4.21 Mean and Standard Deviation

Items	N	Mean	Std. Deviation	Level
Consumer attitudes toward recyclable packaging product	248	4.2353	.83784	High
Environment concern	248	4.1727	.87707	High
Demographic role	248	4.1606	.85547	High
Government role	248	4.2281	.82110	High

Table 4.21 shows the descriptive statistics of consumer attitudes toward recyclable packaging product, environment concern, demographic role, and government role. Descriptive statistics refer to a set of data summarizing the sample data. According to the table, consumer attitude toward recyclable packaging product has the highest mean of 4.2353 and followed by government role and environment concern which are 4.2281 and 4.1727 respectively. Demographic role had the lowest mean which are 4.1606.

### 4.3 RELIABILITY TEST

Table 4.3.1 Reliability Test

CONSTRUCT	CRONBACH'S	NO
	ALPA	ITEM
Consumer's attitudes toward recyclable packaging product	.941	5
Environment Concern	.929	5
Demographic role	.931	5
Government role	.920	5

The table shows reliability analysis for consumer attitudes toward recyclable packaging product. Cronbach's alpha coefficient shows the value of 0.9.41 and based on the rules of thumb about Cronbach's Alpha Coefficient, the value of 0.941 is excellent. For the reliability analysis for environmental concern the alpha coefficient of Cronbach exhibits a value of 0.929. Next, shows reliability analysis for demographic profile. The value of 0.931 is shown by the Cronbach alpha coefficient and lastly shows reliability analysis for government role. Cronbach's alpha coefficient shows the value of 0.920. Thus, this questionnaire is excellent accurate and can be used to research.

#### 4.4 CORRELATION

According to (Yadav, 2018) Spearman's correlation coefficient was the statistical measure of the strength of a monotonic (increasing/decreasing) relationship between independent variables with the dependent variables. Besides spearman's was used to test if the hypothesis can be accepted or rejected. There are one main dependent variables; consumer attitudes toward recyclable packaging product while three independent variables namely environment concern, demographic role and government role (Schober, Boer, & Schwarte, 2018).

Demographic Government Environment Concern role Role Consumers Spearman's 0.7240.732 0.678 Correlation Attitudes toward recyclable Sig.(2tailed) .000 .000 .000 packaging product

Table 4.4.1 Spearman's Correlation

Table 4.4.1 shows the Spearman's Correlation Analysis (two-tailed) that have been used to examine that whether the independent variable which is environment concern, demographic role and government role is statistically significant with dependent variable which is the consumer attitudes toward recyclable packaging product.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> Yadav, S. (2018). Correlation analysis in biological studies. *Journal of the Practice of Cardiovascular Sciences*, 4(2), 116.

Schober, P., Boer, C., & Schwarte, L. A. (2018). Correlation coefficients: appropriate use and interpretation. *Anesthesia & Analgesia*, 126(5), 1763-1768.

## 5.0 DISCUSSION

#### 5.1 ENVIRONMENT CONCERN

The table 4.3.1 shows that the value of Spearman's Correlation (r) is 0.724 which indicates as good positive correlation. Therefore, it can be concluded that environment concern had significant relationship between consumer attitudes toward recyclable packaging product among residence at Tanah Merah Kelantan. Hence, null hypothesis was rejected after Spearman's correlation analysis was conducted and it means that this study (H1) is accepted. (Kodituwakku & Kanagasabai, 2015); (Chen & Chai, 2010) also identified the above results in their study. Among the positive correlated variables, highest correlation shown in environmental concern.

#### 5.2 DEMOGRAPHIC ROLE

The table of 4.3.1 demographic role shows that the value of Spearman's Correlation (r) is 0.732 which mean as good positive correlation. Consequently, it can be determined that demographic role had a good relationship of consumers attitudes toward recyclable packaging product. Hence, null hypothesis was rejected after Spearman's correlation analysis was conducted and it means that this study (H2) is accepted. Based on previous study demographic factor showed moderate positive correlation with the consumer's attitude towards green packaging.

#### **5.3 GOVERNMENT ROLE**

The table of government role (4.23) shows that the Spearman Correlation (r) value is 0.678, which is a strong positive correlation. It can therefore be concluded that the role of the government was to relate consumer attitudes towards recyclable packaging products to Tanah Merah Kelantan's residence. Hence, null hypothesis was rejected after Spearman's correlation analysis was conducted and it means that this study (H3) is accepted. (Ansar, 2013),(Ibok & Etuk, 2014) (Tanner & Wölfing Kast, 2003) also identified government role is the second highest, effecting factor on consumer's attitude towards green packaging. <sup>4</sup>

<sup>&</sup>lt;sup>4</sup> Kodituwakku, D., & Kanagasabai, K. (2015). Green marketing concept and consumer purchasing intention with special reference to consumer goods. Paper presented at the Annual Research Symposium, University of Colombo, October, 2015

Chen, T. B., & Chai, L. T. (2010). Attitude towards the environment and green products: Consumers' perspective. *Management science and engineering*, 4(2), 27-39

Ansar, N. (2013). Impact of green marketing on consumer purchase intention. *Mediterranean Journal of Social Sciences*, 4(11), 650-650.

Ibok, N. I., & Etuk, S. G. (2014). Socio-economic and demographic determinants of green consumption. *International Journal of Managerial Studies and Research*, 2(9), 47-56.

Tanner, C., & Wölfing Kast, S. (2003). Promoting sustainable consumption: Determinants of green purchases by Swiss consumers. *Psychology & Marketing*, 20(10), 883-902.

#### 5.4 HYPOTHESIS TESTING

Table 5.4.1 : Summary of Hypotheses Testing

Hypothesis	Spearman 's Correlation	Result
<ul> <li>H<sub>0</sub>. There is no significant relationship between environment concern and consumer's attitude towards recycle packaging.</li> <li>H<sub>1</sub>. There is significant relationship between environment concern and consumer's attitude towards recycle packaging.</li> </ul>	0.724	H <sub>1</sub> accepted
$H_0$ . There is no significant relationship between demographic and consumer's attitude towards recycle packaging. $H_2$ . There is significant relationship between demographic and consumer's attitude towards recycle packaging.	0.732	H <sub>2</sub> accepted
H <sub>0</sub> -There is no significant relationship between government role and consumer's attitude towards recycle packaging.  H <sub>3</sub> -There is significant relationship between government role and consumer's attitude towards recycle packaging.	0.678	H <sub>3</sub> accepted

#### 6.0 DISCUSSION & RECOMMENDATION

The main objective of this study is to identify the relationship between environment concern, demographic role, and government role among residence of Tanah Merah town in Kelantan. Based on findings in chapter 4, researcher agreed environment concern, demographic profile and government role had the relationship of recyclable packaging product in the residence of Tanah Merah town.

According to the analysed data, all the independent variables positively correlated with dependent variable. There are three objectives of this research. First, relationship between environment concern and consumer attitudes toward recyclable packaging product. Second, relationship between demographic role and consumer attitudes toward recyclable packaging product Third, there is relationship between government role and consumer attitudes toward recyclable packaging product.

The researcher strongly recommends that the idea of recycled packaging should be promoted in Tanah Merah Kelantan through advertising, leaflets and posters. Researcher suggests that manufacturers turn their conventional packaged approach into green packaged, resulting in more sales.

Producers must be more concerned with the consistency of the product and the longevity of the product. Since it has been heavily focused on by customers. Tax relief and loan facilities should be provided to manufacturers who wish to turn their conventional packaging strategy into a green packaging strategy. Consumers should be informed regarding the proper form of

recycling, the value of recycling, the harmfulness of packages that are unfriendly to the environment, and diseases that can be caused by contaminated environments.

It is necessary to establish and enforce strategies and policies in relation to green goods in order to lead and support retailers and customers towards a green transition. Businesses should concentrate on generating a green product that has a general public demand that also aligns with the organization's core positioning.

### 7.0 OVERALL CONCLUSION OF THE STUDY

This study is focus on the consumer attitudes toward recyclable packaging products among residence in Tanah Merah, Kelantan. From the analysis of the entire variable, it has been satisfied the minimum requirement of reliability since all the Cronbach's Alpha coefficients shows greater than 0.6 which is all the independent variable (environment concern, demographic role, government role) had the significant relationship to the dependent variable (consumer attitudes toward recyclable packaging product). Regarding the result it is found out that all independent variables has significant relationship to consumer attitudes toward recyclable packaging products. Hence, researcher finally concludes that consumer's in Tanah Merah are concern about their environment very intensively. Furthermore, researcher finally concludes that improving environment concern is more appropriate to increase consumer's attitude towards recyclable packaging products.

#### **ACKNOWLEDGEMENT**

In the name of Allah, the most benevolent and merciful. All praises be for Allah for giving the opportunity, patience and guidance in completing this Project Paper as a partial fulfilment of Bachelor of Entrepreneurship (Retailing) with Honours. For this I would like to express my greatest appreciation to En. Mahathir B Muhammad, my project supervisor and also the lectures of the Faculty of Entrepreneurship and Business (Retailing) for their guidance and advises throughout the preparation of this Project Paper. Deepest gratitude to my mom and dad who constantly pray for my success and supporting me since the day I was born and also very thanks to my brother and sisters for their support. Last but not least, to all my friends, thanks for your help and support. Thanks a lot and may Allah bless you all.

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# RETAIL'S STRATEGYS TO SUSTAIN THE SMALL BUSINESS DURING THE PANDEMIC AMONG RETAILER IN REMBAU, NEGERI SEMBILAN

### Nur Atiffah Binti Rosli and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: atiffah.a17a0418@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

The primary objective of this study is to examine the retail's strategy to sustain the small business during the pandemic among retailer in Rembau, Negeri Sembilan. The objective of this study is to identify the relationship between business knowledge and sustain the small business, relationship development and sustain the small business and financial and sustain the small business. The scope of study only focuses to small business in Rembau, Negeri Sembilan. The study was using the descriptive statistics, reliability analysis and Pearson Correlation. For this study, the cross-sectional study will use convenience sampling as 167 data collected in Rembau. This data was been analysis using the Statistical Package for the Science Social (SPSS). The correlation coefficient for business knowledge and sustain the business is 0.677 and strength of correlation between business knowledge and sustain the business is moderate positive correlation. The p value is .000, which is lower than 0.01. and there is significant moderate correlation relationship between business knowledge and sustain the business. Other than that, the correlation for relationship development and sustain the business is 0.699 and strength of correlation between relationship developments and sustain the business is moderate positive correlation. The p value is .000, which is lower than 0.01. and there is significant moderate correlation relationship between relationship developments and sustain the business. For the financial, the correlation coefficients are 0.735 and strength of correlation between financial and sustain the small business also moderate positive correlation. Other than that, the p value is .000, which is lower than 0.01 and also there is significant moderate correlation relationship between financial and sustain the business. As conclusion, strategy of financial the most factor that effect the strategy of sustain the business.

Keywords: Business Knowledge, Relationship Development, Financial and Sustain the Small Business

#### 1.0 INTRODUCTION

Small business is the privately owned corporation, partnership or sole proprietorship that has fewer employees and/or less annual revenues than a regular sized business or corporation. Businesses are defined as "small" in terms of being able to apply for government support and qualify for preferential tax policy varies depending on the country and industry, small businesses

can also be classified according to other methods, such as annual revenues, shipments, sales, assets, or by annual gross or net revenue or net profits, the number of employees is one of the most widely used measures.

It is important for a small business owner to recognize when the complex nature of the organization extends beyond their capability, and relevant external expertise is needed (Keating, Geiger, & McLoughlin, 2013). Chrisman, McMullan, Ring, and Holt (2012) stated that limitations exist for all business owners, despite education, knowledge, or experience; hence, the need to access external assistance when evaluating new ideas or strategies

The objective of this study is to examine the relationship between business knowledge, relationship development and financial toward sustain the small business. Furthermore, this study to identify the most significant factor that influence sustain the small business.

### 1.1 Significant of Study

This study contributes to examine the retail strategy to sustain the small business during pandemic among retailer in Rembau, Negeri Sembilan. There a lot of retail shop in Rembau was growth follow the trend. This study will be benefit to new retail to start the business in Rembau also can benefit to student and future researcher who like to carry out the research and retailer who considered improving their business.

#### 2.0 LITERATURE REVIEW

### 2.2.1Business Knowledge

Business knowledge is referring a business owner's extensive reservoir of understanding on customers' needs and preferences, business environments and their dynamics, staff skills, experiences and potentials, and the business' overall foreseeable direction. When effectively gathering and utilizing business knowledge, a continued and optimal business growth, as well as more opportunities for financial success, may be ensured. Some factors that could contribute to small business failures are inadequate planning, lack of strategy, and poor implementation (Phillip, 2011). Risk management and poor decision-making by management are key factors that can lead to increased business failures (Phillip, 2011). Keating et al. (2013) also concluded that small business owners must recognize when their organization's ability to sustain without his or her capacity requires bringing in external expertise.

H1: Business knowledge has a positive significant on sustain the business

### 2.2.2 Relationship Development

Relationship building skills are essential to the sustainability of small business. Building relationships with customers is important, and building internal relationships with employees is essential. The importance of building relationships in the sustainability of their business without networking and building a positive relationship with our community, we would have closed our doors years ago. Establishing trust with customers, suppliers, vendors, employees, and other industry professionals is one key component of building a sustainable small business (de Klerk & Saayman, 2012). The overall statements made by participants align well with the research of de Klerk and Saayman. The authors mentioned that no relationship can be ignored and that all have to be cultivated in order for businesses to be successful. Networking has taken an enhanced view with the presence of social media. They noted that community based relationships are key, but using social media enables them to enhance business knowledge, vendor outreach, alternative funding sources, and general support on a global scale. Though this global reach is inspiring and free, therefore cost effective, it cannot replace the power of handshake relationships at the local level.

H2: Relationship development has a positive significant on sustain the business

#### 2.2.3 Financial

Financial is a broad term that describes activities associated with banking, leverage or debt, credit, capital markets, money, and investments. Basically, finance represents money management and the process of acquiring needed funds. Financial management is strategies as a key component of building a sustainable business. They each continued that they wish they had been better prepared regarding financial management strategies and encouraged any small business owner to gain additional knowledge first but to also surround themselves with key expertise in all things financial. Many of my fellow small business owners have gone under because of cash flow issues.

H3: Financial has a positive significant on sustain the business.

### 2.3 Research Hypothesis

Hypothesis 1: There is significant relationship between business knowledge and sustain the business

Hypothesis 2: There is significant relationship between the relationship developments and sustain the business

Hypothesis 3: There is significant relationship between financial and sustain the business

### 2.4 Conceptual Framework

Figure 1 show the conceptual framework for this study. This research model is to study the significant of retail strategy to sustain the small business.

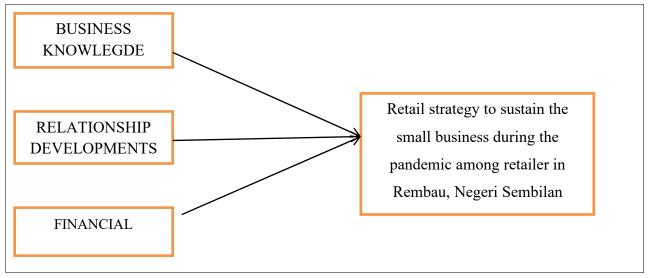


Figure 1: Research Model

#### 3.0 RESEARCH METHODOLOGY

#### 3.1 Research Design

This study was used the quantitative method that questionnaire was distributed to 167 small retailer. Furthermore, research design may help researcher in carry out research objective. The research design is the plan or strategy researchers use to answer the research question which is underpinned by philosophy, methodology and method (Ylona Chun Tie, 2019). Research will used cross-sectional study in this study since the data will gathered at single moment in time.

#### 3.1 Measurement Development

Research instrument is the method how the data will be collected. The instrument that use in this research is questionnaire. According to Beckman (2017), questionnaire is a prepared set of questions to which respondents record the answers. Questionnaire is one of the methods to collect the data for the study (Derrick, 2016).

## 3.2 Sample Size

The important steeplechases to be exceeded, one must obtain an approximation of one or more error variances and stipulate an effect size of important. There is the temptation to take some

shortcuts. According to Krejcie & Morgan (1970) table, the total 162 sets of questionnaires have been distributed to the target respondents. This is due to the total amount of the owner of small business 288 shops

#### 3.3 Data Collection

Data was being collected using the online platform like Google Form. For this study, a convenience sample will be used by research due to the target respondent of this research study is the owner of the small business during the pandemic in Rembau. Finally, 167 respondents were answer the questionnaire and it used for analysis data.

### 3.4 Data Analysis

The collected data was analyzed by using Statistical Package for the Social Sciences (SPSS). SPSS is a programming language for conducting statistical analyze. There are types of data analysis used like frequency analysis, descriptive analysis, reliability analysis, Pearson Correlation analysis.

#### 4.0 FINDINGS

### 4.1 Demographic Profile of Respondent

Socio-demographics are nothing more than characteristics of a population. Generally, characteristics such as age, gender, ethnicity, education level, marital status are being considered as socio-demographics and are being asked in all kinds of surveys.

#### 4.1.1 Gender

Table 1: Frequency for Gender

Gender	Frequency	Percentage (%)
Male	77	46.1
Female	90	53.9
Total	167	100

Table 1 shows, out of 167 respondents, 77 male (46.10%) and 90 (53.90%) female respondents were involved in answering this questionnaire. Majority respondent are female and it can be conclude that the population of female who has business is more than male.

### 4.1.2 Age

Table 2: Frequency for Age

Age	Frequency	Percentage (%)
Below 30 year old	78	46.7%
31-40 year old	46	27.5%
41-50 year old	34	20.4%
Above 50 year old	9	5.4%
Total	167	100

Table 2 shows 2 consist of 4 categories of age which is 78 (46.70%) of respondent are categories in below 30 year old. For the 32-40 year old, the frequency for that is 46 (27.50) and followed by 41-50 and above 50 year old with 34 (20.40%) and 9 (5.40%) respectively. The majority respondent are from age the below 30 year old and the least respondents are from the age group of above 50 year old. The group of below 30 year old are mostly has a business in Rembau, Negeri Sembilan.

#### **4.1.3 Ethics**

Table 3: Frequency for Ethics

Ethics	Frequency	Percentage (%)
Malay	98	58.7
Chinese	43	25.7
Indian	25	15
Other	1	0.6
Total	167	100

Table 3 shows, Malay was the majority of the respondent with 98 (58.70%), Chinese with 43 (25.70%) also followed by Indian and other 25 (15%) and 1 (0.60%) respectively. It can be conclude that Malay are the most respondents other that ethics. This is because the Malay owners are the majority compare to other ethics in Rembau, Negeri Sembilan.

#### 4.1.4 Marital Status

Table 4: Frequency for Marital Status

Marital Status	Frequency	Percentage (%)
Single	79	47.6
Married	85	50.6
Divorced	3	1.8
Total	167	100

Based on table .4, the most respondent is married with 85 (50.6%) and the number of single is 79 (47.6%) and the least of respondent is divorced with 3 (1.8%). It can be conclude that married is the most owner business in Rembau, Negeri Sembilan

#### 4.1.5 Education Level

Table 5: Frequency for Education Level

Education Level	Frequency	Percentage (%)
SPM	59	35.3
Diploma	42	25.1
Bachelor Degree	48	28.7
Other	18	10.8
Total	167	100

Based on table 5, there have 4 type of education level which is SPM, Diploma, Bachelor Degree and Other. For the number of SPM is 59 (35.30%), for the diploma is 42 (25.1%) followed by bachelor degree with 48 (28.7%) and the least of the respondent is other with 18 (10.8%)

### 4.2 Pearson Correlation Analysis

Pearson Correlations Analysis is a test which used to measure the relationship between the variables. The purpose of using Person Correlation Analysis is to test whether the correlation is statistically significant or not and to identify the hypothesis should be accepted or rejected.

### 4.2.1 Business Knowledge

Table 6: Correlation Coefficient for Business Knowledge and Sustain the Business

		Sustain the Business
Business Knowledge	Pearson Correlation Sig. (2-tailed)	.677**
	N	.000

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient for business knowledge and sustain the business is .677 and strength of correlation between business knowledge and sustain the business is moderate positive correlation. Other than that, the p value is .000, which is lower than 0.01. Therefore, there is significant moderate correlation relationship between business knowledge and sustain the business.

#### 4.2.2 Relationship Development

Table 7: Correlation Coefficient for Relationship Developments and Sustain the Business

		Sustain the Business
Relationship Developments	Pearson Correlation	.699**
-	Sig. (2-tailed)	.000
	N	167

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient for relationship development and sustain the business is .699 and strength of correlation between relationship development and sustain the business is moderate positive correlation. Other than that, the p value is .000, which is lower than 0.01. Therefore, there is significant moderate correlation relationship between relationship development and sustain the business.

#### 4.2.3 Financial

Table 8: Correlation Coefficient for Financial and Sustain the Business

		Sustain the Business
Financial	Pearson Correlation	.735**
	Sig. (2-tailed)	.000
	N	167

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient for relationship development and sustain the business is .735 and strength of correlation between financial and sustain the business is moderate positive correlation. Other than that, the p value is .000, which is lower than 0.01. Therefore, there is significant moderate correlation relationship between financial and sustain the business.

## 4.3 Hypothesis Testing

This research assessed the retail strategy to sustain the small business during the pandemic by using Pearson Correlation Analysis. It can determine the business knowledge, relationship development and financial to sustain the small business.

#### 5.0 CONCLUSION

### 5.1 Business Knowledge

Based on the result, business knowledge has a moderate positive significant relationship with sustain the small business (0.677). When effectively gathering and utilizing business knowledge, a continued and optimal business growth, as well as more opportunities for financial success, may be ensured. Some factors that could contribute to small business failures are inadequate planning, lack of strategy, and poor implementation (Phillip, 2011). Keating et al. (2013) also concluded that small business owners must recognize when their organization's ability to sustain without his or her capacity requires bringing in external expertise. Management education and experience were referred to by Chinomona (2013) as being a component that small business owners must possess when seeking to build a sustainable operation.

### **5.2 Relationship Development**

According the result shown, the correlation coefficient for relationship development and sustain the business is .735 and strength of correlation between financial and sustain the business is moderate positive correlation. Establishing trust with customers, suppliers, vendors, employees, and other industry professionals is one key component of building a sustainable small business (de Klerk & Saayman, 2012). The overall statements made by participants align well with the research of de Klerk and Saayman. The authors mentioned that no relationship can be ignored and that all have to be cultivated in order for businesses to be successful. Networking has taken an enhanced view with the presence of social media. They noted that community based relationships are key, but using social media enables them to enhance business knowledge, vendor outreach, alternative funding sources, and general support on a global scale. Though this global reach is inspiring and free, therefore cost effective, it cannot replace the power of handshake

relationships at the local level.

#### 5.3 Financial

The value of Pearson correlation for the financial is .0735 and strength of correlation between financial and sustains the business is moderate positive correlation. Many of my fellow small business owners have gone under because of cash flow issues. They were making money but the inability to manage actual cash flow caused them to go under "Many startups are grossly underfunded. After tapping friends and relatives, maxing out credit cards, nothing is left to turn that last corner in business. Often it has made the difference between success and failure. Small business owners' ability to manage the finances is well served by building key relationships with bankers, funding agents, vendors, and employees. They need to tap the resources of various expertise's in a cost effective manner, but must also continually enhance their own personal knowledge about finance.

#### 5.4 Recommendation

The research does a study of retail strategy to sustain the small business during the pandemic among retailer in Rembau, Negeri Sembilan. Based on the result, few recommendations are suggested to enhance tourist to revisit there. From this study, the researchers found that business knowledge is very important to maintain business but two other variables namely relationship and

finance are also important in maintaining business. During this epidemic most businesses experience concerns about their business which will experience a decline in income. The suggestion is that owners should do business online to support their business like restaurants; they should improve their business like doing delivery or should join foodpanda. For the future research must include more variable to get results will be more reliable.

#### 5.5 Limitations

Limitations of this study makes the problem cannot be solved. In this research, the researchers limited the sample size only to the business owner. Therefore, future researchers can conduct research in Rembau. The larger the sample size of respondents, the results would be more reliable. First, the limitations of this study are that the respondents did not fully understand the contents of this study. Respondents usually misunderstood the purpose of the questionnaire. A large number of respondents need guidance to answer the questionnaire. With this method, the researcher was not able to identify the truth of the respondents while answering the questionnaire. The respondents answered questions in different ways based on their understanding. Then, there will be the result of bias and subjectivity may not be known.

#### 5.6 Conclusion

Today, small business was growth faster from time to time. It can be a first sector in industry retailer. The cross-sectional study was using for business knowledge, relationship development and the financial and the significantly affect toward to sustain the small business among retailer in Rembau. All the hypotheses was supported and accepted. From the finding, the financial is the most retail strategy to sustain the small business among retailer in Rembau. With a stable financial presence in a small business can help the business continue to grow over time. In addition, small

businesses should continue to follow the latest trends to improve their business.

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# THE E-SERVICE QUALITY FACTOR INFLUENCE ON CONSUMER LOYALTY: A STUDY ON SHOPEE PLATFORM

Nur Athirah Syazwani Aziz and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: athirah@gmail.com; izyan.md@umk.edu.my

#### **Abstract:**

The growing love of online shopping among Malaysian have been proven with increasing numbers of online shopping application trying to penetrate the Malaysia market such as Shopee, Lazada, 11Street, Lelong, and Zalora. Due to the fierce competition between the online shopping platform, consumer tend to choose the platform that are friendly user and less complicated. In another words, the electronic service quality provided by the platform now will determine the engagement with their virtual consumer such as customer loyalty. Here, the report that a combination of five variable which is in independent variable we have e-service quality (Ease of use, reliability, responsiveness and security and for dependent variables we have customer loyalty. This study used Statistical Package for Social Science (SPSS) to analysed the data and derived the descriptive analysis, reliability. Spearman's Correlation and Multiple Linear Regression used in this research to test the hypotheses and to determine the significance of the relationship between independent variables and dependent variable. The result shows that ease of use, reliability, responsiveness and security have a significant influence on customer loyalty. This study fulfils the lacks of study on the relationship between E-service Quality and loyalty for online shopping consumer. However, the study suggest a number of future research possibilities including another dimensions of E-service quality especially E-learning content that slowly growing along with technology.

**Keywords**: ConsumerLoyalty Towards Online Shopping Platform, Ease of Use, Reliability, Responsiveness, Security.

#### 1 INTRODUCTION

Electronic service, short as e-service is a general terms that refers to services over the information – communication technologies (Terezia Kvasnicova, 2016). This terms also also used in different name in the different situations for example, e-commerce, e-banking, e- government and e-learning. Both service providers and customers are benefited using e-service (Ramakrishnan Ramanathan, 2016). While e-service quality means by Santos (2003) is the degree to which customers' expectations are fulfilled by the online service provider. There is many example of e-service quality for example fulfilment, efficiency, assurance, empathy, information available, process quality, website design, system availability, recovery and aesthetic however in this study only four were use which is ease of use, reliability, responsiveness and security. The study will measure e-service quality in online shopping platform. The chosen platform is Shopee application, where nowadays these online shopping platform Shopee have been one of the most popular website and application throughout the SEA country including Malaysia (Magazine, 2019). Beside that, the study also want to determine whether E-service quality affecting consumer's loyalty in online shopping platform. Online shopping is a form of activity which allows consumers to directly buy goods or services from a seller over the Internet using a web browser such Google and applications (News, 2020).

This study will be investigating the e-service quality factors that influence consumer loyalty towards online shopping among students. Specifically, the objectives of this study are:

- I. To investigate does e-service quality in aspect of "ease of used" has an influence on consumer loyalty in online shopping platform.
- II. To analyze whether e-service quality in aspect of reliability has an impact on consumer loyalty towards the online shopping platform.
- III. To measuring does the e-service quality in aspect of responsiveness would influence the consumer loyalty in online shopping platform.
- IV. To identify whether e-service quality in aspect of it security would influence the consumer loyalty in online shopping platform.
- V. To find out the which e-service quality factor (ease of use, reliability, responsiveness, and security) that have the most influence on consumer loyalty in online shopping platform.

The scope of a study explains the extent to which the research area will be explored in the work and specifies the parameters within the study will be operating. Similarly, it also have to define what the study is not going to cover. This will come under the limitations. Generally, the scope of a research paper is followed by its limitations. The study will investigate the influence of e-service quality and trust on customer loyalty by using Shopee as online shopping platform as a sample. The respondent is among UMK's FKP undergraduate student in their final year. The data will be collected via online questionnaire.

### 2 LITERATURE REVIEW

#### 2.1 Ease of Use

The terms ease of use is used to mean a concept where it describes how easily users can use a product to achieve effectiveness, satisfaction, and efficiency in it context of use (ISO, 1998). Ease of use were describes as how easily users can use a product. In short users must be able to tap and find within 3 seconds of accessing the interface and also aim to optimize ease of use while offering maximum functionality and respecting business limitations. Also, numerous studies by (William H.Delone, 1992); (Torkzadeh, 1988); (Manuel J. Sánchez-Franco, 2005); (Rong-An Shang, 2005); (Zhilin Yang, 2005) have identified various factors of ease of use, such as website structure, user interface, and ease of navigation. According to Chien-Chung Tu (2012) ease of use perception related features in online platform are important to increase consumer's loyalty.

H1: There is significant relationship between ease of use and consumer loyalty in online shopping platform.

### 2.2 Reliability

The Reliability means the correctness of order fulfillment, prompt delivery, and billing accuracy (Yang, 2001) In case of e-service quality, it has no less importance. According to studies made by Iddrisu (2015) have found that reliability has significant impact on consumer loyalty which indicated that a percentage increase in the variable (reliability) will lead to 28.01% increase in consumer's loyalty.

H2: There is significant relationship between reliability and consumer loyalty in online shopping platform.

### 2.3 Responsiveness

Responsiveness is the willingness to help customers and provide prompt service (Trade, 2014) This dimension emphasizes attentiveness and promptness in dealing with customer's requests, questions, complaints and problems. Responsiveness is communicated to customers by length of time they have to wait for assistance, answers to questions or attention to problems (UKEssays, 2018). Parasuraman (1985) have stated that responsiveness also captures the notion of flexibility and ability to customize the service to customer needs. Other words, responsiveness is one of the e-quality service dimensions that may or will lead gaining loyalty of the consumer.

H3: There is significant relationship between responsiveness and consumer loyalty in online shopping platform.

### 2.4 Security

Terms of security generally means a measure that taken to ensure a place were protect and people only can enter and leave with permission give (Dictionary C.) The terms also means how the service provider or applications assure each of transaction made by customer are totally safe and secured (2011). It is indeed one of the most critical customer concerns cause for example for the customers believe the site is safe to use and that personal information is protected (Valarie A. Zeithaml A. P., 2002). Hamed Taherdoost (2017), defined security as customer's confidence in the safety of the site from intrusion and protection of privacy and stated that it is one of the Web-based service quality attribute.

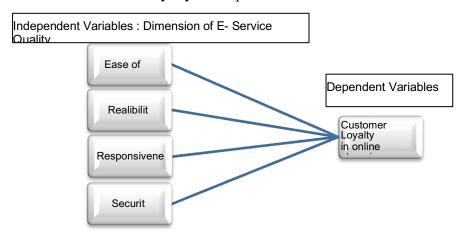
H4: There is significant relationship between security and consumer loyalty in online shopping platform.

### 2.5 Consumer Loyalty in Online Shopping Platform

Consumer's loyalty is a term with relevant relevance in terms of literature, given the belief that it contributes to the creation of sustainable competitive advantage and consequent profitability for companies, through the act of buying or communicating with a recommendation about it before others (Mustafa Rehman Khan, 2018). While online shopping, also known as e-shopping or Internet shopping, refers to the channel through which consumers can do their shopping activities over the Internet (Hsiao, 2016). According to Astuti (2013) consumer's loyalty within online platform is emerged from experience means if the consumer have good experience using the website there is possibility the consumer will be loyal to the online platform.

### 2.6 Conceptual Framework

The figure 2.2 below shows the theoretical framework of e-service quality factor as independent variables that influence customer loyalty the dependent variables.



**Figure 1:** Theoretical Framework of e-service quality influence on customer loyalty in online shopping platform.

### 3 RESEARCH METHODOLOGY

The Research design is systematic framework for collecting and analysing data. Exploratory, descriptive and cause are the three basic types of research design (Kent, 2007). This study use descriptive design. Descriptive research design is a procedure of collecting raw data and creates data structures that describe the existing characteristics of a defined target group.

According to Eric descriptive research design is appropriate for researches that aim to determine the degree of relationship among different variables whereby the purpose of it (2009). Through this study we will try to find out the answer of a specific research question that attempts to explain the relationship between consumer loyalty and selected dimensions of e-service quality of Shopee among undergraduate student of University of Malaysia Kelantan in Pengkalan Chepa.

The Information sources are divided into primary and secondary types. Primary data come from the original sources and are collected specially to answer our research question. Studies by others for their own purposes represent secondary data. This study is mostly using a secondary data which comes from books and media sources.

Next is survey, where the quantitative research collects data through formalized question and predetermined response options in the questionnaires which is administered to a large number of respondents this study are using questionnaires to utilize to collect data via the internet survey (Eric Shiu, 2009). The questions are displayed on website, and then respondents will provide an answer by choosing the option or clicking the icon.

For this study, non-probability voluntary response sampling technique is chosen. Instead of contacting the respondent, the student volunteers themselves to answer the questions (McCombes, 2020). About 248 respondent based on Morgan table to determine the sample size for this studies because the studies population is total of 733 final year student based on Morgan Table.

The questionnaire contain Section A, and B. After the information had gathered from respondents, the researcher started to collect and analyse the questionnaires. The respond of respondents were changed into numerical values before enter the data in the spread sheet. Statistics Package for the Social Science (SPSS) was choose and applied to collect and analysed the gathered information.

### 4 RESEARCH FINDINGS

### 4.1 Descriptive Analysis

Table 1 shows that the summary of 248 respondent demographic profile that has been collected through Google Form. The data analysis will focus on analysing factor influence E- service quality (ease of use, reliability, responsiveness and security) on consumer loyalty.

Table 1: Respondent Profile

Variable		Frequency	Percent (%)
Gender	Male	29	11.7
	Female	219	88.3
Total		248	100%
Age	21-22	70	28.2
	23-24	174	70.2
	25+	4	1.6
Total		248	100%
Ethnics Groups	Malay	187	75.4
	Indian	14	5.6
	Chinese	46	18.5
	Others	1	0.4
Total	1	248	100%

It can be concluded that most of the respondent is a female (88.3%) and less than are from male (11.7%) population with the differences of 77% between the two genders. About 70% majority respondent are at the age of 23 to 24 while the age of 21 to 22 consist of 28.2% respondent and the least is age of 25 and above that only have 1.6% respondent. Lastly, with the majority from Malay race (75.4%) followed by Chinese (18.5%) and Indian (5.6%) races and with only one respondent from other ethnic group which is from Bajau ethnic represent 0.4%.

# 4.2 Reliability Analysis

**Table 2:** Result of Reliability Coefficient Alpha for the Dependent Variable and Independent Variable

Variables	Number of Items	Cronbach's Alpha Strength Of	
		Coefficient	Association
Ease of Use	5	0.844	Good
Reliability	5	0.831	Good
Responsiveness	5	0.858	Good
Security	5	0.859	Good
Consumer Loyalty	5	0.861	Good
Total	25	0.927	Excellent

Table 2 shows the value of Cronbach's Alpha Coefficient for dependent variables and independent variables. For the consumer's loyalty which is the dependent variable, the Cronbach's Alpha Coefficient was 0.861 which indicates as good. For the result independent variable, the ease of use, reliability, responsiveness and security had a good Cronbach's Alpha Coefficient of 0.930, 0.831, 0.858, 0.859 respectively. Generally, the results showed that the variable of Cronbach's Alpha Coefficient was occurred to be reliable and acceptable by 0.927 which is excellent.

### 4.3 Pearson's Correlation

Table 3: Summary Result of Pearson's Correlation

Hypothesis	Result	Findings of Data Analysis	
H1: There is a positive relationship between ease of use and consumer's loyalty in	r = 0.587** p = 0.000 Moderate positive (negative)	H1: Accepted	
online shopping platform.			

H2: There is a positive relationship between reliability use and consumer's loyalty in	r = 0.644*** p = 0.000 Moderate positive (negative)	H2: Accepted
online shopping platform. H3: There is a positive relationship between responsiveness and	r = 0.683** p = 0.000 Moderate positive (negative)	H3: Accepted
consumer's loyalty in online shopping platform.  H4: There is a positive relationship between security and consumer's loyalty in online shopping platform.	r=0.781** p=0.000 High positive (negative)	H4: Accepted

Table 3 shows the Pearson's Correlation coefficients. According to rule of thumb for interpreting the size of a Correlation of Coefficient (Dennis E. Hinkle, 2003). Besides that, the P value was 0.000 indicates the significant value for the analysis where it is lower than the alpha root which is 0.01.

The correlation between ease of use factor influencing consumer loyalty in online shopping. From the table 4.5, it shows that there is a significant relationship between ease of use factor influencing consumer loyalty in online shopping because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for ease of use influencing consumer loyalty in on line shopping is 0.587\*\* means there is a moderate relationship between ease of use influencing consumer loyalty. It shows that ease of use does influencing consumer loyalty in online shopping platform. Hence, the H1 of objective 1 which is to identify the relationship between ease of use and consumer loyalty in online shopping platform is accepted.

The correlation between reliability factor influencing consumer loyalty in online shopping. From the table 4.5, it shows that there is a significant relationship between reliability factor influencing consumer loyalty in online shopping because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for reliability influencing consumer loyalty in on line shopping is 0.644\*\* means there is a moderate positive relationship between reliability influencing consumer loyalty. It shows that reliability does influencing consumer loyalty in online shopping platform. Hence, the H2 of objective 2 which is to identify the relationship between reliability and consumer loyalty in online shopping platform is accepted.

The correlation between responsiveness factor influencing consumer loyalty in online shopping. From the table 4.5, it shows that there is a significant relationship between responsiveness factor influencing consumer loyalty in online shopping because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for responsiveness influencing consumer loyalty in on line shopping is 0.683\*\* means there is a moderate positive relationship between responsiveness influencing consumer loyalty. It shows that responsiveness does influencing consumer loyalty in online shopping platform. Hence, the H3 of objective 3

which is to identify the relationship between responsiveness and consumer loyalty in online shopping platform is accepted.

Lastly, the correlation between security factor influencing consumer loyalty in online shopping. From the table 4.5, it shows that there is a significant relationship between security factor influencing consumer loyalty in online shopping because the significant value is 0.000 which is less than 0.01. The positive correlation coefficient for security influencing consumer loyalty in on line shopping is 0.781\*\* means there is a high positive relationship between security influencing consumer loyalty. It shows that security does influencing consumer loyalty in online shopping platform. Hence, the H4 of objective 4 which is to identify the relationship between security and consumer loyalty in online shopping platform is accepted.

# 4.4 Multiple Linear Regression Analysis

Table 4: Table of coefficient analysis

Model	Unstanda	Unstandardized Coefficients		Sig.
	В	Std. Error	Beta	
(Constant)	0.696	0.218		0.002
Ease of Use	-	-	-	0.345
Reliability	0.212	0.062	0.197	0.001
Responsiveness	-	-	-	0.099
Security	0.639	0.068	0.636	0.000

<sup>\*</sup>p-value<0.05

According to the Table 4, the factors such as reliability and security were significant since the p-values were less than 0.05. The equation of regression can be written as follows

=++

where

- = Consumer's Loyalty
- = Reliability
- = Security

Hence, the equation becomes

= 0.696 + +

Unstandardized coefficients beta represents the strength of the effects of every single of the independent variables to the dependent variable. The higher the value of the beta coefficient, the stronger the effect of independent variable towards dependent variable. According to the Table 4, the most influence independent variables in measuring the consumer's loyalty towards online shopping was the security variable (= 0.639). The lowest influence consumer's loyalty towards online shopping was the personal gratification (= 0.212).

#### 5 DISCUSSION

The first objective of the research was to investigate does e-service quality in aspect of "ease of used" has an influence on consumer loyalty in online shopping platform among students in UMK, City Campus. The strength of correlation between ease of use and consumer's loyalty towards online shopping platform has moderate positive correlation. The theory deals with the indicators such as gadget and technology that people use. Johanna (2004) found that the level of the ease of use is expected to affect loyalty directly, since it provides physical evidence of the service provider competence as well as facilitating effortless use of the service.

The second objective of the research to analyse whether e-service quality in aspect of reliability has an impact on consumer loyalty towards online shopping platform.among students in UMK, City Campus. The strength of correlation between reliability and consumer's loyalty towards online shopping platform has moderate positive correlation. Wolfinbarger and Gilly (2003) found out that customer loyalty can be predicted from reliability ratings.

The third objective of the research to measuring does the e-service quality in aspect of responsiveness would influence the consumer loyalty in online shopping platform among students in UMK, City Campus. The strength of correlation between responsiveness and consumer's loyalty towards online shopping platform has moderate positive correlation. According to James B. Oldroyd, (2009) the immense impact that responsiveness has on sales, and customer loyalty is clear as the study shown, the number of conversion versus the number of minutes since the customer request and the result seemingly insignificant change between responding in 10 minutes rather than 5, results in an 80% reduction in leads.

The fourth objective of the research to identify whether e-service quality in aspect of security would influence the consumer loyalty in online shopping platform among students in UMK, City Campus. The strength of correlation between security and consumer's loyalty towards online shopping platform has high positive correlation. According to Mohammad Younus (2011) if consumer can use the website without feeling uncomfortable that would lead to gaining their loyalty as per stated security is directly related to loyalty since it signals the service provider's integrity.

The last objective is to investigate the most important factor of E-service quality that influence on consumer loyalty in online shopping among students in Universiti Malaysia Kelantan (UMK), City Campus. The most factor is reliability and security as shown in multiple linear regression result in table 3.

### **6 RECOMMENDATION**

A research considering the effect of E-service quality for E-banking, E-learning or E-government instead of online shopping would be interesting topic to be covered. Especially in E- learning service now that we have Youtube channel that enable people to create knowledgeable content for example in Malaysia we have AJAR channel whereby the study topic could be the influence of Youtube as a medium for E-learning towards student. Finally, a future research in online shopping for new ways of reaching the audience would be very helpful, since it is hard to collecting the relevant information

# 7 CONCLUSION

It is hoped that this research which "The E-service Quality Factor Influence on Consumer Loyalty: A Study on Shopee Platform" give a clearer view on the influence of E-service quality which is ease of use, reliability, responsiveness and security on customer loyalty in online shopping platform. About 248 respondent among UMK's final year student have participate in answering the questionnaire from 15<sup>th</sup> December until 30<sup>th</sup> December 2020. The result of correlation shown there is moderate and high positive correlation of independent variable (ease of use, reliability, responsiveness, and security) towards dependent variable (consumer's loyalty). The E-service quality most factors of this research is reliability and security.

### 8 ACKNOWLEDGMENT

I would like to thank all the participants and respondents for participating in this study also deeply grateful to supervisor, Dr Nurul Izyan binti Mat Daud, for her guidance, patience and support. I feel grateful to my parents and family members for their continuous support and encouragement. They always have been beside me through the thick and the thin. Also thanks to many people including UMK's librarian for the help throughout the research process and 248 who participle actively in the survey.

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# THE EFFECT OF SERVICE QUALITY BASED ON THE CUSTOMER SATISFACTION TOWARD CONVENIENCE STORE SELF-SERVICE IN NEGERI SEMBILAN

Nur Azmina binti Hashim and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: azmina.a17a0425@siswa.umk.edu.my; munirah@umk.edu.my

#### Abstract:

Service quality is a thing that a retailer does to give a satisfaction toward customer, while customer satisfaction is a feeling of customer after using the service provided. The objective of this study is to study about the effect of service quality based on customer satisfaction toward convenience store self-service. Self-service is a service that provided by retailer for customer use it by their self. There are service quality dimension that will be examines in this study that its tangibility, reliability, and responsiveness. The total of 250 questionnaires will be accepted to collect the data by using sample sampling through Google form. All of the data will be collected and be analyzing by using SPSS to look in term of reliability test, Pearson correlation, and multiple linear regression. The result will concluded tangibility, reliability, and responsiveness based on customer satisfaction toward convenient store self- service. The most factor that effect service quality toward customer satisfaction are responsiveness. This study has some limitation and recommendation to provide a good viewpoint for future researcher, retailers and other sector that provided service quality to their customer in Malaysia. Ogiemwonyi. et al. (2020)

Keywords: Service Quality, Tangibility, Reliability, Responsiveness, Customer Satisfaction

### 1 INTRODUCTION

The delivery of quality services is related to the quality of a company while customer satisfaction reflects the closeness of customers with the services received. Service quality has the result of five key dimensions that include tangibility, reliability, responsiveness, assurance and empathy. This entire dimension is really giving an impact toward customer satisfaction. But for this research will use only three dimension that its tangibility, reliability, and responsiveness service quality factors that give effect toward customer satisfaction. This dimension are really importance to study as its result will goes good or bad according to how the retailer using the dimension. Then, customer satisfaction defined as a level of situation which a person produces a feeling after comparing the performance of a perceived product or service. This service quality really importance to see and study but sometime retailer just take the service quality provided easily and make customers feel dissatisfied. This may be due to communication gaps. Where, convenience store failure to deliver promises, failure to keep customer informed and failure to listen on communicate in a customer way to be understood. If this happen than the business will be in crisis as its will make the customer dissatisfaction with them. Because of this, they need to ensure that the level of performance or quality of their service meets customer expectations of the goods or services that they want. Hence, this research attempts to study the investigated the effect of service quality based on the customer satisfaction toward convenience store self-service in Negeri Sembilan.

# 1.1 Significance of the study

This research will specifically be carried out to study about the effect of service quality based on customer satisfaction toward convenience store self-service in Negeri Sembilan. This research may also have implication for the development of a good service quality, as the consumer will demand on high quality of service and focus on that quality to intensify image that is based on sales and revenue increment. This mean that, when the convenience store self-service not match with their expectation, the customer will condemn and begin to buy at other place then they will never come back to that place. Because of that, service qualities are really importance to convenience store. It's not just importance on one industry but also to other industry such as government, hospitality and other. Hence, the students and future researcher also can be beneficiary to carry out more study about this service quality toward customer satisfaction.

### 2 LITERATURE REVIEW

# 2.1 Tangibility

Tangibility is a factor where tangible refers to the physical characteristics of a service provided by an industry. Tangible refers or relate to physical facilities, equipment, personnel and communication materials. Most of the industry must provide the best and most complete equipment for customers. It also includes visual appeal, cleanliness, views, display of shop, furniture, decorations and lighting, appearance of facilities, staff conduct, the room space and the parking facilities (Haverila, Haverila, & Arora, 2019). Umoke et al. (2020) similarly stated that tangibility has a significant correlation with the customer satisfaction level toward the service that they use. Due to that, the provision of service with this tangible aspect is very important. Where, the provision of the best and most complete facilities will give a good customer perception of a business.

# 2.2 Reliability

Reliability refers to the ability to perform the promised services accurately and systematically. Where, this is related to the promise of service that wants to give to the customers should be given as they expect. As a result, employees in service companies play an important role in establishing emotional relationships with customers and are burdened with recognizing customer desires and fulfilling their choices (Haverila et al., 2019). According to Umoke et al. (2020), when the service provided has been promised, then the service must be implemented and provision the service at time as it's promised. This can also increase customer trust in a business because they believe and has felt or going through their own experience service that has been promised in accordance with their expectations. Due to that, reliability is important in being a factor for customer stay and buying in a business.

# 2.3 Responsiveness

According to Haverila et al. (2019), responsiveness is related to a service that employee willing to help customer and provide full service not only regarding to the speed but also to the nature of the response to customers. Waiting time is very important for customers, as they will do business with existing employees. Customers will be satisfied if all the business they want to do is carried out very quickly and runs smoothly. Responsiveness also is an information that provided by a business, explanation of the product, treatment of the service, and willingness of the staff to listen to the customer (Umoke et al., 2020). When all these are met and implemented well, then this will improve customer confidence on the product or service that they provided and will help them in making purchase decisions as well. So, this responsiveness is really important to provide fast and thorough service to customers.

#### 2.4 Customer Satisfaction

Customer satisfaction is a feeling in customer that feels pleasure or disappointment based on comparison of product perceived performance that relation with customer expectations (Junaidi et al., 2019). Because of that, this customer satisfaction is important to maintain and fulfill their expectations are likely to come from previous real buying experiences with certain other stores that sell the same thing. According to Hamadamin, Z. F., & Singh, U. S. (2019), customer satisfaction is a customer reaction that has a difference between the desire they had previously and the actual execution of the item or administration as having seen it's when they use. Where, in the future consider fulfillment is a general assessment after purchase by the buyer. This proves that the generally accepted fulfillment is a reaction of customer satisfaction toward a service provided.

### 2.5 Research Hypothesis

The hypotheses of this study can be concluded in the following manner:

- H1 There is a significant relationship between tangibility and customer satisfaction toward convenient store self-service.
- H2 There is a positive relationship between reliability and customer satisfaction toward convenience store self-service.
- H3 There is a positive relationship between responsiveness and customer satisfaction toward convenience store self-service.

### 2.6 Conceptual Framework

The research framework as illustrated in the Figure 1 below which is in this study, researcher develop a survey research instruments called SERVQUAL that has modified from Zeithaml and Bitner (2003).

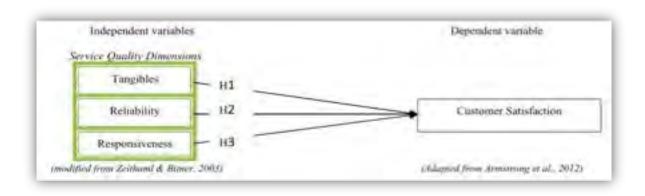


Figure 1: Conceptual framework adapted from Setapa, Zaman, Mustapha, Kanafiah, and Noor

(2020)

### 3 RESEARCH METHODOLOGY

### 3.1 Research Design

The aim of this study is to provide a greater understanding on how service quality gives effect to customer satisfaction. Primary data has been choosing in conducting this study. Primary data is the information that collects by researchers for the specific purpose on the study. Collecting primary data will be use self-administered survey method and a cross sectional survey will require the customer of convenience store that provided self-service to answer the question.

### 3.2 Measurement Development

Research developments are using an online questionnaire to collect the data. In this study, researchers use three scales of measurement in order to meet the requirement of measurement to conduct the questionnaire. First, the questionnaire will be use a Likert scale, that its 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. Then, researcher will use in Section A is nominal and ordinal scales and the measurement that will use in Section B and C is interval scale.

### 3.3 Sample Size

A sample size is a group of people that taken from a larger population for measurement. The sample should be representative of the population to ensure that it can generalize the findings from the research sample to the population as a whole. There are customer that use self-service of 3 sample convenient store in Negeri Sembilan will be select. Based on proportionate, a total of 250 customers will be select out of 1.1 million people in Negeri Sembilan. All statements in questionnaires will be written in English and Malay. Both of all section will be develop by researchers and will be validate to seek its reliability and validity. So, pilot testing will be conduct to test the reliabilities all of the instruments in order to secure the internal validity of the study.

#### 3.4 Data Collection

The data will be collect after make a questionnaire to all respondents through the online method by using the Google form platform. This is to avoid problems that may be encountered when collecting data from respondents during the current situation that is pandemic outbreak. The questionnaire will be shared though social media such as WhatApps, Facebook, Instagram, Twitter, and others. The question that will be distributed will have an additional question to ensure that the respondent who answers this question is a customer who uses self-service at the convenience store. In this way, the researcher will be easy to isolate the data by selecting only the desired data. After that, the data will compile and sorting. Then, the data will be analyze by using pilot test SPSS. At last, the final report will prepare to finish it after 25 days and then generate the Turnitin for the report before submit at the last day. The following show the data collection procedure of establishing, distributing and collecting the questionnaires.

### 3.5 Data Analysis

The data will be analyzed by using Statistical Package for Social Science (SPSS). This SPSS are really convenience as its can analyze the reliability test (pilot test), frequency analysis, descriptive analysis, Pearson correlation analysis and multiple regression analysis for his study.

### 4 FINDINGS

### 4.1 Demographic Profile of Respondents

There are a set of demographic profile of respondent that is gander, age, ethnic, marriage status, academic qualification, and income that has been examined and presented in Table 1. The questionnaires were collect and distributed by using Google form and share via social media. There are 250 respondents that has answers the question in the Google form. These descriptive analyses are making to make sure or to understand the profile of respondents.

Table 1: Demographic of the respondent.

Demographic		Frequency	Percentage (%)
Gander	Female	152	60.8
	Male	98	39.2
Age	Below than 20 year old	74	29.6
	21 – 31 year old	113	45.2
	32 – 41 year old	35	14
	Higher than 42 year old	28	11.2
Ethnic	Malay	220	88
	Chinese	11	4.4
	Indian	17	6.8
	Other	2	0.8
Marriage status	Single	170	68
	Marriage	80	32
Academic qualification	PMR	30	12
	SPM	75	30
	STPM	23	9.2
	Diploma	49	19.6
	Degree	73	29.2

Income	Below than RM 1000	123	49.2
	RM 1001 – RM 2000	60	24
	RM 2001 – RM 3000	44	17.6
	RM 3001 – RM 4000	13	5.2
	Higher than RM 4001	10	4

Table 1 show the demographic profile of respondent that has 250 respondents that answer the question in this study. There were 152 (60.8%) female and 98 (39.2) male are involved in this study. The higher ages are 21 to 31 year old with 113 (45.2%) respondent follow by the ages of below than 20 year old with 74 (29.6%) respondent, then 32 to 41 year old with 35 (14%) respondent and lastly 28 (11.2%) respondent age of higher then 42 year old. Next, the ethnic for this research are Malay with 220 (88%) of respondent, Chinese 11 (4.4%) respondent, Indian with 17 (6.8%) respondent, and other with 2 (0.8%) respondent. After that, the marriage status has two categories that it's single with 170 (68%) respondent and marriage with 80 (32%) of respondent in this study. The academic qualification are PMR with 30 (12%), SPM with 75 (30%), STPM with 23 (9.2%), diploma with 49 (19.6%) and degree with 73 (29.2%) respondent. The last demographic are income that has below than RM 1000 with 123 (49.2%), RM 1001 to RM 2000 with 60 (24%), RM 2001 to RM 3000 with 44 (17.6%), RM 3001 to RM 4000 with 13 (5.2%) and higher than RM 4001 with 10 (4%) respondent. All of that is a demographic profile of the respondent.

### 4.2 Pearson Correlation Analysis

Correlation analysis is applied to describe about the strength of linear relationship between both variables. Table 2 shows the result of the correlation analysis the effect of service quality based on customer satisfaction will be accepted or not.

Table 2: Results of Pearson Correlation Analysis.

Variable	Acceptant of customer satisfaction	Supported or rejected
Tangibility	0.665*	Supported
Reliability	0.744*	Supported
Responsiveness	0.802*	Supported

<sup>\*</sup>p-value<0.05, Pearson correlation analysis applied

In the table above, there is a positive perfect significant correlation relationship between tangibility and customer satisfaction (p<0.05, r=0.665). Next, there is a positive perfect significant correlation relationship between reliability and customer satisfaction (p<0.05, r=0.744). Lastly, there are very positive perfect significant correlation relationship between responsiveness and customer satisfaction (p<0.05, r=0.802).

### 4.3 Hypothesis Testing

The hypothesis on significant relationship between tangibility, reliability, and responsiveness with customer satisfaction were tested by using Pearson correlation analysis. All hypotheses were accepted as p-value<0.05.

Multiple Regression Analysis

The preliminary analyses are using the multiple liner regression simple in SPSS. The data are normal in normality test. So, the multiple liner regression can be used in this analysis.

Table 3: Multiple liner regress of the independent variable.

					1	
Variable	Simple	Linear	regression	Multiple	linear	regression
	В	t-stat (95% CI)	p-value	b	t-stat (95% CI)	p-value
Tangibility	0.67	14.01(0.57,0.75)	< 0.001	0.16	3.14(0.06,0.27)	0.002
Reliability	0.73	17.53(0.65,0.81)	<0.001	0.2	3.11(0.07,0.33)	0.002
Responsiveness	0.77	21.12(0.70,0.84)	< 0.001	0.5	8.05(0.38,0.62)	< 0.001

There is a significant effect of tangibility, reliability, and responsiveness toward customer satisfaction (p<0.05). In every unit increase of tangibility (X), customer satisfaction (Y) will increase by 0.16(b). In every unit increase of reliability (X), customer satisfaction (Y) will increase by 0.20(b). In every unit increase of responsiveness (X), customer satisfaction (Y) will increase by 0.50(b).

### 5 DISCUSSION

### 5.1 Tangibility

Based on the Pearson Correlation analysis table, the result show that independent variable 1 that its tangibility had moderate positive influence in customer that use self-service in convenience store. The result of the Person Correlation value are r=0.665 that has shown the moderate positive correlation relationship between tangibility and customer satisfaction. Based on the study by Ogiemwonyi et al. (2020) which is a study on service in hypermarkets. They stated that this tangibility is about the direct impact of the physical environment, facilities and the means of communication of personnel. Where, tangibility is a service tool that delivers the quality of a hypermarket to the customer who consumes it. So, this is very important in managing any management matters that are done by the customer in a company. This means that, the result of the research objective and research question are achieved and answered.

### 5.2 Reliability

Based on the Pearson Correlation analysis, the result show that independent variable 2 that its reliability that had moderate or good positive influence in customer that use self-

service in convenience store. The result of the Person Correlation value are r=0.744 that has shown the moderate or good positive correlation relationship between reliability and customer satisfaction. Based on the previous study done by Idayati, Kesuma, Aprianto, and Suwarno (2020), their study about the service quality dimension toward government. Based on their observations, this reliability is a level of probability or possibility of a product successfully performing its function in a certain period of time. They also stated that reliability is efforts to provide punctuality, equal treatment to customers without a single point of error that can make customers increase their trust in the government system. This shows that reliability is important in fostering customer trust in a company, including convenience stores. The research objective and research question are achieved and answered in this study.

### 5.3 Responsiveness

On the Pearson Correlation analysis, the result show that independent variable responsiveness had moderate or good positive influence in customer that use self-service in responsiveness. The result of the Person Correlation value are r=0.802 that has shown the higher of positive correlation relationship between responsiveness and customer satisfaction. In Junaidi and Sabar (2019) study, they are study about Redkendi Application, in the study, if the website or application to provide information is affected then responsibility is the most important to overcome this problem accurately and quickly. They also state that responsiveness is one of the capabilities that can help customers quickly to meet their needs. So if a conclusion is made by combining this statement with the situation at the convenience store, this responsiveness is important in managing the service at the convenience store. Where, when there is a problem with the equipment provided in the convenience store such as equipment does not work, the customer will ask for the help of employees there and they will give the best response to solve the problem. So, this is really important.

### 5.5 RECOMMENDATION

In this part will be answer the last research objective. First of all, I would like to give a suggestion to each sector that has self-service to fully focus on the factors that are in the independent variable, namely tangibility, reliability, and responsiveness. Where, they need to provide an understanding where each company needs to ensure that all these factors are handled well as these factors can have positive and negative effects according to the way they are controlled. Therefore, this is very important as the factor can to ensure that customers always visit the business.

This quality service dimension is important in managing the service well and providing aspects that can keep a good feeling of need to customer visit the business calmly and well. Due to that, I suggest future researchers to make this study in more depth due to this service factor are very important nowadays. Researchers also need to do a lot of analysis to study this study by finding more articles that can help them complete their study more thoroughly and quickly. Researchers also need to diligently search and ask questions to complete this task, as there are some limitations that may need to get encouragement from others.

#### 5.6 LIMITATIONS

This study has the limitation of the study as well as other studies. The sample of this study is convenient store customer, so the result of this research has limitation among the customer at the convenient store. Since the result shows the factor of service quality based on the customer satisfaction toward convenience store self-service in Negeri Sembilan, it cannot be used for other customer at other retail store type except convenience store that has self-service provided. In additional, it can't be used for other sector except retail sector. In addition, researchers who carry out the cross-sectional study will not provide well defined information about cause-and-effect relationship like longitudinal research. This is because cross-sectional research is the research which being carry out in the short period of time. Then, this research is carrying out to determine the service quality among customer at convenience store self-service. So, the self-reported of the convenient store self-service will not be used. Lastly, cost also one of the limitations for researcher. Since all of the researcher are final year students, so their researcher need to make sure of their cost minimizes.

### 5.7 CONCLUSION

All the data that has been collect are normal and positive between independent variable and dependent variable. The tangibility, reliability, and responsiveness are positively relate to customer satisfaction in convenience store self-service. The higher positive are responsive, this is maybe due to the time require to get the service as customer like something that fast to get. So, the responsiveness are the really importance thing to the customer self-service. The other independent variable like tangibility and reliability also importance as if there no physical service tool and the trust of customer toward the convenience store, the customer will not satisfice with the shop as there not enough thing. So, these factors of service quality are really importance to make sure customer satisfice not only in convenience store but also at other industry.

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### FACTORS INFLUENCING UMK STUDENT'S ONLINE PURCHASE INTENTION IN BOOK INDUSTRY

Nur Fatini Binti Mohd Zulmee@Mohd Zamree and Nurul Azwa Binti Mohamed Khadri

> Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: fatini.a17a0930@siswa.umk.edu.my; azwa.mk@umk.edu.my

#### Abstract:

This research is to investigate the factor influencing online purchase intention in books industry among University Malaysia Kelantan student. This research will investigate the factor that influencing online purchase intention towards Convenience, Product Variety and Price. The target respondents for this research are University Malaysia Kelantan students that have academic qualification from the university itself. In addition, this study was designed to acknowledge other online book retailers in attracting their customer to purchase books through their websites. Furthermore, the questionnaires were distributed through online by using convenience sampling technique. In result, 385 set of questionnaire were collected to see whether all the factors are influencing UMK students in purchasing book through online. This research will be analysed by using Statistical Package for Social Science (SPSS) version 25. SPSS will be using to conduct descriptive analysis, frequency analysis, correlation analysis, reliability test and multiple regression analysis. Additionally, this research shows the result which independent variable that consists Convenience, Product Variety and Price has a positive relationship between Online Purchase Intention. Moreover, this research shows the clearer overview regarding the online book retailers in term of factor that drive UMK students in buying book online. Lastly, the limitations on doing this research were identified and implications for further research were recommended.

**Keywords:** Online purchase intention, Convenience, Product Variety, Price and UMK Students.

#### 1.0 Introduction

Since the internet transition into interconnection network for sharing and delivery information, internet has emerged as a useful marketing tool to serve as a platform for domestic and international transaction. According to A.T Kearney (2015), retail e- commerce has grown nearly to US\$840 billion in 2014 surpassing the sales of US\$695 billion in year 2013 and it was estimated to increase to US\$1506 billion in 2018. The continuous sales increment indicated that e-commerce that includes the book industries have an enormous market potential.

Internet usages have been grown rapidly in Malaysia and online shopping has become one of the hobbies among Malaysian people. The creation of internet has changed the focal point of communicating and conducting businesses. It is used smartly as a tool for communicating,

source for information, meant for entertainment and medium for international businesses. The growth of internet technology has pushed the interest of consumer on internet. According to International Telecommunication Union (2014), as cited in Voice of America News, dated, "Number of internet Users Worldwide Approaching 3 billion" (2014) it forecasted to be around 44% of global household will have Internet access by 2014. Furthermore, Internet World Stats (2012) stated that there was a drastic increase of 2000 million of worldwide Internet users from 2000 to 2012. This shows that the global usage of Internet is advancing rapidly. Moreover, Asia has the highest number of Internet user which is the addition for 44.8% among the entire worlds region.

Focus into Malaysia market, Malaysia internet user has grown as much as 18 million in 2017 which is 60.7% from its total population. By comparing in 2017, which there is only 2 million rise in Internet subscribers (Internet World Stats, 2014). However, the Internet usage has not been fully exploited hence there is potential as according to the official website of Finance Malaysia (2013), shown that the number of local subscribers are expected to reach 25 million in 2015. Meanwhile the online shopping market size was RM 1.8 billion in 2010 hence there is so much potential. Hence most companies have practiced globalization strategy. Therefore, Internet is the leading medium to conduct international business.

The intention of consumers to purchase books online has become a significant trend as stated in the Nielsen Global Consumer Report (2010). Based on the survey conducted on 27,000 respondents globally, the priority choice that global consumers intended to buy from Internet in the next six months was books. It occupied 44% which is the highest percentage among all the choices.

Looking into Malaysia market, Nielsen Company (2011), as cited in Ho (2011), mentioned that Malaysians spent RM 1.8 billion in online shopping in 2010 and the figure is estimated to grow triple in the next three years. In addition, Malaysian shoppers prefer to purchase books from foreign website and the main reason was due to the unavailability of the items locally. Furthermore, consumers 'online purchase in books has grown by 9% from 2010 to 2011 (The Star Online, dated, "More Malaysians Shopping Online", 2012).

### 2.0 Literature Review

### 2.1 Underpinning Theory

The theory of planned behaviour is an extension of the theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) made necessary by the original models limitations in dealing with behaviours over which people have incomplete volitional control.

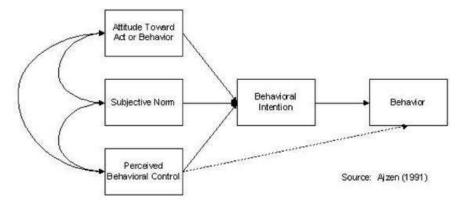


Figure 2.1: Theory of Planned Behaviour

Figure 2.1 depicts the theory in the form of a structural diagram. A central factor in the theory of planned behaviour is the individual's intention to perform a given behaviour. Intentions are

assumed to capture the motivational factors that influence a behaviour they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behaviour. As a general rule, the stronger the intention to engage in behaviour, the more likely should be its performance. It should be clear, however, that a behavioural intention can find expression in behaviour only if the behaviour in question is under volitional control, if the person can decide at will to perform or not perform the behaviour. Although some behaviour may in fact meet this requirement quite well, the performance of most depends at least to some degree on such no motivational factors as availability of requisite opportunities and resources. Collectively, these factors represent people's actual control over the behaviour. To the extent that a person has the required opportunities and resources, and intends to perform the behaviour, he or she should succeed in doing so.

### 2.2 Customer's online purchase intention

Purchase intention can be defined as customer own wills to buy the goods and services by using online platform, (Ailawadi, Neslin and Gedenk, 2001). Online purchase intention alludes to the benefit of the consumer's arrangement to complete a specific acquiring conduct over the Internet (Salisbury, Pearson and Miller, 2001). It could also be defined as the desire of buyers to make a genuine buy through the online retail shops (El-Ansary and Roushdy, 2013). According to Poddar, Donthu and Wei (2009), online purchase intention can be used to forecast the actual purchase behaviour. It refers to a result of consumers 'evaluation on the quality of website, availability of information and products.

#### 2.3 Convenience

Stated by the findings of Eastlick and Feinberg (1999); Rohm and Swaminathan (2004), convenience is defined as the advantage such as time and efforts saving that the consumers will receive from online purchase. It could be reflected in shorter time and lesser vitality spent, incorporating decreases in transportation cost and furthermore less groups and lines (Su and Huang, 2011). In addition, Hermes (2000), as cited in Katawetawaraks and Cheng (2011) mentioned that consumers can experience the convenience of online purchase as they can send inquires even after business hours.

 $H_1$ : There is significance positive relationship between convenience and customer's online purchase intention.

### 2.4 Product Variety

Product variety refers to the depth or breadth of product assortment according to Simonson (2012). Chernev (2014) further defined breadth as the variety of different food categories while depth as the number of items within a specific product group. Besides, Lancaster (2010) stated that product variety as number of depth within a focus range of product category and also showed as number of brands 'as the term used in marketing field.

*H*<sub>2</sub>: There is significance relationship between product variety and customer's online purchase intention.

#### 2.5 Price

The general concept of cost has been taunted by couple of scientists over the most recent several of decades. As stated by the previous researcher Jacoby and Olson (1977), as referred to in Chiang and Dholakia (2003), price is explained as the perceptual portray of buyer or the

abstract view of the target price of the goods. Li and Green (2011) had explained cost into monetary and non-monetary articulation.

 $H_3$ : There is significance relationship between price and customer's online purchase intention.

### 2.6 Conceptual Framework

The framework shows the connection between independent variable and dependent variable. The framework is to help the researcher see clearly variables of the study. The independent variable is consist the brand name, convenience, product variety, and price while for the dependent variable are consists factor in influencing UMK student's online purchase intention in books industry

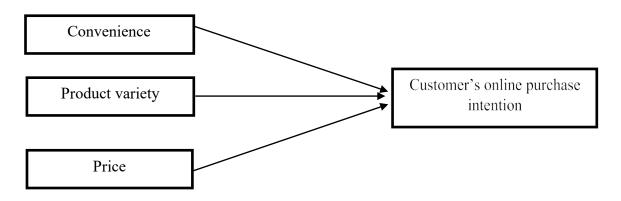


Figure 2.2 Research Frameworks.

#### 3.0 Research Methods

In this chapter describes the research standpoint and research questions inform which means of the literature review. It describes and justifies the research approach and methodology adopted and the stages and techniques for data collection, analysis and validation. For this research, 351 copies of e-survey questionnaire were distributed through online to the respondent but researcher only chose qualified respondent to answer the questionnaire. Primary data does not require cost and does not take long to process but provides relevant information as it is up-to-date. Besides, the researcher use snowball sampling technique to collect the data from respondent (UMK student) and this sampling technique has used to convince researcher to get the data researcher use Google Form to every school and faculty in UMK to pass the link to their friend (friend to friend). On the other hand, the dependent variable is online purchase intention which consists of five questions. In this section, all the items are measured in five-point Likert scale, in which it is ranging from 1 to 5 where 1= Strongly Disagree and 5= Strongly Agree. There are several types of analytical techniques that are used to check accuracy of the data collected throughout the research such s descriptive analysis, reliability test and Pearson correlation analysis.

#### 4.0 Analysis and Discussion

### 4.1 Demographic Profile of Respondents

The demographic of the respondents is collected and recorded in the table 4.1. The demographic includes with gender, age, marital status, race, educational level, income, employment, platform and

time spender. The results showed the gender analysis of the respondent. The total number of male respondent is 154 respondent 40%. Meanwhile, the total number of female respondent is 231 respondent 60%. It concludes that the total of female respondents is more than the total of male respondents. As for the age, majority is in the age range of 22 - 24 years old who agreed to participate in this studies which is 35.3% respondents. The single category showed the highest percentage with 278 respondents' percentage 72.2%. While, the race analysis of respondents showed that the most answered the questionnaire is from Malay category with 299 respondents 77.7%. Majority of the respondents is undergraduate degree as their educational level which is 56.9%. There are 201 respondents that are been student which is 52.2% with the highest percentage of income is below RM 1,000 with 186 respondents 48.3%. There are 238 respondents with 61.8% use Shopee to purchase product or service. Meanwhile, majority of the respondents are visited on online store below 3 hours with 35.8% of respondents.

Items	Frequency (n)	Percentage (%)
Gender	1 -/ ( /	
Male	154	40
Female	231	60
Age		
18	30	7.8
19-21	74	19.2
22-24	136	35.3
25-27	87	22.6
28-30	45	11.7
Marital status		
Single	278	72.2
Married	92	23.9
Divorce	15	3.9
Race		
Malay	299	77.7
Chinese	53	13.8
Indian	31	8.1
Education level		
Primary School	14	3.6
Secondary School	59	15.3
Diploma	71	18.4
Undergraduate Degree	219	56.9
Postgraduate Degree	22	5.7
Income		
Below RM 1,000	186	48.3
RM 1,001 to RM 1,500	49	12.7
RM 1,501 to RM 2,000	23	6
RM 2,001 to RM 2,500	27	7
RM 2,501 and above	74	19.2
Others	26	6.8
Employment		
Student	201	52.2
Employed	101	26.2
Housewife	14	3.6
Unemployed	6	1.6
Own Business	62	16.1
	1202	

Others	1	0.3
Platform		
Lazada	64	16.6
Shopee	238	61.8
Mudah.My	64	16.6
Carousell	14	3.6
Others	5	1.3
Time Spender		
Below 3 hours	138	35.8
3 hours to 6 hours	76	19.7
6 hours to 9 hours	41	10.6
9 hours to 12 hours	16	4.2
12 hours and above	109	28.3

#### 4.2 Descriptive Analysis

VARIABLES	N	MEAN	STD. DEVIATION
DV	385	4.0634	0.63339
IV1	385	4.187	0.56387
IV2	385	4.2437	0.56029
IV3	385	4.2052	0.57688

Table 4.2 Descriptive Statistics

The Table shows the descriptive statistics of Dependent Variables (DV) is Online Purchase Intention, while Independents Variables are Convenience (IV1), Product Variety (IV2) and Price (IV3). Product variety has the highest mean which is 4.2437. Then, it followed by Price, Convenience and Online purchase intention which are 4.2052, 4.187 and 4.0634 respectively. However, online purchase intention has the lowest mean which is 4.0634. The result shows that majority of the respondents agreed that product variety that most important on online purchase intention.

In addition, standard deviation shows how close the data is to the mean. In this case, online purchase intention has the highest standard deviation which is 0. 63339, followed by Price which is 0.57688. Then, standard deviation for convenience and product variety are 0.56387 and 0.56029.

#### 4.3 Pearson Correlation Coefficient

By using the Pearson Correlation Coefficient table, the study can determine the relationship between the dependent variable and the independent variables. Therefore, the Pearson Correlation Coefficient also may check whether multicollinearity exists among the independent variables. On the other hand, to define significant, p-value must be lower than

0.05 (<0.05). Based on Table it shows that all the variables have substantial significant positive correlation with online purchase intention which is factor convenience (r = 0.664), product variety (r = 0.542) and price (r = 0.592) This table also shows that the multicollinearity does

not exist since all pairs of the correlation value between the independent variable is less than 0.80. The Table show the correlation of Online Purchase Intention with convenience, Product variety and Price there is significant relationship between the variables.

	Variables	Online Purchase Intention (Dv)	Convenience (Iv1)	Product Variety (Iv2)	Price (Iv3)
	Pearson Correlation	1	.664**	.542**	.592**
DV	Sig. (2-tailed)	-	0	0	0
	N	385	385	385	385
	Pearson Correlation	.664**	1	.665**	.627**
IV1	Sig. (2-tailed)	0		0	0
	N	385	385	385	385
	Pearson Correlation	.542**	.665**	1	.769**
IV2	Sig. (2-tailed)	0	0		0
	N	385	385	385	385
	Pearson Correlation	.592**	.627**	.769**	1
IV3	Sig. (2-tailed)	0	0	0	
	N	385	385	385	385

Table 4.3 Pearson Correlation Coefficient

### 4.4 Hypotheses Testing

Table 4.4 shows the summary of hypothesis testing. To conclude, there are relationship between all independent variables (convenience, product variety and price) against dependent variable (customer's online purchase intention). All these hypotheses to address research question one, two and three. The proposed theoretical framework are accepted.

Hypothesis	Statement of Hypothesis	Significant Value	Magnitude Relationship	Result
H1	There is significance relationship between convenience and customer's online purchase intention.	0.664	Substantial	Supported
H2	There is significance relationship between product variety and customer's online purchase intention.	0.542	Substantial	Supported
НЗ	There is significance relationship between price and customer's online purchase intention.	0.592	Substantial	Supported

Table 4.4 Summary of Hypothesis Testing

#### 5.0 Discussion and Conclusion

By dealing with this problem, there are a few solution that researcher recommended to create better environment in influencing UMK'S student to use a website as a platform in buying books. First, the researcher should expanding research by expand the target respondent other than UMK'S student since UMK'S student is not the only one that use online bookstore.

Second, the researchers recommend adding on another independent variable to see whether other factors are influence towards online purchase intention in buying books. Moreover, it will help the online book retailers in improve their marketing ways by takes into account the factors affecting the purchase of online books.

In this study, these researches are focus on the UMK'S online purchase intention in books industry and to see whether the convenience, product variety and price has influenced UMK'S student in purchase books through website. Based on the discussion that had been

made, all the hypotheses were supported. This research had pointed that independent variable such as convenience, product variety and price has a significant positive relationship with online purchase intention among UMK'S student in books industry which is the dependent variable in this research.

### 6.0 Acknowledgements

My most profound thankfulness goes to my supervisor, Cik Nurul Azwa Binti Khadri for all his patience, scientifically proven, creativity encouraging guidance and many discussions that made this study to what it is. Without his understanding, consideration and untiring advice, this dissertation would not have been completed successfully. Also would like to express my gratitude to my supportive parents and who have never failed to accommodate my needs. Devoid of their love and care, I would not make it to finish line as it is now. The continuous supports and encouragement from my friends and colleagues have been a source of motivation to me.

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### FACTORS THAT INFLUENCE PURCHASE INTENTION ON ONLINE SHOPPING PLATFORM AMONG CONSUMERS IN MANJUNG, PERAK

### Nur Hidayah Kadir and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: hidayah.a17a0460@siswa.umk.edu.my; mahathir.m@umk.edu.my

#### Abstract:

Nowadays, online shopping is the most popular activity and is often done by the whole community around the world. In Malaysia, there are many types of online shopping platforms or E-commerce platforms that offer products and services to customers. The big influence of customers buying online is because of their high buying intentions towards the products and services offered. Therefore, this study was conducted to understand the factors that influence purchase intentions in online shopping platform and its main objective is to identify the relationship between the three independent variables (website quality, trust, and perceived risk) with online purchase intention. Snowball sampling is used in data collection through questionnaires made using Google Forms and distributed through social media platforms such as Whatsapp and Facebook Pages. A total of 397 respondents were involved in this study which consists of active online users in Manjung, Perak. Reliability test, normality test, Spearman correlation analysis and descriptive analysis were performed using SPSS version 26. The results of this study found that there is a positive relationship between independent variables and dependent variables.

**Keywords:** Online Purchase Intention, Trust, Website Quality, Perceived Risk, Online Shopping Platform.

### 1 Introduction

Online shopping is a popular trading method and is mostly used by people all over the world. Online shopping is a form of electronic commerce that allows users to use a web browser or mobile application to purchase products or services directly from sellers using the Internet. The online recruitment process is known as Business-To-Consumer (B2C). Customers use online shopping platforms as the primary medium to purchase products or services delivered directly from retailers through their online platforms such as retail websites. Lazada, Shopee and Mudah.com are the top three of the 10 best platforms in Malaysia (Lab, 2020)<sup>1</sup>.

A statistic report providing data about the domestic of statistic Malaysia (Mahidin, 2020)<sup>2</sup>, it is stated that the population in Malaysia in 2020 is estimated to be 32.7 million. Due to the Internet and mobile access that are available in Malaysia, the use of e-Commerce rate becomes high. In addition to this, the high rate is also influenced by public sector encouragement. It is clarified in the report from (export.gov, 2020)<sup>3</sup> that 50% of Malaysia's population which is amounted to 16.53 million online purchasers including 62% of smartphone users utilize their smartphones when purchasing online.

In the opinion of the same report, the percentage of online users discussing each operation in the past month (January 2019) is also shown in the data. It is also stated that 88% of online search for goods or services is shown. The same amount of percentage goes to the total visitors for an online retail store on the web using any computer. In addition to this, the data also mentioned that 75% purchase an online product or service on any device, while an online purchase via laptop or desktop is summed up as 44% in which online purchase via mobile device is summed up as 58%. Meanwhile, the types of items purchased are such as fashion & cosmetics, electronics & physical media, food & personal care, furniture & appliances, toys & hobbies/sports, travel (including accommodation), digital music and video games as well.

From the study of "Factors Influencing Malaysian Youth Consumers' Online Purchase Intention of Travel Products" by (Tee, 2018)<sup>4</sup>, there's some outcomes influence online purchase intention which included website quality, trust and perceived risk.

Therefore, this study focuses on the relationship between the three independent variables (website quality, trust, and perceived risk) and online purchase intention. Customers will answer questions based on how the website quality, trust and perceived risk influence them in making online shopping.

<sup>&</sup>lt;sup>1</sup> Lab, M. S. (2020). Top 10 Ecommerce & Online Shopping Sites in Malaysia [2020 Updated]. Retrieved from https://marketingsignallab.com/top-ecommerce-sites-in-malaysia/

<sup>&</sup>lt;sup>2</sup> Mahidin, D. S. D. M. U. (2020). Current Population Estimates, Malaysia 2020. Retrieved from <a href="https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=155&bul\_id=OVByWjg5YkQ3MWFZRTN5bDJiaEVhZz09&menu\_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09#:~:text=Malaysia's%20population%20in%202020%20is,to%203.0%20million%20(2020)</a>

<sup>&</sup>lt;sup>3</sup> export.gov. (2020). Malaysia - eCommerce. Retrieved from <a href="https://www.export.gov/apex/article2?id=Malaysia-E-Commerce">https://www.export.gov/apex/article2?id=Malaysia-E-Commerce</a>

<sup>&</sup>lt;sup>4</sup> Tee, Y. T. (2018). Factors Influencing Malaysian Youth Consumers' Online Purchase Intention of Travel Products. UTAR,

### 2 Literature Review

#### 2.1 Online Purchase Intention

Previous studies shown by (Sethi, Kaur, & Wadera, 2018)<sup>5</sup>, intentions are determined by the person's attitude and subjective norm of behaviour and intentions predict behaviour. Hence, the intention of purchasing can predict buying behaviour among consumers. In addition, purchase intentions measures have been successful in identifying the buying likelihoods for products in a defined time and situation. Customer who has reported intentions to purchase a product has also possessed a higher actual buying rate as compared to those consumers who have no intention of buying.

A recent study by (Chakraborty, 2019)<sup>6</sup> concludes that purchase intention determines the strength of consumer willingness to purchase. However, it is crucial to recognize consumer's action usually predicted through their intention.

### 2.2 Website Quality

According to (Dapas, Sitorus, Purwanto, & Ihalauw, 2019)<sup>7</sup>, there three categories that can be measured in website quality, which is the quality of information, the quality of interaction and quality use. The quality of information includes authentic and reliable information, new information according to the topic of discussion, ease of understanding of information, information analysis and design appropriate to the delivery of information. Next, the quality of interaction is the ability to provide a sense of security during the transaction, have a good reputation, facilitate communication, provide personal information, create more personal feelings, create a specific community, and give confidence in the promises to be fulfilled. In addition, quality use includes website facilities for learning, ease of understanding, ease of use, attractiveness on the website, enjoyable efficiency and provide a more enjoyable new experience. So, the better the website quality, the more the influence of online purchase intention.

**H<sub>0</sub>:** There is no significant relationship between website quality and purchase intention on online shopping platform among consumers in Manjung, Perak.

H<sub>1</sub>: There is significant relationship between website quality and purchase intention on online shopping platform among consumers in Manjung, Perak.

#### 23 Trust

Trust is particularly important especially in the context of online shopping. According to a psychologist, trust refers to the depth of honesty, fairness, truth, and goodness. Trust also known as the belief when buyer creates strategic knowledge with the seller and seller can trust upon so that condition of the customer is met for a longer period time. A past study by (Liu, Li, & Hu, 2013)<sup>8</sup> has mentioned that when there is

<sup>&</sup>lt;sup>5</sup> Sethi, R. S., Kaur, J., & Wadera, D. (2018). Purchase intention survey of millennials towards online fashion stores. Academy of Marketing Studies Journal, 22(1), 1-16.

<sup>&</sup>lt;sup>6</sup> Chakraborty, U. (2019). The impact of source credible online reviews on purchase intention. Journal of Research in Interactive Marketing.

<sup>&</sup>lt;sup>7</sup> Dapas, C. C., Sitorus, T., Purwanto, E., & Ihalauw, J. J. (2019). The effect of service quality and website quality of Zalora. com on purchase decision as mediated by purchase intention. Calitatea, 20(169), 87-92.

<sup>&</sup>lt;sup>8</sup> Liu, Y., Li, H., & Hu, F. (2013). Website attributes in urging online impulse purchase: An empirical investigation on consumer perceptions. Decision Support Systems, 55(3), 829-837.

unreliability present in online shopping or trade buyer take the support of trust in the process, this will help in reducing uncertainty.

**H<sub>0</sub>:** There is no significant relationship between trust and purchase intention on online shopping platform among consumers in Manjung, Perak.

H<sub>2</sub>: There is significant relationship between trust and purchase intention on online shopping platform among consumers in Manjung, Perak.

#### 2.4 Perceived Risk

(Chiu, Wang, Fang, & Huang, 2014)<sup>9</sup> stated that, the perceived risk of online risk is often due to the buyer not being able to fully monitor the content of the seller or the behaviour of online shopping safety concerns. When consumers know that online shopping will bring bad effects, they will avoid shopping online because they want to prevent such bad effects. According to (Gong, Stump, & Maddox, 2013)<sup>10</sup> risk categories such as functional loss, financial loss, time loss and loss of opportunity are risk categories related to products and services and also related to online transaction risks such as privacy, security and rejection.

**H<sub>0</sub>:** There no significant relationship between perceived risk and purchase intention on online shopping platform among consumers in Manjung, Perak.

H<sub>3</sub>: There is significant relationship between perceived risk and purchase intention on online shopping platform among consumers in Manjung, Perak.

### 25 Conceptual Framework

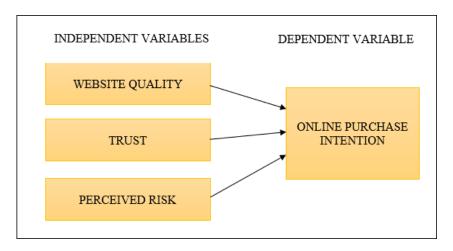


Figure 1: Conceptual Framework of Factors That Influence Purchase Intention on Online Shopping Platform Among Consumers in Manjung, Perak.

<sup>&</sup>lt;sup>9</sup> Chiu, C. M., Wang, E. T., Fang, Y. H., & Huang, H. Y. (2014). Understanding customers' repeat purchase intentions in B2C e-commerce: the roles of utilitarian value, hedonic value and perceived risk. Information Systems Journal, 24(1), 85-114.

<sup>&</sup>lt;sup>10</sup> Gong, W., Stump, R. L., & Maddox, L. M. (2013). Factors influencing consumers' online shopping in China. Journal of Asia Business Studies.

### 3 Methodology

### 3.1 Research Design

As mentioned by (Boru, 2018)<sup>11</sup>, a research design is a procedure for collecting, analyzing, interpreting and reporting on data in a study. In this study, researchers use quantitative research methods to identify the characteristics of observed phenomena and the correlation between independent and dependent variables (Sekaran & Bougie, 2010). This study is conducted using descriptive methods through an online survey. The cross-sectional design is used to ensure that at least one or more population sample can be select and sample information obtains simultaneously. In this study, data from groups of individuals who are users of online shopping platforms will be collected at a specific time to enable researchers to answer research questions.

#### 3.2 Data Collection

As mention by (Rabianski, 2003)<sup>12</sup> there are two types of data collection method which is primary data and secondary data. Primary data has been taken from online questionnaire through Google Form. Secondary data obtained the data of population in Manjung, Perak from the Department of Statistic Malaysia, (2010).

### 33 Sample Size

The sample for the population of this study was conducted on the population in the district of Manjung, Perak. Based on the most suitable sample size to use in this research is 383. This sample size is taken based on the table (Krejcie & Morgan, 1970)<sup>13</sup>. However, the researcher has managed to obtain more data than the minimum sample of 397 respondents.

#### 3.4 Research Instrument

The questionnaire consists of three parts, namely Section A, Section B and Section C. Section A collects data on the personal details of the respondents which include gender, age, occupation, and others. Section B is about user screening questions related to online shopping platforms. Section C is about independent variables, namely website quality, trust, and perceived risk while the dependent variables are about online purchase intention. There are five questions formed for each variable in this study questionnaire. Nominal scale has been used in Section A and Section B. The interval scale is applied to Section C using 5-Point Likert Scale.

#### 3.5 Procedure for Data Analysis

Researchers used Statistics Programmers for Social Science (SPSS) version 26 to calculate the data faster and easier. Pilot test, descriptive analysis, reliability test, and Spearman correlation analysis is a type of data analysis used in this study.

<sup>&</sup>lt;sup>11</sup> Boru, T. (2018). CHAPTER FIVE RESEARCH DESIGN AND METHODOLOGY 5.1. Introduction. University of South Africa, 1-41.

<sup>&</sup>lt;sup>12</sup> Rabianski, J. S. (2003). Primary and secondary data: Concepts, concerns, errors, and issues. The Appraisal Journal, 71(1), 43.

<sup>&</sup>lt;sup>13</sup> Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. Educational and psychological measurement, 30(3), 607-610.

### 4 Result and Data Analysis

### 4.1 Demographic Profile

For sample this study table shows that the demographic profile and screening question of the respondents of 397 participants among active online users in Manjung, Perak. This can be seen by frequencies and percentage for every demographic analysis.

Table 1: Descriptive of Demographic Analysis.

No. Category	Details	Frequency (397)	Percentage (%)
1. Gender	Male	134	33.8
	Female	263	66.2
2. Marital Status	Single	242	61.0
	Married	155	39.2
	Others	0	0
3. Age	18-24	173	43.6
	25-34	122	30.7
	35-44	68	17.1
	More than 45	34	8.6
4. Ethnicity	Malay	326	82.1
	Chinese	41	10.3
	Indian	27	6.8
	Others	3	0.8
5. Employment	Student	109	27.5
Status	Self-employed	64	16.1
	Private sector	118	29.7
	Government sector	66	16.6
	Others	40	10.1
6. Income	Less than RM3000	280	70.5
	RM3001-6000	93	23.4
	RM6001-RM9000	20	5.0
	More than RM9000	4	1.0
7. Have you ever made purchasing	Yes	397	100
online	No	0	0
8. Which online shopping	Lazada	41	10.3
platform do you often use to make	Shopee	303	76.3
online purchase	Mudah.com	10	2.5
	Zalora	15	3.8
	Others	28	7.1
9. Which type of product is the	Clothing	144	36.3
buyer's choice when buying using	Cosmetic	34	8.6
online shopping platform	Stationary	11	2.8
	Food and beverage	17	4.3
	Gadget	84	21.2

	Others	107	27.0
9. How often do you shop using	More often than a	27	6.8
the online shopping platform	week	37	9.3
	Once a week	107	27.0
	Once a month	131	33.0
	Several times a	95	23.9
	month	0	0
	Several times a year		
	Never		

### 4.2 Reliability Test

Table 2: Reliablity Test

Variable	Number of	Cronbach's	Internal
	Item	Alpha	Consistency
Dependent Variable			
Online Purchase Intention	5	0.913	Excellent
Independent Variable			
Website Quality	5	0.888	Good
Trust	5	0.884	Good
Perceived Risk	5	0.822	Good
Overall Variables	20	0.917	Excellent

Table 2 shows the results of independent variables and reliability analysis of dependent variables for this study. Cronbach's Alpha results for website quality were 0.888, followed by 0.884 confidence and for perceived risk was 0.822. Next, the Cronbach's Alpha result for the dependent variable (online purchase intention) is 0.913. This means that Cronbach's Alpha results for the overall variables used in this study show excellent consistency and stability which is 0.917. Therefore, the reliability coefficients obtained for this study are reliable.

### 43 Correlation

(Yu & Hutson, 2020)<sup>14</sup> have described Spearman coefficient is a measure of nonparametric correlation and it is defined as Pearson correlation coefficient between sample levels. Spearman correlation is a measure of nonparametric rating correlation (statistical dependence between two variables). As mentioned by (Schober, Boer, & Schwarte, 2018)<sup>15</sup> the coefficient scale ranges from -1 to +1, where 0 does not show a linear or monotonic relationship, and the relationship will be stronger and closer to a straight line known as the Pearson correlation.

<sup>&</sup>lt;sup>14</sup> Yu, H., & Hutson, A. D. (2020). A Robust Spearman Correlation Coefficient Permutation Test.

<sup>&</sup>lt;sup>15</sup> Schober, P., Boer, C., & Schwarte, L. A. (2018). Correlation coefficients: appropriate use and interpretation. Anesthesia & Analgesia, 126(5), 1763-1768. doi:https://sci-hub.se/https://doi.org/10.1213/ANE.0000000000002864

Table 3: Spearman's Correlation Analysis

		Mean Online Purchase Intention	Mean Website Quality	Mean Trust	Mean Perceived Risk
Mean Online	Spearman	1.000	.614**	.558**	.263**
Purchase	Correlation				
Intention	Sig. (2- tailed)		.000	.000	.000

Table 3 shows the Spearman correlation analysis that has been used to determine whether the independent variable (website quality, trust, and perceived risk) is statistically significant with the dependent variable which is online purchase intention.

#### 5 Discussion

### 5.1 Website Quality

Based on Table 3, there is strong correlation, which is 0.614 and  $\rho$  value is less than 0.01. The result expose that, there have positive relationship between website quality and online purchase intention. To build purchase intentions, website quality plays an important role. According to (Octavia & Tamerlane, 2017)<sup>16</sup>, the good quality of the website would increase the intention of purchasing customers. This can be seen from the result in which the value 0.614 it can indicate that website quality has the high influence in online purchase intention. Therefore, the online shopping intention among consumers in Manjung, Perak is influenced by the website quality.

#### 5.2 Trust

Based on Table 3, there are moderate significant between trust and online purchase intention which is 0.558 and the  $\rho$  value is less than 0.01. The result showed that, there have positive relationship between trust and online purchase intention. Based on the studies that have been made by (Jamaludin & Ahmad, 2013)<sup>17</sup> trust have a positive significant relationship with online purchase intentions. However, it can be concluded that in principle, users will start to trust the website when they visit the website periodically and their chances of trusting and making purchases from the website also increase. It can be concluded that the influence of purchase intention in online shopping platform among consumers in Manjung, Perak is due to the influence of their high trust in the vendor and the website itself.

<sup>&</sup>lt;sup>16</sup> Octavia, D., & Tamerlane, A. (2017). The influence of website quality on online purchase intentions on Agoda. com with e-trust as a mediator. Binus Business Review, 8(1), 9-14.

<sup>&</sup>lt;sup>17</sup> Jamaludin, A., & Ahmad, F. (2013). Investigating the relationship between trust and intention to purchase online. Business and Management Horizons, 1(1), 1-9.

#### 53 Perceived Risk

Based on Table 3, the result shows that, there is a weak significant correlation, which is 0.263 and  $\rho$  value is less than 0.01. The result showed that, there have a weak positive relationship between perceived risk and purchase intention in online shopping platform among consumers in Manjung, Perak. According to the past research by (Ariffin, Mohan, & Goh, 2018)<sup>18</sup>, the results of previous studies found that perceived risk often has a negative relationship with online purchase intention. However, in this study, the results of the study found that the results for the perceived risk were positive even though the correlation with the dependent variable was weak. This may be because users of online shopping platforms in Manjung, Perak often have a positive shopping experience and may also be the risk they face when shopping is low.

### **5.4 Hypotheses Testing**

Table 4: Summary of Hypothesis Testing

Hypothesis	Spearman	Result
	Correlation	
H <sub>0</sub> : There is no significant relationship between website	0.614	H <sub>1</sub> accepted
quality and purchase intention on online shopping platform		
among consumers in Manjung, Perak.		
H <sub>1</sub> : There is significant relationship between website		
quality and purchase intention on online shopping platform		
among consumers in Manjung, Perak.		
H <sub>0</sub> : There is no significant relationship between trust and	0.558	H <sub>2</sub> accepted
purchase intention on online shopping platform among		
consumers in Manjung, Perak.		
H <sub>2</sub> : There is significant relationship between trust and		
purchase intention on online shopping platform among		
consumers in Manjung, Perak.		
	0.262	II. accepted
H <sub>0</sub> : There no significant relationship between perceived risk	0.263	H <sub>3</sub> accepted
and purchase intention on online shopping platform among		
consumers in Manjung, Perak.		
H <sub>3</sub> : There is significant relationship between perceived risk		
and purchase intention on online shopping platform among		
consumers in Manjung, Perak.		

#### 6 Recommendation and Conclusion

There are so many aspects that can be improved in the future will come on this topic. The study was conducted in Manjung, Perak and the respondents focused on consumers who often use online shopping platforms. Future researchers are recommended to

<sup>&</sup>lt;sup>18</sup> Ariffin, S. K., Mohan, T., & Goh, Y.-N. (2018). Influence of consumers' perceived risk on consumers' online purchase intention. Journal of Research in Interactive Marketing.

enlarge the size and population of the sample to obtain more accurate data for the study results. Researchers can do it elsewhere in Malaysia and not just concentrate in Manjung, Perak.

In future research, researchers are advised to use different research methods. In this study, the researcher only collected data from the respondents by distributing the questionnaire online. However, researchers recommend future researchers to use different research methods such using telephone call interviews or face-to-face interviews.

Future studies may further enhance their research topics by conducting research on independent variables (website quality, trust, and perceived risk) separately in the study to see a deeper impact on online purchasing intentions. Researchers are also advised to involve demographic characteristics such as gender, age, marital status and other demographic characteristics as independent variables or mediators in determining purchase intention on online shopping platform among consumers. This is because different demographic features among users can produce reliable study findings due to different user perceptions based on their experience and purchasing results in an online shopping platform.

Overall, this study was conducted to find out about the factors that influence purchase intention on online shopping platform among consumers in Manjung, Perak. The main objective of this study was to identify the relationship between independent which is website quality, trust and perceived risk and the dependent variable which is online purchase intention.

In this study, there are three hypotheses developed to test the relationship between the dependent variable and the independent variable. Researchers have used non-probability sampling which is snowball in the collection of respondent's data. The minimum sample for this study is 383 respondents. However, the researcher has managed to obtain more data from the respondents which is a total of 397. Reliability tests, normality test, descriptive analysis, and Spearman correlation analysis were implemented using SPSS software.

The results of the Spearman correlation analysis have shown that there is a positive relationship between the variables (website quality, trust, and perceived risk) to the dependent variables (online purchase intention). All independent variables in this study had a positive relationship with the dependent variables. Therefore, it can be concluded that all independent variables influence the purchasing intentions of users online shopping platform in Manjung, Perak.

### 7 Acknowledgement

Alhamdulillah. In the name of Allah, the Most Gracious, the Most Merciful, and the mercy of Allah SWT to our last beloved prophet, Muhammad S.A.W and his relatives, all his companions and those who followed. All praise and thanks be to Allah SWT, His Majesty and Almighty, with His pleasure, the researcher was able to complete the

research report which is the last task to meet the requirements of the main course in the field of retail at University Malaysia Kelantan (UMK) even during the spread of COVID-19.

First, the researcher would like to thank University Malaysia Kelantan (UMK) for providing the opportunity to implement this research project. Apart from that, the researcher would also like to thank her supervisor, Encik Mahathir Bin Muhamad for his patience, guidance, support, encouragement, and advice throughout the process of completing this research project. Researchers would also like to thank for the assistance and time spent during the research project consultation time.

In addition, the researcher would also like to thank all the respondents involved in this study. All respondents were supportive and very cooperative when answering the questionnaire provided. The researcher would also like to thank all the respondents for being willing to take the time to complete the survey for this study.

Finally, the researcher would like to express her deepest appreciation to all the friends and family members who have been relentlessly providing support and encouragement throughout the period of this study. Without the support and encouragement from them, of course the researcher will find it difficult to complete this study on time.

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### FACTOR INFLUENCING JOB PERFORMANCE AMONG RETAIL EMPLOYEES IN KELANTAN

Nur Natasya Khaleeda Binti Abd Khalib and Mardhiah Binti Kamaruddin

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: khaleeda.a17a0484@siswa.umk.edu.my; mardhiah.k@umk.edu.my

#### Abstract:

This paper present the fundamental characteristics of Final Year Project (FYP) for student Bachelor of Entrepreneurship (Retailing) (Hons). This study was conducted to examine the factors influencing job performance among retail employees in Kelantan. The independent variables of this study is comprise empowerment, service training and job attitudes. Whereas dependant variables in this study is job performance. This study had two objective which is to identify the level of empowerment, service training and job attitudes among retail workers in Kelantan and to identify the factors influencing job performance among retail workers. The quantitative is selected for research method and the research instrument were using a questionnaire to collect data. Non-probability technique which is convenience sampling method were used in this study. Data that collected was using a questionnaires which is Google form format. Data was analysed by using Statistical Packages for Social Science Version 24 (SPSS Version 24) software based on descriptive statistic and multiple linear regression analysis. As for result in this study, the independent variables (empowerment, service training and job attitudes) that have been studied have a significant relationships towards dependent variable (job performance) towards retail employees in Kelantan. Through this study, it will understand the factors influencing job performance among retail employees in Kelantan and a better understanding and knowledge about which factor that most influence in job performance among retail employees.

**Keywords:** Empowerment, Service Training, Job Attitudes, Job Performance

#### 1. Introduction

This research are focuses on job performance among retail employees in Kelantan. This study explains the factors influencing job performance among retail employees in Kelantan. Some factors that influence this study are empowerment, service training and job attitudes.

Performance weightage is relevant to the aspects recognized by many managers as necessary with the roles, responsibilities and competencies expected of each employee. These systems incorporate five categories of criteria for evaluating and ranking an individual which is a major competencies, interpersonal skills, intellectual capability, planning and organizing capabilities, motivation, career orientation, and others similar criteria that reflect company objectives.

Usually these appraisals are done by supervisors or a representative from the human resource department who analyzes each employee and assigns a score based on the employee's performance over the prior year. In most companies reviews try to focus on the positives and use constructive criticism unless there are frequent problems or issues that need to be discussed. When issues arise, many times employers will discuss them with the employee in an attempt to identify strategies that will result in improvement. These strategies may involve training programs, skills development, teamwork or any other program used to improve an employee's work performance.

There are two objectives of this research:

- 1. To identify the mean of empowerment, service training and job attitudes among retail employees in Kelantan.
- 2. To identify the factors influencing job performance among retail employees.

#### 1.1 Significant of the study

#### 1.1.1 Retail Students

This study can give significant change to retail sector which from this research they can find an opportunities and can generate more skills for their future when they through in this situation.

#### 1.1.2 Academics

This research can be use to students who has study in this scope as a references for their knowledgement in retail industry.

#### 1.1.3 Retail Sectors

This will increasing the number of retailer and entrepreneur in Malaysia in retail sector. This research also attempts to determine the ways to overcome the issues of influencing job performance among retail employees.

### 2 Literature Review

#### 2.1 Theory to Performance at work

In organizational psychology (Carson, 1969; Leary, 1957; Sullivan, 1953; Wiggins, 1979), socio analytic theory (R. Hogan, 1983, 1991, 1996) is rooted in and is meant to describe social disparities in job achievement. The theory is based on two generalizations applicable to organizational behaviour In terms of status hierarchies, people often live (work) in groups and groups are always organized. In personality psychology, getting together and getting ahead are familiar topics (cf. Adler, 1939; Bakan,)

#### **2.2** Management Theory And Practice

Management theory and experience is that understanding the construction is minimal and sometimes frustrating. For example, as a collection of administrative strategies, most management scholars have dealt with empowerment and have not paid adequate attention to its essence or the mechanisms underlying the build. This may reflect the theorists' realistic or realistic outlook and the result may be an incomplete understanding of the principle of dominance and its theoretical rationale for associated

activities. Empowerment has not as a construct, obtained the same empirical treatment from management theorists as the power or influence construct.

#### 23 Learning Theories and Training

The method of learning new skills to help perform a job is preparation (Jucious, 1963). It allows individuals to become professional and proficient in doing those jobs (Dahama, 1979). Usually, an organisation promotes the learning of workers by preparation such that their changed activity leads to the fulfilment of the goals and objectives of the organization.

#### 2.4 Theory of Work Attitudes and Performance

The data was checked for the hypothesis of career features of work attitudes and efficiency (Hackman & Oldham, 1975, 1980). This hypothesis claims that employee workplace satisfaction, enthusiasm for inherent jobs and efficiency are a function of a job's characteristics. Skill-variety, role identity, task importance, autonomy and feedback are the central features. The theory further notes that employee behaviour and efficiency are moderated by the need for psychological improvement of the employee. Employees with low growth need strength are less receptive to work features than employees that need strength with high growth. Data collect from experiments aimed at evaluating the hypothesis demonstrated poor support for the proposals relating to work satisfaction and inherent motivation. There was no support for measures relating to competitiveness. In addition, the moderating effects of development need to improve the relationships between work features and result indicators have been overestimated. It was found that descriptions of job features, especially skill-variety, were not well- stated and it was proposed that this may partially account for the inability of many studies to define individual job features.

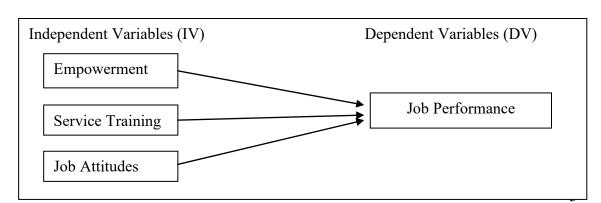
#### 25 Research Hypothesis

The hypothesis of this study is based on the factor of empowerment, service training and job attitudes that influencing job performance among retail employees in Kelantan. Based on the study, the hypothesis will be created and to be tested:

1. H1: There is significant factors empowerment, service training and job attitudes influencing towards job performance among retail employees in Kelantan.

#### 2.6 Research Framework

This model creates to find and search the significant among independent variable and dependent variable into this research. The entire variable that chooses in our research related and adapted to the study before. The research is design to confirm all the independent variables which is empowerment, service training and job attitudes.



### 3 Methodology

#### 3.1 Research Design

In this study, the researcher will applied the cross-sectional study design. In cross-sectional study, the data is collected just once to enable the researcher to answer the question. All the study variables are measured at the same point of time. A study investigate the factors influencing job performances among retail employees in Kelantan. Thus, cross-sectional study involves looking at data from a population at one specific point in time. The ways is researcher will doing a questionnaire in Google form, then given to employees to answer the questions asked. It is a formal, objective, systematic process in which numerical data describe variables, examine relationships among variables and determine cause-and-effect interactions between variables (N. Burns, Grove, & Gray, 2011). This study choose the cross-sectional design due to cost and time constraints.

#### 3.2 Data Collection

For this study, the researcher has decide to use quantitative research which is using methods such as questionnaires in Google form. The questionnaires is distributed to respondent of employees in retail industry at Kelantan during their breaks time as primary data collection tool. The questionnaires will be uses for this study and its will be distribute to the respondents of employees among retail workers at Kelantan.

#### 33 Sampling

The sample size is a subset of the population. According to Sekaran and Bougie (2010), sample size applications are designed to help researchers achieve more accurate results. The researcher takes an alternative plan to the small sample size from the employees surrounding to be more researcher use place at Kelantan city. For research purposes, sample size is the number of population observations selected. The researchers focus on the respondent who are working in retail industry at Kelantan to answer the research goals for this study. For this study, sample size will be distributes for 251 respondents from the retail employees in Kelantan. They need to answer all the question that ask in questionnaires of Google form.

The sampling method used in this study is the non-probability sampling techniques which is convenience sampling method are define in this analysis. This study are mainly focused to employees in retail industry at Kelantan. There are people who is age range 18 until 37 years old and above have been target in this sampling method. Then, the respondents of the questionnaire would be the people who are working in the area of Kelantan.

#### 3.4 Data Analysis

The total number of 251 respondents which is from retail employees in Kelantan were collected. The questionnaire that already collected which would be analysed and explained by using four types analysis which were Descriptive Analysis, Validity and Reliability Test and Multiple Linear Regression Analysis. The data obtained was analysed by using Statistical Package for the Social Science (SPSS).

### 4 Findings

### 4.1 Descriptive Analysis

<u>Table 1</u>: <u>The Demographic Characteristic of the Respondents</u>

Demographic Characteristic	Category	Frequency	Percentage (%)
Gender	Male	103	41.0
	Female	148	59.0
Age (years)	18-25	151	60.2
	26-31	74	29.5
	31-36	13	5.2
	37 and	13	5.2
Marital Status	Single	177	70.5
	Married	74	29.5
<b>Education Level</b>	Pmr	4	1.6
	Spm	47	18.7
	Stpm / Stam	41	16.3
	Diploma	59	23.5
	Bachelor degree	96	38.2
	Master	4	1.6
Race	Malay	194	77.3
	Chinese	34	13.5
	Indian	20	8.0
	Others	3	1.2
<b>Monthly Income</b>	RM 1,000 and below	82	32.7
-	RM 1,001 – RM 2,000	103	41.0
	RM 2,001 – RM 4,000	56	22.3
	RM 4,001 and above	10	4.0
<b>Types of Retail Stores</b>	Department stores	51	20.3
••	Specialty stores	65	25.9
	Supermarket	61	24.3
	Convenience store	38	15.1
	Hypermarket / superstore	36	14.3

(Source: Developed for the Research)

Table 1 showed the overall descriptive statistics for respondents demographic which is gender, age, marital status, education level, race, monthly income and types of retail stores. There are 251 respondents through Google form that are successfully collected to retail employees in Kelantan. The number of female respondents was the highest where it made up of 59.0%. The highest number of age respondents falls under category between 18-25 years old with total of age group of 151 from 251 respondents. In term of race, the majority of respondents are Malay which contributes 77.3%. The highest number of respondents who contributes in the survey was from specialty stores with the total of 25.9% of respondents.

Table 2: The Descriptive Statistic of Independent Variables and Dependent Variables

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Variables	N	Mean	Standard deviation
Empowerment (IV1)	251	4.1833	0.75928
Service Training (IV2)	251	4.2478	0.68652
Job Attitudes (IV3)	251	4.2024	0.72122
Job Performances (DV)	251	3.6044	0.82899

(Source: Developed for the Research)

Table 2 showed mean and standard deviation for independent variables (empowerment, service training and job attitudes) and dependent variables (job performances). The mean value for dependent variables which is job performances is 3.6044. Thus, for independent variables of empowerment (4.1833) is slightly lower than job attitudes (4.2024) and followed by service training (4.2478) which is the highest mean for all variables.

In addition, standard deviation indicates how close the data is to the mean. In the case, between all independent variables, empowerment has the highest standard deviation which is 0.75928, followed by job attitude which is 0.72122. Then, service training has the lowest standard deviation which is 0.68652.

#### 4.2 Reliability Analysis

Cronbach's Alpha is used to determine stability and consistency of the items and if the variables re reliable in questionnaire. If the value of Cronbach's Alpha is 0.9 and above, it shows that the questionnaire is reliability. If the value is less than 0.60 so the strength of association considered as poor relationship. The result will be based on table 3 is Rules of Thumb about Cronbach's Alpha Coefficient Size to indicates the strength of association of the reliability analysis.

Table 3: Reliability Statistics of Independent Variables and Dependent Variables

VARIABLES	No of item	CRONBACH'S ALPHA
Empowerment (IV 1)	6	0.907
Service training (IV 2)	5	0.909
Job attitudes (IV 3)	5	0.885
Job performance (DV)	7	0.925
TOTAL	23	0.862

(Source: Developed for the Research)

Table 3 showed the reliability test result and its coefficient of Cronbach's alpha by each variables from 30 respondents of retail employees at Kelantan. Based on Cronbach's alpha coefficient test were conducted on all four variables. The table above shows result of Cronbach's alpha for empowerment is (0.907), service training (0.909), job attitudes (0.885) and job performances (0.925). The overall Cronbach's alpha on this study is (0.8612). So, the overall scale is highly internally consistent.

### 43 Multiple Linear Regression

The independent variable in this study, which are empowerment, service training and job attitudes were entered into same regression equation to predict either there was any significant relationship with the factors that influence job performances among retail employees in Kelantan.

Table 4: Multiple Linear Regression

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Variables	Simple Linear	Regression	Multiple Linear Regression					
	b <sup>a</sup> (95% CI)	p-value	b <sup>b</sup> (95% CI)	p-value				
Empowerment (IV1)	0.32 (0.19,0.45)	<0.001	0.32 (0.19,0.45)	<0.001				
Service Training (IV2)	0.32 (0.17,0.46)	<0.001						
Job Attitudes (IV3)	0.26 (0.12,0.40)	< 0.001						

(Source: Developed for the Research)

Based on table 4, there was only one independent variables which is empowerment (IV 1) that have strong relationship with dependent variables (job performance).

#### 5 Discussion & Recommendation

The main purpose of this study is to identify the relationship between factor influencing job performance among retail employees in Kelantan. The influencing factors (independent variables) which are empowerment, service training and job attitudes are the factor that related towards job performance (dependent variables) among retail employees in Kelantan. The finalize result shown there are significant relationship between empowerment, service training and job attitudes with the job performance among retail employees in Kelantan.

Based in this research study, researcher had found that there are significant relationship between empowerment and job performance. This means that empowered employees will stay with their current retail industry and contribute to their service-oriented attitudes and behaviour. Employees can be empowered through the underlying formal structures such as having access to information, receiving support, having access to resources necessary to carry out their duties and having an opportunity to learn and grow. Thus, service managers should concentrate on building organizational empowerment structures. Besides, retail employees can obtain empowerment through service training and job attitudes within the organization.

The overall for descriptive statistics for respondents demographic which is gender, age, marital status, education level, race, monthly income and types of retail stores. There are 251 respondents through Google form that are successfully collected to retail employees in Kelantan. The number of female respondents was the highest where it made up of 59.0%. The highest number of age respondents falls under category between 18-25 years old with total of age group of 151 from 251 respondents. In term of race, the majority of respondents are Malay which contributes 77.3%. The highest number of respondents who contributes in the survey was from specialty stores with the total of 25.9% of respondents.

Then, in this study defined mean and standard deviation for independent variables (empowerment, service training and job attitudes) and dependent variables (job performances). The mean value for dependent variables which is job performances is 3.6044. Thus, for independent variables of empowerment (4.1833) is slightly lower than job attitudes (4.2024) and followed by service training (4.2478) which is the highest mean for all variables. In addition, standard deviation indicates how close the data is to the mean. In the case, between all independent variables, empowerment has the highest standard deviation which is 0.75928, followed by job attitude which is 0.72122. Then, service training has the lowest standard deviation which is 0.68652.

Finally, the independent variable in this study, which are empowerment, service training and job attitudes were entered into same regression equation to predict either there was any significant relationship with the factors that influence job performances among retail employees in Kelantan. In conclusion, there was only one independent variables which is empowerment (IV 1) which is  $b^a = 0.32$ , (95% CI) = 0.19,0.45 and p-value is ,0.001 that have strong relationship with dependent variables (job performance) which is  $b^a = 0.32$ , (95% CI) = 0.19,0.45 and p-value is ,0.001.

For the recommendation is by conducting research by two group generation the retail students retail sectors. This study can give significant change to retail sector which from this research they can find an opportunities and can generate more skills for their future when they through in this situation. Then, to retail sector, they will get more increasing the number of retailer and entrepreneur in Malaysia in retail sector. Then, for

academics, this research can be use to students who has study in this scope as a references for their knowledgement in retail industry.

This research also attempts to determine the ways to overcome the issues of influencing job performance among retail employees. Thus, theoretically, the findings of this research are expected to provide a tested model based on the data in Malaysia, where other researchers can generally grasp the provided knowledge and experience.

#### 6 Conclusion

This research study is it aim to find out and examine the factors influencing job performance among retail employees in Kelantan. Through the study, research framework is about the relationship between factors (empowerment, service training and job attitudes) influencing job performance among retail employees. Each factors were studied to find the relationship between the independent variables and dependent variables.

In this study, a total of 251 respondents were collected through questionnaire method. The data was evaluated using SPSS software and methods of Descriptive Analysis, Validity and Reliability Test and Multiple Linear Regression Analysis are used. As stated in Chapter 4, the reliability analysis was excellent for the independent variables and dependent variables. The reliability analysis for empowerment, service training and job attitudes were 0.907, 0.909, 0.885 and 0.925 respectively. The results shows it was excellent in strength of association according to the Rules of Thumb about Cronbach's Alpha Coefficient size. This shows that the result could be accepted.

The research study aimed to identify the mean of empowerment, service training and job attitudes among retail employees in Kelantan and to identify the factors influencing job performance among retail employees was accepted as the research objectives was fulfilled. The results obtained can be used in future for further studies and helps to justify that the factors did influence retail students to increase the entrepreneurial intention and hopefully will have new studies over time about the subject.

In conclusion, the researcher can study the relationship between independent variables towards depend variable. This research also can define the real way to analyse the data. Some of limitation of the study can give chance to researcher to give more recommendation to improve the quality of the research.

### 7 Acknowledgements

Firstly, we are very grateful to Allah S.W.T for the opportunity to complete this research. With His blessing, I would able to finish this research paper within the allocated time and stay in a good health during the time period in completing the study.

First of all, we would like to express our appreciation to our supervisor, Puan Mardhiah Binti Kamaruddin, Lecturer of Faculty of Entrepreneurship and Business, University Malaysia Kelantan. She continuous gave fully support for us in this Final Year Research Project (FYP) with her knowledge, patience and motivation. Her advice gave us a direction in writing this final year research project all the time. The guidance from her, also helpful to us in improving our knowledge in making research.

After that, we would like to extend our gratitude to our friends, who always gave us a lot of support to complete our research project. The friends can share us with their different ideas and knowledge in writing this research project.

Last but not least, I feel thankful to my family. My parents always gave me a mental and physical support in writing this research project. Their supporting very helped me to release my stresses that gain from the processing of this research project.

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### THE ROLE OF AUGMENTED REALITY ON CUSTOMER **BUYING BEHAVIOR IN PURCHASING AMONG ONLINE** SHOPPER IN MALAYSIA

Nur Syuhada Binti Sapingai and Noorshella Binti Che Nawi

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malavsia

Email: syuhada.a17a0514@siswa.edu.my; norshella@umk.edu.my

#### Abstract:

Augmented Reality (AR) is an increasingly accepted innovation. Especially, in a highly competitive environment in business, shopping applications by AR appears to be a promising solution for retailers to attract customers and enhance the shopping experience. However, this mobile application of AR is an innovation, its user acceptance has only been scrutinized over the years. Augmented reality technology is also growing and widely used by the world such as education, business, fashion and entertainment who are the users of this technology. The use of augmented reality in business or fashion world has a unique potential for generating value by creating an experience in shopping online or offline. Purpose: The purpose of this study is to investigate the role augmented reality application on Customer buying purchase through Customer behavior, attitude and purchase decision with impact of AR for Online shopper. Theoretical Framework: The study in consumer behavior related to the quality of life of personal and community environments. This implies information about the current situation of the concept of AR and potential external factors as well as the customer behavior, attitude and purchase decision. This research use Theory of Planned Behavior. Methodology: Empirical data of this study is based on valid survey data of a probability sample of 459 respondents collected via an online questionnaire. Different statistical analytical methods were applied, namely a descriptive analysis, reliability tests including Cronbach's Alpha and correlations as well as a stepwise multiple regression. Findings: In fact, the results of the study provide significant contributions to the developed research questions. Firstly, there is significant relationship between augmented reality on customer behavior, attitude and purchase decision with impact of AR for Online Shopper. Altogether, the findings lead to the proposition that the shopping application is of high relevance for the development of the business industry.

**Keywords:** Key words: Augmented Reality, Customer Behaviour, Attitude, Purchase Decision

#### 1. Introduction

Along with the rapid development of technology, the emergence of various types of technology is also increasing. One of them is augmented reality. Augmented reality or AR for short, AR is a technology that combines two-dimensional or three-dimensional virtual objects into a 3-d real environment and then projects them in real time. According to (Azuma, 1997) also states that this technology allows users to interact, manipulate, and watch 3d virtual media content in real environment and in real time. Augmented reality technology is also growing and widely used by the world such as education, business, fashion and entertainment who are the users of this technology. The use of augmented reality in business or fashion world has a unique potential for generating value by creating an experience in shopping online or offline. (Rafaeli et al., 2017) Augmented Reality is an emerging technology that refers to computer-generated virtual imagery,

which it is superimpose on physical environments to provide users an optimized perception of reality (Janssen & Nr, 2018). Within AR the popularity of Mobile Augmented Reality (MAR) applications has recently increased (Ahn et al., 2015). Augmented Reality technology is a technology that has existed for several years and allows customers easy access to technology. In fact, it creates an approach between customers and products that have offered several applications available on mobile systems such as computers and mobile phones that have been equipped with cameras or webcams to enable communication between the virtual and the real world (Taylor, Ong, Yuan, & Nee, 2008); (Wiedenmaier, Oehme, Schmidt, & Luczak, 2003). Consumers are now empowered to communicate, browse, and shop across various channels and touchpoints, whenever they please (Dave Chaffey, 2017).

Research reveals that consumers tend to use mobile-based touchpoints, such as mobile shopping applications and mobile websites, interchangeably when searching for product information or making product purchases (Stephanie Kumar, 2008). Customers wishing to purchase goods at the physical store or online store can provide positive effects for consumers if the premises of a business using the Augmented reality application. This is because it can help consumers make informed decisions on the purchase of goods. AR application can attract users because of the characteristics contained in the AR application that gives reality to reflect the situation of users. AR Application has features that help customers visualize a product that given the 3- dimensional (3D) which allows observation from every angle before making their purchases. This research investigates the role of augmented reality for the customer buying behavior of purchasing their product.

#### 1.1 Research Objective

The objectives for this research are:

- 1. To examine the relationship between the role augmented reality application on Customer buying purchase through Customer behavior with impact of AR for Online shopper.
- 2. To examine the relationship between the role augmented reality on customer buying behavior through purchase decision with impact of AR for Online shopper
- 3. To examine the relationship between the role augmented reality of customer buying behavior through attitudes toward making purchases with impact of AR for Online shopper.

#### 1.2 Significance of Study

#### 1.2.1 The Researcher

This study will be of interest to others to do the researcher to the research. This research will be a reference to other researchers.

#### 1.2.2 Community

This study can use for the community to learn more about Augmented Reality for customer buying behavior in purchasing. Moreover, this research can increase awareness of augmented reality applications to people and the environment

### 1.2.3 People

This study is very important for people to create awareness among applications to help people buying the product. In this research, people know that function augmented reality and help people to make decision-buying behavior.

#### 1.2.4 Technology

This study can help businesses in increasing sales and customer confidence in the technology provided. Augmented reality is one of technology nowadays to known for helping to increase sales of goods especially in the online store or physical store. Technology AR is very helpful in realizing the needs and wants of users. With this technology, it allows businesses or customers to make purchases in reality and look 3dimensional. This technology can reduce the risk of the purchase to the customer.

#### 2. Literature Review

#### 2.1 Theory of Planned Behavior (TPB)

There are two theories in the study of consumer behavior related to the quality of life of personal and community environments. (Correia, 2013). According to (Ajzen, 1991), by theory of planned behavior (TPB) and theory of reasoned action (Understanding attitude and predicting social behaviour, 1980) have stated.

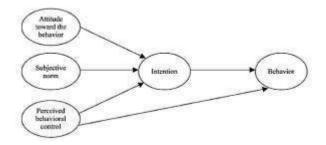


Figure 1: Theory of Planned Behavior (Ajzen, 1991)

Figure 1 revels that by (Ajzen, 1991) Theory of Planned Behavior. This theory provide three elements to help predict intention is attitude toward behavior, subjective norm and perceived behavior control (PBC). According to this theory, the PBC can be defined of

what makes someone a certain behavior is due to the intention to do and how does one believe that the behavior of the self itself.

### 2.2 Independent Variables

#### 2.2.1 Customer Behavior

According to (Wayne D Hoyer; Deborah J MacInnis, 2007) states that consumer behavior is not only in the way consumers in buying a product but more meaningful than that. This shows that some decisions are made by users in choosing and determining their options such as the statement made that is why, when, where, who and how before they buy or determine something. (Blackwell, Miniard, & Engel, 2001) Stated that, in consumer behavior, there is a need and evaluate how a person makes understand and make decisions during a purchase by considering the results from the results of choosing alternatives from two or more possible options (Schiffman, 2002).

According to (Kotler, Wong, & Saunders, 2005), consumer behavior is influence by several factors in determining choices when making purchases including culture, personal, social and psychological as the figure shows:

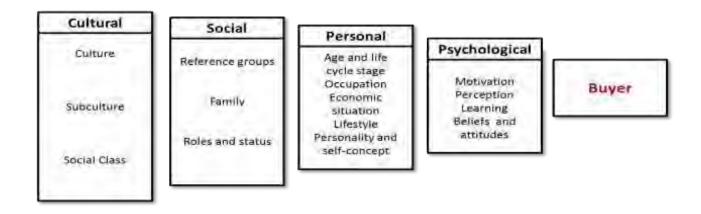


Figure 2: Factors influencing behavior – Principles of Marketing ((Kotler et al., 2005)

#### 2.2.2 Attitude

Attitude plays a role in influencing buyer behavior. Based on previous research, (Correia, 2013) can be defined as an attitude that is relative in making judgments, feelings and consistent trend towards an object or idea. In addition, a person's attitude comes from a number of factors that influence a person's attitude towards the purchase especially on religion, clothing, food and other. The previous research in the field of consumer behavior has focused on the structure and determinants of attitudes or assessments that show the brand and persuasion techniques used in consumer attitudes (Brunel, Tietje, & Greenwald, 2004). Based (Ajzen, 2014) states that consumer attitudes to purchase is an important aspect in their purchasing decision.

#### 2.2.3 Purchase Decision

According to (Wharton University of pennsylyania, 2011) state that purchase decision is the decision of the thought process that encourages consumers in identifying needs, making choices and choosing a particular product or brand desired. To making purchase decision, augmented reality is one platform to evaluate opportunity for consumer to get new experience with technology.

According to (Stoyanova, Brito, Georgieva, & Milanova, 2015) the technology is often used in a creative way to attract customer for use this AR application. The use of AR technology in purchasing is seen to be beneficial to consumers in determining the choice during their purchase such as the use of AR that can be felt by consumers and the pleasure felt when making choices, because AR provides characteristics combining virtual world and reality. This can affect the purchase decision in the use of AR technology to consumers.

#### 2.3 Hypotheses Statement

- H1 Is there significant relationship between augmented reality on customer behaviour with impact of AR for Online Shopper.
- H2 Is there significant relationship between augmented reality on attitude with impact of AR for Online Shopper.
- H3 Is there significant relationship between augmented reality on purchase decision with impact of AR for Online Shopper.

#### 2.4 Theoretical Framework

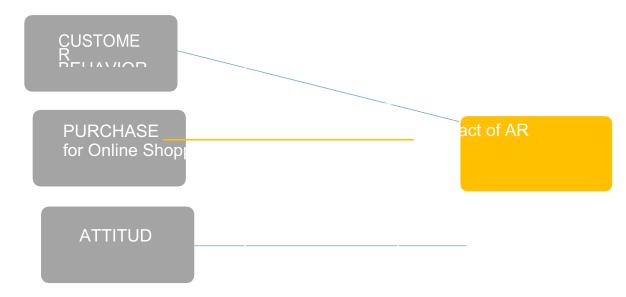


Figure 3: Framework on Augmented reality on customer buying behavior in Purchasing

### 3. Methodology

#### 3.1 Research Design

This study was conducted to enable researchers to understand respondents about the role of augmented reality technology to customer buying behaviour. Research designed in this research used quantitative method. Quantitative is the standard experimental method. So, quantitative methods being used to achieve this study. Quantitative method is focus on statistical analysis of numbering data collected through the use of large scale such as survey and questionnaire. Primary data like questionnaire being used in this study to collect data from respondent regarding this research. It is quick and has the ability to reach more respondent at the lower cost and identified as the most appropriate method for the data collection procedure. The purpose of this study is to provide a greater understanding about the augmented reality on customer buying behavior. This research more focus to understanding an individual's attitude towards making choices when purchase decision used AR. The present study will be designed as a cross- sectional survey of people who are known the Customer Buying Behavior in Purchasing Among Online Shopper in Malaysia as targeted population.

### 3.2 Population

The target demographic is the entire population of individuals from which the sample can be selected. The Target Population of this study will need 459 out from 16.53 million totals of area at Malaysia. Population to be studied in this research is including both male and female in order to justify the detail information and data of people known or do not know about this application that the role of augmented reality on customer buying behavior in purchasing among online shopper in Malaysia.

#### 3.3 Sample size

Definition of sample size is the proses of selecting a number of individual for a study is such a way that the individual represents the larger group from which selected. Sample size is the subset of the population where each individual of the sample is identified as subject and total quantity of subject in the sample. Sampling method that used in this research is by Krejcie and Morgan sampling method. The sampling method Krejcie and Morgan is to simplify the proses to simplify the process of determining the sample size for a limited population of respondent. This research uses quantitative and sample size for this research is 459 respondents for online shopper in Malaysia.

#### 3.4 Data Collection

To achieve research objective, there are the basis of two sources of information primary sources and secondary sources. However, in this study was only use primary data only as the data that collected are from questionnaire that will be distribute. As for secondary data, there is no data that been taken from any journal and article. As for secondary data, there is the data from internet and books for the information.

#### 3.5 Sampling Technique

The probability random sampling technique uses statistical theory to randomly select a small group of people (samples) from the existing large population and then predict that all their reactions together will fit the entire population. Simple random sampling will be used to choose respondent who intended for this study and sum 459 questionnaire

were collected during this process. Collected data will then insert and examined via SPSS (Statistical Package for Social Science) to generate random sampling.

The reason that researcher will be using simple random sampling because it easy to understood and the result is projectable. Other than that, in order to strength the result and simplify sampling researcher will be used convenience sampling. Convenience sampling is a process of choosing respondent because they can be readily and simply accessible. Generally, convenience sampling is quick and easy to implement.

#### 4 Data Analysis and Findings

#### 4.1 Descriptive Analysis

Demographic	Category	Frequency	Percentage
Characteristic			(%)
Respondent tried any	Yes No	415	90.4
application AR		44	9.6
Gender	Male Female	227	49.5
		232	50.5
Age	20 to 30 years	283	61.7
	31 to 40 years	159	34.6
	41 and above	17	3.7
Education level	Degree SPM STPM/	242	52.7
	Diploma	56	12.2
		161	35.1
Status Relationship	Married Single	208	45.3
		251	54.7
Income	RM 0 – RM 1000	135	29.4
	RM 1001 – RM 3000	231	50.3
	RM 3001 – RM 5000	82	17.9
	RM 5000 and above	11	2.4
Would you install on your	Yes No	371	80.8
mobile phone/computer an		88	19.2
application so you can take	:		
advantages of			
augmented reality			

Table 1: The demographic Characteristic of the Respondents

Table 1 shows the overall descriptive statistics for the demographics of the respondents covering respondent tried any application AR, gender, age, education level, status relationship, income, and would you install on your mobile phone/computer an application so you can take advantages of augmented reality. There were 459

respondents through successfully collected Google forms for online shopper in Malaysia. The number of respondent tried any application AR is the highest answer is Yes (90.4%). The number of respondent gender is the highest is Female (50.5%). In the range age, the majority of respondents is 20 to 30 years (61.7%). The highest education level for respondent is Degree which is 52.7%. The highest for status relationship is single (54.7%). Income is the highest number of respondents which is 50.3% which is range RM 1000 – RM 3000. Finally, the highest number of respondent answer would you install on your mobile phone/computer an application so you can take advantages of augmented reality was Yes at 80.8%.

SECTION	VALID	N	MEAN	SD
	Independent Variable			
В	Customer Behavior (CB)	459	3.8919	.80577
В	Attitude (AT)	459	3.9142	.82845
В	Purchase Decision (PD)	459	4.0889	.75308
	Dependent Variable			
С	Impact of AR for Online Shopper (IOAR)	459	3.9434	.72877

Table 2: The Descriptive Statistics of Independent Variables and Dependent Variables

Table 2 showed descriptive statistics for variables which including Customer behavior. Attitude, purchase decision (independent variables) and impact of AR for Online shopper (dependent variables). Descriptive statistics is using five point Likert Scale which start from "strongly disagree" to "strongly agree" It calculate and summarize depend on data. Descriptive statistics will analyse standard deviations, means, median, mode and other arithmetic information. Its shows that the majority of respondents agree on the questions in the questionnaires relating to which are attitude, subjective norm and perceived behavioural control (independent variables) are relating to entrepreneurial intentions (dependent variables).

#### 4.2 Reliability Analysis

Ques	stionnaire	Number Of Items	Cronbach's Alpha
Inde	pendent Variable		
	Customer behavior	5	0.950
	Attitude	5	0.943
	Purchase Decision	5	0.922
Depe	endent Variable		
>	Impact of AR for		
Com	munity	5	0.936

Table 3: Reliability Coefficient Analysis (Sources: Develop for the Research)

Based on table 3 reliability coefficient for each section can be viewed to be the good standards and it is consistent to Cronbach's Alpha Rule of thumbs. As a results, all variables are consistent plus acceptable as the coefficient standards are in the range 0.9 and above which is 0.922 to 0.950. It also indicates that the variables are free from errors.

The coefficient alpha that been obtained in the actual reliability test for the first independents variable, Customer Behavior is 0.950 (Excellent). As for the next independent variable which is attitude, the coefficient alpha obtained was 0.943 (Excellent). Then last independent variable which is Purchase Decision, the coefficient alpha obtained was 0.922 (Excellent). Furthermore, impact of AR for Online Shopper which is dependent variable of the survey gain 0.936 as results of coefficient alpha and strength of association is excellent.

#### 4.3 Spearman's rho Correlation Coefficient Analysis

		Customer Behavior	Attitude	Purchase Decision	Impact of AR for Online Shopper
Customer Behavior	Spearman's Correlation	1			0.779
	Sig (2 tailed)				0.000
	N of Items				459
Attitude	Spearman's Correlation		1		0.824
	Sig (2 tailed)				0.000
	N of Items				459
Purchase Decision	Spearman's Correlation			1	0.814
	Sig (2 tailed)				0.000
	N of Items				459

<sup>\*</sup>Correlation is significant at the 0.01 level (1-tailed)

Table 4: Summary of Spearman's rho Correlation (Sources: Develop for the Research)

The table 4 shows that CB has a high positive correlation with IOAR. The value obtained is r = 0.799 and the result shows that it is significant level p <0.05 i.e. p = 0.000. There is a positive perfect significant relationship between CB and IOAR (p<0.05, r=0.779). Therefore, hypothesis 1 (H1) accepted. The table 7 shows that AT has a high positive correlation with IOAR. The value obtained is r = 0.824 and the result shows that it is significant level p <0.05 i.e. p =0.000. There is a positive perfect significant relationship between AT and IOAR (p<0.05, r=0.824). Therefore, hypothesis 1 (H2) accepted. The table 7 shows that PD has a very high positive correlation with IOAR. The value obtained is r = 0.814 and the result shows that it is significant level p <0.05 i.e. p =

0.000. There is a positive perfect significant relationship between PD and IOAR (p<0.05, r=0.814). Therefore, hypothesis 1 (H3) accepted.

#### 4.4 Simple Linear Regression

#### 4.4.1 Simple Linear Regression for Customer Behavior

#### **Model Summary**

 Julili	ter y								
					Change S	Statistics			
Mode 1	R	R	Adjuste d	Std. Error	R	F change	Df 1	Df 2	Sig.F
		Squar e	R Square	of Estimat	square				chang e
		-	_	e	chang				
					e				
1	0.851	0.724	0.723	0.38333	0.724	1198.37	1	457	0.00
	a					9			

Predictors: (constant), CB

Table 5: Model Summary Customer Behavior

Table 5 show that the R square is 0.724 convert to percent is 72.4%. 72.4% of impact of AR for Online Shopper can be influence by customer behavior.

### 4.4.2 Simple Linear Regression for Attitude

#### **Model Summary**

					Change S	Statistics			
Mode 1	R	R	Adjuste d	Std. Error	R	F change	Df 1	Df 2	Sig.F
		Squar e	R Square	of Estimat e	square chang				chang e
					e				
1	0.875 a	0.766	0.766	0.35274	0.766	1497.91 0	1	457	0.00

a) Predictors: (constant), AT

Table 6: Model Summary Attitude

Table 6 show that the R square is 0.766 convert to percent is 76.6%. 76.6% of impact of AR for Online Shopper can be influence by Attitude.

4.4.3 Simple Linear Regression for Purchase Decision

#### **Model Summary**

					Change S	Statistics			
Mode 1	R	R	Adjuste d	Std. Error	R	F change	Df 1	Df 2	Sig.F
		Squar e	R Square	of Estimat	square				chang e
				e	chang e				
1	0.909	0.826	0.826	0.30440	0.826	2168.14	1	457	0.00
	a					2			

n. Predictors: (constant), PD

Table 7: Model Summary Purchase Decision

Table 7 show that the R square is 0.826 convert to percent is 82.6%. 82.6% of impact of AR for Online Shopper can be influence by Purchase Decision.

#### 4.5 Discussion & Recommendation

#### 4.5.1 Key Findings

This study to examine the role of augmented reality on customer buying behavior in purchasing among people in Malaysia. The independent variable of this study are customer behavior, attitude and purchase decision while the dependent variable are impact of augmented reality on online shopper.

Based on table 8 show that the research is to investigate both variable whether these factors have a relationship between independent variable and dependent variable. This study also determines the relationship between customer behavior, attitude, purchase decision with impact of AR for online shopper in Malaysia. Research objective are achieved. It has proven and conclude that all independent variable has a relationship between dependent variable. From this study, researcher can also identify the dominant factor that have a positive perfect relationship with impact of AR for online shopper in Malaysia.

Research question	Hypotheses	result	Initial
research question	l 1 y potneses		Decision
relationship between	significant relationship between augmented reality on	r=0.779 p=0.000 (positive perfect correlation)	H1:Accepted
2. Is there any significant relationship between augmented reality on attitude with impact of AR for Online Shopper in Malaysia?	significant relationship between augmented reality on	r=0.824 p=0.000 ( positive perfect correlation)	H2:Accepted
	significant relationship between augmented reality on	r=0.814 p=0.000 (positive perfect correlation)	H3:Accepted

Table 8: Discussion of the Key Finding

#### 4.5.2 Discussion of The Hypothesis

There are three hypotheses tasted in this study and all hypotheses are tested to identify whwther they have a significant relationship and the test result are as stated below:

# H1: There is significant relationship between augmented reality on customer behavior with impact of AR for Online Shopper.

The above of hypotheses that have been tested through research questions as well as to achieve research objective. According to Spearman's rho correlation analyze, it revealed that the independent variable 1 which is customer behavior there is a correlation with impact of AR on Online shopper. This is evidenced by the result obtained in the Spearman's rho correlation value which is 0.779, has shown a high positive correlation between customer behavior and impact of AR for online shopper. The result shows that it is significant level p <0.05 i.e. p = 0.000. There is a positive perfect significant relationship between CB and IOAR (p<0.05, r=0.779). Therefore, hypothesis 1 (H1) accepted.

This shows the individual's tendency towards the use of AR technology that affects a user. The use of AR technology is giving an impact on the attitude of consumers in the purchase of goods, especially in the purchase of household items such as through the use of this technology, users can find information more carefully and suffering of individuals when making a purchase.

## H2: There is significant relationship between augmented reality on attitude with impact of AR for Online Shopper.

The above of hypotheses that have been tasted through research questions as well as research objective. According to Spearman's rho correlation analyze, it shows that independent variable 1 which is high positive correlation between attitude and impact of AR. This evidenced by the result obtained in Spearman's rho correlation value is 0.824, has shown high positive percent significant relationship between two variables which is AT and IOAR (p<0.05, r=0.824). Therefore, hypothesis 2 (H2) accepted.

The use of AR technology helps enable users to make purchases and to increase intention to purchase the needed items. In addition, use of technology is helping consumers in making the selection of items online without having to go to a physical store. Finally, the use of AR technology is so important in the business industry. This shows the tendency of individual attitudes towards the use of AR technology that affects a user. The use of AR technology greatly affects the attitude of consumers in the purchase of goods, especially in the purchase of household goods. This makes the relationship between attitude and IOAR.

# H3: There is significant relationship between augmented reality on purchase decision with impact of AR for Online

The above are hypotheses that have been tasted through research questions as well as research objectives. According to Spearman's rho Correlation analysis, it shows that independent variable 1 which is high positive perfect correlation between purchase decision and impact of AR . This evidenced by the result obtained in Spearman's rho correlation value is 0.814, has shown high positive percent significant relationship between two variables which is AT and IOAR (p<0.05, r=0.824). Therefore, hypothesis 3 (H3) accepted. The result shows that it is significant level p <0.05 i.e. p = 0.000. There is a positive perfect significant relationship between PD and IOAR (p<0.05, r=0.814). Therefore, hypothesis 3 (H3) accepted.

The use of augmented reality technology to the online shopper can facilitate users in making decisions in the purchase of goods through the use of smartphones. In addition

to the use of online purchases, but with the availability of such technology in the business industry helps facilitate the purchase and acceptance of orders between two parties. This can save users time and cost. Users of such technologies can establish a relationship between two variables that help consumers in making decisions in purchasing.

#### 4.6 Implication Of The Study

Researchers have spent their time in research aimed at achieving the objectives of the study. A lot of research has been done, collecting data, and running the collected data to obtain the required results. From this research, researchers have faced various challenges in completing this study such as data loss, data collection, and errors in obtaining data results. However, these studies were resolved by the commitment given by the researchers. From the study that has been completed, the researchers found that this study can help improve the understanding of the relationships that influence a person in the use of AR technology to Online shopper. A better understanding of factors that influence the role of augmented reality on customer buying behavior in purchasing among online shopper in Malaysia This research can also be used to help increase understanding of the impact of the use of AR technology applied to consumers. In addition, this study can also be used as a reference for research in a similar field of research. They can use this research to strengthen the evidence that use of technology can affect customer behavior, attitude and purchase decision affecting the relationship between the individual and technology.

#### 4.7 Limitation Of The Study

To overcome the limitation of previous research, this study is not exempt from some specific limitations. The main limitation of this study is to find out the specifics of the augmented reality of customer buying behavior in purchasing among online shopper in Malaysia. Based on the limitation of the study, to obtain information from respondents, this study is to discover the interrelationship among customer behavior, attitude, purchase decision towards impact of AR for online shopper to buying purchase furniture in Malaysia. There are few limitations that need to be highlighted for future researcher that might use this study to refer. It is through a sample size given to respondents of 459 around the Malaysia. This method conducted to obtain information from respondents is namely online and provide a questionnaire through google form. Furthermore, this study only focused on few variables. There are only three augmented reality on customer buying behavior through customer behavior, attitude, purchase to impact of AR for Online shopper to purchasing that have been examined. Thus, it is considered limited as researchers can examine independent variables that relevant to this study. Besides, this study is limited to online shopper international that have been in Malaysia. This study might produce different results if it is applying to random respondents in Malaysia. Thus, these limitations should be overcome in order to achieve better results.

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### FACTOR INFLUENCING CUSTOMERS' PREFERENCE TOWARD HIPSTER CAFE IN KUANTAN PAHANG

Nurhidayatul Alya Syahira Binti Mohd Nordin and Nik Noorhazila Binti Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia.

Email: hidayatul.a17a0531@siswa.umk.edu.my; noorhazila.nm@umk.edu.my

#### Abstract:

Customers' preferences are described as each user's subjective tastes, calculated based on their satisfaction with the product after they buy it. Sometimes this happiness is referred to as utility. It is possible to determine user value by how user services relate between different objects. So, this study is to investigate the factors that influences customers' preference toward hipster cafe in Kuantan Pahang. A conceptual framework comprising of different variables like service quality, price, product quality and store environment which it influences the customers' preference toward hipster cafe. This study was conducted by using a quantitative research approach and the total number of 384 respondents participated in the study. The data that collected were analyze by using the Statistical Package for the Social Science (SPSS). Thus, the data collected through the online questionnaire survey uses different method of data analyses such as descriptive, reliability and normality analysis were carried out from the study. The findings reveal that all the H0 have been rejected while the H1, H2 and H3 and H4 have been accepted in this study. It could be concluded from the results that there is significant relationship between the independent variables and dependent variable.

**Keywords:** Customer's preference, hipster cafe, service quality, price, product quality and store environment

#### 1 Introduction

The term hipster refers to people, especially those considered to be outside the mainstream of culture, who follow the latest trends and fashions. This is a summary of the most relevant designs, fashions, and tastes that people and brands use. The mark makes it easy to put something on trends and translate it into something that can be purchased and sold, whether it be music, clothes or lifestyle offerings.

In the fast food industry worldwide, coffee is one of the fastest growing sectors. These foods can be described as serving breakfast, dessert and coffee, and drinks and integrated foods are believed to be the trend (Wong, 2014). IBISWorld's Cafes (IBISWorld, 2015) estimates that the cafe industry has emerged as an outstanding trend in the past five years. In line with popular trends, consumption in cafes is growing (Team, 2014).

Cafes offering homemade and handmade 'Instagram Worthy' food with an old-fashioned and retro atmosphere are very common among customers. This strong combination of trade, lifestyle and preferences has also become known as the "hipster." A hipster cafe can be described as a unique restaurant that specializes in coffee making and offers different food from other coffee shops.

In recent years, with a large number of beautiful Kuantan cafes, a small town in Pahang, Malaysia, is slowly taking the cafe trend to this city. The town has a total up to 40 cafes in 2019 and the number will certainly continue to grow. This cafe's target market is not only for young customers, but also appropriate for all ages, and Malaysia will be a potential growth trend for this industry.

#### 1.1 Research Question

Research questions are built on the basis of the study's objectives as follow-up.

- 1) How does service quality can influence customers' preference toward hipster cafes?
- 2) How does price can influence customers' preference toward hipster cafes?
- 3) How does product quality can influence customers' preference toward hipster cafes?
- 4) How does store environment can influence customers' preference toward hipster cafes?

#### 1.2 Research Objective

This research objective represents distinctive between independent variable and dependent variable.

- 1) To examine the relationship between service quality and customers' preference.
- 2) To examine the relationship between price and customers' preference.
- 3) To examine the relationship between product quality and customers' preference.
- 4) To examine the relationship between store environment and customers' preference.

#### 2 Literature Review

#### 2.1 Eagle-Blackwell-Miniard Model

In the late 1960s, the Nicosia model was adapted by Engel, Kollat, and Blackwell (Engel, Blackwell, & Miniard, 1990). The 'search' feedback or loop, which makes it possible to replicate partial recruitment outcomes, is one of the benefits of the revised model. Although the decision-making process can be made, there could be no intention of purchasing and thus the decision-making process can be halted or delayed

at any time providing feedback as the need arises to be used as input. Performing the procedure may be treated as an experiment to be recalled at a later time, or something more important prevents the process, or the customer has no ability to execute the remainder of the process.

### 2.2 Previous Study

There are four independent variables that will be determine by the definition under this research which are service quality, price, product quality and store environment.

#### 2.2.1 Service Quality

Service quality has become one of the most important issues for cafe owners in recent years, and much research has been done and the results show that there is a link between the quality of service and customer satisfaction (Lim, 2010). Main determinants of the standard of cafe service need to be defined specifically for this study. Further research indicates that when they eat at a cafe, (Tripathi & Dave, 2016) the quality of service will begin to be taken into account by most customers, and the quality of service is felt to be accessible as a measure of customer satisfaction with the cafe. Cafe operators who can provide their customers with quality services can make immense profits from their rivals and attract customers and generate profit and growth due to fierce competition in the food service industry. (Ryu, Han, & Kim, 2010). Reliability is therefore important to assess (Tang & Bougoure, 2006) since this dimension is the most important factor in the quality of service in the food service industry in Malaysia (Jangga, Sahari, & Mohd Basir, 2012).

#### 2.2.2 Price

Price refers to the amount of money paid for a product and service, or in other words, value when the profitability of a product or service is modified by a buyer (P.Kotler & Armstrong, 2010). (Xia, Monroe, & Cox, 2004) characterizes price justification as an emotionally essential customer evaluation and states that if price differences offered by traders and other competing suppliers are warranted, it is fair, reasonable and acceptable. Price is also known as the right, equitable or actual customer's subjective sense of price. (Gielissen, Dutilh, & Graafland, 2008) indicate that many variables can affect the market valuation, which is the competitor's reference price, suppliers' selling price (cost), bias & staff interest, and presumed seller motives. Other studies indicate that there are two factors that can decide the cost justification when the cost of dealing with suppliers and competing suppliers rises, that is whether it is an internal or external cause, or whether the trend of cost rises is justified and controlled (Ozer & Phillips, 2012).

#### 2.2.3 Product Quality

People now emphasize product quality as a fundamental component of satisfying cafe customers (Rozekhi et al., 2016). According to (M. R Shaharudin, Hassan, & Mansor, 2011), an significant factor affecting buyers is the quality of products. The two properties of food, namely food freshness and food delivery, will be highlighted in this article. Customers are now really concerned about food safety concerns and are worried about those issues. Consumers need more fresh ingredients than artificial components or chemicals in food production and food storage, as a result of health habits. Fresh food is thus a modern concept that suits the perception of nutrition and quality of the customer, according to (Whiteball, Kerkhoven, Freeling, & Villarino, 2006), it is therefore an essential aspect that all parties involved in the food industry must master in order to satisfy the needs and preferences of their customers. Furthermore, most individuals want to go out to eat and they are drawn to the presence of food because of improvements in eating patterns (Johnson, 2011). Therefore, according to (M. R. Shaharudin, Mansor, & Elias, 2011), serving beautiful and decorated food effectively will promote the perception of quality by customers and will have a positive influence on customers emotions and moods on food consumption in hipster cafes.

#### 2.2.4 Store Environment

(Boo, 2017) believes that customer choice is influenced by the cafe climate. In determining which cafes they want to eat, customers pay more attention to environmental issues. The cleanliness and fragrance of the setting are the two aspects of the cafe environment based on in this review. An significant factor influencing customers' preference is that the dining area of the cafe must be clean (Sienny & Serli, 2010). Consumers need a healthier food atmosphere today, as eating healthy food would help people to stay away from foodborne illness. (Miles, Braxton, & Frewer, 1999). Furthermore, Duberg found that if the cafe does not take care of cleanliness, it will give the customers a miserable experience and ruin the customer's appetite. In the mind of the customer, this would create a detrimental impact that can not be avoided so that the customer will not visit the cafe again. Another significant issue that must be taken into account to draw customers is the fragrance of the cafe environment. This is because it can impact consumers' buying behaviour (Fiore, Yah, & Yoh, 2000). In addition, (Spangenberg, Crowley, & Henderson, 1996) state that the purchase intention is influenced by an ambient aroma effect. It is also defined (Morrin & Ratneshwar, 2000) the ambient aroma will boost the assessment of some unidentified products. As reported in the previous study (Leenders, Smidts, & A. El Haji, 2016) how different scent levels influence the mood, actions and assessment of retail room customers, the aroma of the cafe atmosphere is significant because it will be related to the emotional response of the customer.

Another significant issue that must be taken into consideration to draw customers is the fragrance of the cafe environment. This is because the buying behaviour of customers can be influenced (Ryu & Han, 2010). It is therefore important for cafe owners to have a better knowledge and understanding of the products shown by

customers in order to provide customers with a better experience when enjoying their food.

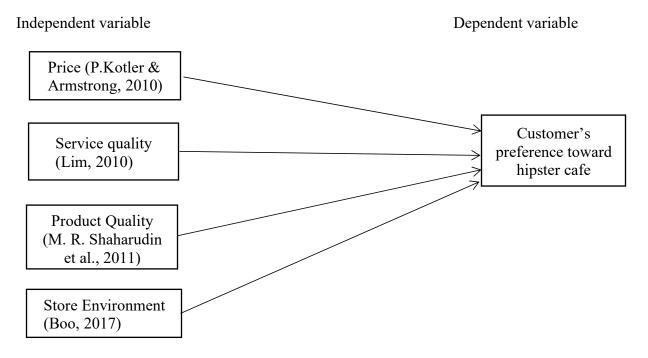


Figure 2.1 The conceptual Framework of study the factor influencing customers' preference toward hipster cafe.

#### 3 RESEARCH METHODOLOGY

This study highlighted the factor that influencing customers' preference toward cafe hipster in Kuantan Pahang. Therefore, a quantitative methodology was adopted for present this research. The sample are withdrawn from customer in Kuantan Pahang. To collect data of this study, a simple random sampling technique was used. Besides, this research also utilized questionnaires as a medium to survey the target respondents. In overall, the number of respondents who participated in this study was 384. This data was analyzed using Statistical Packages for the Social Science (SPSS).

#### 3.1 Sampling Techniques

This study choose probability sampling. In this research, the researcher use probability techniques which is simple random sampling. All who is involved has the same chance to be chosen as a study participant. In addition, it is cost-effective, easy, convenient and timesaving as well (Gravetter & Forzano, 2009).

#### 3.2 Research Instrument Development

This study used the questionnaire as medium research tool. This questionnaire is divided into three parts which are Section A , Section B and Section C.

Section A consists of nine demographic profile such as gender, age, how recent of visit the hipster cafe, income and occupations and so on. Section B related to independent variable (service quality, price, product quality and store environment) and Section C related to dependent variable (customers' preference toward hipster cafe).

This research will be used the online platform to distribute the questionnaire such as WhatsApp, Instagram and Facebook.

#### 4 FINDING AND DISCUSSION

The data gather from customers that visited at hipster cafe in Kuantan, Pahang. The researcher gather and get the data form 384 respondents in that location using google form questionnaires.

#### 4.1 Demographic Profile of the Respondents

#### 4.1.1 Gender

Table 4.1 : Gender of survey respondents

GENDER		
	Frequency	Percent
Female	196	51.0
Male	188	49.0
Total	384	100.0

The table 4.1 shows gender of the respondent. There are of 384 respondents in this research, 188 male and 196 female involved in the questionnaire. The pie chart show percentage are 49% and 51% respectively.

#### 4.1.2 Age

Table 4.2: Age of survey respondent

AGE		
	Frequency	Percent
15 - 25 years old	160	41.7
26 - 35 years old	172	44.8
36 - 45 years old	44	11.5
45 and above	8	2.1
Total	384	100.0

The table 4.2 show that 4 range of the age group. The highest group age is 26 to 35 years old, 172 respondents (44.8%). The second highest group is 15 to 25 years old, 160 respondents (41.7%). Next, third group is from 36 to 45 years old with 44 respondents (11.5%) and the last one group from 45 and above. It has 8 respondent as a customer in hipster cafe and represent 2.1%.

#### 4.1.3 Occupation

Table 4.3 : Occupation of survey respondents

OCCUPATION		
	Frequency	Percent
Banker	1	.3
Work	1	.3
Cashier	2	.5
Clerk	1	.3
Crew	1	.3
Lorry driver	2	.5
Inventory staff	1	.3
Contractor	2	.5
Nurse	1	.3
Government worker	1	.3
Grab driver	1	.3
Lorry driver	1	.3
Assistance in grocery	1	.3
store		
Professional	99	25.8
Restaurant worker	1	.3
Retiree	2	.5
Food panda rider	1	.3
Sales promoter	1	.3
Self-employed	118	30.7
Seller	1	.3
SPM	1	.3
Stock manager	1	.3
Student	140	36.5
Housewife	1	.3
Private sector	1	.3
Waiter	1	.3
Total	384	100.0

The table 4.3 show that 26 types of occupation. The highest occupation is students, 140 respondents (36.5%). The second highest occupation is self-employed, 118 respondents (30.7%) and the third highest is professional workers, 99 respondent (25.8%). Banker, work, clerk, crew, inventory staff, nurse, government worker, grab driver, lorry driver, assistance in grocery store, restaurant worker, food panda rider, sales promoter, seller, spm, stock manager, housewife, work in private sector, waiter

are represent 1 respondent (0.3%) respectively. Cashier, lorry driver, contractor, retiree are represent 2 respondent (0.5%) each.

#### 4.1.4 Race

Table 4.4: Race of survey respondents

RACE		
Frequency		Percent
Chinese	100	26.0
Indian	47	12.2
Malay	237	61.7
Total	384	100.0

The table 4.4 show that 3 type of race that are 237 respondents (61.7%) are Malay, 100 respondents (26.0%) are Chinese, while Indian 47 respondent (12.2%) that fill the questionnaire.

#### 4.1.5 Monthly Income

Table 4.5: Monthly income of survey respondents

MONTHLY INCOME		
	Frequency	Percent
No income	67	17.4
RM0 - RM999	55	14.3
RM1000 - RM 2000	125	32.6
RM2001 - RM4000	106	27.6
RM4001 and above	31	8.1
Total	384	100.0

The table 4.5 show that 5 types of range monthly income. The highest monthly income is from RM1000 until RM2000, 125 respondents (32.6%). The second highest monthly income is from RM2001 until RM4000, 106 respondents (27.6%). For RM4001 an above have 31 respondents (8.1%). The second last represent RM0 - RM999, 55 respondent (55%). From the survey, it was found that in this categories more to students but doing part time while finish their study. The last one is no income, 67 respondents (17.4%).

4.1.6 When Was Respondents Recent Visit Hipster Cafe

Table 4.6: When was respondent recent visit hipster cafe

WHEN WAS YOUR RECENT VISIT HIPSTER CAFE				
	Frequency	Percent		
More than one month Ago	88	22.9		
Within the past one Month	37	9.6		
Within the past one Week	126	32.8		
Within the past two Week	133	34.6		
Total	384	100.0		

The table 4.6 shows that 4 of period time that respondents recent visit hipster cafe. The highest time respondents recent visit the hipster cafe is within the past two week, 133 respondents (34.6%). The second highest time is within the past one week, 126 respondents (32.8%) and within than one month ago, 88 respondents (22.9%) and for within the past one month, 37 respondents (9.6%).

#### 4.1.7 When Do Customers Dine Out The Most

Table 4.7: When do customers dine out the most

WHEN DO YOU DINE OUT THE MOST			
	Frequency	Percent	
Weekdays	154	40.1	
Weekends	230	59.9	
Total	384	100.0	

The table 4.7 shows that 2 types of when do customers dine out the most. The higher is weekend, 230 respondents (59.9%) and for weekdays only 154 respondents (40.1%).

4.1.8 How Often Do Customers Come To Hipster Cafe

Table 4.8: How Often Do Customers Come To Hipster Cafe

HOW OFTEN DO YOU CO HISPTER CAFE	OME TO	
	Frequency	Percent
0 -2 times	187	48.7
3 - 5 times	159	41.4
6 - 8 times	28	7.3
More than 8 times	10	2.6
Total	384	100.0

The table 4.8 shows that 4 types of how often do respondents come to hipster cafe. The highest is 0 until 2 times, 187 respondents (48.7%). The second highest is 3 until 5 times, 159 respondents (41.4%). 6 until 8 times have 28 respondents (7.3%) and more than 8 times have 10 respondents (2.6%).

4.1.9 At What Time Of The Day Customers Eat The Most In Hipster Cafe

Table 4.9: At what time of the day customers eat the most in hipster cafe

AT WHAT TIME OF TI OUT THE MOST IN HI		OU EAT
	Frequency	Percent
Breakfast	46	12.0
Dinner	163	42.4
Lunch	175	45.6
Total	384	100.0

The table 4.9 that have 3 categories of at what time of the day do customers eat the most in hipster cafe. The highest is lunch, 175 respondents (45.6%). The second higher is dinner, 163 respondents (42.4%) and the last one is breakfast, 46 respondents (125%).

#### 4.2 Preliminary Analysis

Table 4.10: Preliminary analysis for variables of pilot test

Variables	Cronbach's Alpha	No. Of Items	n (sample size)
Service Quality	0.721	5	30
Price	0.805	5	30
Product Quality	0.815	5	30
Store Environment	0.767	5	30
Customers' Preference	0.730	5	30
Toward Hipster Cafe			

Based on table 4.10, the range of Cronbach's Alpha value is between 0.7 until 0.9 for all constructs in this research which is known as good reliability. In this research, the Cronbach's Alpha coefficient for customers' preference toward hipster cafe is 0.730 which is classified as good reliability. According to the independent variable, the Cronbach's Alpha coefficient for service quality is 0.721 and it followed by the other independent which are price 0.805, product quality 0.815 and store environment 0.767.

#### 4.3 Validity and Reliability Test

Table 4.11: Independent and Dependent Reliability Coefficient Test

Variable	Total items	Cronbach's Alpha Value	n (sample size)
Service quality	5	0.811	384
Price	5	0.814	384
Product quality	5	0.831	384
Store environment	5	0.801	384
Customers' preference			
toward hipster cafe	5	0.801	384

The result of reliability analysis shows that all the variable above 0.7. The Cronbach's Alpha shows the result from 0.801 to 0.831 as shows in the table 4.3. This alpha value can be accepted because 0.7 as suggested HR-Guide, LLC (2018) state that if alpha value is below 0.5 cannot be accepted, the value 0.6 and above are normal, 0.7 is more than normal, 0.8 is good and 0.9 is better.

Table 4.3 above indicates the independent and dependent variable reliability coefficient for this study. The alpha value of reliability for the dependent variable construct 0.801 which is good. Thus, this result show he reliability is accepted. Moreover, the alpha value of reliability coefficient for independent variables service quality is 0.811, price is 0.814, product quality is 0.831, store environment is 0.801, which are in range good and the reliability is accepted.

#### **4.4 Normality Test**

Table 4.12 : Normality test

Tests of Normality						
	Kolmogoro	ov-Smirno	$V^a$	Shapiro-W	'ilk	
	Statistic	df	Sig.	Statistic	df	Sig.
Mean Service Quality	.173	384	.000	.823	384	.000
Mean Price	.185	384	.000	.874	384	.000
Mean Product Quality	.189	384	.000	.849	384	.000
Mean Store	.197	384	.000	.802	384	.000
Environment						
Mean Customer	.213	384	.000	.801	384	.000
Preference Toward						
Hipster Cafe						

As a result in table 4.12, outcome of normality test using SPSS revealed to be non-normality data set. Value of Shapiro-Wilk's Test and Kolmogorov-Smirnov's Test for all independent variables (service quality, price, product quality and store environment) and dependent variable (customers' preference toward hipster cafe) were 0.000, which is less than 0.05, this indicated that the data is non normality. Thus, non-parametric correlation will be used which refer to Spearman correlation from the hypotheses testing (Hinkle, Wiersma, & Jurs, 2003).

### 4.7 Hypotheses Testing

Table 4.13: Hypotheses testing

Objective	Hypothesis	Result of analysis	Decision
To examine the relationship between service quality and customers' preference.	H1: There is a relationship between service quality and customers' preference toward hipster cafe in Kuantan Pahang	r = 0.489	Accepted
To examine the relationship between price and customers' preference.  To examine the relationship between product quality and customers' preference.	H2: There is a relationship between price and customers' preference toward hipster cafe in Kuantan Pahang H3: There is a relationship between product quality and customers' preference toward hipster cafe in Kuantan Pahang	r = 0.557 $r = 0.539$	Accepted Accepted
To examine the relationship between store environment and customers' preference.	H4: There is a relationship between store environment and customers' preference toward hipster cafe in Kuantan Pahang	r = 0.562	Accepted

Based on the table 4.13, it can be summarized that all four independent variable which are service quality, price, product quality and store environment have a relationship toward hipster cafe in Kuantan Pahang. All the hypothesis is accepted as the p-value is less than 0.05.

#### 5 Discussion and Conclusion

#### 5.1 Discussions

Table 5.1: Hypotheses result

Code	Hypotheses	Result			
H1	There is a relationship between service quality	Supported			
and customers' pr	eference toward hipster cafe				
H2	There is a relationship between price and	Supported			
customers' prefer	ence toward hipster cafe				
H3	There is a relationship between product quality	Supported			
and customers' pr	and customers' preference toward hipster cafe				
H4	There is a relationship between store	Supported			
environment and	customers' preference toward				
	-				
	hipster cafe				

# Hypothesis 1: There is a relationship between service quality and customers' preference toward hipster cafe in Kuantan Pahang.

Based on the result, reliability analysis showed the five items that were used to measure service quality were moderate with Cronbach's Alpha value of 0.811. Based on spearman correlation for service quality and customers' preference, the result is p=0.000. Thus, it means that H1 is accepted. Based on previous study, customers pleased with all facets of service quality would have a good customers' preference relationship (Al-Tit & Nakhleh, 2014). According to (Tan, 2016), researchers have shown that service quality factors have an important relationship with the choice of customers. Customers emphasize that the quality of service would have a significant relationship with customers' preference (Mee, Ariffin, & Rahman, 2014).

# Hypothesis 2: There is a relationship between price and customers' preference toward hipster cafe in Kuantan Pahang.

Based on the result, reliability analysis showed the five items that were used to measure price were moderate with Cronbach's Alpha value of 0.814. Based on spearman correlation for price and customers' preference, the result is p=0.000. Thus, it means that H2 is accepted. Based on previous study, the price impact on customers' preference is positive, especially when price increases are low (Martin, C.Ponder, & Lueg, 2008). According to (Rahman, Kalam, Rahman, & Abdullah, 2012), the customer's view of price can directly impact customers' preferences. Researchers have shown that service quality factors have an important relationship with the choice of customers (Cheng, Chiu, Hu, & Chang, 2011).

# Hypothesis 3: There is a relationship between product quality and customers' preference toward hipster cafe in Kuantan Pahang.

Based on the result, reliability analysis showed the five items that were used to measure price were moderate with Cronbach's Alpha value of 0.831. Based on spearman correlation for price and customers' preference, the result is p=0.000. Thus, it means that H3 is accepted. Based on previous study, product quality is ranked as the most important attribute influencing cafe decision (Neha Joshi,2012). Next, elaborate product characteristics as those important features that have an intense influence on customers' preferences (Wickliffe & Pysarchik, 2001). According to (Buntak, Adelsberger, & Nad, 2012), based on the taste that a high quality product should be, if food and beverage products can please customers.

# Hypothesis 4: There is a relationship between store environment and customers' preference toward hipster cafe in Kuantan Pahang.

Based on the result, reliability analysis showed the five items that were used to measure service quality were moderate with Cronbach's Alpha value of 0.801. Based on spearman correlation for service quality and customers' preference, the result is p=0.000. Thus, it means that H4 is accepted. Based on previous study, (Baker, Grewal, & Parasuraman, 1994) lighting, music, layout, and more consist of the store setting. This acts as a trigger that supports the preferred response of the customer positively. As stated by (Hedrick, Beverland, & Oppewal, 2005), the environment of the store was successful in deciding or affecting the purchasing intentions of customers. According to (Donovan, Robert, & John, 1982), researchers have shown that an environment could change the mood of customers and affect the behaviour of retailers or the performance of service providers. Retailers begin to understand the significance of environmental signals and try to build a productive store atmosphere in order to maximize profit by attracting the target customer (Seock & Bailey, 2009).

#### 5.2 Recommendations

For the future research, it is advisable that the future researcher focus the relationship between occupation, monthly income and customers' preference. Which mean choose the relevant occupation and monthly income and study how it influence the customers' preference in choosing method of hipster cafe. In this way, they can increase the value of their research, it means there will be more information has been gained.

Other than that, the researcher can perform this study at different state especially in rural area. In this way, the researcher will know how the rural population responds to hipster cafe acceptance. It will give the impacts of the data that researcher will be received.

Next, the researcher have to expect in the research and able to answer the question asked by the respondent to ensure that the respondent clear with the questionnaire that will distributed. The researcher have to simply the question so from that the respondent will not be bored.

The researcher can make a short interview with the respondents while them while they are answering the given questionnaires. With this method, researchers will be able to know in more detail about customers' preferences for hipster cafe.

#### 6 Conclusion

This research is aimed to measure customers' preference toward hipster cafe by investigating the relationship between four independent variables consists service quality, price, product quality and store environment and a dependent variable which customers' preference toward hipster cafe in Kuantan Pahang. Thus, there are four hypotheses have been developed between independent variable and dependent variable. On the limitation of the study, the researchers observed the restriction that faced during distributed the questionnaire and it was effected the collected data. Every dependent variable plays crucial role to achieve customers' preference toward hipster cafe.

### 7 Acknowledgement

I whereby, student of Faculty Entrepreneurship and Business (FEB) would like to acknowledge the contribution from a great number of people who had assisted and supported me during the process of completing this research project.

First of all, I would like to thank my research supervisor. She was providing me the best suggestion and integrating her passion, motivation and massive information with her research experience.

Furthermore, I also thankful to all participants involved in this research project as well as the owner of cafes who allows me to distribute questionnaires during their operating hours. Also, I would like to thank all respondent who had shown willingness in spending their valuable time and effort in understanding and complete the distributed questionnaires. Without their cooperation, this research could have come to this achievement.

Next, I would like to express my greatest gratitude to Universiti Malaysia Kelantan on giving me an opportunity to conduct research project during my final year.

Last but not least, I would like to thanks my parents because giving me moral support in accomplishing this research. I also would like to appreciate my friends that helping me give the ideas during this research.

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# FACTORS INFLUENCE CONSUMER LOYALTY TOWARDS ONLINE FOOD DELIVERY SERVICE

#### Nurul Fitriaty Binti Ramli and Nadia Hanum Binti Amiruddin

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia

Email: fitriaty.a17a0569@siswa.umk.edu.my; nhanum@umk.edu.my

#### Abstract:

The aim of the research is to examine the factors influence consumer loyalty towards online food delivery service. It involves a variable, i.e. the existence of online food delivery service to examine the loyalty among consumer towards online food delivery service for dependent variables. This research examines loyalty among consumer towards online food delivery service including independent variables of service quality, food quality and perceived value. The target respondents in this study are consumers that always using online food delivery services by collecting data with a total of 124 sets of survey questionnaires. Statistical Package for Social Sciences (SPSS) version 26 was used to assist in our data analysis along the research. Descriptive analysis, validity and reliability test, normality test and Spearman Correlation analysis was applied in the data analysis. The results were concluded that the independent variables service quality, food quality and perceived value have significance relationship with loyalty towards online food delivery service among consumer. Last but not least, there are some limitations of study and suggestions are included in this paper to provide a better idea for future researchers related to studies involving the loyalty towards online food delivery service among consumer in Malaysia.

**Keywords:** Online Food Delivery Service, Loyalty Among Consumer, Service Quality, Food Quality, Perceived Value.

#### 1 Introduction

It has steadily become a major forum for entrepreneurs and organizations, since the launch of the Internet in the world. Nowadays, in many developing countries, the Internet is the most frequently used medium for buying and selling, giving consumers access to a variety of goods in real-time. E-commerce, which we use as a new platform for industry, has risen quickly, as distributors now allow customers to buy online anywhere in the world.

Online food delivery is a messaging service that delivers food to consumers from a restaurant or food supplier. Orders are usually made from a food ordering company via a restaurant, a website, or a grocery phone. Starters, side dishes, beverages, desserts, or food goods are the items supplied and typically shipped in boxes or bags. The customer can choose to pay online or by money or card in person depending on the delivery company.

The knowledge of internet consumers has increased for different firms, from small to big businesses. Besides, a modern online payment system has facilitated business transactions via web-based services, including online food delivery services (Kedah, 2015). According to Statista 2019, global e-commerce retail revenues amounted to \$2.3 trillion in 2017, with e-commerce revenue expected to grow to \$4.88 trillion in 2021 (Schwandt 2019). McKinsey and Company estimated that the global online food services industry accounted for around \$83 billion in its statistical results in 2016, accounting for 1% of the overall food and 4 percent of the fast food and restaurant market sold (Hirschberg, 2016).

As a result, Malaysian customers have also increased their use of online business growth in modern lifestyles, which has led to changes in urbanization (Sulastri, 2017). Statista (2020) also estimates that the wholly online food supply market in Malaysia is expected to rise by 17.9 percent annually, with sales of US\$ 370 million over a four-year time frame, according to Bernama (2020). Foodpanda was the first distribution company to operate in Malaysia to catch the moving first-time advantage among the major entrants to online food delivery services and along with that, other main players in the bandwagon industry were GrabFood, Uber Eats, Honestbee, Running Man Delivery, FoodTime, Dahmakan, Bungkusit, Hometaste, Dietmosta, SqueezeMeBaby, Petchef, The Naked Lunch.

The growing user population of the online food service industry as well as the rapid development of online food service providers based on the quality of the online food services sector is now crucial to understand how to satisfy customers (Goh, 2017). Numerous marketing experiments were performed and the link between service quality was investigated (Caruana & Ewing, 2010). It has also become clear that most scientists have been studying the nature of the product, loyalty, and customer service that are beneficial to consumers.

This is to find out what is commonly emphasized so that they use online food delivery service as a means of platform in their usual lives. The loyalty towards online food delivery service use consists of service quality, food quality, customer satisfaction and perceived value. The main objective of this study is to examine the relationship between all the independent variables with loyalty towards online food delivery services among consumer.

### 1.1 Research objectives

Based on the outlined objectives of the research, the research questions that need to be addressed are as follows:

- 1. Is there any relationship between service quality and consumer loyalty toward online food delivery service?
- 2. Is there any relationship between food quality and consumer loyalty toward online food delivery service?
- 3. Is there any relationship between perceived value and consumer loyalty toward online food delivery service?

### 2 Research Methodology

### 2.1 Research Design

For this research, researcher was chosen the quantitative research approach to define that loyalty towards online food delivery service among consumer. Therefore, the study should collect the information about factors influence consumer loyalty towards online food delivery service by online questionnaire.

#### 2.2 Population

The complete number of individuals, activities, or objects in the population. The researcher needs to study common features needed by the researcher. Consumers who use online food delivery service were included in the analysis. In this report, the researchers are asked to include an online questionnaire for male and female respondents aged between 18 and 50 years. According Cohen 1992 notes that 124 respondents would be respondents to this study. This is because research has four variables with which loyalty among consumer towards online food delivery services can be associated.

#### 2.3 Sample Size

As eloquently stated by Cohen (1992) develop a sample size larger than 30 and less than 500 are suitable research study. For this study, the researcher focused primarily on online food delivery users in Malaysia to strengthen the hypotheses related to online food delivery service. The researcher decided to distribute the questionnaire to 124 respondents to complete this study.

#### 2.4 Data Collection

Primary data requires the gathering of specific research information for the study of actual resources, such as users/non-users of online food delivery service or their age perspective in this research. The online questionnaire becomes the only primary data instrument for this research. This is because of online questionnaire survey allowed in this study to look into the relevant variables and fit into the objective of this study.

#### 2.5 Sampling

Sampling technique falls into two different categories, which are probability sampling and non-probability sampling. This research chose to use non-probability sampling and it classified into four types, which is convenience sampling, quota sampling, snowball sampling and also judgemental sampling. For this research paper, the convenience sampling is the most suitable technique for this study. This technique main purpose is to collect respondent's information that is easily accessible and for general, respondents were choose as they happened to be in the right place at the right time.

#### 2.6 Research Instrument

The questionnaire had designed and distribute to respondents in two type of language which is English and Malay from avoiding any difficulty and were simply wording which ease for the respondents to understand all the question. Besides, Likert scale question have been choosing by the researcher from one of type of close ended questionnaire of this study. Each set of the questionnaire will consist of 51 question in total and the survey questionnaire will be separated into three main sections and there were listed in Table 1.

Table	1.	Sources	of	Ouestionn	aire
1 able	1:	Sources	OI	Ouestionn	aire

Section	Description	No of Items
Section A	Demographic	11
Section B	Loyalty towards online food delivery service	6
Section C	Service quality Food quality Perceived value	6 6 6
	TOTAL	35

#### 2.7 Data Analysis Technique

For this analysis, the researcher used the Statistical Package for Social Sciences (SPSS) version 26. The results are descriptive analysis, validity and reliability test and overall hypothesis testing if this study is shielded. The researcher can use IBM SPSS Statistics to understand the data, analyse, forecast and plan about the study.

#### 3 Analysis and Discussion

#### 3.1 Demographic Profile

The demographic profile of the respondents included the information of have you ever used online food delivery service, gender, age, race, marital status, education level, employment, income, platform used to purchase, total frequency use per week and how much spend per week. From the sample collected, majority of the respondents ever used online food delivery service from yes with (100%). It can be concluded that mostly people use online food delivery service. In term of gender, majority of the respondents come from female (82.4%) and male (17.6%)

In term of age, this research involved few different age. From the sample collected, it is shown that the range of age by our respondents. Among the 108 respondents, majority of the respondents from 18-26 years old with a total of 76 respondents (70.4%). Continue by 27-35 years old total of 18 respondents (16.7%) and 36-43 years old with total of 11 of respondents (10.2%). For the minority of the respondents are from 44-50 years old which is 3 respondents (2.8%).

Apart from that, race from Malay with total of 100 respondents (92.6%) and continue with Chinese with total of 3 respondents (2.8%). Continue with Indian with total of 3 respondents (2.8%). For the minority of the respondents is others with total of 2 respondents (1.9%). Next for marital status, single with total of 94 respondents (87%) and continue with married with total 12 of respondents (11.1%). For minority of the respondents is divorce/widow with 2 respondents (1.9%).

Next, education level from primary school with total 3 respondents (2.8%) and secondary school with total 32 respondents (29.6%). Continue with college diploma with 33 respondents (30.6%) and undergraduate degree with 37 total of respondents (34.3%). For minority, postgraduate degree with 3 total of respondents (2.8%). Besides that, employment from student with 55 total of respondents (50.9%) and employed with 44 total of respondents (40.7%). For housewife 1 total of respondents (0.9%). Last, unemployed and self-employed have same total with 4 respondents (3.7%).

Following the personal monthly income from RM 2,501 and above with 11 total of respondents (10.2%) and RM 2,001 to RM 2,500 with 12 total of respondents (11.1%). Continue with RM 1,001 to RM 2,000 is 26 total of respondents (24.1%). The last one less than RM 1,000 with 59 total of respondents (54.6%). Next, platform used to make purchase product or service from Food Panda with 48 total of respondents (44.4%) and Grab Food with 12 total of respondents (11.1%). For Dahmakan and Bungkusit, there are sama total of respondents with 4 respondents (3.7%). Last from other with 40 of total respondents (37%).

Lastly, Total frequency of use online food delivery services from once a week with 73 total of respondents (67.6%) and three times a week with 31 total of respondents (28.7%). Next, five times a week with 4 total of respondents (3.7%) and based from research, no one use seven times a week online food delivery service. Besides that, how much spend on per week from more than RM 200 with 1 total of respondents (0.9%) and RM 200 – RM 150 with 11 total of respondents (10.2%). From RM 150 – RM 100, 25 total of respondents (23.1%) and less than RM 100 with 71 total of respondents (65.7%).

### 3.2 Descriptive Analysis

The descriptive analysis was tested according to their variables and listed out on the summary of the mean and standard deviation of computed items in Table 2

Table 2: Result of the Descriptive Analysis

#### **Descriptive Statistics**

	N	Mean	Std. Deviation
Loyalty towards online food delivery service (DV)	108	3.8981	.71326
Service quality (IV1)	108	4.0741	.69688
Food quality (IV2)	108	3.9846	.63415
Perceived value (IV3)	108	4.0154	.75660
Valid N (listwise)	108		

Table 2 showed that all the independent variables consist of service quality, food quality and

perceived value that seem to be common for online food delivery service users to use. Based on the result, the highest mean value came from service quality which was 4.07, where respondents agreed more for this variable, while the lowest mean value was loyalty toward online food delivery service, where respondents agreed lower with that variable in this study.

### 3.3 Reliability Analysis

Rule of Thumb (2003) indicated that internal consistency reliability can be defined as test for respondent's responses whether is consistency at all sections. Cronbach's Alpha can be used as the reliability coefficient to determine the items in a variable are positively associated with others. The high reliability means that the good are acceptable to the variable to be tested.

Table 3: Result of Reliability Analysis

Variables	Cronbach's Alpha Value	No. of Item	Strength
Loyalty	.856	6	Very Good
Service quality	.899	6	Very Good
Food quality	.868	6	Very Good
Perceived value	.874	6	Very Good

Based on the result of Table 3, the Cronbach's Alpha of loyalty as dependent variable is 0.856 and showed all the items of the loyalty are related with the title and it indicated as a "very good" result. Other than that, the Cronbach's Alpha result for service quality was 0.899 which result is "very good". Thus, the coefficient obtained for these questions about loyalty variable is very good. For food quality was 0.868 is very good result. The Cronbach's Alpha result for perceived value is 0.874 which also resulted as "very good". Overall for this analysis, all of the items in this research can be accepted and there is positively correlated with each other.

#### 3.4 Spearman Correlation Analysis

According to (Kumar, Talib & Ramayah, 2013) the Spearman's Correlation Coefficient is used to show the strength of association between two quantitative variables which is the independent variable and dependent variable that measure in ordinal scale. The results of the Spearman's Correlation Coefficient analysis showed in this study that the independent variable between the loyalty towards online food delivery service among consumer, service quality, food quality, customer satisfaction and perceived value with the loyalty as dependent variable.

Table 4: Spearman Correlation Coefficient

		Loyalty	Service Quality	Food Quality	Perceived Value
Loyalty	Spearman Correlation	1.000	.805**	.781**	.772**
	Sig. (1-tailed)		.000	.000	.000
	N	108	108	108	108
Service Quality	Spearman Correlation	.805**	1.000	.827**	.738**
	Sig. (1-tailed)	.000		.000	.000
	N	108	108	108	108
Food Quality	Spearman Correlation	.781**	.827**	1.000	.789**
	Sig. (1-tailed)	.000	.000		.000
	N	108	108	108	108
Perceived Value	Spearman Correlation	.773**	.738**	.789**	1.000
	Sign. (1-tailed)	.000	.000	.000	
	N	108	108	108	108

Based on the Table 4, it can be seen that all of the independent variables which are service quality, food quality and perceived value are significantly correlated to dependent variable which is the loyalty towards online food delivery service at 0.11 level (1-tailed). The relationship between variables, 0.70 is strong, within range of 0.30 to 0.60 is moderate and below of 0.30 is weak. The correlation coefficient between the independent variable between independent variable showed that service quality was 0.805, food quality was 0.781, and perceived value was 0.772. Thus, all of the independent of this study have a strong relationship between the dependent variable.

#### 3.5 Summary

Table 5: Summary of the Hypothesis Results

	Hypothesis	Significant Value	Magnitude Relationship	Supported or Rejected
H1	There is significant relationship between service quality and loyalty toward online food delivery service	.805**	High	Accept H1 hypothesis supported
H2	There is significant relationship between food quality and loyalty toward online food delivery Service	.781**	High	Accept H2 hypothesis supported
НЗ	There is significant relationship between perceived value and loyalty toward online food delivery service	.772**	High	Accept H4 hypothesis supported

#### 4 Conclusion and Future

### 4.1 Suggestion for the Future Research

In this analysis, there were two constraints. Some guidelines will be released in order to resolve these limitations. First of all, for example, some respondents did not completely contribute to answering the questionnaire by not having the information to answer the question. In order to avoid this scenario, as respondents respond, the researcher or student has the opportunity to assist and inform a target respondent by offering a clarification of each question to ensure that they rank on the correct scale.

In addition, for researchers to get accuracy in data collection, the time constraint is the biggest challenge. Both responses are evaluated using the questionnaire method to verify the hypothesis for the relationship between the dependent variable and the independent variables. From here, because it may take time to sort all these mistakes, no scanning of biased answers or constantly answering the same scale for each question was done. Future research may expand the time to sort the actual data and examine only the perfect random scale that has been addressed.

#### 4.2 Conclusion

The main objective of this research is to investigate the relationship between the overall factors influence loyalty among consumer towards online food delivery service and to show that there are four independent variables tested which are service quality, food quality and perceived value. In addition, all data collection was collected through an online questionnaire and the data was analyzed using SPSS software based on descriptive analysis, reliability analysis and Spearman's Correlation Coefficient analysis. As a result, the relationship between the independent variable and the dependent variable was positively associated with the high relationship.

This research concludes the key findings, discussions, implications, limitations and recommendations. The Spearman Correlation Analysis showed that all variables, including service quality, food quality and perceived value had a significant positive relationship with loyalty towards online food delivery service. In addition, all the assumptions had been tested, where all the assumptions about service quality, food quality and perceived value had been accepted.

Finally, the researcher also discussed some limitations encountered during the course of the research, as well as some recommendations for improvement in future research. As a final word for this study, this study aims to give an overview to the community about factors influence consumer loyalty towards online food delivery service around the world. As a society that is always sensitive to the current situation, it is not impossible for all communities to using online food delivery service.

#### 5 Acknowledgement

First of all, I would like to thank the university for giving permission to complete this task without any problems. Without permission, of course my job could not be completed on the specified date.

Next, I would like to thank Madam Nadia Hanum bin Amiruddin a lecturer at the Faculty of Entrepreneurship and Business in University Malaysia Kelantan and also as my beloved supervisor for giving me permission and support throughout this task. Not only that, she also corrected my mistakes and provided a lot of information in case I had an unresolved problem. Without her help to assist me, this task will not be delivered on the due date.

In addition, I would like to thank my family, friends, team members, respondents, and people and parties who directly and indirectly participated and helped me in completing the research and cooperating with me. The constant encouragement, support, advice, and criticism from them throughout this research gave me a better understanding and valuable information in completing this research. This research solution could not have been done without the help of these people, I am very grateful.

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# IMPACT OF BRAND PERSONALITY AND BRAND UNIQUENESS TOWARDS BRAND EQUITY OF MUSLIMAH FASHION SMES

Nurulfatinah Binti Mohd Najib and Noor Hasmini Binti Hj Abd Ghani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email:ulfatinah.a17a0608@siswa.umk.edu.my; hasmini.ag@umk.edu.my

#### Abstract:

This study primary aim to investigate the impact of brand personality and brand uniqueness towards brand equity of Muslimah fashion SMEs among consumers. A total of 226 SMEs consumers have participated as research respondents in this study. Researcher used Reliability and Multiple Regression analysis in testing the hypotheses. The findings indicated that both independent variables which are brand personality and brand uniqueness have a significant impact on brand equity of Muslimah fashion SMEs among consumers.

Keywords: Brand Equity, Brand Personality, Brand Uniqueness, SMEs, Muslimah fashion

### 1 Introduction

The year 2020 has been one of the most challenging years for all layers of society, especially among SME entrepreneurs. The spread of Covid-19 has a huge impact on the country's economy, including SMEs, which is one of the main pulses of the country, causing most of the SME entrepreneurs to go bankrupt. In fact, Muslimah fashion entrepreneurs also suffered the same fate because of this pandemic Covid-19. According to SME Corp Malaysia, 98.5% of business establishments in Malaysia have been contributed by SMEs and 20.6% of these business establishments are owned by women.

Currently, the items that are often bought online in Malaysian market are fashion items. Based on the website "The Women's Lifestyle Journal", the journal stated that clothing has contributed 54% of all purchases made including during the festive season, followed by bags and accessories which have contributed 53% (Venus Buzz, 2012). Following the growing trend of online shopping, most SMEs have ventured into this field in attracting consumers to the goods that sold via online platforms. As Covid-19 pandemic

is spreading in the country, consumers are more likely to spend their time at home by making online purchases. Hence, this has become an initiative for fashion entrepreneurs in Malaysia to be more focused on this platform in the sale of their clothes. To further attract consumers' interest in the product being marketed, entrepreneurs need to build their brand equity.

An effective brand equity can encourage consumers to be more inclined in product selection through their perception of the brand after evaluating it through the Internet. But not all users will act in such a way. There are researchers who argue that it is possible that the Internet has made the brand currently irrelevant to consumers because they have free access to a large amount of information about the product features of the brand (Chen, 2001; Dussart, 2001).

In this context, the fashion industry is no exception, in fact, also feels the same impact. This is because currently there are so many competitors in the fashion industry that produce the same type of product, but it can be distinguished through the brands brought by these SMEs entrepreneurs. Therefore, SMEs in Muslimah fashion industry need to play an important role in identifying the factors that can build brand equity through online enterprises because online brand equity is differ compared to offline brand equity. Past studies have proved that consumer experiences in an offline business environment are different which they can only interact with people rather than technology (Rios & Riquelme, 2008).<sup>2</sup>

Due to the challenges faced by SMEs in Muslimah fashion industry, it is important to study whether the building of brand equity significantly impacts on the performance of SMEs to warrant attention from the consumers. In this study, these two brands which are brand personality and brand uniqueness will be the main strategies that going to be focused or investigated towards the impact on brand equity.

#### 2 Literature Review

#### 2.1 Brand Equity

Brand equity refers to the intangible asset that creates an association between the brand and its consumers. It also can be viewed from three perspectives which are financial, brand extension and the consumer. Brand equity is an important part of a business because it can recognize the strength of the products while influencing the consumers to buy the product. Based on previous studies, there are three important roles in brand equity which are brand equity acts as a magnet to attract new customers to the company, serves as a reminder to the customers about the products and services provided by the company, and also the emotional relationship between customers and company (Lemon, Rust, & Zeithaml, 2001). Past study also shown that high levels of brand equity were found to be led to the consumer choice with high buying intentions as well as higher stock returns (Cobb-Walgren, Ruble, & Donthu, 1995; DA Aaker & R. Jacobson, 1994; Srivastava & Shocker, 1991). High brand equity will also provide an opportunity for

<sup>&</sup>lt;sup>1</sup> Chen, S. (2001). Assessing the impact of the Internet on brands. Journal of brand management, 8(4), 288-302.

<sup>&</sup>lt;sup>2</sup> Rios, R. E., & Riquelme, H. E. (2008). Brand equity for online companies. Marketing Intelligence & Planning.

<sup>&</sup>lt;sup>3</sup> Lemon, K. N., Rust, R. T., & Zeithaml, V. A. (2001). What drives customer equity? Marketing management, 10(1), 20-25.

companies to successfully develop, resilience to competitive promotional pressures, and create barriers to entry into the competition (Farquhar, 1989).<sup>4</sup> This can be seen through the definitions obtained from several researchers on brand equity as shown in Table 2.1.

Table 2.1: Definition of Brand Equity.

Researcher	Definition		
Farquhar (1989)	Added value with whom a brand endows a		
	product.		
Aaker (1991)	A set of brand assets and liabilities linked		
	to a brand, its name and symbol that add or		
	subtract from the value provided to a		
	firm or to that firm's customers (p.15).		
Keller (1993)	The differential effect of brand knowledge		
	on consumer response to the brand's		
	marketing.		
Yoo et al. (2000)	The difference in the choice of consumer		
	between a branded and unbranded product		
	which given the same level of features.		

Moreover, brand equity is found to be one of the most important marketing variables and is widely discussed by researchers and marketing experts. The main reason for this reputation is the strategic role of brand equity in management decisions and creating a competitive advantage for an organization (Atilgan, Aksoy & Akinci, 2007). Brand equity construction can be categorized according to three approaches namely financial, corporate and customer. In a financial approach, brand equity is the increased cash flow earned through a specified product as well as the cash flow earned from selling nameless products. Whereas, in a corporate-based approach, brand equity is an added value to the company for the brand name and this revenue will not cover the same nameless product (Keller & Lehmann, 2004). The last one is customer-based brand equity (CBBE) which according to Keller (1993), it is the marketing effect of different brand knowledge on consumer response lies in brand marketing and increases the level of brand that is not unfamiliar to customers. He also argues that customer-based brand equity occurs in scenarios where the target customer has a high level of brand familiarity and awareness of the brand and has some strong, unique, and good brand contacts in memory.<sup>5</sup>

### 2.2 Brand Personality

According to brand personality theorists, brands can be linked to the nature of human personality through learning and experience. As consumers which have difficulty articulating perceived differences between competitive brands based on their physical nature, brand personality and image management have become an integral part of a company's marketing program. As noted by Levy (1985), the task of brand differentiation can be facilitated when consumers associate it with human characteristics, showing that conveying a clear brand image allows users to identify needs that satisfy the brand (Park, Jaworski, & MacInnis, 1986). It can be seen through

<sup>&</sup>lt;sup>4</sup> Farquhar, P. H. (1989). Managing brand equity. Marketing research, 1(3).

<sup>&</sup>lt;sup>5</sup> Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. Journal of marketing, 57(1), 1-22.

the several definitions of brand personality that obtained from different researchers which has shown in Table 2.2.

Table 2.2: Definition of Brand Personality

Researcher	Definition		
Keller (1993)	Act as a symbolic function which is differ		
	from "product-related features" that it tends		
	to act as a utilitarian function for		
	consumers.		
Aaker (1997)	The set of human characteristics		
	associated with a brand. (p. 347)		
Azoulay & Kapferer (2003)	An enabler in identifying consumers with		
	the brands.		
Caprara et al., 2001; Louis and Lombart,	A viable metaphor whose latent concept		
2010	lies in the fact that a consumer based on his		
	or her personality which creates affinities		
	with the brands.		

However, not every brand has its own personality. This is because brand personality is created and developed by any direct or indirect brand relationship experienced by the consumer (Shank & Langmeyer, 1994; Plummer, 1985), it is important for consumers to experience the brand first before they form subjective perceptions about, and personality traits related to the brand. The effect of that experience is the creation of a brand with its own personality. As suggested by Aaker (1996), the whole mix of marketing communication variables such as advertising, consumer image, price, packaging, symbols, logos, store location, word of mouth and every other exposure the brand receives creates a brand personality over time.<sup>6</sup> Brand personality is stronger and clearer if these elements are deliberately adjusted, if the personality is distinctive, and if the personality remains consistent over time and the media (Batra, Lehmann, & Singh, 1993).

Brand personality is beneficial for marketers and consumers. For marketers, brand personality is an integral part of brand image and equity, and it relates to brand value in the minds of consumers (Keller, 1993). Brand personality is seen as a key driver in the formation of positive attitudes and priorities for brands (Biel, 1993), strong brand equity determinants, and effective methods for creating and building meaningful consumerbrand relationships (Sung & Tinkham, 2005). Developing strong brand personality will benefit a business by increasing perceived brand value and enhancing the consumer brand perceptions and thereby increasing the brand equity (Arora & Stoner, 2009; Tong & Hawley, 2009). Past literature has stated that brand personality is found to be related in the contribution of the brand equity (Aaker, 1996a). This is because brand personality is one of the important types of brand associations and it also influence the equity of the brand (Pappu et al., 2005). Brand personality can create and build bonds with consumers, especially if the personality is distinctive, assertive, desirable, and persistent (Lannon, 1993). Therefore, marketers view brand personality

<sup>&</sup>lt;sup>6</sup> Aaker, D. A. (1996). Measuring brand equity across products and markets. California management review, 38(3).

<sup>&</sup>lt;sup>7</sup> Biel, A. L. (1993). Converting image into equity. Brand equity and advertising: Advertising's role in building strong brands, 26(10), 67-81.

as an effective method to differentiate a brand from its competitors, thus increasing marketing effectiveness.

#### 2.3 **Brand Uniqueness**

The uniqueness of the brand is important for entrepreneurs in distinguishing their products from the competitors' products. The importance of brand uniqueness will certainly make a difference where consumers will be more likely to choose products that have a unique image of the brand. This has been proved by Walgren, Ruble, and Donthu (2012) which have mentioned that the tendency of consumers in choosing items that seemed unique and different. Brand uniqueness is found to be desirable characteristic of the brand that the brand aims to achieve (Keller, 1993; Netemeyer et al., 2004; Vigneron and Johnson, 2004). This is because it provides an edge over its rivals (Hakala, 2011; Keller and Lehmann, 2006; Ooi and Stober, 2008). On the other hand, if the brand is not considered as unique compared to the competitors, this will create difficulties in gaining customer attention and generating consumer expectations and commitment. Some authors argue that brands which have unique images are difficult to imitate and it will be costly to compete, hence it will be provide the firms that own that brands to have a competitive advantage (Davis et al., 2008). This can be seen through the several definitions from the previous literature about brand uniqueness which has shown in Table 2.3.

Table 2.3: Definition of Brand Uniqueness

Researcher	Definition		
Netemeyer et al. (2004)	The degree to which customers feel the		
	brand is different from competing brands		
	and how distinct it is relative to		
	competitors. (p. 211)		
Golder, Mitra, and Moorman (2012)	The tendency of people to stand out from		
	each other naturally.		
Malik et al. (2019)	The degree to which a brand defers from		
	similar rival brands on the market.		
Hassan, Bashir, & Fahim (2019)	Property of a brand in which the brands		
	have some superior advantages and unique		
	characteristics than the rival brands.		

The importance of uniqueness can also be linked to the brand equity. Although the uniqueness of the brand is studied under the different aspects of brand equity, but advantages and uniqueness are collectively considered suitable for measuring brand differentiation. Past study has discussed the uniqueness concept as the sub-dimension of differentiation (Netemeyer et al., 2003; Szőcs, & Berács, 2015).8 The author also stated that uniqueness is positively associated with consumers' willingness to pay the premium price that ultimately ripen willingness to purchase (Netemeyer et al., 2004).9 In other words, brand uniqueness is important in determining the extent to which a brand image can be well perceived in the minds of consumers and the extent to which the brand can

<sup>8</sup> Szőcs, A., & Berács, J. (2015). A Causal Model of Consumer-Based Brand Equity. Acta Universitatis Sapientiae, Economics and Business, 3(1), 5-26.

<sup>&</sup>lt;sup>9</sup> Netemeyer, R. G., Krishnan, B., Pullig, C., Wang, G., Yagci, M., Dean, D., . . . Wirth, F. (2004). Developing and validating measures of facets of customer-based brand equity. Journal of business research, 57(2), 209-224.

provide high uniqueness which contains properties and advantages that make it special and different from competitors.

### 3 Methodology

### 3.1 Sampling and Data Collection

An online questionnaire is used for data collection method. The study is targeted on SMEs consumers that often to use online platform in purchasing Muslimah apparel. Apart from that, a snowball sampling is selected for determining the data of SMEs consumers from identified sample size. The study is designed to collect data from 200 valid samples based on the minimum sampling theory Sekaran (2003).

#### 3.2 Research Construct

This study uses research construct as abstract ideas in measuring survey questions. The research construct below consists of independent and dependent variables, definitions, and several items from selected past literature.

Variables **Definitions** Items DV: Brand Equity A set of brand assets and liabilities 8 items (D. A. Aaker, 1991) linked to a brand, its name and symbol that add or subtract from the value provided to a firm or to that firm's customers (p.15). These assets include brand awareness, perceived quality, brand associations, brand loyalty and other proprietary assets. The set of human characteristics IV 1: Brand Personality 10 items (J. L. Aaker, 1997) associated with a brand. (p. 347) IV 2: Brand Uniqueness The degree to which customers feel 4 items the brand is different from competing (Netemeyer et al., 2004) brands and how distinct it is relative to competitors. (p. 211)

Table 3.1: Research Construct

### 33 Data Analysis Method

The data that have been collected in the study will be analysed by using computer software which is Statistical Programmers for Social Science (SPSS) version 26.0. Moreover, descriptive, reliability and Multiple Regression analysis also has been conducted in the study. In reliability analysis, Cronbach's Alpha for all variables exceeding 0.7 makes it acceptable, since it ranges from 0.7 to 0.9, it is acceptable for an excellent measure. This is also supported by Cronbach (2016) when Cronbach's Alpha is higher, which means that the internal consistency of the item from the scale is higher. For Multiple Regression, the p-value of the variable must be less than the value of 0.05 to accept the hypothesis.

### 4 Result and Analysis

### 4.1 Sample Characteristics

This section discusses the sample characteristics of 226 respondents who use online platform in purchasing Muslimah apparel from SMEs brand. Apart from that, the section presented the findings about gender, marital, age, educational level, employment status, income, and screening questions.

Table 4.1: Sample Characteristics

Sample Characteristics	Frequency	Percentages
	(226)	(%)
Gender		
• Male	46	20.4
• Female	180	79.6
Marital		
• Single	159	70.4
• Married	67	29.6
Age		
<ul><li>■ 18 – 21</li></ul>	39	17.3
• 22 – 25	110	48.7
<ul><li>26 – 29</li></ul>	40	17.7
• 30 and above	37	16.4
Educational Level		
<ul> <li>Secondary school</li> </ul>	22	9.7
• Diploma	74	32.7
University/Degree	104	46.0
• Master	15	6.6
• Others	11	4.9

Employment Status		
Government sector	34	15.0
Private sector	57	25.2
Self-employed	29	12.8
Unemployed	8	3.5
• Student	96	42.5
• Others	2	0.9
Income		
• Less than RM3000	179	79.2
• RM3001 – RM6000	35	15.5
• RM6001 – RM9000	10	4.4
• More than RM9000	2	0.9
Have you ever bought Muslimah clothes online?		
• Yes	226	100
• No	0	0
Platform that used to make the online purchases.		
• Facebook	29	12.8
• Instagram	77	34.1
Official Website	71	31.4
• Others	49	21.7
Frequency of purchasing Muslimah clothing.		
More often than a week	1	0.4
Once a week	8	3.5
Once a month	106	46.9
Several times a month	111	49.1

### 4.2 Hypothesis Testing

This section discusses the result that obtained from Reliability analysis and Multiple Linear Regression of independent and dependent variables in the study.

#### 4.2.1 Reliability Analysis

Table 4.2 indicates the result of reliability analysis in independent variables (Brand Personality and Brand Uniqueness) and dependent variable (Brand Equity) for this study. The result of Cronbach's Alpha for brand personality is 0.909, followed by brand uniqueness which is gained 0.900. In contrast, the result of Cronbach's Alpha for brand equity which represent as dependent variable is 0.904. The coefficient Alpha for reliability test of all variables is 0.958. These results have indicated that all variables in this study is an excellent in consistency and stability. Hence, the reliability coefficient which obtained by the researcher in the study is reliable and accepted.

Table 4.2: Reliability Analysis

		3 3	
Variables	N of Items	Cronbach's Alpha	<b>Internal Consistency</b>
Brand Equity	8	0.904	Excellent
<b>Brand Personality</b>	10	0.909	Excellent
Brand Uniqueness	4	0.900	Excellent
All Variables	22	0.958	Excellent

### 4.2.2 Multiple Linear Regression

According to Table 4.3 of model summary, the determination of R2 (R Square) is 0.768. It means that 76.8% of all independent variables which are brand personality and brand uniqueness have explained to the variance of dependent variable (brand equity) in the study.

Table 4.3: Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	0.876a	0.768	0.766	0.32068

a. Predictors: (Constant) Brand Personality and Brand Uniqueness

b. Dependent Variable: Brand Equity

Based on Table 4.4, there is a significant effect of brand personality and brand uniqueness (p<0.05) towards brand equity. In every unit increase of brand personality, brand equity will increase by 0.36 ( $\beta$ ). Meanwhile, in every unit increase of brand uniqueness, brand equity will increase by 0.52 ( $\beta$ ). The study proved that the most important variable which had a great impact in clarifying the consumers perceptions towards Muslimah SMEs brand is brand uniqueness with the beta value is 0.52 greater than 0.36 in brand personality. This result shows that how influential of the independent variables which are brand personality and brand uniqueness can influence brand equity of Muslimah fashion SMEs among consumers.

Table 1/1.	Multiple	Linear	Regreccion	(Coefficients <sup>a)</sup>
1 able 4.4.	Multiple	Lillear	Keglession	

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	β	Std. Error	β		
1	0.482	0.152		3.164	0.002
(Constant)					
BP	0.364	0.056	0.330	6.447	0.000
BU	0.515	0.044	0.595	11.609	0.000

a. Dependent Variable: Brand Equity

#### 5 Recommendation and Conclusion

As from the results stated, this study is focused on how brand personality and brand uniqueness can affect brand equity of Muslimah fashion SMEs among consumers. The results confirmed that both independent variables which are brand personality and brand uniqueness have a significant impact towards brand equity. Apart from that, the study also has a strong support for the research value on both independent variables.

Based on the analysis of the entire variables, it has been proved that the study has fulfilled the minimum requirement of reliability since all the value of Cronbach's Alpha coefficient indicates greater than 0.6 which all variables obtained an excellent in consistency. Moreover, the highest beta value which had a great impact in clarifying consumers perception towards Muslimah fashion SMEs brand is brand uniqueness, and then followed by brand personality. The result demonstrated that the variables are significant and supported the hypotheses in the study. Therefore, this research has fulfilled the objectives in investigating the impact of brand personality and brand uniqueness towards brand equity of Muslimah fashion SMEs among consumers.

Although this study has met the objectives of the research, but there are still limitations that need to be emphasized and need to be improved for future studies. Lack of academic literature is one of the limitations that obtained from the study. However, some areas of this study have not yet fully explored the need for future branding research, particularly in Muslimah fashion industry in Malaysia. Limitation also occurred since the current study is only investigate on the impact of brand personality and brand uniqueness towards brand equity of Muslimah fashion SMEs, yet it would be interesting if the future studies implement the study on other branding strategies like brand performance, brand trust, brand image, brand credibility etc.

Moreover, the current study is based on Aaker's brand equity model and it really recommended if the future studies apply this context in different theory such as Keller's brand equity pyramid or Yoo and Donthu brand equity model. Apart from that, the current study is limited on the industry which is Muslimah fashion SMEs brand. To avoid the sample bias in the study, it will be more interesting if future studies are conducted on a more diverse sample of users or in different sampling technique. It also necessary for future branding research in fashion industry to be conducted extend the line that only focus on one category which can avoid bias such as modest fashion etc.

### 6 Acknowledgements

All praise and thankfulness to Allah S.W.T, The Most Glorious and The Most Omnipotent, with His willingness, the researcher have completed the proposal even during covid-19 pandemic outbreak. The efforts made by the researcher in analyzing the chosen topic is worth within the given of period time.

Apart from that, the researcher would like to thank her supervisor, Assoc. Professor Dr. Noor Hasmini Binti Hj Abd Ghani and her examiner, Dr. Noorshella Binti Che Nawi for the dedication and guidance in giving clear instructions for her to carry out this research smoothly. All valuable advices and tips given are highly appreciated by the researcher as they have helped her to have a better understanding and lead through completing the project successfully.

Finally, a special thankfulness is also expressed to her beloved family, and fellow friends for the continuous supports, encouragements and prayers that act as an inspiration and strength for her to stay motivated as well as being her ears during the difficult time throughout the implementation of this proposal. Moreover, her deepest appreciation goes to the cooperative respondents which contributes their times and efforts in answering the distributed questionnaires and making this research possible.

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# THE EFFECT OF THE PRODUCT QUALITY, SHIPPING TIME AND DELIVERY COST ON CUSTOMER SATISFACTION TOWARDS SHOPEE MALAYSIA

### Paviethra Suntharajan and Munirah Binti Mahshar

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia.

Email: paviethra.a17a0935@siswa.edu.com.my; munirah@umk.edu.my

#### Abstract:

As the globalization happened, the information and technology is also rapidly growing and developing. Consequently, Malaysia has also been feeling the impact of the growing and developing information and technology. One of the biggest effect is the shifting customer behavior which makes people prefer buy things online through platforms like e-commerce, which is just one click away. Thus, the e-commerce should try to gain customer satisfaction that can be done by creating their competitive advantage. This research then examined the effect of the product quality, shipping time and delivery cost on customer satisfaction towards Shopee Malaysia, as one of the top rank e-commerce. Quantitative method was used to analyze the variable significance in the population that are represented by the samples, which are the respondents who have ever bought any product in Shopee and are living in West Malaysia. A total of 326 unknown respondents were participating through the online questionnaire. The study found that there is a significance effect of the product quality, shipping time and delivery cost towards customer satisfaction, both individually and simultaneously. The study will provide an insight and knowledge to Shopee, readers and future research in order to find out the influence of the factors in gaining competitive advantage and create a sustainable e-commerce business in Indonesia.

**Keywrods:** e-commerce, Shopee, shipping time, delivery cost, customer satisfaction

### 1 Introduction

Shopee is one of the biggest e-commerce in Malaysia with the highest ranking in term of AppStore and PlayStore. It is one of the leading e-commerce in Taiwan and Southeast Asia. Customer satisfaction is whether the goods or services provided by the business match the expectation had by the customers. Logistic is important as it provides both cost and service for the customer. Many of the e-commerce has also been promoting their platforms in the form of free shipping cost. There are also some effects

on the delivery time and shipping charges in term of customer satisfaction and purchase intention.

#### 1.1 Problem Statement

E-commerce helps customers to buy goods and services with just a mere click that can be done online with the help of internet (Handoko, 2016). Customer satisfaction is whether the goods or services meet the customer expectation (Sharmin, 2012) that may be seen from a single characteristic or feature and also the product as a whole (Ilieska, 2013). However, customer satisfaction in using e- commerce has been decreasing in the recent year. As one of the most well-known e-commerce in Malaysia, of course Shopee Malaysia has also been impacted by the situation. The low performance of Malaysia's logistic as a result of lack in infrastructure has resulted to lots of problems. Malaysia which consists of islands also added up to the problems in logistic. In e-commerce, the delivery service in term of cost and time are the most important aspects (Lin, Wu, & Chang, 2011). Therefore the researcher came up with the second and third statement of problems, which are: Is there an influence of shipping time on consumer satisfaction towards Shopee Malaysia? And is there any influence of delivery cost on consumer satisfaction towards Shopee Malaysia. It is also important for the research to reveal a study on whether there is any simultaneous influence of quality on shipping time and delivery service on consumer satisfaction towards Shopee Malaysia.

### 1.2 Research Questions

1)Is the product quality effects the consumer satisfaction on Shopee Malaysia? 2)Is the shipping time effects the customer satisfaction on Shopee Malaysia? 3)Is the delivery cost effects the customer satisfaction on Shopee Malaysia?

### 1.3 Research Objectives

- 1)To analyze is effect of product quality on customer satisfaction on Shopee Malaysia?
- 2)To analyze is effect of shipping time on customer satisfaction on Shopee Malaysia?
- 3)To analyze is effect of delivery cost on customer satisfaction on Shopee Malaysia?

### 1.4 The Significance of the Study

This study will provide an insight on whether the product quality or shipping time or delivery cost give biggest effect towards the consumer satisfaction and whether all of them have a simultaneous effect towards consumer satisfaction in Shopee. This study will then help Shopee Malaysia to have an in-depth understanding towards the factors that actually effect the customer satisfaction and create a strategy that may help the

company in order to satisfy the customer and create a competitive advantage to become a market leader in Malaysia e-commerce.

#### 2 LITERATURE REVIEW

### 2.1 Theory of Planned Behaviour

The Theory of Planned Behaviour (TPB) was prepared to manage the restrictions of the Theory of Reasoned Action (TRA) and carry out to anticipate the intention of individuals to participate in behaviour inside a specific venue, time and to describe all behaviour over which and individual has the ability to apply self-control. Moreover, Theory of Reasoned Action (TRA) was created to estimate and appreciate human behaviour including attitude (Olumide, 2016). This bring meaning that how much people see a specific behavioural positively which is attitude, or predicts that considerable other need them to take part in the behaviour which is subjective norm and trust that they are fit for completing the behaviour which is perceived behavioural control, serve as immediate determinants of the degree of their intention to perform the behaviour (Yakasai & Jusoh, 2015).

### 2.2 Research Hypothesis

In this study, development of this hypothesis tested using an appropriate statistical analysis procedure to decide if it can be accepted or rejected relating to the relationship between product quality, shipping time and delivery cost on customer satisfaction towards Shopee Malaysia.

- H1: There are significant relationship between product quality on customer satisfaction towards West Malaysia Shopee Malaysia.
- H2: There are significant relationship between shipping time on customer satisfaction towards West Malaysia Shopee Malaysia.
- H3: There are significant relationship between delivery time on customer satisfaction towards West Malaysia Shopee Malaysia.

#### 2.3 Research Framework

A research framework has been conducted to investigate the connection between the product quality, shipping time and delivery cost on customer satisfaction towards Shopee Malaysia.

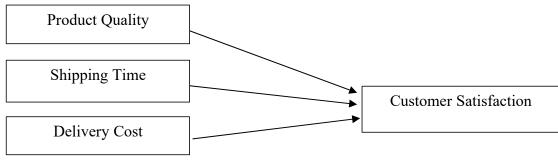


Figure 1: Research framework of the effect of product quality, shipping time and delivery cots towards Shopee Malaysia.

Source: The role of conceptual frameworks in epidemiological analysis (Victora, C. G., Huttly, S. R., Fuchs, S. C., & Olinto, M. T., 1997)

#### 3 METHODOLOGY

### 3.1 Research Design

This research used a quantitative method and questionnaire was distributed to 326. In addition, research design may help researchers in order to carry out research objectives. West Malaysia Shopee users will be surveyed to answer the questionnaire.

#### 3.2 Data Collection

Firstly, the data collection used in this study is questionnaire. This method is clear and uncertainties can be resolved. A questionnaire will be assigned randomly to the respondent and according to table of Krejcie and Morgan (1970), our respondent will be 326 West Malaysia Shopee users. Secondly, the next stage of data collection was a fieldwork. A set of questionnaires was distributed to the population which West Malaysians to collect the data. In this research, questionnaire will be divide into seven section which is Section A for demographics (gender, age and ethnics), Section B, Section C and Section D for independent variables (product quality, shipping time and delivery cost) and the Section E for dependent variable (customer satisfaction) In this questionnaire have use an ordinal scales to measure the levels of agreement or disagreement on some questions.

### 3.3 Participant

Participants were 326 West Malaysia Shopee users. 206 participants identified themselves as women and 120 participants identified themselves as men. Participants mostly in their 20-31 years old.

#### 3.4 Sampling

For this research, researcher use probability sampling method which is cluster sampling as a

sampling procedure. Researcher will use the cluster sampling because researcher divide the

population into separate group called clusters. This method applied to make sure a fair and

equal representation of the variables for this study.

#### 3.5 Data Analysis

The data obtained will be analyse using Statistical Package for the Social Science (SPSS) and

the data types of data analysis used are reliability analysis, descriptive statistic, and spearman correlation.

### 4 FINDINGS

The study was conducted to identify the effect of customer satisfaction towards product quality, shipping time and delivery cost among Shopee Malaysia. The dependent variable in this study was important to identify the customer satisfaction. Whereas, a set of independent variables which product quality, shipping time and delivery cost. The analysis of data includes descriptive analysis, reliability analysis and Spearman Correlation Coefficient. This research has three objective which are to identify the relationship between product quality on customer satisfaction, to identify the relationship between shipping time on customer satisfaction, to identify the relationship between delivery cost on customer satisfaction among West Malaysia Shopee Malaysia users. Based on the result that researcher, the effect of product quality, shipping time and delivery cost towards customer satisfaction among West Malaysia Shopee Malaysia users. It shows that there were similarities that occur between previous study and current study which were supporting the hypothesis that has been stated in previous study. The three factors which is product quality, shipping time and delivery cost gave the significant effect on customer satisfaction towards Shopee Malaysia.

### 5 DISCUSSION AND RECOMMENDATION

It would be better if the future researcher may try to find a wider population and samples that may come in term of number of respondents or also the scope of the study. The researcher may also try to find the specific scope in order to know better the results in the area and become useful for the surroundings. Next, the future researcher is recommended to expand the sample size and the population in order to get more accurate and diverse outcome of the study. The study was conducted only at East Malaysia. It is recommended that future researchers perform similar research in different universities, states or even in Malaysia as it will lead to a different outcome. In addition, in order to improve the quality of the data obtained, the number of respondents can be expanded for future studies. To get an accurate result from larger amount of responses, future researchers must take a longer duration for data collection and analysis.

### 6 CONCLUSION

This study focuses on the effect of product quality, shipping time and delivery cost on customer satisfaction towards Shopee Malaysia among West Malaysia. Organizations can use the outcome of this study to determine the effectiveness. Shopee Malaysia is one of the top e-commerce in Malaysia and it is one of the upcoming e-commerce too. It is used by many people on Malaysia. This three factors are one of a big reason for this Shopee Malaysia growth. The minimum requirement for reliability analysis has been met from the study of the overall variable since the value of the Cronbach's Alpha coefficients is above 0.5. The independent variables identified as the product quality, shipping time and delivery cost indicates the significant relationship to the dependent variable known as the customer satisfaction. Based on the hypothesis result, all the H0 have been rejected while H1, H2 and H3 have been accepted in this study. Most notably, this study has established that most of the east Malaysian are influence with the this

Shopee Malaysia. They are also really concerned about the specifications of the organizations that they wish to want to work and perform well. Finally this three factors which is product quality, shipping time and delivery cost are give significant effect towards this Shopee Malaysia. East Malaysian wants the Shopee Malaysia to upgrade more for enjoy their online shopping.

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# HOW DOES THE MANNEQUINS IN WOMEN'S RETAIL STORE AFFECT THE CONSUMER BUYING BEHAVIOUR IN KUALA LUMPUR

### Purnima Thayalan and Nik Noorhazila Binti Nik Mud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: purnima.a17a0616@siswa.umk.edu.my; noorhazila.nm@umk.edu.my

#### Abstract:

This thesis is investigating the Influencing factors of Mannequin that affect the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. The purpose of this study is to determine the Influencing factors of Mannequin that affect the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. The Data is collected by means of questionnaires obtained from 375 women respondents in Kuala Lumpur. Non-probability sampling which is a Convenience Sampling method has been implemented in this study in order to allow researchers to collect the respondents quickly and efficiently as the target respondent's population is large. This study used Descriptive Analysis, Spearman Correlation Analysis and Multiple Linear Regression Analysis. From the result, all the Independent Variables are significant with the Dependent Variable with the value of (p < 0.05) and the most dominant variable of the study is Features of Mannequin with the value of (p < 0.05), (b = 0.333). Factors of Mannequins that affect the Consumer Buying Behaviour will be the Colour Display of Mannequin, Features of Mannequin and Position of Mannequin while the most effective factor is Features of Mannequin in this study.

**Keywords**: Factors, Mannequin, Consumer Buying Behaviour, Colour Display of Mannequin, Features of Mannequin and Position of Mannequin.

### 1 Introduction

Over the past decade, Malaysia has been one of the leading manufacturing economies in South-east Asia. According to the survey conducted by (Cohen, 2014), the manufacturing sector in Malaysia returned to growth in June, growing sharply to (51%), its highest since September 2018. This was up from (45.6%) in May, reflecting an increase in the health of the products manufacturing sector in Malaysia and stronger economic growth more broadly. Thus, according to the retail industry, the retail sector is thus one of the main contributors to the Gross Domestic Product (GDP) of Malaysia<sup>1</sup> and also offers job opportunities and raises sales profits (Jaapar, Zawawi, Bari, & Ahmad, 2012). Hence, in this research, this study is to investigate the Influencing factors of Mannequin that affect the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. This paper will consider, along these lines, the argument on the variables of mannequin activities in the women's retail store for women's expectations in order to increase the awareness of the mannequins to the customers. The key motive behind this paper is to examine the variables of mannequins that affect the purchasing behaviour in women's retail stores in Kuala Lumpur (Shealy, 2016).

In the previous studies, the store display is a perfect sample to make effective use of this psychological framework (Mehta & Chugan, 2012). When consumers visit a retail outlet the window display is the first thing they consider. While, merchandise display, according to Zentes et al. (2017: 2019), is a term widely used in-store marketing (Upadhyay, Jauhari, & Singh, 2017). Now, in this research study, the researcher had conducted a research in examining and identifying the relationship between the Colour Display of Mannequin, the Features of Mannequin, and the Position of Mannequin as well the most Dominant factor of Mannequin (Colour, Features and Position) that affect the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. The results of this study shows the importance of mannequin display to female consumers in particular and that mannequin should be physically enticing to draw customers to the store (Fister, 2009).

<sup>&</sup>lt;sup>1</sup> https://tradingeconomics.com/malaysia/gdp, 2020

### **2** Literature Review

### 2.1 Envisioning Theory

This theory is described as the strength of consumers via pictures of customers on a mannequin in the clothing being shown. Envisioning enables the consumer to imagine themselves on a mannequin in the garments as they see it, as well to imagine how the clothing displayed would look on their own body and expect a degree of product fit, and consumer depend on the mannequin (Menon, Sigurdsson, Larsen, Fagerstrøm, & Foxall, 2016). Envisioning would refer to the degree to which customers would envision themselves wearing an outfit displayed on a mannequin and how in the context of a store environment the outfits portrayed would look<sup>2</sup>. Envisioning factors in the context of Colour Display, Features and Position of the Mannequin can be the hypotheses used in these studies focused on the independent variables of mannequin characteristics to be introduced. Mannequins provide shoppers with a visualisation of whether the commodity is good for them or not (Anitha & Selvaraj, 2010).

The importance of Envisioning theory in these studies is to be described as the importance of photography in visual merchandising that had been highlighted by the previous studies of Lindström et al. (2015) that should take into consideration the life of an imaginary mannequin in a show<sup>3</sup>. With its unnatural proportions and colour as well as lack of facial characteristics, it may be daunting for customers to picture them individually wearing the clothes displayed on the display when looking at such strange body types. However, it is also true that the mannequin's abstractness will cause customers to replace themselves psychologically in their role (Nayak, 2017). For instance, consider another extreme practical mannequin with the right proportions of the body, hair colour, colour of the eyes, and a recognizable race. A customer with identical features to the mannequin can see that the mannequin naturally realises that it resembles them and hence conveniently represents the items (Engdahl & Gelang, 2019).

#### 2.2 Previous Studies

### Mannequin

For decades, the introduction of mannequin as a means of showcasing where the apparel was part of the presentation of clothing in brick and mortar shops (Cohen, 2014). The mannequin's history and its use in today's retail stores were documented in 1997 by Schneider. In order for the windows to draw customers into the shop, these mannequins were shown. One of the study participants said "The body shapes of those mannequins look good to my body, I can predict how I'm going to look nice at the lingerie patterns" (Wanniachchi & Kumara, 2016). The participant feels that "there is a short conceptual gap between my body shape and that seen in the window, "another participant said (Fister, 2009). The writers believe that the mannequin has a very similar body structure and proportions to consumers appear to leave consumers with a stronger perception. The authors also noticed that headless mannequins encourage customers to place

<sup>&</sup>lt;sup>2</sup> The New York Times (2020), Importance of Envisioning Theory on Mannequin.

<sup>&</sup>lt;sup>3</sup> Young, H., Kwon, W. and Lennon, S. (2007), "Online visual merchandising (VMD) of apparel web sites", Article of Fashion Marketing and Management: An International Journal, Vol. 11 No. 4, pp. 477-493.

themselves on the screen and picture themselves in the clothes featured (Anitha & Selvaraj, 2010). The customers also do not have to be fairly descriptive or have any realistic colour or facial features listed (Pegler & Bliss, 2006).

### 2.3 Colour Display of Mannequin

Colour Display of Mannequin is defined as the panel that can display various colours of mannequin in the store (Gudonavičienė & Alijošienė, 2015). A significant amount of study had been done to understand this association by identifying the stimuli by the colour of mannequins that affect consumer purchase decisions (Renko & Grgić, 2012). Many retail businesses have thus begun studying how to configure these stimuli to build a brandappropriate retail picture in their shops and encourage their customers to visit the shop and make an order (Engdahl & Gelang, 2019). Previous study findings show that (75%) of visual merchandising stimuli such as mannequin colour influence the actions of customers' store choice and their purchase behaviour. However, despite their potential to influence Consumer Buying Behaviour, one of these significant triggers, mannequins, has been ignored in most studies (Park, Jeon, & Sullivan, 2015). The consumers would be drawn to it. The author concluded from his scientific study that about (65%) of the factors of Colour Mannequins would ultimately alter the attitude of a consumer to be drawn to get their items in the shop (Randhawa & Saluja, 2017).

H1: There is a significant relationship between the Colour Display of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

### 2.4 Features of Mannequin

From the aspect of Features of Mannequin, it has been stated that mannequins are an integral part of any powerful display, and ensuring that they have the right features is essential to a well-made display and performance (Joslin, 2017). In the previous research, the authors had stated that abstract ones are the most prevalent type of mannequins. According to Bickle, Burnsed, and Edwards (2015), the authors had conducted a research on Scale of Women happy with the environment of retail clothing stores via the Likert Scale Questionnaire method. In that research it had been stated that (28%) of the nation's clothing buying force is accounted for by plus-size female buyers (Binkley 2013). For example from the study, (63%) of plus-size women view shopping for plus-size apparel as more stressful than stressful, according to NPD Community (2012), shopping for plus-size clothing is viewed by (73%) of plus-size women as more challenging than shopping for standard-size clothing. Besides that, there was a study conducted by (Fister, 2009), stating that Mintel Group Ltd. (2012) the most popular stores patronized by plus-size women according to the state are Walmart (47%), Kohl's (37%), JCPenney (35%), and Target (27%).

H2: There is a significant relationship between the Features of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

### 2.5 Position of Mannequin

The researcher also had discovered the suggestions of position but despite that, retailers should understand that with imagination and an artful eye, the placement of mannequins should be achieved in attracting the customers<sup>4</sup>. There was a research stated that in mannequin placement, individual ideas are promoted (Wu, Kim, & Koo, 2015). Anything that can attract a prospective customer's eyes is fantastic. From the lighting, to props, to garments, as well as the theme, all should be considered. Both of these items are vital aspects of the presentation of mannequins, but they must be put before them by (Randhawa & Saluja, 2017). A mannequin used to show lingerie may be in a sensual pose, and an elegant pose may have a mannequin wearing evening wear in the middle of the store. While, Katz (1991) had conducted a research where if it is showing something billowy and flowing or have specifics on the leg that mannequins want to draw attention to the customers, a mannequin in a big leg stand is perfect. But when the mannequin is shown in a tight pencil skirt, this same wide-leg mannequin cannot be usable.

H3: There is a significant relationship between the Position of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

### 2.6 Consumer Buying Behaviour

According to McKechnie (1992), for some considerable time, understanding the essence of Consumer Purchasing Behaviour has been a key component of marketing research, as a decision process consisting of a number of distinct but interlinked stages, much of the conceptual work has focused around the view of Consumer Purchasing Behaviour (Gudonavičienė & Alijošienė, 2015). There was a previous studies conducted by Engel et al., (1991), stating that the best example of this is the "Engel-Kollat Blackwell model", which divides the decision-making process into 5 steps which are problem recognition; information search; evaluation of alternatives; purchase decision; and post-purchase behaviour. Moreover, there was a study conducted by Jaakkola (2007), the author explained that research on purchasing behaviour in the form of services has been predominantly conducted based on the use or choice of service suppliers (Ettenson and Turner, 1997; Farrell and Schroder, 1999; Galloui, 1996; Hill and Neeley, 1988). On the other hand Hassouneh and Brengman (2015), had a survey on a study in the context of skilled consumer services, the purpose of this article is to examine buying decisionmaking. In this setting, and in the sense of organisational and customer purchasing, the distinct characteristics of purchase decision-making are contrasted, and a theoretical structure for purchase decision-making within professional services is proposed (Vinamra Jain & Sharma, 2012).

H4: There is a significant relationship between the Dominant factor of Mannequin (Colour, Features and Position) towards the Consumer Buying Behaviour.

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<sup>&</sup>lt;sup>4</sup> Bob Chiarito, https://blockclubchicago.org/2020/12/24/this-mannequin-nativity-scene.

### 2.7 Conceptual Framework

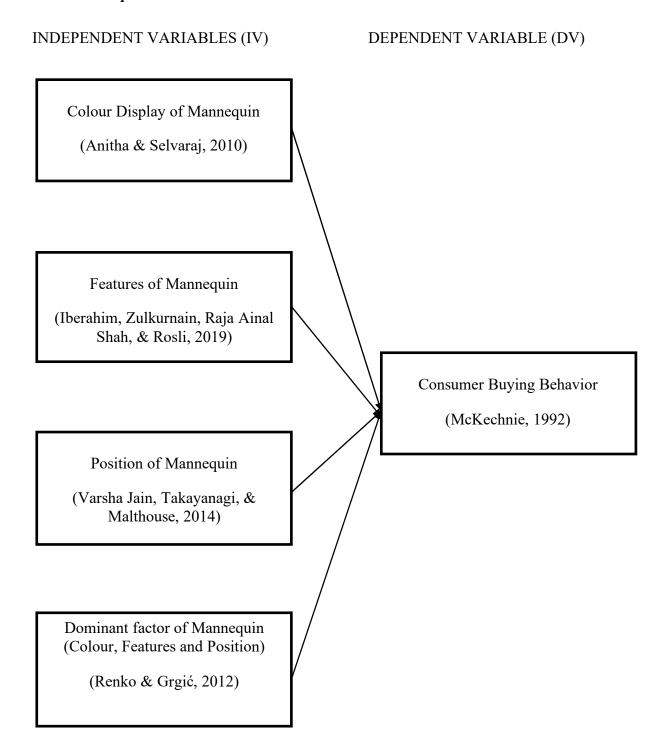


Figure 2.1: Conceptual Framework of the Influencing factors of Mannequin that affect the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur.

### 3 Research Methodology

### 3.1 Data Collection and Sample Selection

In this research design, Quantitative research had been implemented which involves primary data gathering by collecting quantifiable data and carrying out statistical analytical or computational techniques of the 375 female respondents in Kuala Lumpur via google form. Quantitative analysis produces data by means of large-scale quantitative research using techniques such as questionnaires while for the Descriptive Analysis, this analysis had been used in this research to collect the sample size of the research and measure with simple graphic analysis such as for the demographic section of this research questionnaire (Library, 2020).

The sampling selection that had been used in this research is the methodology of Non-Probability Sampling Techniques. In Non-Probability Sampling the extent of bias in selecting the sample of respondents is not known. In this research, Convenience Sampling had been implemented in order to collect the data of the population of 7997 000 million The Department of Statistics (1949), which consists of 15.9 thousand female citizens into 375 respondents as the sample size<sup>5</sup>. The researcher tends to select any available respondents information quickly and efficiently without any obstacles. Hence, the researcher had then shared the questionnaire through online (Google Form) to all the respondents by approaching the respondents at the shopping malls and requesting the respondents to answer the questionnaires. Thus, the reason this sampling had been implemented in this research is because it is quick and easy for picking up the available respondents in Kuala Lumpur in order to collect the information (Gravetter, Wallnau, Forzano, & Witnauer, 2020).

#### 3.2 Measurement and Scales

In this research study, the researcher had used two versions for the questionnaire in this analysis that is scaled response and close-ended questions. The questionnaires contained English and Malay languages to utilize in the paper-based form questionnaire. These questionnaires were divided into three sections which are Section A, Section B and Section C. Nominal and Ordinal scales are used for all the three sections of questionnaire of this study. Besides that, the researcher had implemented the Likert Scale scores for the questionnaire such as Scale 1 to Scale 5. The Likert scale would encourage respondents to quickly pick and address the problem without wasting more time answering the study questionnaires.

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<sup>&</sup>lt;sup>5</sup> The Department of Statistics Malaysia, Wilayah Persekutuan Putrajaya

### 3.3 Data Analysis Method

The answered questionnaire will be collected from the respondents and will be converted into numerical form to key in the Statistics Package for the Social Sciences (SPSS) version 26.0. From the SPSS all the data will be derived. Pilot Study which is the Reliability Analysis, Descriptive Analysis, Spearman's Correlation Analysis and Multiple Linear Regression Analysis were used to test the research objectives and hypothesis.

## 4 Data Analysis

The study was conducted to determine the Influencing factors of Mannequin that affect the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. In this case, primary data was undertaken which is a set of questionnaires used to get feedback from respondents. According to (Krejcie & Morgan, 1970), based on the table rule of thumb that was developed, the number of the sample is 375 respondents were selected.

### 4.1 Descriptive Statistics

Table 4.1: Overall Demographic Profile Respondents (n= 375)<sup>6</sup>

	n(%)		n(%)
Age		Income(RM)	
21-30 years old	148(39.5)	below 1000	91(24.3)
31-40 years old	107(28.5)	1500-2000	101(26.9)
41-50 years old	56(14.9)	2500-4000	92(24.5)
51 years old and above	64(17.1)	above 4000	91(24.3)
Total	375(100)	Total	375(100)
Race		Shopping for Clothing's	
Malay	114(30.4)	Never	22(5.9)
Chinese	83(22.1)	Rarely	50(13.3)
Indian	90(24.0)	Sometimes	131(34.9)
Others	88(23.5)	Often	80(21.3)
		Always	92(24.5)
Total	375(100)	Total	375(100)
<b>Current Occupation</b>			
Businessperson	36(9.6)		
Service Holder	44(11.7)		
Student	131(34.9)		
Housewife	83(22.1)		

<sup>&</sup>lt;sup>6</sup> Statistics Package for the Social Sciences (SPSS) version 26.0

Teacher	41(10.9)	
Retired	40(10.7)	
Total	375(100)	

From table 4.1, the researcher had concluded that according to the age group, the highest numbers of respondents consist from age (21-30 years old) with the value of (39.5%). This is followed by the age group of (31-40 years old) which consists of (28.5%), then followed by the age of (51 years old and above) with the value of (17.1%) and the least number of respondents are from group (41-50 years old) with the value of (14.9%). According to the race group, the highest respondents are from Malay with the value of (30.4%), followed by Indian with the value of (24.0%), and then by others with the value of (23.5 %) and the least are from Chinese with the value of (22.1%). While, according to the Current Occupation group, majority respondents are Student with the value of (34.9%), followed by Housewife with the value of (22.1%), then by Service Holder with the value of (11.7%), followed by Teacher and Retired respondent's with the value of (10.9% and 10.7%) and the least number of respondents are Businessperson with the value of (9.6%). The highest income of respondents are from the range RM(1500-2000) with the value of (26.9%), followed by RM(2500-4000) with the value of (24.5%) and the least respondents income are from RM(below 1000) and RM(above 4000) with the equal value of (24.3%). Lastly the highest numbers of respondents whom shop for clothing's are from the group of Sometimes with the value of (34.9%), followed by Always Shop for Clothing's with the value of (24.5%), followed by Often with the value of (21.3%) and followed by Rarely with the value of (13.3%). This shows respondents consist of least amount are from the group that Never do Shopping for Clothing's with the value of (5.9%).

### 4.2 Reliability Analysis

Table 4.2 Reliability Test for Variables of Pilot Test<sup>7</sup>

Variables	Cronbach's Alpha	No. of Items	N
			(sample size)
Consumer Buying Behaviour	.816	5	30
Colour Display of Mannequin	.824	5	30
Features of Mannequin	.889	5	30
Position of Mannequin	.830	5	30

Based on table 4.2, according to Hair et.al (2012), the Cronbach's Alpha coefficient for Consumer Buying Behaviour is 0.816 which is classified as good reliability. According to the independent variables of the study, the Cronbach's Alpha coefficient for Features of Mannequin is 0.889 and it is followed by the other independent variables which are the Position of Mannequin at 0.830 and Colour Display of Mannequin at 0.824. As a conclusion, the range of Cronbach's Alpha value is between  $(0.8 \le \alpha \ge 0.9)$  for all constructs in this study which is known as good reliability.

### 4.3 Spearman Correlation Analysis

Table 4.3 Spearman's Correlation Analysis for Independent Variables and Dependent Variable<sup>8</sup>

Variables	Mean(SD)	Consumer Buying Behaviour	Colour Display of Mannequin	Features of Mannequin	Position of Mannequin
Consumer Buying Behaviour	4.21(0.73)	1.000	.528**	.612**	.641**
Colour Display of Mannequin	4.15(0.75)	.528**	1.000	.687**	.690**
Features of Mannequin	4.18(0.75)	.612**	.687**	1.000	.733**
Position of Mannequin	4.20(0.78)	.641**	.690**	.733**	1.000

From the Spearman Correlation Analysis conducted, it can be summarized that all of the 4 Independent Variables in this study, had a significant relationship (p<0.05) with the Consumer Buying Behaviour. Those are the Colour Display of Mannequin (r = 0.528), Features of Mannequin (r = 0.612), and Position of Mannequin (r = 0.641). Thus, all of these variables had a significant relationship which tends to have a high level with moderate significant factors that affect the Consumer Buying Behaviour. Accordingly in overall H1, H2, H3 and H4 were significant as they had a significant relationship with factors affecting the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

### 4.4 Multiple Linear Regression Analysis

Table 4.4 Model Summary of Multiple Linear Regression Analysis<sup>9</sup>

Variable	Simpl	e Linear Regression		Multiple Linear Regression		
	b	t-stat (95% CI)	p- value	adj.b b	t-stat (95% CI)	p- value
Colour	0.49	11.595(0.414,0.583	< 0.00			
Display of	9		1			
Mannequi						
n						
Features	0.57	15.059(0.496,0.645	< 0.00	0.333	5.165(0.206,0.459	< 0.00
of	0		1		)	1
Mannequi						
n						
Position of	0.56	14.735(0.489,0.639	< 0.00	0.291	4.502(0.164,0.418	< 0.00
Mannequi	4	)	1		)	1
n						

After the Simple Linear Method had been implemented, the variable selection had been proceeded with Multiple Linear Regression Analysis by using the stepwise method. In this study, Features of Mannequin and Position of Mannequin had been included in the stepwise method as the p-value is <0.05 while the Colour Display of Mannequin had been excluded. Hence, there is no multicollinearity and interaction was detected in this study. Thus, as a conclusion, there is a significant effect of Features of Mannequin and Position of Mannequin towards the Consumer Buying Behaviour (p<0.05) but according to the beta value, in this analysis, the most dominant variables that affect the Consumer Buying Behaviour will be the Features of Mannequin as it has the higher value of beta compared with the other variable.

## 4.5 Hypotheses Testing Result

Table 4.5: Result of Hypothesis Testing

Objective	Hypothesis	Result of	Decision
		analysis	
To examine the relationship between the Colour Display of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.	H1: There is a significant relationship between the Colour Display of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.	r=0.528	Accepted
To identify the relationship between the Features of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.	H2: There is a significant relationship between the Features of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.	r=0.612	Accepted
To determine the relationship between the Position of Mannequin	H3: There is a significant relationship between the Position of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.	r=0.641	Accepted

and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.			
To identify the Dominant factor of Mannequin (Colour, Features and Position) towards the Consumer Buying Behaviour.	H4: There is a significant relationship between the Dominant factor of Mannequin (Colour, Features and Position) towards the Consumer Buying Behaviour.	b=0.333	Accepted (Features of Mannequin)

Based on table 4.5, it can be summarized that all the four independent variables which are the Colour Display of Mannequin, Features of Mannequin, Position of Mannequin and the Dominant factor of Mannequin (Colour, Features and Position) has a significant relationship among the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. Hence, all the hypothesis is accepted as the p-value is less than 0.05.

### 5 Discussions and Recommendations

#### 5.1 Discussions

# H1: There is a significant relationship between the Colour Display of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

In the analysis, it was found that Colour Display of Mannequin had influenced the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. The outcomes showed that Colour Display of Mannequin have a moderate significant relationship with the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. This referred to the Spearman's Correlation Analysis (r value) which was 0.528 had shown a moderate significant correlation relationship between the independent variable and dependent variable. This can be seen when the author explained that Colour Display plays a vital role in attracting the customers to purchase their needs and wants (Fister, 2009). According to App, McIntosh, Reed, and Hertenstein (2011), the authors had stated that Colour Display of Mannequin demonstrates that merchandising is more than just the arrangement of items on the shelves. It is an important part of the retail picture in attracting customers. The most unique colour of Mannequin is from white, black and gold.

# H2: There is a significant relationship between the Features of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

Based on the analysis, it was found that Features of Mannequin had influenced the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. The outcomes showed that Features of Mannequin have a moderate significant relationship with the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. This referred to the Spearman's Correlation Analysis (r value) which was 0.612 had shown a moderate significant correlation relationship between the independent variable and dependent variable. It is supported by (Iberahim et al., 2019). The authors have stated that researchers have shown that Consumer Buying Behaviour occurs because there are certain internal and external influences, such as mannequin features, that affect consumers, not for any particular reason. Besides that, it becomes more important to please any customer who comes in the door of retail stores by the acceptance from the Features of Mannequin.

# H3: There is a significant relationship between the Position of Mannequin and the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur.

Based on the analysis, it was found that Position of Mannequin had a significant relationship with the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. The outcomes showed that Position of Mannequin have a moderate significant relationship with the Consumer Buying Behaviour towards women's retail stores in Kuala Lumpur. This referred to the Spearman's Correlation Analysis (r value) which was 0.641 had shown a moderate significant correlation relationship between the independent variable and dependent variable. Thus, this hypothesis has been supported by Varsha Jain et al. (2014), stating that groups of Floor Mannequins should be arranged as if the mannequins were communicating with each other. This will make the presentations of these massive mannequins look more realistic and less obtrusive. Thus, the placement of mannequins can be performed with ingenuity and with an artful mind where altering the location of the mannequin daily basis is another significant feature of show positioning.

# H4: There is a significant relationship between the Dominant factor of Mannequin (Colour, Features and Position) towards the Consumer Buying Behaviour.

The most dominant factor of Mannequin that influences the Consumer Buying Behaviour is the Features of Mannequin. This result can be seen through the Multiple Linear Regression Analysis. Thus, it showed a significant analysis with the value of (b=0.333). This hypothesis will be supported through the answers that have been collected via the google forms respectively. Besides that, according to Lee and Labroo (2004), it has been stated that mannequins play a very significant part in helping shop fixtures stand out against screen pictures. A mannequin is an opportunity for your store to offer customers what they can't see everywhere else, and your models are trying to turn that advantage into sales. Thus, this is the reason a dominant factor of mannequins should be examined to support a specific study.

### 5.2 Recommendations

#### 5.2.1 Theoretical

In this Theoretical recommendations for the future research, the researcher would like to recommend to the future researcher to implement the use and practices of Envisioning theory by (Menon et al., 2016). Those authors will guide the researcher in many other factors and characteristics of Mannequins that brings advantages towards the retail industry in the future as well will help the shoppers to capture themselves wearing a Mannequin outfit and how the clothes represented would appear in the background of the shop settings (Pegler & Bliss, 2006).

### 5.2.2 Methodological

In this Methodological recommendation, in this analysis, only one form of approach which is the quantitative approach has been used to carry out the study, so only four variables can be tested. Thus, the researcher failed to study more towards the factor of Mannequins. Hence, in future, it is advised that the researcher have a qualitative approach, such as an interview session with customers who frequently shop for clothes, to study Mannequins further from the customer's point of view.

### 5.2.3 Practical

In this Practical recommendation, any strategic decision by retailers overseeing marketers to implement Mannequin tools and features as part of a company in this field should be followed by a deep understanding of the industry. Besides that, detailed research on how Mannequins are used by all clients need to be studied especially by users (Library, 2020). Thus, it is better for the future researcher to do research on both genders rather than focusing on one gender.

### 6 Conclusion

This study was conducted to provide an in-depth investigation on the Influencing Factors of Mannequin that influences the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. Through the analytical results, it indicates that all the independent variables, Colour Display of Mannequin, Features of Mannequin, Position of Mannequin and the Dominant factor of Mannequin that used in this study are significantly affecting the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur. Meanwhile, the findings of this study also indicated that Colour Display of Mannequin, Features of Mannequin, and Position of Mannequin had positive correlation relationship towards the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur and the researcher had concluded that the Features of Mannequin is the most dominant factor of this study.

Therefore, it can conclude that there are great opportunities especially for the retail providers if the retailers manage to integrate on the Mannequins functionalities into their existing business and create real communities around their brands, where customers can be seen and heard (Park et al., 2015). The study also highlights the limitations that occurred and some recommendations to support it. As a conclusion, the Features of Mannequin had the strongest impact towards the Consumer Buying Behaviour in women's retail stores in Kuala Lumpur.

## 7 Acknowledgements

First and foremost, I am grateful and would like to show my gratitude to our supervisor, for her excellent guidance, and patience to provide me with valuable knowledge and guiding us from the beginning till end. Next, I would like to appreciate the supports from all parties including our family members, friends, and all my fellow group members. Without their mental and financial support, this research may be harder for me to complete it. Last but not least, I would like to thank the respondents, who were willing to sacrifice their precious time to answer the questionnaires. Their sincerity provided me with detailed insight and paved the way for us to conduct all forms of data analysis and research findings smoothly.

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# FACTORS AFFECTING ONLINE SHOPAHOLIC BEHAVIOUR AMONG GENERATION Z

### Santhanalatchumi A/P Subramaniam and Raja Rosnah Raja Daud

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia.

Email: santhanalatchumi.a17a0638@siswa.umk.edu.my; rosnah.d@umk.edu.my

#### Abstract:

This research study was carried out to explore the factors affecting online shopaholic behaviour among Generation Z. In this globalization era, online shopaholic platform become the popular topic over the internet but it is still consider new to Malaysia especially among generation Z. Researcher had examined four factors which include attitudes, subjective norms, perceived risks and perceived benefits. The Theory of Planned Behaviour (TPB) was used to explain the independent variables and dependent variables. Researcher gathered data systematically to gain more in depth understanding about online shopaholic behaviour. Quantitative data collection method and judgemental sampling technique has been used. A total 240 of generation Z were tested using questionnaires and being analysed by using Spearman rank correlation with Statistics Package for the social science (SPSS). The results indicates that all the elements have significant relationship with online shopaholic behaviour among generation Z. The implication and future direction of the study were discussed at the end of this paper.

Keywords: Attitudes, Subjective norms, Perceived Risks, Perceived Benefits, Online Shopaholic Behaviour

### 1.0 INTRODUCTION

These days, online business has been quickly growing as another correspondence channel and is contending with traditional channel (Kim and Peterson, 2017). Furthermore, the organizations which put resources into e-commerce will see an enormous number of rivals shortly (Clemons, 2016). Watched development in online deals can be considered as an aspect of the internet benefits because of arrangement of a high volume of quick and inexpensive information (Lee and Dion, 2012). So, to completely use the capability of this phenomenon, entrepreneurs who use e-commerce are a dispersion channel need to have a clear understanding of online purchaser, what they want to purchase on the web and their purposes behind shopping in order to increase their sales (Motwani, 2015). Online shopaholic platform become the popular topic ever over the internet, but it is still considered new to Malaysia especially among generation Z.

To be clear, the main goal of this research is to investigate the shopaholic behaviour which will determine the factors that affecting online shopaholic behaviour among generation Z consumers and those elements will help the sellers to improve their business strategies

towards online shopping. Each factor has the valuable contribution to examine the online shopaholic behaviour and there are four research objectives of this research:

- i. To examine the relationship between attitudes and online shopaholic behaviour among generation Z.
- ii. To examine the relationship between subjective norms and online shopaholic behaviour among generation Z.
- iii. To examine the relationship between perceived risks and online shopaholic behaviour among generation Z.
- iv. To examine the relationship between perceived benefits and online shopaholic behaviour among generation Z.

#### 1.1 SIGNIFICANT OF THE STUDY

This study was conducted to measure the relationship between factors that affect online shopaholic behaviour among generation Z. This research will contribute to the deeper understanding in the existing literature about shopaholic behaviour and attitude in online purchasing in the circumstances of generation z.

This research study also will assist researcher to do the improvement on this issue. Four factors which are attitude, subjective norm, perceived risk, and perceived benefit will have a positive and significant relationship with generation Z online shopaholic behaviour. These four variables are chosen because in Theory of Planned Behaviour (TPB) stipulated that behavioural intention controlled by three major determinants which is attitude towards behaviour (AB), subjective norm (SN), and perceived behavioural control (PBC). This bring meaning that how much people see a specific behavioural positively which is attitude, or predicts that considerable other need them to take part in the behaviour which is subjective norm and trust that they are fit for completing the behaviour which is perceived behavioural control, serve as immediate determinants of the degree of their intention to perform the behaviour (Yakasai & Jusoh, 2015).

The research results would enable online shopping retailers and advertisers to improve and execute their strategies and plans for e-commerce marketing. It also enables online retail vendors to build and carrying out an effective marketing strategy. The study may have some implications in the selection of generation Z vary answer from the respondents and small data collection by the researcher.

#### 2.0 LITERATURE REVIEW

Three main issues will determine by the definition of online shopaholic behaviour, related theory and model on online shopaholic behaviour and four factors that affecting online shopaholic behaviour among generation Z. Besides that, theoretical underpinning about online shopaholic behaviour, the literature on selected variables which are independent variables and dependent variables.

### 2.1 ONLINE SHOPAHOLIC BEHAVIOUR

According to George (2014), the online shopping behaviour of an individual is directly affected by perceived behavioural control. It showed that perceived behavioural control is positively significant linked to real online purchasing (Khalifa and Limayem, 2013).

It can be inferred that shopaholic is typically no matter how often they spend capital to purchase something as well as they can satisfy their desire to shop.

Based on the previous study, generation Y is a heavy user of internet which they are willing to accept the new technologies (Salahuddin and Abdullah, 2016). Generation Y also grow up at the information age and tend to be more familiar in conducting technology and has higher purchasing power compare to other generation before the appeared of generation Z (Lim and Othman, 2016). The generation Y consumers are starting to purchase their goods and services via online when they are busy with their working environment and lack of time to move to doorstep of the groceries shop to purchase (Eva and Robin, 2015).

### 2.2 ATTITUDES

In order to justify and predict customer decisions on consumer goods, attitude is an important factor (Ho, 2013). In other words, it is possible to classify the desires or behaviours of a person by recognising their attitudes (Voon et al, 2011). It shows that attitude represents the positive or negative feeling of individuals towards a specific action (Javadi et al., 2012). In a brief, attitude towards behaviour can be described as a psychological factor or individual factors that may affect an individual's positive or negative manner and thus affect their actions (Sultan & Uddin, 2011). It is an indicator of purpose and finally influences an individual's actual actions (Ho, 2013).

Many previous studies have indicated that the attitude towards online buying will have a significant impact on the online shopping behaviour of individuals (Javadi, 2012). Previous studies, including Choi and Geistfeld (2014) and Truong (2015), have shown that attitude is the major predictor of the purpose of an individual to use an online shopping platform.

### **2.3** SUBJECTIVE NORMS

The effect of subjective norms on the buying intentions of consumers was explicitly examined by Lee, Murphy and Neale (2013). A survey evaluating subjective criteria with regard to consumption characteristics and behavioural intentions was carried out among consumers between 18 and 24 years of age. The findings showed that among their cohorts, young consumers were susceptible to social effects. It is an intention-related determinant since people's behaviours are typically affected by people's expectations, judgments or opinions relevant to them, such as families, colleagues and friends (Javadi et al., 2012).

The results of past studies have shown that subjective norms are positively linked to the purchase behaviour (Javadi et al., 2012). It suggests that the more individuals convey the understanding of online shopping with each other, the most it will affect the intention of others to purchase online and thus affect others' probability of engaging in online shopping behaviour (Javadi et al., 2012). Subjective norms are one of behaviour intention because the motive and behaviour of individuals will be affected by these important factors (Javadi et al, 2012).

### 2.4 PERCEIVED RISKS

In online shopping, perceived risk is an essential topic in customer behaviour. This hinders the acceptance of online purchasing. The perceived risk in pursuit of a desired result can be defined as the personal expectation of the customer sustaining a failure (Javadi et al., 2012). According to Sinha and Kim (2012), perceived risks refer to the quantity or type of risks that shoppers can face throughout their purchasing activity. This relates to how much of a person's risks were considered when they were involved in the purchase decision.

A study by Thompson ad Kwon (2014) found there is a significant relationship between perceived risk and intention to shopping online. Perceived risk occured when the consumers admittance the website by providing their personal information in order to purchase products and services (Zhan, 2012). As a conclusion, it is aligned with the finding of Javadi (2012) the perceived risk has a significant relationship between online shopaholic behaviour.

### 2.5 PERCEIVED BENEFITS

According to Fei and Liat (2015), perceived benefits are beliefs about the positive results identified with a conduct in response to real or perceived threat. Perceived benefits of the online purchasing are the consumers' subjective perception of gain from shopping online. Besides that, perceived benefits are the consumer needs or wants and the sum of the internet shopping focal points or satisfaction (Forsythe, Liu, Shannon and Gardner, 2016).

Based on the previous study, factors affect consumer behaviour towards online shopping was examined by Akroush and Al-Debei (2015). They discovered that the reputation of websites and the quality of websites was caused by various benefits. These are the key factors that influence the attitude of the customer towards online purchases. Therefore, the essential assumptions of consumer behaviour regarding online shopping seem to be trust and perceived benefits (AlDebei, Akroush, & Ashouri, 2015; Hajli, 2014).

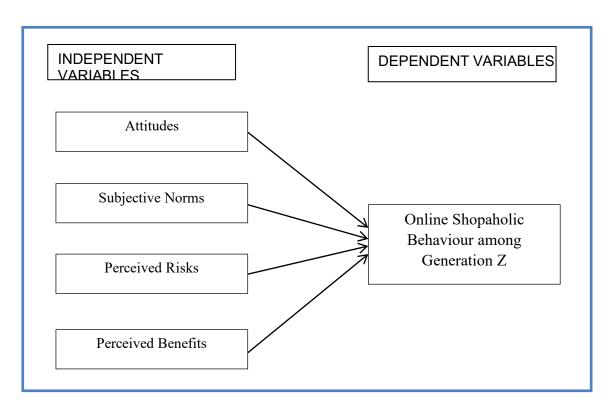


Figure 2.1: Research Framework

(Sources: Developed from Research)

### 3.0 METHODOLOGY

#### **3.1** RESEARCH DESIGN

The research design was descriptive research. It is important for researchers to meets objectives of the study by selecting the suitable design. Moreover, descriptive research design was use in this study to depict consumer expectations. Among generation Z, there are maximum people online purchasing sites for purchase products. These consumers constitute the study population. Descriptive research was used to analyse demographic profile of the respondents such as gender, age, education, mode of study, nationality and money spent in a month online purchasing by the respondents. Besides that, judgemental sampling technique is used for collected by administering a structured questionnaire to respondents who utilize online for shopping.

Additionally, the present study engages with hypothesis development and testing in order to explain the proposed relationships to make a prediction on the research findings. Researcher collected information deliberately to earn more in depth knowledge about online shopaholic behaviour. Researcher of this study is allowed to adopt a research design as blueprint for the collection, measurement and analysis of data which then use to measure the four independent variables (attitudes, subjective norms, perceived risk and perceived benefits) to explore the main influence of each individual variable as well as their association with the dependent variable (online shopaholic behaviour among generation Z).

Quantitative research is acquiring an evaluated and generalized result from the sample of population. Researcher distributed questionnaires via online survey to get feedback from respondents to assess the variables that influencing online shopaholic behaviour and information gathering is translated in diagrams, tables and from in the following chapter.

#### 3.2 DATA COLLECTION

Data collection can be classified into two which are primary data and secondary data. In this study, quantitative data collection technique will be applied. In primary data, the data will be collected through the online platform using Google form and share the survey link in websites such as Facebook and Instagram. 240 questionnaires will be distributed to the respondents. In secondary data, the sources is including internet sources. For example, the previous journals, articles, case study and more valid information were collected from the Internet which will time saving because the data is instant available since they were published and collected in the earlier study and relatively low cost.

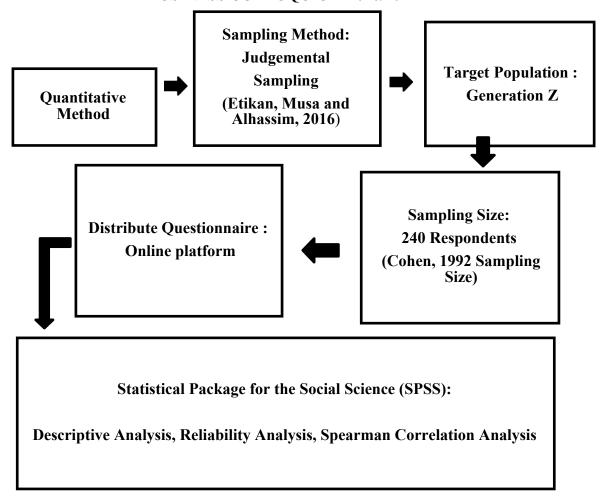


Figure 3.1: Research Methodology

(Sources: Developed from Research)

### 4.0 RESULT AND ANALYSIS

This table are the result of 30 respondents to investigate the reliability test.

Table 4.1: Summarize of Reliability Analysis

Items	Cronbach's Alpha	Cronbach's Alpha	N of items
		Based on	
		Standardized Items	
All variables	.746	.742	25
Attitudes	.881	.888	5
Subjective Norms	.842	.841	5
Perceived Risks	.908	.911	5
Perceived Benefits	.748	.744	5
Online Shopaholic	.774	.796	5
Behaviour			

Source: Developed for the research

The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. In other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to assess the "goodness" of a measure. The first step in analyzing the data that mostly done by research was reliability analysis. The ability of a measure to remain the same over time despite uncontrollable testing condition or the state of the respondent themselves is indicatives of it is stability and low vulnerability to changes in the situation (Yücel, 2012). Based on the Table 4.1, all the result shown that the questionnaire are above 0.7 its means that all the questionnaire is valid and can be distribute to the respondent according to sample size.

Below is the analysis of the data obtained from factors affecting online shopaholic behaviour among Generation Z. The data analysis will focus on analyzing factors affecting online shopaholic behaviour in terms of attitudes, subjective norms, perceived risks and perceived benefits

Table 4.2: Summary of Demographic Profile of Respondents

Items	Frequency (n= 240)	Percentage %
Gender		
Male	64	26.7
Female	176	73.3
Age		
18-19 years old	24	10.0
20-22 years old	104	43.3
23-24 years old	112	46.7
Race		
Malay	71	29.6
Chinese	65	27.1
Indian	103	42.9
Others	1	.4
Education		
STPM/SPM	31	12.9
Diploma	97	40.4
Degree	102	42.5
Others	10	4.2
1. Have u ever made an online purchase before?		
Yes	240	100
No	0	0

2. How many times have you bought things online (during the past 2 months)?		
1-5 times	52	21.7
6-10 times	99	41.3
11 times and above	89	37.1
3. How long have you been shopping online?		
3-6 Months		
6-12 Months	19	7.9
1-2 Years	38	15.8
3-4 Years	84 66	35.0 27.5
More than 5 years	33	13.8
4. How would be your estimate of online shopping expenditure (during the past 3 months)?		
Less than RM50	14	5.8
RM50-RM100	43	17.9
RM100-RM300	95	39.6
RM300-RM500	58	24.2
RM500 above	30	12.5

Sources: Developed from Research

Table 4.2 shows the summary of the demographic profile. Regarding to the table 4.1, it illustrates that 176 (73.3%) out of 240 respondents are female and the remaining 64 (26.7%) are male. In the term of age show that most of the respondent is among the age range of 23-24 years old, which achieve 46.7% (112 respondents) in this research. 43.3% (104 respondents) are in the age range of 20-22 years old. Meanwhile, there are only 24 respondents from the age range of 18-19 years old. Hence, the researcher can identify that the majority respondents for this study is aged between 23 years old to 24 years old. In the term of race, Indians monopolize in this study by 103 (42.9%), follow by Malay with 71 respondents (29.6%), Chinese 65 respondent (27.1%) and other races of only 1 respondent (0.4%). There are four categories of education level including SPM/STPM, Diploma, Degree and Others. The highest frequency was 102 respondents or 42.5% goes to Degree. The second highest frequency was Diploma which consists of 97 respondents or 40.4%. Next, the lower frequency was 31 respondents or 12.9% were SPM/STPM while the lowest frequency was others which only consist 10 respondent or 4.2%. The frequency of Degree is among the highest among generation Z. Furthermore, Based on the table above, the highest frequency was 99 out of 240 respondents or 41.3% which shows that 6 to 10 times. The second highest is 89 respondents out of 240 respondents or 37.1% which is 11 times and above. Besides, the

lowest frequency of bought things online is 52 respondents or 21.7% which is 1 to 5 times. Based on the findings, the researchers can conclude that more respondents have the frequency of 11 times and above to purchase online. The above table also shows the highest frequency of shopping online is 84 out of 240 respondents or 35.0% which shows 1 to 2 years. The second highest is 66 respondents out of 240 respondents or 27.5% which is 3 to 4 years. Besides, the third highest is 6 to 12 months which is 38 respondents or 15.8%. The second lowest is 33 respondents or 13.8% which is more than 5 years. The lowest frequency is 19 respondents or 7.9% for 3 to 6 months purchasers. Based on the findings, the researcher can conclude that more respondents have the frequency of shopping online is between 1 to 2 years. Based on the table above, the highest frequency is 95 out of 240 respondents or 39.6% which shows RM100 to RM300. The second highest is 58 respondents out of 240 respondents or 24.2% which is RM300 to RM500. Besides, the third highest is RM50 to RM100 which is 43 respondents or 17.9%. The second lowest is 30 respondents or 12.5% which is RM500 and above. The lowest frequency is 14 respondents or 5.8% for less than RM50 purchasers. Based on the findings, the researcher can conclude that more respondents have the frequency of online shopping expenditure is between RM100 to RM300.

### **Reliability Analysis**

Table 4.3: Reliability Test

Variables	Cronbach Alpha	Number of items
Attitude	.887	5
Subjective Norms	.906	5
Perceived Risks	.950	5
Perceived Benefits	.909	5
Online Shopaholic Behaviour	.907	5

In view of the table 4.3 over the outcome show it is that all factors current research acquires the perfect estimation of Cronbach Alpha which is surpass 0.7. The table above is containing 20 items tried by utilizing reliability test. Accordingly, online shopaholic behaviour which is needy variable throughout 5 items and the huge coefficient alpha at 0.907. Independent variables through 20 things that the noteworthy coefficient alpha of attitude at 0.887. Besides that, subjective norms factor shows coefficient alpha at 0.906. Third factor is perceived risks show coefficient alpha at 0.950. Last factor is perceived benefits show coefficient alpha at 0.909. Moreover all responses towards the variables accomplished fantastic reliability test. The all four variables are grouped under excellent reliability consistencies.

### **DESCRIPTIVE ANALYSIS**

Table 4.4: Descriptive statistic for dependent variable and independent variables

	N	Mean	Std. Deviation
IV1_Attitudes	240	4.2008	.78127

IV2_Subjectivenorms	240	3.6983	.86783
IV3_Perceivedrisks	240	2.6333	.25317
IV4_Perceivedbenefits	240	4.1800	.89214
DV_Onlineshopaholicbehaviour	240	4.3233	.85116

The table above shows the mean and standard deviation of independent variable and dependent variable which include attitudes, subjective norms, perceived risks and perceived benefits. Based on the result above, the highest mean was recorded among the independent variable is attitudes, with value of mean 4.2008, followed by perceived benefits which is 4.1800, subjective norms and perceived risks with value of mean 3.6983 and 2.6333. The mean for dependent variable which is online shopaholic behaviour is 4.3233.

### **SPEARMAN CORRELATION**

Table 4.5: Spearman Correlation Coefficient of Variables

Spearman Correlation							
		Attitude	Subjective	Perceived	Perceived	Online	
			Norms	Risks	Benefits	Shopaholic	
						Behaviour	
Attitude	Coefficient	1	0.518**	019	.669**	.581**	
	Correlation						
	Sig. (2-		.000	0.766	.000	.000	
	tailed)						
	N	240	240	240	240	240	
Subjective	Coefficient	0.518**	1	.277**	.490**	.429**	
Norms	Correlation						
	Sig. (2-	.000		.000	.000	.000	
	tailed)						
	N	240	240	240	240	240	
Perceived	Coefficient	019	.277**	1	.076	064	
Risks	Correlation						
	Sig. (2-	.766	.000		.238	.325	
	tailed)						
	N	240	240	240	240	240	
Perceived	Coefficient	.669**	.490**	.076	1	.662**	
Benefits	Correlation						

	Sig. (2-	.000	.000	.238		.000
	tailed)					
	N	240	240	240	240	240
Online	Coefficient	.581**	.429**	064	.662**	1
Shopaholic	Correlation					
Behaviour	Sig. (2-	.000	.000	.325	.000	
	tailed)					
	N	240	240	240	240	240

<sup>\*\*</sup> Correlation is significant at the 0.01 level (2-tailed)

Table 4.5 represents Spearman Correlation coefficient analysis. This assessment is to validate the relationship between online shopaholic behaviour and attitude. The result shows there is a positive relationship between online shopaholic behaviour and attitude, r = 0.581, n = 240, p = 0.000. Therefore hypothesis one is accepted. The analysis conclude that online shopaholic behaviour moderately influence attitude at fifty eight point one percent (58.1%).

This assessment is to validate the relationship between online shopaholic behaviour and subjective norms. The result shows that there is a positive relationship between online shopaholic behaviour and subjective norms, r = 0.429 n = 240, p= 0.000. The analysis concludes that online shopaholic behaviour moderately influences subjective norms at fourty two point nine percent (42.9%).

Besides that, this assessment also is to validate the relationship between online shopaholic behaviour and perceived risks. The result shows there is a negative relationship between online shopaholic behaviour and perceived risks, r = -0.064, n = 240, p = 0.325. The analysis concludes that online shopaholic behaviour very low influence perceived risks at negative six point four percent (-0.64%).

This assessment is also to validate the relationship between online shopaholic behaviour and perceived benefits. The result shows there is a positive relationship between online shopaholic behaviour and perceived benefits, r = 0.662 n = 240, p = 0.000. The analysis conclude that online shopaholic behaviour highly influence perceived benefits at sixty six point two percent (66.2%).

### **5.0 RECOMMENDATION**

The future researchers can explore more about the perceived risks and perceived benefits that are influencing them. Other than that, sample size has to be r increased in further study because there are only 240 respondents in present research. The larger s sample size of respondents can affect the future research to be more accurate to represent the feedback of all generation Z in Malaysia and other community.

At the same time, to get more accurate feedback, further researcher can distribute questionnaire to the community because this research has a large scope to be study more. It is possible that everyone will use this kind of method to purchase products or services in their

daily life not only for the generation Z. Another aspect that has an effect on the validity of this research is the respondents. The target respondents only focused experienced online shoppers and this in a sense limits the variety of responses that could have been generated because anyone who answered had knowledge about online purchasing at least.

#### 6.0 CONCLUSION

This study focuses on factors affecting online shopaholic behaviour among Generation Z. At the end of this study, findings concluded that three hypotheses were accepted and one rejected. Independent variables which is attitude, subjective norms and perceived benefits shows significant relationship with online shopaholic behaviour among Generation Z. This study implies that generation Z as nowadays consumers who actually looking for easiest ways and services for them to do online shopping. At the same time, they also wanted the less risk services. It proves that consumers are highly influence to new technological platform. Especially generation Z, they are easily influenced to social media where encourage them to do online shopping to save their time and money as a youngsters.

Furthermore, there are some disadvantages of online shopping where it might affect customer's purchase intention which is delay in delivery. This is the most common issue that has been complaint by the online customers. Long duration and lack of proper inventory management will results delays in shipment. What makes customers frustrated and prevent them from online shopping is the delivery time. Customers selecting, buying and paying products not even take more than 15 minutes but to wait for the products arrive at doorstep, it might took 10-15days.

### **ACKNOWLEDGEMENTS**

In performing this research, i had to take the help and guidelines of some respected, who deserve my greatest gratitude. The completion of this research gives me much pleasure. First of all i would like to thanked to my final year project supervisor, Puan Raja Rosnah Binti Raja Daud who continuously guided, advised and supervised me throughout my final year project. Moreover, I would like to express my sincere thanks to all my friend and lecturer who have always been helpful throughout this journey and my university time which have provided me the biggest motivation to go on and strive for excellence. Last but not least. My greatest appreciation to my parents who supported me mentally and financially so that I did not encounter many problems throughout my final year project. Finally thank you to everyone who had helped me in completing this research.

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# EXPLORING THE FACTORS OF E-WALLET USAGE AMONG TRADERS AROUND TAMAN BENDAHARA, PENGKALAN CHEPA, KELANTAN

Shahrul Nizam Bin Abd Rahim and Nurul Ashykin Binti Abd Aziz

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shahrul.a17a0643@siswa.umk.edu.my, ashykin.a@umk.edu.my

#### Abstract:

The development e-wallet technology in Malaysia cause the traders to start using it in their business as one of new method of payment. There are several factors that influence the use of e-wallet in business nowadays. This research purpose is to study on trader's intention to use e-wallet in their business, and to determine the factors of e-wallet usage among traders. For methodology, qualitative case study by an interview session with the traders are done to collect the data which is important to fulfil the requirements of the research objective. These findings show several factors from this qualitative study which is show some themes, namely convenience, security, performance expectations and adoption of e-wallet, to explain the factors of e-wallet usage among traders. In brief, this study will be provided rich information and contributed new knowledge that will benefit the future studies.

Keyword: Convenience, Security, Performance expectations, Adoption of e-wallet and Traders

#### 1 INTRODUCTION

### 1.1 BACKGROUND OF STUDY

The world of Internet made life easy for people. Payments are rendered by means of mobile devices. One of the greatest innovations of the 21st century is electronic wallets (e- wallets) as an important part of the electronic payment system. The term "e-wallet" is a type of digital wallet that enables individuals to attach digital wallets to their debit or credit cards in order to make certain transactions (Digital Wallet ,2019).

An e-wallet is a type of prepaid account where any future online buying can be saved by the user. An e-wallet is safe with a password and a person can pay for grocery stores, online purchases and others. (Arslan & Fröjdh, 2019). There also has many applications such as Touch 'n Go e-wallet, Grab Pay, Boost App, Razer Pay, Maybank Pay and others. It is a fact that e-wallet transfers are more convenient and quicker than traditional banking networks because they save time and resources (Blockchains, 2018). Digital transaction by using e-wallet not only reduce the error of financial transaction process, it also encourages the benefits of a cashless economy, such as the simplicity of financial transfers, convenience and cost monitoring. (Andrew & Tan, 2020)So, e-wallet not only help customers to pay for what they

buy but also help them to check their transactions in their personal bank. Development of the cashless system in society as a consequence of customer behaviour, in which they favour technology that offers easy, simple and useful service.

#### 1.2 RESEARCH PROBLEM

Nowadays, the usage of e-wallet has rapidly growth in Malaysia because it very convenience to use it because of some sort of problem regarding the cash payment. It is because they did not want to bring more cash in their wallet to avoid any crime happen to them. There are more comfortable to bring their smartphone and pay using e-wallet rather than bring more cash in their wallet because if they carry more cash, they probably been targeted by those who want to commit crime.

Traders also have to face many problems regarding of their safety of the money in their restaurants and also consumers complaint about an error in returning the balance. This problem could be more serious if the traders did not do anything about how to solve these problems. To avoid this problem from become more serious, the traders can use the e-wallet as their new way of payment in their business. "Electronic payment (e-payment) which offers a more expedient and cost-effective means of moving funds over paper-based payments" (Bank Negara, 2010). This policy aims to speed up adopting and inspiring the people with e-wallets in small enterprises and retail outlets to support Malaysia's use of digital payments.

The advanced of the Internet and the arrival of electronic commerce (e-commerce) also accelerated the digitization of payment fees systems by introducing a range of e-payment alternatives, including payment using credit and debit cards, electronic cash, mobile wallets and contactless payment methods. When carrying currency, the cost is often limited to the amount of cash held is reduced. The dilemma or inconvenience endured by consumers in the past use of capital relates to the invention of cashless payment method by e-wallet today.

### 1.3 RESEARCH OBJECTIVE

There are several factors that influence traders to use e-wallet in their business. So, the research objective of this study is:

'To identify factors of e-wallet usage among traders'

### 2 LITERATURE REVIEW

#### 2.1 PAST STUDIES ON E-WALLET

There are many researches that have been done by other researchers in the past. Research paper by Bezhovski (2016) studied that factors influencing the acceptance by consumers of the electronic payment system have demonstrated that the adoption of the system of electronic payment depends on different factors that will impact market demand and consumer ability to implement the new technologies to carry out transactions. So, this show

that e-wallet will be one of the convenience methods for both consumers and traders on doing the payment transactions.

The technological developments of fintech goods such as e-wallets, customers are moving from physical money to cashless payment. However, the growth of e-wallets in Malaysia has several realities which is effortless cash transactions accompanied by security and cost savings (Nizam, Hwang & Valaei, 2018). Malaysia has more than 42 e-wallets that have received official license from BNM (Bank Negara Malaysia). So, the development in technology has made e-wallet as a relevant option for traders to make it as their new way of payment.

The study of papers and publications from previous studies will be used as a reference for this research subject. In addition, related theoretical context would be further explored in order to outline a new philosophical framework and the formulation of the hypotheses to determine the link between the relevant determinants will be take place in the next portion.

#### 2.2 REVIEW OF LITERATURE

#### 2.2.1 Convenience

Convenience can be regarded as the ease and comfort of using something. As well as the achievement of a definite advantage by portability driven usage and immediate accessibility. (Sharman & Gutierrez, 2010). Convenience is one of the key factors that had been listed and proposed multiple variables that would the dependent variable can be affected either positively or negatively. Flexibility of the system is a key feature of user usability, as users can quickly adjust to the use of the payment system and incorporate it into the daily life of consumers. E-wallet system offers consumers the convenience to make payment without the limitation of location and time. It is an alternative method for convenient transaction as all payments can be done through a smartphone without other restrictions.

#### 2.2.2 Security

E-wallet is an innovative technology for traders to use to reduce the danger that can affect both consumers and traders. Furthermore, in Batra and Kalra (2016) show that the factors e-wallet adoption was safe and stable, time-saving, easy to use, discounts available, cost monitoring and ease of access. Research found that security of the money exchange was the key concern of the respondents. In other words, if the e-wallet system is safer and more stable, it will promote more traders to adopt e-wallet as their new type of payment in their business.

# 2.2.3 Performance expectations

According to Teoh Teng Tenk et al. (2020), performance expectation in new technology generally used to measure the degree that consumers believe in a system such as a new mobile technology will bring benefits to their daily lives. They found that performance expectancy is the strongest variable in forecasting the intention to use in the original model. The impact of performance expectancy on behavioural intention is also proven within the mobile payment context (Thakur, 2013; Wang & Yi, 2012). E-wallet system offers consumers the convenience to make payment without the limitation of location and time. It is an alternative method for convenient transaction as all payments can be done through a smartphone without other restrictions.

### 2.2.4 Adoption of e-wallet

According to Straub (2009), main goal of the acceptance theory is to research how consumers will make decisions and respond when they discover a new innovation and determine whether to consider it or deny it. E-wallet is an application that enables a person to make some e-commerce purchases by storing their credit card information. (Times, 2020) Payment by e-wallet is currently known to be one of the most popular transaction types, since an electronic transaction using a digital wallet has the benefit of convenience, flexibility and security (Lim, Ahmad, & Talib, 2019).

#### **3 RESEARCH METHODOLOGY**

This study highlighted the factors of e-wallet usage among traders in Taman Bendahara, Pengkalan, Chepa, Kelantan. A qualitative research methods are focused on the 'deeper' analysis of the phenomenon (Wycech, 2015). Qualitative case study research obtains answers in the interview and the researcher should not presume that the findings in advance. As a consequence, these methods allow the research to acquire new unique data and enables the analysis to look at the problem from another viewpoint (Wycech, 2015). For the data collection, researcher will interview some of the traders this area to collect some data for this study. The traders that been interviewed will be around five traders that already have their business around Taman Bendahara, Pengkalan Chepa. Researcher will use convenience sampling as the sampling technique of this research. Convenience sampling is a type of non-probality sampling that does not require random collection of participants. The opposite is probability sampling, where applicants are randomly chosen. The key aim of ease sampling is to obtain information from respondents that is readily available to the researcher. (Etikan, Musa, & Alkassim, 2016). This study was used the thematic analysis to explore the data that have been collected in the interview session with the traders. The data will be analyse using five steps to generate the sub-themes for each theme from the conceptual framework.

### 4 DATA ANALYSIS AND FINDINGS

### 4.1 DESCRIPTIVE ANALYSIS OF THE PARTICIPANTS

Interview sessions were conducted by the researcher. The participants had to be the traders that use e-wallet in their business to meet the requirements of the study.

Table 1: Profile of respondents

Participants	Number of participants	Code
Food and beverages	3	P1
Telecommunication	1	P2
Bookstores	1	P3

Based on the interview session with the traders, it shows that there are four types of factors that influence the traders to use e-wallet in their business which is convenience, security, performance expectations and adoption of e-wallet.

#### 4.2 Theme 1: Convenience

For this study, the participants agree that e-wallet are convenience to use for the traders and the customers. There are two categories of sub-theme that can be found in this analysis which is easy to use and new alternative.

### 4.2.1 Easy to use

The traders explained that e-wallet are easy to use for the them and the customers. It is because e-wallet are the new technology that have been develop to help improve the transactions in business. Most of the business are start to use e-wallet in their business because it easy for the customer to make payment in their store. They mentioned that:

"Our business fell very comfortable to use e-wallet because it can help us improve in our transactions. Not only that, if we hire new employees, they can learn it very quickly"

Participant 1 (P1)

"Yes, because customers nowadays are more convenience to use online payment rather than bring more cash in their wallet. Our business also is start using the e-wallet last year because I think it will help our business to have better transactions in the future"

Participant 2 (P1)

This sub-theme show that e-wallet are type of application that are easy to use for anyone because they only have to scan the bar code to pay the price. So, it will improve the transactions for the traders and for the customers.

#### 4.2.1 New alternative

E-wallet are the new alternative for the traders and customers. It is because e-wallet are new type of technology that have been develop to improve the transactions in any business. E- wallet can help customers to pay more faster at any store that offer e-wallet one of their method of payment. Participants stated:

"Of course, because the usage of e-wallet in our business are still new and we glad to use e-wallet in our business"

Participant 1 (P1)

"Yes. I think e-wallet is a new alternative to replace old type of payment because I think e-wallet are faster in terms of doing accurate transaction rather than use cash"

Participant 2 (P1)

Based on the findings above, the reasons why traders started to choose e-wallet as their new type of payment are because of it very easy to use and e-wallet as a new alternative to improve the transactions between them and the customers. This result also state that traders are convenience to use e-wallet as their new type of payment in their business. So, the result of this study shows that one of the factors that influence traders to use e-wallet as their new type of payment are convenience because e-wallet offers many benefits to traders and customers.

### 4.3 Theme 2: Security

Security is as the transaction security when it is using the internet to transfer the information or other things and in the perceived security, it includes the internet security, the perspective of infrastructure, the privacy, and security of the transaction in different distance. There are two categories of sub-theme that can be found in this analysis which is information security and safe transactions.

### 4.3.1 Information security

Information security is important because traders or customers that using e-wallet did not want their personal information leaked to others. Many e-wallet applications such as TnG e-wallet, Boost App and WechatPay provide best security to prevent the leaked of the personal data of the users. They mentioned that:

"I think e-wallet apps are providing the best security in order to prevent the personal data of the users to be leaked to other persons. For me, it is good to have better security in this apps to help people feel comfortable to use it"

### Participant 1 (P1)

"For me it safe for everyone to use it because most of the apps has the best security in terms of protecting the personal data of the users"

# Participant 2 (P2)

"In my opinion, mostly of the apps are upgrading their security by days so I sure that all of the information is safe from being hacked by someone"

### Participant 3 (P1)

But there are one of the participants that not quite agree about security of e-wallet. The participants stated that:

"I not sure how secured that this apps will provide to prevent this thing happen because nowadays people are getting advanced in terms of technologies so I quite worried about it. But I sure that the personal data of the e-wallet users will safe if they can provide the best security to protect it.

#### Participant 4 (P3)

This sub-theme shows that most of the traders are agreed that the personal information is safe when use e-wallet. It is because there believe that e-wallet have the best security system to avoid the leaked of the personal data of the users. So, traders will use e-wallet as their new type of payment in their business because they believe e-wallet provide the best security to protect the personal data of its users.

#### 4.3.2 Safe Transactions

This finding shows that mostly of the traders want to have safe transactions of using the e-wallet applications. They want every transaction are safe to prevent any problems while using e-wallet in their business. According to the traders:

"To prevent problem in transaction are our main objective because we want to have safe transactions in our business. Things like not give the customers wrong balance in payment

are one of our minor problems that we want to prevent in our restaurant. Using e-wallet are the effective ways to have a better transaction in the future"

Participant 1 (P1)

"Our restaurant wants to have safe transactions and better experience of payment for the customers"

Participant 2 (P1)

"Yes of course we want to have better transaction in our business because we want to prevent problem like shortage in terms of money. Using e-wallet also will make our business to have quick transactions with the customers"

Participant 3(P2)

Based on the interview session with the traders, the result show that mostly of them are agree that by using the e-wallet it can have quick and safe transaction in the future. It is because the security that been provide by e-wallet applications are secured to prevent the personal data of the users to be hacked by another person. In fact, both traders and customers can have quick transaction in payment by using the e-wallet applications.

# 4.3 Performance expectations

Performance expectation generally used to measure the degree that consumers believe in a system such as a new mobile technology will bring benefits to their daily lives. E-wallet system offers customers the convenience to make payment without the limitation of location and time. It is an alternative method for convenient transaction as all payments can be done through a smartphone without other restrictions. There are two categories of sub-theme that can be found in this analysis which is no limitations and flexible.

### 4.3.1 No limitations

For this study, participants stated that the use of e-wallet has no limitations and the customers can use it at anytime and anywhere. It is because the customers only have to scan at the merchant machine to pay the product. Participants stated:

"Basically, the customers can buy whatever they want in our store using e-wallet. They can pay the price only by scan their smartphone to the merchant machine as long as their balance in ewallet account enough to pay the price of the products"

Participant 1 (P3)

"Yes, because customers believe that e-wallet can help them to pay the things that they want to buy by only scan it to the merchant machine without limit. I also very confident that e-wallet have many benefits for both sides"

Participant 2 (P1)

This sub-theme shows that e-wallet have no limit to use as long as the users of e-wallet still have enough balance in their e-wallet account. It will make the transactions to become more quicker because customers only have to scan the bar code at the merchant machine to pay the price.

#### 4.3.2 Flexible

E-wallet are flexible in term of doing quick transaction. Customers can only use their smartphone that have e-wallet applications to pay the products that they want by only scan it to the merchant machine at that store. According to the participants, e-wallet are flexible because there only have to let the customers to scan the bar code on the merchant machine to pay and they did not have to return the balance of the money because e-wallet already pay on exactly what are the price of the product. Participants mentioned that:

"To be honest, I prefer our customers to pay using e-wallet because it very convenience and flexible because we can do very quick transaction using it. They can use e-wallet at any time without worrying about not to have enough cash in their wallet. It easier using e-wallet rather than cash in business nowadays"

### Participant 1 (P2)

"I agree with you because e-wallet are more flexible than using cash money because when you use physical money you have to return the balance but not for e-wallet. I believe that customers also believe that e-wallet are flexible and easy to use to make any transaction at our store"

### Participant 2 (P1)

So, based on the data above traders and the customers believe that e-wallet are the new technology that bring many benefits in their daily life especially in term of payment. They believe e-wallet are the best solution to improve the transactions in term of payment because it very convenience for the traders and the customers. Researcher believe that based on the interview with the traders, many of them are more prefer their customers to use e-wallet payment because it very flexible to use it at any time without limitation.

# 4.4 Adoption of e-wallet

According to the participants, the reasons why they choose e-wallet in their business because of many of their customers are started to use e-wallet in their daily life. It was one of the reasons for the participants to started to provide the e-wallet payment in their business. Most of their customers are already use e-wallet to pay and the participants or traders started to adopt e-wallet in their business as one of the methods of payment in their business. There are one categories of sub-theme that can be found in this analysis which is user friendly.

#### 4.4.1 User friendly

Based on the interview with the participants, they all stated that using e-wallet as their new type of payment is because it very user friendly to the customers. It is because e-wallet are suitable to be use at any age if they have e-wallet applications in their smartphone. E-wallet applications can be installed in android or iOS smartphone so customers can use it at any time at the store that offer payment using e-wallet. They mentioned that:

"I agree because customers nowadays are very comfortable to use e-wallet to make payment. One of the reasons because its user friendly and that why my business use e-wallet as one of the new payment methods for the customers"

Participant 1 (P1)

"Benefits of using e-wallet in business are many because for me e-wallet are more friendly to the customers to make payment. It is because customers can pay directly without thinking about not having enough cash in their wallet.

Participant 2 (P1)

Based on the data that have analyse above, it can be conclude that traders are really aware of using e-wallet as new way type of payment because of the benefits from it. E-wallet are the new technology that help both traders and customers to have better experience in terms of payment and to have efficient transaction without any problem happen during that transaction. E-wallet also help traders to have proper financial system because e-wallet automatically record every transaction that happen during the business. So, based on the data, it can be concluded that e-wallet is the best type of payment in the business nowadays.

#### 5 DISCUSSION AND CONCLUSION

The findings from this study show that there are several factors that influence the traders to use e-wallet in their business. Most of the traders agree that e-wallet provide good security in terms of protecting the personal data of the users from be leaked to others person. The all mentioned that e-wallet has the best security to protect the information of the users. Based on the past studies by Nizam, Hwang & Valaei, (2018), the growth of e-wallets in Malaysia has several realities which is effortless cash transactions accompanied by security and cost savings. So, its show that security is one of the factors that influence the traders to use e-wallet in their business.

Also, participant agree that transactions performed through e-wallet are safe for both traders and customers. Other reasons why participants use e-wallet in their business the adoption of e-wallet among customers. Research paper by Bezhovski (2016) studied that factors influencing the acceptance by consumers of the electronic payment system have demonstrated that the adoption of the system of electronic payment depends on different factors that will impact market demand and consumer ability to implement the new technologies to carry out transactions. So, participants or traders started to use e-wallet in their business to adapt the current technologies in their business. E-wallet are more user friendly and it very easy to use it so the business of the participants will improve especially in term of do the quick transactions.

On the other hand, in terms of flexibility e-wallet has prove that transactions between customers and the traders can be done any time as long as the customers had enough balance in the e-wallet account. There is no limit for the customers to use e-wallet as long as they have enough balance in the e-wallet account. E-wallet also are a new alternative in terms of do quick transaction. Flexibility of the system is a key feature of usability for traders, as customers can adapt to the use of the payment system easily and integrate it into the daily life of consumers (Arslan & Fröjdh, 2019). This statement is agreed by all the participants because the transaction can be done quicker than the cash payment. So, the participants started to use e-wallet in the business to improve the transaction and to add more type of payment in their business.

According to Karim, Haque, Ulfy, Hossain, and Anis (2020), due to the advancement of financial technologies, there is a significant growth in cashless transactions. The technological developments of fintech goods such as e-wallets, customers are moving from physical money to cashless payment. So, this past study is related with this study because most of the customers are started to use cashless payment and traders also started to use e-wallet in the business as new type of payment to improve the transactions in the business.

For the conclusion, this study shows that convenience, security, performance expectations and adoption of e-wallet as the factor that influence the traders to use e-wallet in their business. This can be proved by the data that has been collected and analyse that show there are significant relationship of this factors and what influence the traders to use e-wallet in their business. Also, the past studies by other researchers also related with this study. The findings of this study are helpful for the traders because it shows that e-wallet will benefits their business in the future.

#### 6 ACKNOWLEDGEMENTS

I like to thanks my respected and nice supervisor, Dr. Nurul Ashykin binti Abd Rahim, my parents, my friends and all who those had been involved in preparing this research directly and indirectly.

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# FACTORS AFFECTING FINANCIAL PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMES) IN KOTA BHARU, KELANTAN

Shamini Reddyar A/P V.Saravanam and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shamini.a17b0939@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

Small and Medium Enterprises (SMEs) do play a vital role in various economies across the world. In previous study discussed the factors affecting financial performance SMEs in Kenya. In this study, carried out to identify the factors affecting financial performance of small and medium enterprise (SMEs) in Kota Bharu, Kelantan. In this globalization era, financial performance becomes the popular topic over but it is still consider new to Malaysia. This study had examined four factors include technology cost, bank credit, employee cost and economic. The objectives of this study, to determine the relationship between dependent variable (financial performance) and independent variables (technology cost, bank credit, employee cost and economic). The main objective is to identify vital factor affecting financial performance of SMEs in Kota Bharu, Kelantan. The scope of this study will beneficial to the SMEs entrepreneur and also for upcoming entrepreneur to know the factors which affecting financial performance of SMEs. The differences between previous studies and this study is the the location and still new to Malaysian SMEs. Trade-Off Theory (TOT) were used to explain the independent variables and dependent variables. Researchers gathered data systematically to gain more in depth understanding about factors that affect the financial performance of SMEs. Quantitative data collection method and random sampling technique had been used. Total 66 valid responses of SMEs in Kota Bharu, Kelantan were tested using google form questionnaires and being analysed by using Pearson's Correlation Statistic Package for the Social Sciences (SPSS). The findings indicates that all the elements have significant relationship with (SMEs) intention. The implication and future direction of the study were discussed at the end of this paper. The result of this study offers a better direction towards financial performance, which lead to an increase the development of SMEs.

Keywords: Bank Credit, Economic, Employee Cost, Financial Performance, SMEs, Technology Cost

#### 1 Introduction

SMEs definition cover all sector namely services, manufacturing, agriculture, construction and mining & quarrying. SMEs divide into three part which is micro, small, and medium. And then they do separate into two categories; manufacturing and services and other sectors. In micro enterprise, the sales turnover less than RM300, 000 or the employees less than 5 full time employees and it is same for both categories. In small enterprise, the sales turnover from RM300, 000 to RM 15 million or full time employees will be 5 to 75 for manufacturing category. By the way, in small enterprise under services and other sectors the sales turnover from RM300, 000 to RM 3 million or full time employees from 5 to 30. In medium enterprise, under manufacturing category the sales turnover from RM 15 million to RM50 million or full time employees from 75 to 200. Under services and other sectors sales

turnover from RM 3 million to RM 20 million or full time employees from 30 to 75 (SME Corp Malaysia, 2020).

### 1.1 Research Question

To examine the relationship between technology cost and financial performance of SMEs in Kota Bharu, Kelantan.

To identify the relationship between bank credit and financial performance of SMEs in Kota Bharu, Kelantan.

To determine the relationship between employee cost and financial performance of SMEs in Kota Bharu, Kelantan.

To examine the relationship between country's economic position and financial performance of SMEs in Kota Bharu, Kelantan.

### 1.2 Research Objectives

What is the relationship between technology cost and financial performance of SMEs in Kota Bharu, Kelantan?

What is the relationship between bank credit and financial performance of SMEs in Kota Bharu, Kelantan?

What is the relationship between employee cost and financial performance of SMEs in Kota Bharu, Kelantan?

What is the relationship between country's economic position and financial performance of SMEs in Kota Bharu, Kelantan?

#### 2 Literature Review

### 2.1 Financial Performance

Entrepreneurs are backbone for each country's economy. In previous studies discussed, entrepreneurs help economic growth, provide opportunities for unemployment, and boost countries productivity (Alexander S. Kritikos, 2014). Beneficial impact on economic growth when the utilization of entrepreneurial opportunities (Pamela Mueller, 2007). The characteristic of entrepreneurs has a significant relationship to business success of SMEs in Bangladesh (MA Islam, ME Khan, AZM Obaidullah, SN Alam, 2011) Financial part is one of vital role in organization performance. According to Joseph Kwadwo Tuffour, Awurabena Asantewa Amoako, Ernestina Otuko Amartey (2020) around 35 percent of work is given by the sub-area and shows the significance of outfitting its possibilities in building up the Ghanaian economy. It has been set up that budgetary proficiency impacts whether little scope endeayours succeed.

### 2.2 Technology Cost

According Henderson and Venkatraman (1993), theory is that investment in computers and other forms of technology does not immediately boost profitability; instead, it is an important tool, but it has to be balanced with corporate considerations like business practises in order to be fully efficient. Based on Shin, N (2001) findings, the results indicate that technology is important for the business parity, not necessary for a comparative edge (i.e. improved profit). In this previous study Hu, Q (2005), technology advantage is a required but inadequate prerequisite for superior performance improvement. Based on Wang, Q., Lai, F., & Zhao, X (2008), higher technology advantage alone cannot guarantee improved financial results; only the complementary relationship between technology advantage and the participation of technology in policy planning can help companies achieve better financial performance.

Without proper coordination between technology plans and corporate strategies, the expense of advanced technology could not be offset by operational or competitive gains that may lead to a decline in the company's financial performance. According to Ombongi, P. N., & Long, W (2018), it is clear from the analysis that the technical element was concerned this growth in the SME sector not only decreases overall costs, but also contributes to efficiency in the activity of small and medium-sized enterprises.

### 2.3 Bank Credit

According to Investopedia, Alexandra Twin (2020), the term bank credit refers to the quantity of credit available to an enterprise or individual from a banking organization in term of loans. According to Akinyi, S. I (2014), bank funding in Nairobi County has also positive influence on the performance of SMEs in Nairobi County, as access to bank financing is an important ingredient in the creation and eventual growth and performance of SMEs. Based on Ombongi, P. N., & Long, W (2018), bank credit remains the biggest puzzle for many SMEs with little capacity to apply for bank credit financing. Analysis shows that bank credit has an effect on overall firm - level performance since own financing and profitability ratios weren't enough in terms of expansion to SMEs. Banks hold that lending to these SMEs remains low due to lack of certified demand, this has taken the funding deficit to the forefront; a chronic issue in many emerging foreign locations, along with Malaysia (Shamshubaridah Ramlee, Berma Berma, 2013). According to Abor, J (2007), the findings suggest that the capital structure, especially the long-term and total debt ratios, negatively affects the output of SMEs. By this studies, will find out the relationship between bank credit and financial performance.

# 2.4 Employee Cost

In this previous studies, it pointed out that small and medium-sized businesses generate jobs as well as lead to unemployment due to the uncertainty surrounding their activities, especially in developed countries, due to limited research capability and the potential to perform huge risks that require adequate financing (Katua, N. T. 2014). Based on Blasco, S., & Pertold-Gebicka, B. (2013), asserted the need for businesses to ensure that the workforce is well trained with the expertise and skills required to improve company efficiency and development. According to Ombongi, P. N., & Long, W (2018), the relationship between employee cost and financial performance negatively. Based on Berman, S. L., Wicks, A. C., Kotha, S., & Jones, T. M. (1999), the study also showed that the management of the partnership with key stakeholders, in particular employees, is related to financial performance. A variety of hypotheses and some scientific data indicate that how an organisation handles its employees can influence its financial performance (Delery, J. E., & Doty, D. H. (1996).

#### 2.5 Economic

Small and medium enterprise (SMEs) a vital support in the development especially in economic of the country. Based on, Katua, N. T (2014) defined a direct link between SMEs and economic growth and created job opportunities for more than 50% of total employment in different economies. According to Ombongi, P. N., & Long, W (2018), economic one of factor that can enhance the financial performance of SMEs. Based on Narjoko, D., & Hill, H. (2007), theoretical and observational research shows that global economic crises have profound impacts on firms, but the consequences are inconsistent between firms. The socio-economic development of economies is highly contingent on the successful progress of the small and medium-sized enterprises sector in nations, as well as on the industrial improvement of countries (Donkor, J., Donkor, G. N. A., Kankam-Kwarteng, C., & Aidoo, E. (2018).

# 2.6 Hypotheses Statement

Hypothesis 1 (Technology Cost)

H1: There is relationship between technology cost and financial performance of SMEs. Hypothesis 2 (Bank Credit)

H1: There is relationship between bank credit and financial performance of SMEs. Hypothesis 3 (Employee Cost)

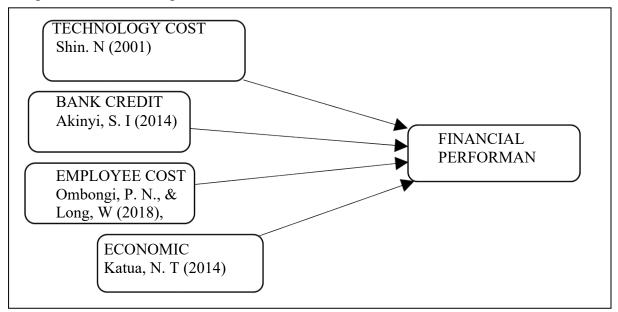
H1: There is relationship between employee cost and financial performance of SMEs. Hypothesis 4 (Economic)

H1: There is relationship between country's economic position and financial performance of SMEs.

#### 2.7 Research Framework

The goal of this research is to investigate the relationship between factors affecting financial performance of SMEs in Kelantan. The four factors which illustrated in the creation of conceptual framework that will affect financial performance of SMEs are technology cost, bank credit, employee cost and economic. Figure shows the establishment of conceptual framework for this research.

Table 4.1: Research Framework Independent Variable Dependent Variable



# 3. Data Analysis and Findings

Demographic Profile of Respondents

From the table 5.1.1 shows the number of respondents on gender which are male and female. The number of male respondents is more than the female respondents. There are 53.0 percent (n=35) of respondents are male and another 47.0 percent (n=31) are female. Besides, table 5.1.1 shows the number of respondents based on age. The highest respondents is SME from 31 years old to 40 years old, 36.4 percent (n=24) of them had answered this survey while 7.6 percent (n=5) SME from 21 years old to 30 years old, 31.8 percent (n=21) SME from 41 years old to 50 years old, and 24.2 percent (n=16) SME from 50 years old and above that had participated in answering the questionnaire. Other hand, table 5.1.1 shows the number of respondents based on marital status. The highest respondents from Married, 78.8 percent (n=52) of them had answered this survey while 18.2 percent (n=12) from Single, and 3.0 percent (n=2) from Divorce that had participated in answering the questionnaire.

Hence, table 5.1.1 shows the number of respondents based on Category of Business. The highest respondents from Others, 39.4 percent (n=26) of them had answered this survey while 27.3 percent (n=18) from Retail Trade, 15.2 percent (n=10) from Manufacturing and 18.2 percent (n=12) from Printing that had participated in answering the questionnaire. Moreover, table 5.1.1 shows the number of respondents based on Duration of Business Operation. The highest respondents from 4-6 years, 45.5 percent (n=30) of them had answered this survey while 27.3 percent (n=18) from 1-3 years and 27.3 percent (n=18) from 7 years and above that had participated in answering the questionnaire. Last but not least, table 5.1.1 shows the number of respondents based on Number of Employees. The highest respondents from1-5 employees, 42.4 percent (n=28) of them had answered this survey while 34.8 percent (n=23) from 6-10 employees and 22.7 percent (n=15) from 11 employees and above that had participated in answering the questionnaire.

Table 5.1.1: Demographic Profile of Respondents

Demographic	Valid	Frequency	Percentage %
Profile			
Gender	Male Female	35	53.0
		31	47.0
Age	21 years old to 30 years old 31	21	31.8
	years old to 40 years old 41	24	36.4
	years old to 50 years old	5	7.6
	50 years old and above	16	24.2
Marital Status	Single Married Divorce	52	78.8
		12	18.2
		2	3.0
Category	ofRetail Trade Manufacturing	18	27.3
Business	Printing Others	10	15.2
		12	18.2
		26	39.4
Duration	of 1-3 years	18	27.3
Business	4-6 years	30	45.5
Operation	7 years and above	18	27.3

Number	of 1-5 employees	28	42.4	
Employees	6-10 employees	23	34.8	
	11 employees and above	15	22.7	

# 3.2 Descriptive Analysis

There are 25 items are been tested and presented in Table 4.4. All the mean score of those 25 items are above 4.00. This is an indication that the majority of the respondents agree with the items' statements.

Table 5.2.1: Summary of the means of items according to variable (N=66)

VARIABLES	MEAN	STD.
		DEVIATION
FINANCIAL PERFORMANCE	4.1061	.96666
TECHNOLOGY COST	4.1061	.96666
BANK CREDIT	4.0545	.98202
EMPLOYEE COST	4.0455	1.02330
ECONOMIC	4.1424	.94772

### 3.2 Descriptive Analysis

Based on table 5.3.1, it shows that the Cronbach's Alpha value for financial performance (dependent variable) is 0.916 which considered as adequate. There are four main measures in independent variables. For technology cost, the Cronbach's Alpha value is 0.951 which considered as preferable. Next for bank credit, the value of Cronbach's Alpha is 0.942 indicates that it is preferable. For employee cost, the Cronbach's Alpha value is 0.965 and for economic, the Cronbach's Alpha value is 0.957 also considered as acceptable.

Table 5.3.1 Result of Reliability Test

VARIABLES	DIMENSIONS	CRONBACH'S
		ALPHA
DEPENDENT	FINANCIAL	0.916
VARIABLES	PERFORMANCE	
DIDEDENIDENT	TECHNICI OCY COST	0.051
INDEPENDENT	TECHNOLOGY COST	0.951
VARIABLES		
	BANK CREDIT	0.942
	EMPLOYEE COST	0.965
	ECONOMIC	0.957

#### 3.3 Normality Test

According to Kolmogorov- Smirnova test and Shapiro- Wilk test, p > 0.05 is considered as normal while p < 0.05 is considered as abnormal. For significant value (p=0.000) of Kolmogorov- Smirnova test of all variable and significant value (p=0.000) of Shapiro- Wilk test for financial performance, technology cost, bank credit, employee cost and economic are considered as abnormal. It is considered as abnormal because the significant value is less than

0.05.

Table 5.4.1 Result of Normality Test

	Kolmogorov-Smirnova			Shapiro-W	Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.	
FINANCIAL PERFORMANCE	.201	66	.000	.848	66	.000	
TECHNOLOGY COST	.201	66	.000	.848	66	.000	
BANK CREDIT	.190	66	.000	.857	66	.000	
EMPLOYEE COST	.188	66	.000	.845	66	.000	
ECONOMIC	.198	66	.000	.834	66	.000	

### 3.4 Multiple Linear Regressions Analysis

In this research, the researcher had implemented Multiple Linear Regression Analysis because the main objective in this study is to find the vital factor that affecting financial performance of SMEs. To find the relationship between the Financial Performance as the dependent variable and Technology Cost, Bank Credit, Employee Cost, and Economic as the independent variables. Besides that, this analysis will help the researcher to identify the most dominant factor that affecting financial performance of small and medium enterprises (SMEs) in Kota Bharu, Kelantan. Table below shows, the model summary for vital variables of this studies and model summary for excluded variables.

Table 5.5.1 Model Summary for Vital Variables

Table 5.5.1 Model Summary for Vital Variables								~ ~ .
Model	Unstandardized		Standar	dized	t	Sig.	95.0%	Confidence
	Coeffici	ients	Coeffici				Interval f	or B
			ents					
	В	Std. Error	Beta				Lower	Upper
							Bound	Bound
1(Constant)	1.648	.321			5.139	.000	1.007	2.289
BANK_CREDIT	.620	.077	.712		8.039	.000	.466	.774
a. Dependent Vari	able: FI	NANCIAL_PE	RFORMA	NCE				

Table 5.5.2 Model Summary for Excluded Variables

Model	Beta In	T	Sig.	Partial	Collinearit y
				Correlation	Statistics
					Tolerance
TECHNOLOGY_ COST	171b	626	.533	079	.106
EMPLOYEE_CO ST	415b	- 1.038	.303	131	.049
ECONOMIC	.091b	.312	.756	.040	.094
a. Dependent Variable: FI	NANCI	AL_P	ERF	ORMANCE	
b. Predictors in the Model	: (Const	tant), E	BAN	K CREDIT	

### 3.5 Hypothesis Testing

Based on the table below, it can be summarized as four independent variables where technology cost, bank credit, employee cost and economic has a significant impact on financial performance of SMEs in Kota Bharu, Kelantan.

Table 5.5.3 Summary of Person Correlation Analysis

Hypothesis	Result	Findings
H1: There is a relationship between technology cost and financial performance of SMEs in Kota Bharu, Kelantan.		H1: Accepted
H2: There is relationship between bank credit and financial performance of SMEs in Kota Bharu, Kelantan.		H1: Accepted
H3: There is relationship between employee cost and financial performance of SMEs in Kota Bharu Kelantan.		H1: Accepted
H4: There is relationship between country's economic position and financial performance of SMEs in Kota Bharu, Kelantan.		H1: Accepted

### 4. Discussion and Recommendation

The study was conducted to identify the factors affecting financial performance SMEs in Kota Bharu, Kelantan. The focus point of this study is to identify the relationship between dependent variables (financial performance) and independent variables (technology cost, bank credit, employee cost, and economic) SMEs in Kota Bharu, Kelantan. At the same time, the main objective of this study to identify the vital factor that affecting financial performance in Kota Bharu, Kelantan. In this research, primary data was undertaken by the online questionnaires through Google Form to collect feedback from respondent and secondary data from the journal and article. The researcher was identified 66 responses to perform data collection by the online questionnaires. The collected data were analysis by using the SPSS version 26.0 software and the analysis was formed based on the research framework in this research. The analysis of data includes descriptive analysis, reliability analysis and Pearson Correlation Coefficient. The reliability test was conducted in this study to measure consistency, precision, repeatability and trustworthiness of this research. The Pearson Correlation also used in this research to denote relationship between two or more quantitative variable. Based on the result that researcher gained from chapter 4, it shows that there were similarities that occur between some previous study and current study which were supporting the hypothesis that has been stated in previous study.

Researcher selected the topic to be studied and to investigate the factors affecting financial performance of small and medium enterprises (SMES) in Kota Bharu, Kelantan. Researcher found that there were four hypothesis that had been implemented in this study. Hypothesis implemented by each factors which are technology cost, bank credit, employee cost and economic can related with dependent variable which is financial performance of SMEs in Kota Bharu, Kelantan. Based on findings, the independent variables which are technology cost, bank credit, employee cost and economic shows a significant effect on financial performance of SMEs in Kota Bharu, Kelantan. Therefore, it is automatically shows that the researcher achieved the research objectives of this study. To preventing the financial performance of SMEs, researcher could provide some suggestion that can help future research to achieve the research objectives. The studies result can be used as references to help upcoming researchers because the data collected are valid and had been analyzed.

Moreover, improving the accuracy and reliability of the study result, the future researcher can expand the sample size which specifically more than 66 questionnaires. The current research, conducted at University Malaysia Kelantan, City Campus among final year students of Faculty of Entrepreneurship and Business which represent the whole population.

For the upcoming researchers who planned to use primary data, the researcher suggest that sending questionnaire to target respondent through online or internet will consume time and researcher have to wait for the reply or feedback from the respondents in the research survey. Moreover, to collect the data or information which needed to use in the research, the researcher has to adopt or use digital interview of face-to-face interview via online with the target respondent. Besides that, some questionnaire which send via e-mail would be refused by the target respondents due to lack of interest and participation to the questionnaire. Therefore, researcher suggested that upcoming researcher should provide questionnaire to the respondent directly. It will make sure that the survey and researcher may collect the feedback or data at the moment. This will ensure that the targeted respondent who participated the questionnaire will increase. The upcoming researcher can conduct their study in other locality or placement to obtain more accurate findings in research. By using different placement, this may help the future researcher to collect more in-depth information about financial performance in retail industry. Thus, conducting the research by using different placement may increase the accuracy of the study outcome. Furthermore, researcher ensure that the questionnaire which had been set should be concise and comprehensive that help targeted respondent easy to understand and help to fill up the questionnaire and the progression on the survey more efficient and smoother. Besides that, using multi-language in questionnaire make respondent more vulnerable to understand and to fill up the question. The researcher also recommend and encourage to take vital action to overcome the effect of financial performance. The organization management need to implement and recognize the effect and how to overcome. The researcher suggested that the organization be aware and solve the factors that affecting financial performance, so that the company easily to achieve their long and short term goals.

### 5. Conclusion

In short, this study focuses on factors affecting financial performance SMEs in Kota Bharu, Kelantan. At the end of this study, findings concluded that all hypothesis were accepted. Independent variables which are technology cost, bank credit, employee cost and economic shows significant effect on financial performance SMEs in Kota Bharu, Kelantan.

### Acknowledgement

Firstly, I would like to say a big thank you by showing my appreciation and gratitude to my supervisor, Dr. Nur Ain Ayunni Binti Sabri for providing us useful comments through the learning process for this research and never fail to answer any of the questions and providing me some ideas related to my topic. Next, I would like to thank to my family for believing me and keep on encouraging me. Both of them had supported me a lot where they understand me and gives me permission to live in Kelantan during pandemic. They had motivated me a lot the moment I get stress due to this research.

Besides that, I would like to thank to my friends and colleagues as well because they helped me by clearing all my doubts. They had supported me in this research as well and give me some tips to do this research smoothly. They had been there for me through ups and downs throughout this research journey. Finally, I would thank to the god for giving me a good health and faith so that I can complete this research without any distraction. I would like to thank them who showing me a lot of value for guidance and advice. This research would not possibly done without support and helps from many people.

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# FACTORS THAT INFLUENCING CONSUMER'S PURCHASE INTENTION TOWARDS ORGANIC FOOD IN IPOH, PERAK

### Shubashini D/O Visuvalingam and Nurul Azwa Binti Mohamed Khadri

Faculty of Entrepreneurship and Business, University Malaysia Kelantan, Malaysia.

Email: <a href="mailto:shubashini.a17a0651@siswa.umk.edu.my">shubashini.a17a0651@siswa.umk.edu.my</a>; azwa.mk@umk.edu.my

#### Abstract:

This research presents an improved approach to the Factors that Influence the Consumer's Purchase Intention towards Organic Food in Ipoh, Perak. Some factors can affect the consumers in Ipoh in taking decision and purchasing behaviour towards organic food. The dominant factors that affected the consumer's purchase intention towards organic food are health, environmental friendly, product quality and food safety. The important of this study is to identify the factors that affecting the consumer's purchasing intention towards organic food in Ipoh. This is a quantitative research conducted in Ipoh, Perak. By using SPSS version 23 to analyse the 150 sample of questionnaires from respondents, researcher found that the factors influence the consumer's purchase intention towards organic food in Ipoh was indicated in four main factors which is health, environmental friendly, product quality and food safety. The respondent varying from age, gender, race and preference of organic food. The limitations of this study and recommendations given in this research study will guide the future researchers to carry out the related researches more accurately.

**Keywords:** Consumer's purchase intention towards organic food, environmental friendly, food safety, health, product quality

### 1.0 Introduction

Organic foods refer to foods that are safe to be consumed, are of fine quality, are concerns about the environmental friendly, nutritious foods and are produced under the principle of sustainable development (Liu, 2003). Consumers in Malaysia start becoming health conscious consumers and aware on their foods in daily life. Consequently, the consumption of fresh vegetable and fruits is increasing rapidly. Beside, most of Malaysians are becoming well educated on the way their eating can influence health and tend to be highly consumed on organic fruits and vegetables. In Malaysia food industry, health consciousness and organic food become new important trend in past decades' year. Several studies agreed on the socio- demographic profile of organic food buyers. The proportion of people consuming organic food has been found to rise with an increase in income (Torjusen et al., 2001) and tend to be more highly educated than non-organic consumers (Lockie et al., 2002; Storstad and Bjorkhaug, 2003). One of the reasons for growing demand of organic foods is the increasing number of consumer concerns about the conventional food production (Van Loo, My Nguyen Hoang, Pieniak, & Verbeke, 2013). The organic food industry is relatively new in Malaysia and thegovernment has recognised its potential to contribute to economic growth. Consumer's interest in organic food has increased due to local demand. Consumers worldwide are increasingly concerned about nutrition, health, and the

quality of their food. Major concerns have appeared because of recurrent food crises involving pesticide residues on fresh produce, food contamination by chemicals in dairy and seafood products, and the unregulated use of additives in processed foods.

### 2.0 Literature review

# 2.1 Environmental Friendly

The increase of the environmental consciousness has had a thoughtful effect on consumer behavior, with the green product market expanding at a remarkable rate (Bhaskaran, Polonsky, Cary & Fernandez, 2006). It can be found that there has been an increasing consumer demand for agricultural produce obtained by means of processes having less impact on the environment, especially for organic produce (Chinnici et al, 2002). Environmental and animal rights issues had a strong influence over attitudes and behaviour intention towards organic food (Honkanen, Verplanken & Olsen, 2006). Thus, environmental concern remains one of the reason of organic purchasing intention.

 $H_1$  There is a significance relationship between environmental friendly and purchase intention towards organic food.

#### 2.1 Health

The consumers purchase organic products because of a perception that such products are safer, healthier and more environmentally friendly than conventionally produced alternatives (Krissoff (1998). Health concern appears as the most important reason for purchasing and consuming organic food (Wandel and Bugge, (1997); Padel and Foster, 2005 and Michaelidou et al, 2008). Roitner-Schobesberger et al, (2008) also found that health consciousness was a main reason to purchase organic food in Thailand, particularly when consumers are concerned with residues from synthethic chemicaks used in agriculture. Molyneaux (2007) supports the positive relationship between health consciousness and organic purchasing.

H<sub>2</sub> There is a positive affect between health and purchase intention towards organic food.

### 2.3 Food Safety

Food safety issues have driven consumers to seek for safety foods whose qualities and attributes are guaranteed (Lockie et al, 2004). Padel and Foster, (2005) food safety was highlighted as a motive for purchasing organic food. According to Williams and Hammitt (2001), consumers believe organically grown produce poses fewer risk to consumer than conventional products. Krystallis Fotopoulos & Zotos, (2006) also found that organic produce buyers are concerned about the safety of foods in that they are willing to sacrifice money in return. Thus, perceived safety of organic food products and its positive effect on behaviour

intention towards the organic food.

H<sub>3</sub> There is a significance relationship between safety and purchase intention towards organic food.

### 2.4 Product Quality

Perceived quality of organic food by consumers in becoming increasingly important to its rapid consumption (Magnusson et al, 2001; Padel et al, 2005). Consumers always purchase organic products because of a perception that these products have unique attributes compared to conventionally grown alternatives (Vindigni, Janssen & Jager, 2002).

H<sub>4</sub> There is a significance relationship between product quality and purchase intention towards organic food

# 3.0 Methodology

This research is to study the factors that influence the consumer's purchase intention towards organic food. The sampling method used for this study was stratified sampling. Stratified sampling was the most suitable for this study because the respondent is chosen by their age, gender and race. The respondent of this research were Ipoh people who preferred to purchase organic food. In this study, only 150 questionnaires have been used to analysis the data.

# 4.0 Findings

The summary of respondent's demographic profile is shown as table below:

Characteristics	Items	Frequency	Percentage
Gender	Male	76	50.7%
	Female	74	49.3%
Age	Below 20 years' old	19	12.7%
	21-30 years' old	32	21.3%
	31-40 years' old	31	20.7%
	41-50 years' old	41	27.3%
	51 and above	27	18.0%
Race	Malay	39	26.0%
	Chinese	48	32.0%
	Indian	45	30.0%
Others		18	12.0%
Organic Food	Yes	150	100%
Preference	No	-	
Dominant Factors	Environmental	107	22.1%
	Friendly		
	Health	140	28.9%
	Food Safety	124	25.6%
	Product Quality	113	23.3%

Table 4.0 Descriptive Profile of the Respondents.

By using Cronbach's Alpha, reliability of variables was evaluated. In this calculation higher alpha values indicates higher reliability value; the quality of the research is high because the reliability value is higher. The result is shown in the table below.

Research Variable	Number of Measurements	Cronbach's Alpha
Environmental Friendly	4	0.875
Health	4	0.905
Food Safety	4	0.930
Product Quality	3	0.904
Consumer's Purchase	5	0.922
Intention towards Organic		
Food		

Table 4.1: Variable's Reliability and Validity Test

Table 4.1 shows that all the variable which are environmental friendly, health, food safety, product quality and consumer's purchase intention towards organic food are reliable and valid because the Cronbach's Alpha are more than 0.8 which demonstrate that the measurements are reliable.

Table below indicates that the results are moderate and small for environmental friendly, health, food safety and product quality. The results demonstrate that all the independent variables are having a positive relationship, but the effect is quite small and moderate where p < 0.0005 when r = 0.452, 0.519, 0.477 and 0.581. The independent variables (Environmental Friendly, Health, Food Safety and Product Quality) are influencing the dependent variable (Consumer's Purchase Intention Towards Organic Food).

		Environment al friendly	Health	Food Safety	Product Quality	Purchase Intention of organic food
Environmental friendly	Pearson Correlation	1	.452**	.452**	.452**	.722**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
Health	Pearson Correlation	.452**	1	.587**	.519**	.806**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	150	150	150	150	150
Food Safety	Pearson Correlation	.416**	.607**	.505**	.477**	.772 <sup>**</sup>
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	150	150	150	150	150
Product Quality	Pearson Correlation	.452**	.587**	1	.581**	.800**

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Sig. (2-tailed)	.000	.000		.000	.000
N	150	150	150	150	150
Purchase Intention of Pearson organic food Correlation	.452**	.519**	.581**	1	.784**
Sig. (2-tailed)	.000	.000	.000		.000
N	150	150	150	150	150

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed).

Table 4.2: Pearson Correlation

### 5.0 Discussion and Conclusion

In conclusion, results show that health and product quality is more significant at r = 0.519 and 0.581. This shows that consumers were more focusing in health and product quality factors to intent in purchasing organic foods. The consumers purchase organic products because of a perception that such products are safer, healthier and more environmentally friendly than conventionally produced alternatives (Krissoff (1998). Health concern appears as the most important reason for purchasing and consuming organic food (Wandel and Bugge, (1997); Padel and Foster, 2005 and Michaelidou et al, 2008). Perceived quality of organic food by consumers in becoming increasingly important to its rapid consumption (Magnusson et al, 2001; Padel et al, 2005). Consumers always purchase organic products because of a perception that these products have unique attributes compared to conventionally grown alternatives (Vindigni, Janssen & Jager, 2002). The limitation faced is pandemic which causes the researcher hard to collect data and can only focus at certain area of Ipoh. Next limitation faced by the researcher is uncooperative of respondents to participate in this research. Recommendation for future researcher are choose respondents from different state or even countries might have different perceptions about purchase intention of organic food. So, future research of similar topic can be done in different states or country. Overall, there is a significant relationship between dependent variable (Consumer's purchase intention towards organic food) and independent variables (Health, Food Safety, Environmental Friendly and Product Quality).

#### Acknowledgement

First and foremost, I have to thank the research supervisor, Miss Nurul Azwa Binti Mohamed Khadri. Without her assistance and dedicated involvement in every step throughout the process, this paper would have never been accomplished. I take this opportunity to express gratitude to all of the department faculty members for their help and support. I am also thanking my parent for the unceasing encouragement, support and attention. I am also would like to thank to University Malaysia Kelantan that provided me with the research grant to perform the research. Moreover, I would like to appreciate to all my friends for them continue support, hard work and assistance during this progress of research.

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# EFFECT OF COVID-19 TOWARDS RETAILER IN SABAH

#### Shuhairee Fuzainie bin Sudirman and Norfazlirda Binti Hairani

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: shuhairee.a17a0652@siswa.umk.edu.my; fazlirda.h@umk.edu.my

#### Abstract:

The primary objective of this study is to identify what affected the retailer sales during the pandemic of Covid-19. Data were collected using an online form which is an online Google Form to approach and reach a wider number of respondents of local retailers in Sabah, Malaysia. This cross sectional study is using convenience sampling as 384 data collected in Sabah. The data will be analysed using Statistical Package for the Social Science (SPSS). SPSS statistical addresses the entire statistical analysis process such as data collection, data analysis and reporting for better decision making and performance. Multiple regression analysis will be used in this research to address the hypothesis. The study found that all independent variables were significant to the dependent variable and achieves the objectives.

Keywords: Demand, necessity goods, Pricing, Supply Chain, Retailer, Covid-19

### 1 INTRODUCTION

Known as the Covid-19 pandemic in Malaysia, the history of Coronavirus Disease 2019, the virus was reported entered Malaysia at the end of January 2020, when it was identified on the travellers from China arriving in Johor via Singapore on 25 January after the outbreak of Covid-19 in Hubei, China. Initially, registered cases remained relatively low and were mainly limited to imported cases, before localized clusters started to appear in March, the largest cluster at that time was related to a religious "Tabligh Jama'ah" gathering held in late February and early March in Sri Petaling, Kuala Lumpur, resulting in major spikes in local cases and exports of cases to neighbouring countries. Malaysia reported the largest cumulative number of confirmed Covid-19 infections in Southeast Asia within a few weeks, crossing the 2,000 active cases mark by the end of March from less than 30 cases at the start of the month.

The retail sector, RM107.5 billion in 2019, is projected to be set back by RM10.9 billion this year, mainly due to the Covid-19 pandemic, according to Retail Group Malaysia estimation. Current retail value sales reported declining growth in 2020 as opposed to the previous year. As this problem arises due to the Covid-19 pandemic that causes all countries to come under quarantine orders; Movement Control Order (MCO). They would have an important impact on their business for the retailer. They realize that the situation is changing every day and they know that they have little time to respond. Over the past few weeks, all consumers in the retail sector have complained about the effect this pandemic might have on their business.

Such research discussions indicate that in today's highly fluid social, economic, and healthy climate, there are few main areas where retail execs can concentrate their energy. There are also unknown long-term social, economic, and health effects of the Covid-19 virus.

This research study on Sabah customers and retailers and the effect of the pandemic on retailing activity. The global reaction to this virus has profoundly changed the situation for the retailers, whether this condition continues for weeks or months. It's time to confront reality and begin to adapt.

Owing to a variety of factors, the overall influence of retailing is great. An economic heavyweight in the retail market. Besides, it primarily serves final demand and thus has an important role in value chains, both as a household supplier and as an outlet for the upstream sectors. It is also complementary to operations in other hard-hit industries, such as the tourism industry. Moreover, the retail industry is quite labour intensive, so there are disproportionate job ramifications for any disturbances. The industry also depends on low salaries and part-time, calls, and gig employees who are not well protected by conventional social security initiatives, thus further reinforcing the social ramifications of the crisis in the sector.

### Significant of the Study

The significance of the study, researchers want to improve and get more knowledge about how to manage the business during the pandemic toward the retailer. Through this research, the researcher highlights the importance of the demand for the product, product pricing, and supply chain management toward the retailer. They will know how to manage their own business during the pandemic. Good management of either company or business will stabilize the business. It will bring good to them to manage their business and also bring them into conversation with their customers.

### 2 LITERATURE REVIEW

#### 2.1 Retailer

Retail is one of the world's oldest organizations and was practiced in ancient times. Traditional food and arms that continue the rise of consumers and hawkers are the beginning. The retailer remains, barter a day has been replaced by shift by money (Tiwari, 2009). A few decades ago, there were many shopping chains in several cities in the 16th and 17th centuries (Aydin, 2013). In the late 19th and early 20th centuries, however, the growth of retail development was accepted. Merchandise was initially dominated by supermarkets. Later, distributors specialized in the business started to gain traction. Competition has achieved great success in countries that have established retail and is once again beginning to concentrate on specialized stores. There have been several shops in recent years, selling every form of merchandise once again.

In the entire process of producing, transporting, and using products around the world, the retail industry has made remarkable adjustments. Today, the retail sector is used by most of the largest economies as their critical growth instrument (Sharma, 2008). Nevertheless, apart from this, retailers work in harsh and rapidly changing conditions, which offer risks and expectations. The industry, for instance, suffers from a constant surplus of capacity, resulting in fierce competition for consumer capital especially in difficult economic times. As with retail technology, customer demographics, habits, and buying behaviors shift quickly.

Retailers need to carefully select their target segment and position themselves strongly to be competitive (Kotler and Armstrong, 2012).

### 2.2 Necessity Goods

Complexity, filled with unique user interactions and guided by individually applicable historical trends, characterizes customer expectations of how products acquire status criteria by moving beyond the classification of products into luxury goods or need goods. It reflects on how customers perceive and narrate experiences in their lives that are emotionally charged, in which a specific product shifts over time to be considered a necessity. It demonstrates that familiarity, transformation in the form of redemption or contamination, reminders, incorporation, restoration, and compaction involve product requirements to become a needed product or luxury product. It is very useful for advertisers to consider the experience of needs to build successful marketing campaigns as well as public policymakers to ensure their people have access to the necessities of life (Jakob Braun, 2016)

Necessity goods are the product that people need to survive to continue their life. This good depends on some of the people in their lives need but a lot of common people need to eat and drinks every day need a shelter and clothes these are the common product that people are needs, but in some circumstances, necessity product can be changed such us when the disaster like a pandemic of Covid-19 happen the medical supply like hand sanitizer, gloves, medical masks, toilet tissue to prepared themselves for any possibility of out of stock in the future. (Sarah Whithen, 2020)

A broad variety of retail items bought by customers are protected by the consumer goods market, from staple products such as food and clothes to luxury goods such as jewellery and electronics. As a whole, food demand is unlikely to fluctuate, although some foods purchased by customers will dramatically shift consumers who are accustomed to purchasing more choices, such as cars and appliances, in various economic conditions. Employment, incomes, inflationary costs, interest rates, and customers are the economic variables that most consumers demand. (Maverick, 2020)

### 2.3 Demand

For customers involved in the procurement of products and services and the availability of prices for such goods or services, demand is an observed economic theory. The rise in the price of goods or services would be different in terms of all other variables, and so on. Consumer demand is the cumulative quantity purchased for a specific commodity by all the customers in the market. The full demand for all goods and services in the economy is a call for agreement. Various stock strategies for demand are often needed. Money to assess the number of demands people have for their goods and services is the most widely used sector. Demand is an economic endeavor, and the company can achieve little without it. (Caleb Silver, 2014)

Demand is linked closely to supply. Consumers are trying to get the lowest prices for products and services, and manufacturers are trying to increase profits. The supplier approach costs too much for the sum to be decreased, and the supplier does not sell the commodity required to make the profit available. The supplier approach costs too little, the lower the overall price could not bear the expense of the supplier or make a profit for the quantity increased. Certain factors that require demand for products or services, the availability of competitive goods, the availability of funding, the availability of perceived goods or services. (James Chen, 2014)

### 2.4 Pricing

Price is an important factor that plays an important role in the purchase by customers of products or services. Since low prices can be space for scepticism about prices and high prices will have the impact of providing low value for money to decide the correct price. The pricing strategy, in which the marketer initially sets a reasonably high initial price for a product or service, then reduces the price over time. This is a temporary version of the control of sales from price discrimination. This helps firms to rapidly recover their costs before competition reaches and decreases consumer prices. It has become a habit for managers to implement high prices and drop them over time in new and rising markets. (Gebhardt Gary, 2006)

Often, pricing schemes are referred to as a drop in the demand curve. At the beginning of the product life cycle, the goal of the price reduction strategy is to seize the market advantage to take advantage of the monopoly status or low price sensitivity of innovators. The organization charges the highest initial price that the consumer would pay for the product pricing plan. The business reduces the price when the first consumer demand is reached, to draw other segments that are more price responsive. (GJ Tellis, 2015)

### 2.5 Supply Chain

Supply Chain Management is a methodology for improving business processes, making them more durable, more agile and as a result, more competitive. The main function of the supply chain is to improve the product or service competitiveness (Machowiak W., 2012). Based on a systematic literature review, the various definitions of supply chain given by experts from beginning to end along with key classical definitions. The various dimensions of the supply chain are an inseparable part of this study. Supply chain and its dimensions and try to explain the supply chain from related fields such as Logistics Management, Value Chain Management, and Operations Management. There are a lot of various supply chain management theories. After completing a comprehensive literature review, this concludes with a conclusion and the scope of future work. The supply chain is related to the conversion of raw materials into finished goods and the timely delivery of products to end-users (Mabert and Venkataramanan, 1998). It describes the evolution of various supply chain definitions. Supply Chain Management studies relationships and relationships with each other between the various functions, processes, and limbs of the chain and analyse the effects of their interaction on value addition and profit maximization (Ballou, 2007). Next describes specific research questions such as understanding the supply chain and its dimensions, describing the supply chain from other relevant areas, and identifying the various contributions within supply chain theory.

### 2.6 Hypothesis Statement

Hypothesis 1: There is significant on retail demand during Covid-19.

Hypothesis 2: There is no significant on retail pricing during Covid-19.

Hypothesis 3: There is significant on the supply chain in retail during Covid-19.

#### 2.7 Conceptual Framework

Below was the research model that has been stated in Figure 1, it was established based on the literature review above. This research model is to study the significant effect of the pandemic of Covid-19 toward retailers in Sabah.

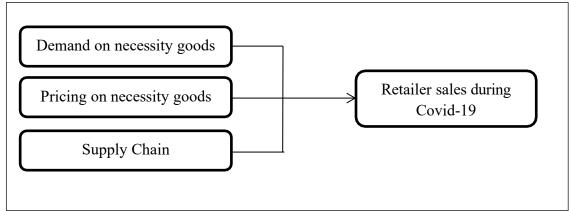


Figure 1: Research Model

### 3 METHODOLOGY

#### 3.1 Research Design

The research design was a plan and structure of an investigation that helps the researcher to obtain an answer form from the research questions. A Google form questionnaire was used with quantitative research as the research instrument. For the result, the research design involved the method of data analysis consists of interrelated procedures that are carried out to summarize and evaluate the information or data. Furthermore, the researcher will analyse the data for this research using reliability statistics, descriptive statistics, and multiple regression analysis statistics to clarify the attributes of an effect of Covid-19 towards retailer that is, the demand of the necessary goods, and pricing on necessity goods and supply chain management. The research design was carried to get information concerning the current phenomenon to clarify what exists following the variables given to conduct in this study. The data collection method for each research variable focused on what affected the retailers which received proven data from the targeted respondents were asked in a questionnaire Google form.

#### 3.2 Data Collection Method

The data is collected from a sample of respondents based on the questionnaire survey method. So, the data will be primarily because primary data is data that had not been published yet by anyone, so it is more reliable, objective, and authentic (Syed Muhammad Sajjad Kabir, 2016). The data is collected using an online form which is Google Form due to Covid-19 and to reach a wider number of respondents. The online form link will be spread through Instagram, Facebook, Twitter, WhatsApp, and Telegram. Then, the returned form will be filtered on which fits the best with criteria needed.

The question of the questionnaire survey was adapted and developed from a combination of a few previous studies. A 5-point Likert scale is used to determine the expression from respondents which are 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The questionnaire is written in 2 languages which are Bahasa Melayu and English.

### 3.3 Study Population

A study of population is a big collection of persons or objects that is the important focus of the studied investigation. The population is wide and can be defined to include all research and practice on, or affects, group of people or community. The target group is the entire retailer in Sabah. Besides, the respondent also consists of the age of the respondent, different

gender, type of business retail, and level of income. Based on the Malaysia population distribution, the total population in Sabah is around 3.91 million from the 33.1 million population of Malaysia updated 23 October 2020.

### 3.4 Sample Size

The sample size is a subset of the population. In this study, the targeted population is the individuals who step the retailer around Sabah between ages all that involves in retailing service, in Sabah. The sample is chosen among the respondents of the Retailer. This study uses a convenience sampling method as one of the non-probability samplings which is an attempt to obtain a sample convenient element because the samples are available at the right time and the right place.

Based on the Malaysia population distribution, the population in Sabah is around 3.91 million. According to the (Krejcie and Morgan, 2013), the respondent should be chosen from the population of 384 respondents.

### 3.5 Sampling Techniques

The procedure or techniques of selecting a subgroup from a population to participate in this research is the process of choosing several persons for the research in such an alternative that the individuals selected represent the large group from which they were chosen (Ogula, 2005). The area covered in the observation is the retailer in Sabah. This research used convenience sampling. According to (Sekaran & Bougie, 2011) this method is collecting data from a group of respondents who are conveniently accessible. The cost and time needed to carry out a convenience sample is small compared with the other techniques. This Google form is used to question the retailer to study the effect of the pandemic of Covid-19 towards the retailer. The questionnaire usually consists of several questions and answers from the respondent. In this research, the questionnaire will be distributed directly passing to the respondent.

#### 3.6 Measurement of the Variables

The ratio scale is the highest level of measurement that allows the researcher to identify the objective, while at the same time ranking them and comparing their differences. This study uses the interval scale level of measurement where the number was used to answer the questions. For section B, section C, and section D, 5-point Likert Scale was used.

### 3.6 Procedure for Data Analysis

Data analysis plays a role in making decisions more scientific and helps to operate more effectively. Data analysis will be accompanied next to the data collection procedure. A processor's way of applying a systematic order or technique to describe, illustrate, condense, recap, and also evaluate the data can be stated by data analysis. After the data and information have been collected from the respondent, it will be analysed using Statistical Package for the Social Science (SPSS) software. This software can analyse data and connect the relationship between independent variables and the dependent variable, so the data can easily be read and get an accurate result. For the result, to interpret the data and information, it can be represented using tables and graphic presentations such as diagrams and charts. The method of data analysis consists of interrelated procedures that are carried out to summarize and evaluate the information or data. Therefore the researcher will analyse the data for this research using reliability statistics, descriptive statistics, and multiple regression analysis statistics.

### 4 FINDING

# 4.1 Demographic profile of Respondent

The respondent profile is summarized in Table 1 out of the 384 respondents, 195 were male and 189 were females. Most of them were in the 25 to 29 age category (n=134). Then, the business type of retail stated the highest number was 37.1% (n=142), most of the other types of retail business are dropshipper and agent. Majority level of income of the respondents is around RM1001 to RM2000 (n=225).

Table 1: Demographic profile

Characteristic	Item	Frequent	%
Candan	Male	195	50.8
Gender	Female	189	49.2
Age Group	19 years old and under	16	4.2
	20-24 years old	125	32.6
	25-29 years old	134	34.9
	30-34 years old	71	18.5
	35-39 years old	18	4.7
	40 years old and above	20	5.2
Business type retail on	Department stores	40	10.4
	Supermarket	37	9.6
	Convenience stores	40	10.4
	Wet Market	125	32.6
	Other	142	37.0
Level of Income	RM1000 and under	129	33.6
	RM1001-RM2000	225	58.6
	RM2001-RM3000	26	6.8
	RM3001 and more	4	1.0

### 4.2 Reliability Analysis

Reliability analysis had been carried out for approximately 30 respondents to determine the consistency of independent variables such as demand, price and supply chain and dependent variables which are sales of the retailer. Total scale and subscale reliability analysis showed that the various measures had good internal consistency as expressed by alpha coefficient values. As Table 4.2 depicts, Cronbach's Alpha values of all the dimensions and the dependent variable were greater than 0.7.

Table 2: Realibilty analysis

Variable	Cronbach's Alpha	N of items
Demand	.723	4
Price	.826	4
Supply Chain	.732	4
Sales	.732	5

### **Descriptive Analysis**

Table 3: Descriptive analysis for each variable

Variable	Mean	Std. Deviation
Demand	3.69	0.85
Price	3.54	0.79
Supply Chain	3.97	0.53
Sales	3.50	0.65

# **Regression Analysis**

Table 4: Table of coefficients Analysis

Variable	Simple Linear Regression			Multiple Linear Regression		
variable	b	t-stat(95% CI)	p-value	b	t-stat(95% CI)	p-value
Demand	0.38	11.14(0.31, 0.45)	< 0.001	0.321	8.64(0.25, 0.39)	< 0.001
Pricing	0.31	7.84(0.23, 0.89)	< 0.001			
		, , , , ,				
Supply	0.448	7.53(0.33, 0.57)	< 0.001	0.223	3.68(0.10, 0.34)	< 0.001
Chain						

a. Dependent variable: Sales retailer

The table 4 above had shown the table of Coefficients Analysis that determines which independent variables were individually predictors of dependent variables. The independent variables included demand, pricing and supply chain had influenced the dependent variable which is sales retailer. According to the table above, the effects of Covid-19 for demand and supply chain variables were significant since their p-value was less than 0.05. According to the result shown in the table above, the demand is the strongest independent variable in measuring the sales retailer as its Beta value is the highest ranked value among all the independent variables which is 0.321. while the price variables were excluded.

#### 5 DISCUSSION

#### 5.1 Demand

The first purpose of this research project is to identify the Covid-19 that affected the demand sales of the retailer during the pandemic. The coefficient for demand toward retailers sales during Covid-19 is b=0.38, and the p-value is 0.000 which is (alpha root p<0.001) it shows that demand toward retailer sales during Covid-19 in Sabah has a significant relationship.

The purchase decision of the food hygiene product by (Tarek Fahmy, Armin Sohani, 2020) Although the effects of the pandemic can be measured and estimated economically and socially, it is not easy to predict changes in customer purchase behavior. As the demand for hygiene products increased and the supply decreased, some of the consumers were panicked. It has become interesting for researchers to explore the impact of the Covid-19 pandemic on brand preferences in the purchasing decisions for food and hygiene products. Many markets are currently in a position of uncertainty. Covid-19 had an economic and social impact on the world. Specifically, the economic impact has had an impact on demand. Retail consumption patterns have changed in the aftermath of the pandemic. The purchase of crisis goods, such as toilet paper and hand sanitizers, has increased (Nielsen and Svenska Dagbladet, 2020). Besides, Swedish supermarkets are facing problems with the maintenance of stocks. People are buying food at a record high, and many products, such as pasta and rice, are sold out, and

many shelves remain empty in supermarkets (Westerberg & Arvidson, 2020). Consequently, changes in the consumption demand and habits of products such as sanitizers, toilet paper, and food are currently occurring, possibly due to Covid-19. Also, with particular regard to personal hygiene and food products, other countries, besides Sweden, have faced the problem of empty shelves for personal hygiene and food products in supermarkets, since they are the main products that people buy and store in panic (Svenska Dagbladet, 2020). As a result, consumer behavior and, in particular, the purchase of personal hygiene and food products, is becoming an important and relevant area to focus on a better understanding of consumer behavior during a pandemic, both from an academic and a practical perspective. From an academic perspective, it is important to study the lack of empirical research on consumer behavior in the context of a crisis. Besides, the current literature on consumer behavior in a crisis context focuses on financial crisis or recession, thus enabling the field as a whole to be further developed by adding a lack of perspective to the non-financial crisis, and specifically to the pandemic. From a practical point of view, it is important to study as it will allow managers and supermarkets to understand how to operate during a pandemic and potentially turn it into an opportunity to capitalize on it. Moreover, given the important role of branding and brand perception in the decision-making process, the major changes in demand for this thesis will focus solely on food and personal hygiene products.

#### 5.2 Price

The second purpose of this research project is to identify whether Covid-19 is affecting the price of the necessary product during the pandemic. The coefficient for price toward retailer sales during Covid-19 is b=0.77, with p-value 0.194 which is (alpha root p>0.001) it shows that price toward retailer sales during Covid-19 in Sabah does not have a significant relationship.

Based on the qualitative study of the impact of a pandemic on brand preference in food hygiene product purchasing decisions by (Tarek Fahmy, Armin Sohani, 2020) Starting with the role of price and how it impacts brand preference during the crisis, revenue was the main issue that emerged. Specifically, income was divided into two commonly occurring sub- themes of disposable income and financial uncertainty among respondents during the pandemic. Looking at disposable incomes, one common theme was the social impact of the pandemic. Respondents were found to have increased disposable income due to a pandemic affecting their social behavior. Also, financial uncertainty was a theme posed during the pandemic regarding the position of prices in brand preferences. Aspects such as employment, job security, and savings were frequently referred to and their effect on respondents' price sensitivity. As a result, the general feeling was that the pandemic did not directly affect their price sensitivity in the form of brand preferences for food and hygiene products, outside of a person who felt unsure about their future financial situation. Although the pandemic influenced the cost of some food and hygiene items they purchased, the price factor was not directly related. However, changes in demand and expectations about the quality of food and hygiene products have resulted from these changes.

#### 5.3 Supply Chain

The third purpose of this research project is to identify the Covid-19 is affected by the supply during the pandemic. The coefficient for supply chain towards retailer sales during Covid-19 is b=0.223, with p-value 0.000 which is (alpha root p>0.001) it shows that supply chain toward retailer sales during Covid-19 in Sabah have a significant relationship.

Based on this research the third objective is to identify whether the supply chain was affected during the Pandemic Covid-19. At the end of this research, the researcher found that the supply chain is affected during the pandemic. During this pandemic, many retailers already prepared for supply chain activities to avoid any circumstances that might happen. Meanwhile, with the help of the term and regulation of this state, it makes the retailers easier to handle supply chain activities when the demand for the product is increasing. Based on the qualitative study of the impact of a pandemic on brand preference in food hygiene product purchasing decisions by (Tarek Fahmy, Armin Sohani, 2020). Moreover, the economic effect was not just on purchases. Supply chains have also been affected by closed borders and shifts in demand (Omni, 2020). In addition, with particular regard to personal hygiene and food products, other countries, besides Sweden, have also faced the problem of empty shelves for personal hygiene and food products in supermarkets, as they are the key products which people buy and store in panic (Svenska Dagbladet, 2020). As a consequence, consumer behavior and, in particular, the purchase of personal hygiene and food items, is becoming an important and significant field to concentrate on a better understanding of consumer behavior during a pandemic, both from an academic and a realistic viewpoint. From an academic perspective, it is important to study the lack of empirical studies on consumer behavior in the context of a crisis. In addition, the existing literature on consumer behavior in a crisis setting focuses on financial crisis or recession, thereby enabling the area as a whole to be further expanded by applying a lack of insight to the non-financial crisis, and specifically to the pandemic.

From a practical point of view, it is important to research how it would help managers and supermarkets to understand how to function during a pandemic and eventually turn it into an opportunity to capitalize on it. To begin with, the results suggested that interviewees who changed their preferred brands, changed them because they could not find preferred brands at the shop, due to the stock-out of these brands, and due to panic accumulating by other customers, As (Shou et al, 2011) clarified that panic accumulating could reduce the supply of certain items, which would subsequently trigger more problems as a highly unusual demand. Additionally, (Shou et al, 2011) highlight the complexity of the relationship between consumer panic buying and supply disruption, in which when customers learn that the supply of their goods is decreasing due to the reasons listed, they begin to purchase in large quantities to prevent potential shortages. Subsequently, creating additional problems as highly unusual demand could lead to stock-out, leading to more panic buying. Retailers can decide to restrict the supply, raise prices, or impose a buying quota for customers to avoid this behaviour. These activities could help reduce demand on the face of it, but it could also make consumers more nervous, leading to worse or more panic buying (Shou et al, 2011). It was also reported that clients begin substituting their missing favourite brands with other brands during supply shortage times (Tsao et al, 2019).

#### 6 RECOMMENDATION

From the study, the researcher found that the demand and supply chain for the product is importance to the retailer's sales. But not only are the other independent variables, the price of the product also important. This research only wants to know the factors that have affected the Covid-19. During the multiple regression analysis, the demand and supply chain for the product is the only variable that affected due to Covid-19 pandemic, because during the pandemic people are panicked to buy the necessary product so that they demand the product to prepare during the pandemic, while the price was controlled by the government to take

advantage of the right of the customer and some of the retailers who could take advantage of it during the pandemic. Besides, the recommendation to retailers is about their service. The recommendation is that retailers need to upgrade their services. Such an improvement in cash on delivery as an example retailers need to seek feedback from the customer about their service so that they can easily understand the customer's demand and help them to understand what customers need, experience and pain points. It is therefore recommended that future researchers include more variables, such as price and merchandise selection, which also play an important role in creating discoveries in their investigation. Finally, future researchers can also use qualitative methods instead of questionnaires only when conducting a survey.

#### 7 LIMITATION

There are several limitations to this study. First, the lack of peer-reviewed scientific articles on consumer buying behavior in a pandemic context has forced researchers to explore literature in an economic crisis context rather than in a real context. As a result, future researchers aiming to study the impact of the Covid-19 pandemic on retailers' sales during the pandemic should first explore literature in a pandemic context. Secondly, the demand for the product during the Covid-19 pandemic. Future researchers could also compare countries with the same levels of restrictions or different levels of restrictions as they would provide insights into how restrictions affect retailer sales, and can also look at the role of different cultures in retailer sales when faced with a pandemic. Third, all of the interviews were conducted online, which might have limited the researcher's ability to gather more insights from the respondent, although the respondent used a Google form questionnaire, thought that face-to-face interviews could have increased the reliability. Fourth, due to the limited timeframe of the researchers, only a quantitative method has been adopted, although quantitative studies help researchers to gain a deeper understanding of and explore the phenomenon by observing retail sales and understanding the context in which they live. However, the data is not generalized. As a result, the adoption of a mixed-method approach should be more successful as it allows for the generalization of findings while at the same time obtaining in-depth rich data.

#### 8 CONCLUSION

This research was carried out with a view to the factor that affected retailer sales during the recent Covid-19 pandemic in Sabah. The factors that affected the demand for the sale of the product, the price of the sale of the product, and the supply chain. Also, this research was carried out by the researcher at all Sabah retailers. The research focuses on the design of the research, data collection methods, population study, sample size, sample techniques, development of the research instrument, variable measurement, and data analysis procedure. On the other hand, the data analysis of the researchers shows the results obtained throughout the survey questionnaire. Data analysis was collected from the survey to conduct a test of reliability, descriptive analysis, and multiple linear regressions. The researcher determined the significance of the research hypothesis in the study. As a result, from this chapter, we can conclude the significant between the independent variable and the dependent variable. And, lastly, from the entire chapter of this research, many things can be improved and can be a reference benefit for retail sales and future research. For retailers, the recommendations focus on their effect on sales during the Covid-19 pandemic. There is a suggestion for retailers to help them during the pandemic. But, at the end of the day, future researchers can try to use another way to get answers, such as quantitative methods.

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## THE IMPACT OF DIGITAL SALES PROMOTION ON ONLINE SHOPPING AMONG UNIVERSITY MALAYSIA KELANTAN STUDENTS IN PENGKALAN CHEPA

Siti Aisyah Andan and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: aisyahandan97@gmail.com; mahathir.m@umk.edu.my

#### Abstract:

The purpose of this study is to investigate the impact of sales promotion and various digital sales promotion tools on the online shopping decision of University Malaysia Kelantan students. The research evaluates the impact of sales promotion tools mainly free sample, price discount and coupon. The dependent variable in this study is online shopping decision while there are three independent variable which is free sample, price discount and coupon. A total students were surveyed used questionnaire through google form is 346 people. The students from various characteristics and preference were answered the questionnaire given. This research can give online shopping retailers to managing their sales promotion. The result show that free sample, price discount and coupon are associated with the consumer preference. The result also show that the preference for sales promotion are dependent upon consumers's demographic profile.

**Keywords**: online shopping decision, free sample, price discount, coupon, sales promotion, digital sales promotion tools.

#### 1 Introduction

Sales promotion is important in marketing programmes. Sales promotion is a marketing mix which is price, promotion, product and place. But for this study, the discussion only focused on sales promotion. Sales promotion refer activities but other than advertising and personal sales that stimulate consumer to purchase the product. Sales promotion also knows as competitive weapon in an organization for target audience to buy or endorse one brand over another. The objective of sales promotion in marketing is to

create brand awareness among customers. It short-term demand which is to attract loyal customer and encourage customers to make switching brand. The sales promotion is accomplished by educating and convincing consumers of an existing or new products in market. According to Perreault and McCarthy, further remarked that money spent on advertising and personal selling helps the firm more over the long-term and that sales promotion do not help develop close relationships with customers, instead, it erodes brand loyalty.

Sales promotion influence buying decisions of customers. Sales promotion is one those incentives which has influenced customer to make instant buying decision than to wait later (Kotler, 2003). The buying decision process comprises five stages which is recognition, identification of alternative, evaluation of alternative, purchase and post-purchase behaviour. Customer usually believe that during sales promotion, price of all the product will be more cheap than usual. This phenomenon shows that when customers see the word of sales promotion, some of them are easily to purchase it. This will inevitably lead to over-consumption and the buying of a product that is not necessary and useless. It is particularly effective in spurring product trial and unplanned purchases (Aderemi, 2003).

#### HYPOTHESIS STATEMENT

 $H_0$ : There is no significant relationship between free sample and online shopping decision towards student's preference.

H<sub>1</sub>: There is significant relationship between free sample and online shopping decision towards student's preference.

H<sub>0</sub>: There is no significant relationship between price discount and online shopping decision towards student's preference.

H<sub>2</sub>: There is significant relationship between price discount and online shopping decision towards student's preference

H<sub>0</sub>: There is no significant relationship between coupon and online shopping decision towards student's preference.

H<sub>3</sub>: There is significant relationship between coupon and online shopping decision towards student's preference

#### **FRAMEWORK**

The conceptual framework is an analytical method with a variety of variations and contexts. It can be applied to various categories of work where an overall picture is required. It is used to make logical distinction and to organise ideas. Strong conceptual framework capture something concrete and do so in a way that is easy to remember and apply.

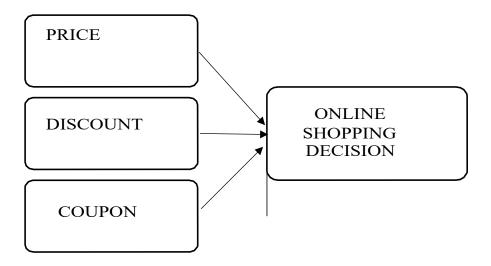
For this study, our dependent variable is online shopping decision. For independent variable, there are three variable that influence dependent variable (online shopping decision). First is free sample, price discount and coupon.

First independent variable is free sample. The distribution of free sample is a common and important promotional tool for many products (Schultz et al., 1998). By giving free sample to potential customers regardless they purchase something else. This approach exposes customers to product that they might not have considered before then encourage them to buy after used the sample. Free sample give chance for customers to try and use the product in small amount. According to Shimp (2003), free sample of product effect consumers buying behaviour.

Next, price discount can be defined as valuation approach where goods or products are offered in a good discounted buying price and it seems to be a reduced cost to the consumers (Fill, 2002). Consumers save more money during price discount because the product offer lower price compare to their normal price.

Coupon are defined as vouchers or certificates, which help consumers to price reduction on a specific product (Fill, 2002). Coupon have many benefits and trend towards the marketers in a way that they can boom the sales in a short time and they can stimulate customers to switch to other brands or products (Nudubisi & Tung 2005). Coupon is one of methods that use for customers to brand-switching. Actually coupon have increase brand-switching and influence purchasing among customers.

The figure below shows the relationship between dependent variable and independent variable. It show online shopping decision as it dependent variable. On the other hand, sales promotion tools is independent variable such as free sample, price discount and coupon.



#### 2 Research Method

This study use quantitative method. Quantitative methods emphasises quantitative calculation and statistical, mathematical or numerical analysis of data obtained by questionnaire or by manipulating pre-exisiting statistical data using computational techniques. Quantitative research focuses on collecting and generalising numerical data through groups of people or on describing a specific phenomenon. Besides that, there are two data collection which is primary data collection and secondary data collection. First is primary data collection is collection of raw material obtained at the sources. It is a method for collecting original data obtained by a researcher for a particular research purpose. Next is secondary data collection collected data by others. Secondary data can take a wide variety of forms, as guides to bodies.

There are 346 sample need in this study according to Krejcie&Morgan table. the population for this research are students from University Malaysia Kelantan in Pengkalan Chepa. The questionnaire will distribute randomly to those who might express their willingness in this survey to respond. The questionnaire will divide into two section section A and section B. Section A will include about demographics respondents such as gender, age, race status and others.

This research only used nominal scale and interval scale for measurement f the variables. Nominal scale only use in section A in questionnaire. A nominal variable is the types of variable used to mark. Closed-ended approach has been choose in this study. while interval scale been used in section B of questionnaire. Likert-scale is one of part interval scale and also use likert-scale five points evaluation (1) strongly disagree, (2) disagree, (3) neutral, (4) agree and (5) strongly agree.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

#### 2.1 PROCEDURE FOR DATA ANALYSIS

Data analysis is a method used by researchers to simplify data to a narrative and view it to extract information. The method of data processing aims to minimise a vast amount of data into smaller pieces, which makes sense. The data collected by using online questionnaire to respondents. The set of information in this analysis will be measured and evaluated using statistical package for the social sciences (SPSS).

#### 2.1.1 DESCRIPTIVE ANALYSIS

Descriptive analysis uses raw data and analyses the data to draw useful and understandable conclusions. In descriptive analysis, it basically explain what the data show descriptive analysis provides in numbers. The result of respondents will present into frequency distributions. Frequency distributions can be present in two ways, as a table or as a graph (bar chart, histogram and others graphs). Researcher easy to identify the information by using descriptive analysis in this study.

Variable	N	Mean	Standard
			Deviation
Online shopping decision	346	2.6582	1.13399
Free sample	346	2.6474	1.09575
Price discount	346	2.5282	1.18952
Coupon	346	2.6821	1.16505

Table 4.9 descriptive analysis for dependent variable and independent variable

This research had analysed the mean and standard deviation for section B in questionnaire included dependent variable (online shopping decision) and independent variable which is free sample, price discount and coupon.

Table 4.9 show the same number of respondent is 346 students. Mean for dependent variable which is online shopping decision is 2.6582. For independent variable, the highest mean is coupon which is 2.6821. Second highest of mean is free sample, 2.6474 while 2.5282 for price discount.

Standard deviation for dependent variable (online shopping decision) is 1.13399. Independent variable, the highest number is 1.18952 for price discount while 1.16505 represented coupon. Lastly is free sample with standard deviation 1.09575.

#### 2.1.2 PEARSON CORRELATION ANALYSIS

Pearson correlation analysis is a method used to analyse the relationship between two quantitative. In this study, researcher used Pearson correlation analysis to analyse the relationship between dependent variable (online shopping) and independent variable (1) free sample, (2) price discount and (3) coupon. Besides that researcher also want to analyse relationship between independent variable. The result of Pearson correlation analysis will show in high correlation or weak correlation. If high correlation means that two variables have a close relationship with each other while weak correlation shows the opposite.

#### **HYPOTHESIS 1: FREE SAMPLE**

 $H_0$ : There is no significant relationship between free sample and online shopping towards student's preference.

H<sub>1</sub>: There is significant relationship between free sample and online shopping towards student's preference.

		Online shopping	Free sample
		decision	
Online shopping	Pearson	1	0.229
decision	Correlation		

	Sig. (2-tailed)		0.000
	N	346	346
Free sample	Pearson	0.229	1
	Correlation		
	Sig. (2-tailed)	0.000	
	N	346	346

Table 4.19 Pearson online shopping decision and free sample

The table show the Pearson's Correlation coefficient, significant value and 346 number of respondents. The correlation coefficient for free sample and online shopping decision are 0.229 and this show the strength correlation between free sample and online shopping decision is weak positive correlation. Besides that p-value is 0.000 showing the significant value for the analysis it low than alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between free sample and online shopping decision. According to the data, there is a positive relationship between free sample and online shopping decision towards student's preference.

#### **HYPOTHESIS 2: PRICE DISCOUNT**

**H<sub>0</sub>:** There is no significant relationship between price discount and online shopping towards student's preference.

H<sub>2</sub>: There is significant relationship between price discount and online shopping towards student's preference

		Online shopping	Price discount
		decision	
Online shopping	Pearson	1	0.461
decision	Correlation		
	Sig. (2-tailed)		0.000
	N	346	346
Price discount	Pearson	0.461	1
	Correlation		

Sig. (2-tailed)	0.000	
N	346	346

Table 4.20 Pearson between online shopping decision and price discount

The table show the Pearson's Correlation coefficient, significant value and 346 number of respondents. The correlation coefficient for price discount and online shopping decision are 0.461 and this show the strength correlation between price discount and online shopping decision is strong positive relationship correlation. Besides that p-value is 0.000 showing the significant value for the analysis it low than alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between price discount and online shopping decision. According to the data, there is a positive relationship between price discount and online shopping decision towards student's preference.

#### **HYPOTHESIS 3: COUPON**

 $H_0$ : There is no significant relationship between coupon and online shopping towards student's preference.

H<sub>3</sub>: There is significant relationship between coupon and online shopping towards student's preference

		Online shopping	Coupon
		decision	
Online shopping decision	Pearson Correlation	1	0.357
	Sig. (2-tailed)		0.000
	N	346	346
Coupon	Pearson Correlation	0.357	1
	Sig. (2-tailed)	0.000	
	N	346	346

Table 4.21 Pearson Correlation between online shopping decision and coupon

The table show the Pearson's Correlation coefficient, significant value and 346 number of respondents. The correlation coefficient for coupon and online shopping decision are 0.356 and this show the strength correlation between coupon and online shopping decision is moderate positive correlation. Besides that p-value is 0.000 showing the significant value for the analysis it low than alpha root which is 0.01. Therefore, there is significant high positive correlation relationship between free sample and online shopping decision. According to the data, there is a positive relationship between coupon and online shopping decision towards student's preference.

#### 2.1.3 RELIABILITY TEST

Reliability refers to the degree to which, if the measurements are replicated a number of times, a scale shows accurate outcomes. Reliability analysis is calculated by the proportion of systemic difference in a scale that can be accomplished by evaluating the relation between the scores collected from the various scale administrations. Thus, if the relation is strong in the measurement of reliability, the scale yields consistent. Cronbach Alpha is a reliability test conducted within SPSS in order to measure the internal consistency. If Cronbach Alpa >0.90, so it very high reliability.

#### **ONLINE SHOPPING DECISION**

Cronbach's Alpha	N
0.943	4

Table 4.14 Reliability test for online shopping decision

Consistent with the reliability evaluation in the table above. It is able to finish that the coefficient alpha for reliability if dependent variable for **Online Shopping Decision** is 0.943. This indicates the consistency and balance of 0.943 is **Excellent** based on the rules of thumb about Cronbach's alpha coefficient.

#### FREE SAMPLE

Cronbach's Alpha	N
0.871	4

Table 4.15 Reliability analysis for free sample

Consistent with the reliability evaluation in the table above. It is able to finish that the coefficient alpha for reliability if dependent variable for **Free Sample** is 0.871. This indicates the consistency and balance of 0.943 is **Good** based on the rules of thumb about Cronbach's alpha coefficient.

#### PRICE DISCOUNT

Cronbach's Alpha	N
0.941	4

Table 4.16 Reliability analysis for price discount

Consistent with the reliability evaluation in the table above. It is able to finish that the coefficient alpha for reliability if dependent variable for **Price Discount** is 0.941. This indicates the consistency and balance of 0.943 is **Excellent** based on the rules of thumb about Cronbach's alpha coefficient.

#### **COUPON**

Cronbach's Alpha	N
0.968	4

Table 4.17 Reliability analysis for coupon

Consistent with the reliability evaluation in the table above. It is able to finish that the coefficient alpha for reliability if dependent variable for **Coupon** is 0.968. This indicates the consistency and balance of 0.943 is **Excellent** based on the rules of thumb about Cronbach's alpha coefficient.

#### 3 Figures and Tables

#### DEMOGRAPHIC PROFILE OF RESPONDENTS

This section discusses about demographic analysis of 346 students. This section presented the analysis about gender, age, race, year of study, marital status, how much respondent visit online shopping apps, online shopping apps prefer and product purchase category.

Gender	Frequency	Percent (%)
Female	201	58
Male	145	42
TOTAL	346	100

#### **GENDER**

Table 4.1 Demographic profile of gender

Based on Table 4.1, 346 respondents, there are 201 female respondent which is (58%) of population and the balance of the respondent are 145 male respondent which is (42%). The different between two genders are 56 students which is 16%

#### **AGE**

Age	Frequency	Percent (%)
18-20 years old	85	25
21-24 years old	185	53
25-28 years old	72	21
29 years old and above	4	1
TOTAL	346	100

Table 4.2 demographic profile of age

Based on table 4.2, there are 4 category of age listed in questionnaire. First category is 18-20 years old, there are 85 respondents that answer the questionnaire which is (25%). While there are 185 students that answer the questionnaire which is (53%) for 21-24 years old. Out of 346 respondents, there are 72 students which is (25%) for 25-28 years old. The balance of respondents are 29 years old and above students are 4 which is (1%).

#### RACE

Race	Frequency	Percent
Chinese	57	16
Indian	59	17
Malay	227	66
Others	3	1
TOTAL	346	100

Table 4.3 demographic profile of race

There are 57 Chinese respondents which is (16%) while Indian respondents are 59 students which is (17%). The balance of respondents are established for Malay and Others which is 227 students (66%) and 3 students (1%) respectively.

#### YEAR OF STUDY

Years of study	Frequency	Percent (%)
Year 1	78	22
Year 2	91	26
Year 3	75	22
Year 4	102	30
TOTAL	346	100

Table 4.4 demographic profile of year of study

Based on table and chart 4.4, there are 4 types of year of study. First is 78 students from year 1 answer the questionnaire which is (22%). Next is 91 students from year 2 which is (26%) and Year 3 are 75 respondents (22%). The balance of respondent is 102 students from year 4 which is (30%).

#### **MARITAL STATUS**

Marital status	Frequency	Percent (%)
Married	6	2
Single	340	98
TOTAL	346	100

Table 4.5 demographic profile of marital status

Based on Table 4.5, out of 346 respondents, there are 340 single respondent which is (98%) of population and the balance of the respondent are 6 married respondent which is (2%). The different between both marital status are 334 students which is 96%

#### HOW MUCH RESPONDENTS VISIT ONLINE SHOPPING APPS MONTHLY

Times visit	Frequency	Percent (%)
1-10 times	185	53

11-20 times	86	25
21-30 times	47	14
30 and above	28	8
TOTAL	346	100

Table 4.6 demographic profile of times visit of online shopping

Based on table 4.6, there are 4 category of age listed in questionnaire. First category is 1-10 times, there are 185 respondents that answer the questionnaire which is (53%). While there are 86 students that answer the questionnaire which is (25%) for 11-20 times. Out of 346 respondents, there are 47 students which is (14%) for 21-30 times. The balance of respondents are 30 and above students are 28 which is (8%).

#### ONLINE SHOPPING APPS PREFERENCE

Online shopping apps	Frequency	Percent (%)
Shoppe	180	52
Lazada	105	30
11st street	25	8
Others	36	10
TOTAL	346	100

Table 4.7 demographic profile of online shopping apps

Based on 4.7, there are 4 types of online shopping apps which is Shoppe, Lazada, 11st street and others. There 218 students which is (63%) are more prefer Shoppe as their online apps. Second is 140 respondents which is (41%) prefer Lazada online shopping apps. Then 74 respondents (21%) and 58 respondents (17%) are prefer 11st street and Others online shopping apps respectively.

#### PRODUCT PURCHASE CATEGORY

Product purchase	Frequency	Percent (%)
category		
Electronics	26	7
Clothing	163	47
Cosmetics and	148	43
skincare		
Others	9	3
TOTAL	346	100

Table 4.8 demographic profile of product purchase category

Based on table and chart 4.8, there are 4 product purchase category which is electronic, clothing, cosmetics and skincare and others. First category is electronic, there are 26 respondents that answer the questionnaire which is (7%). While there are 163 students that answer the questionnaire which is (47%) for clothing. Out of 346 respondents, there are 148 students which is (43%) for cosmetics and skincare. The balance of respondents are others category students are 9 which is (3%)

.

#### 4 Acknowledgements

First and foremost, praise and thanks to God, the Almighty, for His showers of blessings to successfully complete the research throughout my research work.

I would like to express my deep and sincere gratitude for guiding me to do my research and providing invaluable guidance throughout this study to my research supervisor, Encik Mahathir bin Muhamad. it was a great privilege and honour to work and study under his guidance. For what he has offered me, I am extremely grateful. I am extremely grateful to my parents for their love, their prayers, their care and their sacrifices for my future education and preparation. I am preparing this study at home due to the covid-19 pandemic, I would like to thankful for overcoming the patience given by my research supervisor and my parents in completing this work.

Finally, my thanks go to all the persons who have helped me directly or indirectly to complete the study work.

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# 3rd MULTIDISCIPLINARY RESEARCH ON THE ENTREPRENEURSHIP AND BUSINESS COLLOQUIUM 2020/2021 THE EFFECT OF EXTERNAL ENVIRONMENT ON MARKETING PERFORMANCE OF RETAIL STORES IN KOTA BHARU KELANTAN

#### Siti Nor Azlin Syafika Zulkipli and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: syafika.a17a0678@siswa.umk.edu.my, mahathir.m@umk.edu.my

#### Abstract:

This research analysed the effects of the external environment on marketing performance of retail stores in Kota Bharu Kelantan. A detailed literature review suggests the need for a better understanding of this area, which relates to the influence of the external environment on the marketing performance of Kota Bharu Kelantan retail stores. A total of 200 questionnaires were given to workers of retail stores in Kota Bharu Kelantan. The research investigated the effect of external environment on marketing performance of retail stores in Kota Bharu Kelantan. The independent variables used in this research are competition, economic and social factors whereas the dependent variable is the marketing performance of retail stores in Kota Bharu Kelantan. The purpose of this study is to achieve the objectives of the research. First of objectives of the research is to identify the competition effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan. Second objectives is to determine ways to overcome the issues economic effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan and third objectives to examine the variables social factor that can effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan. All the independent variables reflect a positive yet moderate correlation with significantly critical variables. Thus, there is a significant relationship between competition, economic and social factors towards the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan.

Keywords: competition, economic, social factor, marketing performance, retail

#### 1. Introduction

This chapter presented general information on the effects of the external environment on marketing performance of retail stores in Kota Bharu Kelantan. This chapter also discuss the problem statement , research question, research objectives, significance and scope of the study and definition of terms of variables. This research are focuses on the effects of the external environment on marketing performance of retail stores in Kota Bharu Kelantan. Some effect this study are competition, economic and social factor.

There are three main objectives as follow:

- 1) To identify the relationship between the competition effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan.
- 2) To identify the relationship between the economic effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan.
- 3) To identify the relationship between the social factor effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan.

#### 1.1 Significant of the study

#### 1.1.1 External Environment

The external environment is a set of factors or situations that are outside the organisation but affect it to some extent. This definition typically refers to elements such as culture, economy, legislation and political system in industry that are related to dimensions that are out of control.

#### 1.1.2 Marketing Performance

In the scope of retail competition, retailers alternate between the wholesale prices charged to the final consumers and retail contracts. Where market prices are conveniently set and distributors have access to the tools they need to hedge the prices of those networks, this can be accomplished.

#### 1.1.3 Competition

This will increasing the number of retailer and entrepreneur in Malaysia in retail sector. This research also attempts to determine the ways to overcome the issues of influencing job performance among retail employees.

#### 1.1.4 Social Factor

Social factors is another wide group of consumer behaviour consequences are represented. Specifically, these are the outcomes of individuals and communities who influence each other by culture and subculture, social status, comparison groups, and families.

#### 2 Literature Review

#### 2.1 Theory of Competition

Competition is the act or method of attempting to get or win something that someone else is either trying to get or win, the act or process of competing, such as a reward or a larger degree of achievement. Acts that are carried out by entities, corporations, competing against each other.

#### 2.2 Theory of Economic

Economics is a social science in which the production, delivery and use of products and services are involved. It explores how citizens, corporations, states, and nations make decisions about how to distribute capital. Based on expectations that humans behave with rational behaviour, Economics focuses on the actions of humans, finding the most desirable degree of gain or utility. Studies on labour and trade are the building blocks of economics. As there are many potential human labour uses and many different means of obtaining capital, it is the duty of economics to decide which strategies achieve the best outcomes. In general, economics can be broken down into macroeconomics, which focuses on the

#### 2.3 Theory of Social factor

Another major set of effects on consumer behavior are social factors. These are primarily the results of individuals and communities that affect each other by culture and subculture, social status, comparison groups, and families.

#### 2.4 Research Hypothesis

H1: There is a significant study on the relationship between the competition the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan

H2: There is a significant study on the relationship between the economic effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan

H3: There is a significant study on the relationship between the social factors effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan

#### 2.5 Research Framework

This model creates to find and search the significant among independent variable and dependent variable into this research. The entire variable that chooses in our research related and adapted to the study before. The research is design to confirm all the independent variables which is competition, economic and social factor.

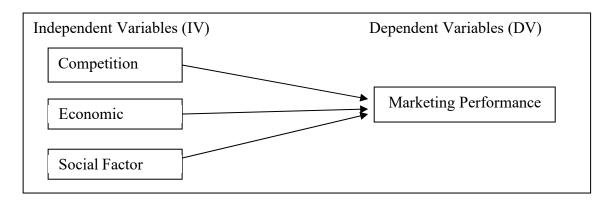


Figure 1: The Research Framework of the study

#### 3 Methodology

The design of the study used in this study is to solve the problems identified. This chapter also discusess the process of the initial study from the beginning of the study process to the end of the study which is data analysis. In Malaysia, this thesis was published. The analysis technique is the most suitable way of conducting research and evaluating the appropriate procedure for solving the problem of testing (Sarah, 2015). In this chapter also we will explain the approach and procedures used in collecting the exact and applicable data. Any factor involved in the conduct of this population study, population sample size, and method of sampling used for the survey will be listed in this chapter. Finally, a through description of the preferred form of research used and the method of data collection will be given in this chapter.

#### 3.1 Research Design

The ways is researcher will doing a questionnaire in google form, then given to employees to answer the questions asked. It is a formal, objective, systematic process in which numerical data describes variables, examine relationships among variables and determine cause and effect interactions between variables (N,Burns, Grove, & Gray,2011). This study choose the cross-sectional design due to cost and time constraints.

#### 3.2 Data Collection

The researcher obtained and analysed numerous forms of information, including the primary data and secondary data. In order to provide a potential answer to the study query, all methods of data collection are used. For this study, the researcher also has decide to use quantitative research which is using methods such as questionnaires in google form.

#### 3.3 Sampling

Sample size is a term used for describing the number of subjects included in a sample size in market research. The sample size of this study is 200 respondent from the workers surrounding to be more researcher use place at Kota Bharu Kelantan city. They needed to answer all the question that ask in questionnaires of Google form.

The sampling technique that is applied in this study is simple random sampling method. Simple random is chosen because to make sure the equal of respondent will be choose and any sampling bias or unequal chance of selecting will be not an issue. According to Sekaran (2011) simple random is a probability sampling design in which every single element in the population has a known and equal chance of being selected as a subject.

#### 3.4 Data Analysis

The total number of 200 respondents which is from workers of retail stores in Kota Bharu Kelantan were collected. The questionnaire that already collected which would be analysed and explained by using four types analysis which were Descriptive Analysis, Reliability Test, Spearman Correlation Analysis and Multiple Linear Regression Analysis. The data obtained was analysed by using Statistical Package for the Social Science (SPSS).

#### 4 Findings

#### 4.1 Descriptive Analysis

Table 1: The Demographic Characteristic of the Respondents

Demographic Characteristic	Category	Frequency	Percentage
			(%)
Gender	Male	117	58.5
	Female	83	41.5
Age	18-25 years old	96	48.0
	26-35 years old	91	45.5
	36 and above	13	6.5
Race	Malay	126	63.0
	Chinese	52	26.0

	Indian	21	10.5
	Other	1	0.5
Marital Status	Single	127	63.5
	Married	68	34.0
	Others	5	2.5
Academic Level	Pmr/ Pt3	17	8.5
	Spm	113	56.5
	Stpm / Stam	35	17.5
	Diploma	21	10.5
	Bachelor degree	11	5.5
	Master	3	1.5
Monthly Income	RM 1000 and below	50	25.0
	RM 1001-RM 2000	103	51.5
	RM 2001-RM 3000	39	19.5
	RM 3001 and above	8	4.0
Types of Retail stores	Department stores	58	29.0
	Specialty stores	66	33.0
	Supermarket	34	17.0
	Convenience stores	21	10.5
	Hypermarket or superstore	21	10.5

(Source: Developed for the Research)

Table 1 showed the overall descriptive statistics for respondents demographic which is gender, age, marital status, academic level, race, monthly income and types of retail stores. There are 200 respondents through Google form that are successfully collected to retail employees in Kelantan.

Table 2: The Descriptive Statistic of Independent Variables and Dependent Variables

Descriptive Statistics				
	N	Mean	Std. Deviation	
IV1: Competition	200	4.4780	.54865	
IV2: Economic	200	4.4630	.54894	
IV3: Social Factor	200	4.4660	.54840	
DV: Marketing performance	200	4.4810	.53014	

(Source: Developed for the Research)

Table 2 showed mean and standard deviation for independent variables (competition, economic and social factor) and dependent variables (marketing performances). The mean value for dependent variables which is marketing performances

is (4.4810). Thus, for independent variables of competition (4.4780), economic (4.4630) and social factor (4.4660).

In addition, standard deviation indicates how close the data is to the mean. In the case, between all independent variables, competition (.54865), economic (.54894), social factor (.54840) and marketing performance (.53014).

#### 4.2 Reliability Analysis

Cronbach's Alpha is used to determine stability and consistency of the items and if the variables re reliable in questionnaire. If the value of Cronbach's Alpha is 0.9 and above, it shows that the questionnaire is reliability. If the value is less than 0.60 so the strength of association considered as poor relationship. The result will be based on table 3 is Rules of Thumb about Cronbach's Alpha Coefficient Size to indicates the strength of association of the reliability analysis.

Table 3: Reliability Statistics of Independent Variables and Dependent Variables

TWOID D. ITOIIWO	mit summeries of mest	remarke + arracies and Bepen	
Item	Cronbach's Alpha Cronbach's Alpha Based		N of Items
		On Standardized Items	
IV 1: Competition	.819	.819	5
IV 2: Economic	.846	.847	5
IV 3: Social Factor	.837	.836	5
DV: Marketing	.806	.806	5
Performance			

(Source: Developed for the Research)

Table 3 showed the reliability test result and its coefficient of Cronbach's alpha by each variables from 30 respondents of retail stores employees at Kelantan. Based on Cronbach's alpha coefficient test were conducted on all four variables. The table above shows result of Cronbach's alpha for competitione is (0.819), economic (0.846), social factor (0.837) and marketing performances (0.806).

#### 4.3 Multiple Linear Regression

The independent variable in this study, which are competition, economic and social factor were entered into same regression equation to predict either there was any significant relationship with the factors that influence marketing performances among retail employees in Kota Bharu Kelantan.

Table 4: Multiple Linear Regression

Model Summary <sup>b</sup>							
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-Watson		
			Square	Estimate			
1	.906ª	.822	.819	.22568	1.984		
a Predictors: (Constant) competition economic social factor							

a. Predictors: (Constant), competition, economic, social factor

b. Dependent Variable: Marketing Performance

(Source: Developed for the Research)

#### 5 Discussion & Recommendation

The result for research question 1 is, "There is a significant study on the relationship between the competition the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan". From this result, it is proven that the H1 of the study is rejected while for H0 of the study is accepted. The main focus is to study is there is a significant study on the relationship between the competition the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan.

The result for research question 2 is, "There is a significant study on the relationship between the economic the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan". From this result, it is proven that the H1 of the study is rejected while for H0 of the study is accepted. The main focus is to study is there is a significant study on the relationship between the economic the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan

The positive of result for research question 3 is, "There is a significant study on the relationship between the social factor the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan" in this study have shown a strong positive relationship was found. The result shows there is a significant study on the relationship between the social factor the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan

For recommendation, the researcher have found out that there are some spaces for improve the quality of this study in the future. The study can be conducted using different independent variable to get better results on the relationship between competition, economic and social factors towards the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan. In a certain place near Kota Bharu, the researcher literally focuses. The researcher will also perform study at another location in the future, such as Pasir Mas, Rantau Panjang, and other similar fields.

In addition, analysts prescribed several techniques for the growth of their sector by the government and its departments responsible for small enterprises. In educating small business beginners about the incentives open to them and how to navigate them, the government should play a leading role. Such benefits would allow them to develop their business besides adds to national income. These incentives should be delivered through an establishment that really cares for the success and sustainability of small business.

Next, method of interview or produce any open-ended questions for respondents instead of respondents answering online scaling questionnaire. Researchers can get a high response rate with the interview process, and ambiguities can be explained and incorrect responses can be followed up immediately. This approach will also minimise misunderstanding and yield improved research outcomes.

This thesis will allow prospective scholars to perform their studies. In order to strengthen their studies in small and medium businesses, this journal would be a guide and encouragement for them. This research can be viewed in libraries and can be uploaded to the reference of the potential investigator on the website.

Finally, this thesis will allow prospective investigators to perform their studies. In order to strengthen their studies in small and medium businesses, this journal would be a guide and encouragement for them. This research can be viewed in libraries and can be uploaded to the reference of the potential investigator on the website. When they know about this case study and even the limitations, they will have sufficient advice. When they know about this case study and even the limitations, they would have sufficient advice.

#### 6 Conclusion

The conclusion of this chapter, the researcher has to deliver the aim of this study regarding to the problem in this study. This study examines the relationship between competition, economic and social factors towards the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan. Research framework is developed based on the literature that been viewed. The researcher planned to investigate the relationship of each element in the independent variables to the dependent variable.

There had 200 respondents who took part of this study through the online survey method. The data have been collected and analyse by SPSS software version 26 based on descriptive statistic, reliability analysis, Spearman correlation analysis and multiple linear regression analysis. From the result of the preliminary analysis, the overall variables were 0.96. Therefore, the result shown is reliable and it can be accepted in this study.

The research is to know the relationship between competition, economic and social factors towards the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan. The result of the research objectives which is examine the relationship between relationship between competition, economic and social factors towards the effecting of external environment on marketing performance of retail stores in Kota Bharu Kelantan.

#### 7 Acknowledgements

Firstly, we are very grateful to Allah S.W.T for the opportunity to complete this research. With His blessing, I would able to finish this research paper within the allocated time and stay in a good health during the time period in completing the study.

First of all, we would like to express our appreciation to our supervisor, Encik Mahathir bin Muhamad, Lecturer of Faculty of Entrepreneurship and Business, University Malaysia Kelantan. He continuous gave fully support for us in this Final Year Research Project (FYP) with her knowledge, patience and motivation. Her advice gave us a direction in writing this final year research project all the time. The guidance from her, also helpful to us in improving our knowledge in making research.

After that, we would like to extend our gratitude to our friends, who always gave us a lot of support to complete our research project. The friends can share us with their different ideas and knowledge in writing this research project.

Last but not least, I feel thankful to my family. My parents always gave me a mental and physical support in writing this research project. Their supporting very helped me to release my stresses that gain from the processing of this research project.

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## ENHANCING THE SHOPPING EXPERIENCE THROUGH QR CODE: THE MALAYSIAN USERS' PERSPECTIVE

#### Syafiqah Aqilah binti Alias and Noorshella Binti Che Nawi

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email aqilah.a17a0715@siswa.umk.edu.my; norshella@umk.edu.my

#### Abstract:

Nowadays, technologies become increasing every days. It makes change the technology to become more effective and efficient. Technology becomes increasing, evolving and very prominent in our daily life especially in mobile technology. It can make it easier to deal with everyday life as consumer. As one of new technologies, QR code is widely utilized for creating an innovation marketing strategy in order to capture users to adopt in daily life. Quick response (QR) codes are two-dimensional and machine-readable matrix bar codes. The topics of this study, enhancing the shopping experience through QR code based on Malaysian users' perspective. The purpose of this study is to examine the impact of usefulness, acceptability and feasibility on perceived flow, the perceived flow influence customer satisfaction and purchase intention and the impact of customer satisfaction on purchase intention. Methodology of this study is based on data empirical such collected data by using questionnaire. The researcher used the probability sample for 387 respondents. This research used the different statistical data analysis method such descriptive analysis, reliability tests (Cronbach Alpha), normality test, correlation, and regression by using SPSS. The finding of this study that each independent variable such usefulness, acceptability and feasibility has positive impact on perceived flow, perceived flow has the positive influence customer satisfaction and purchase intention and customer satisfaction has positive impact on purchase intention.

**Keywords:** QR codes, Usefulness, Acceptability, Feasibility, Perceived Flow, Customer Satisfaction, Purchase Intention.

#### 1 Introduction

Nowadays, technologies become increasing every days. It makes change the technology to become more effective and efficient. Technology becomes increasing, evolving and very prominent in our daily life especially in mobile technology. It can make it easier to deal with everyday life as consumer.

Today, the emergence of digital media technology for examples (applications, RFID tags, augmented reality, etc.) is leading to evolutions in lifestyles, networks and communication and market environments over the world. As one of new technologies, QR code is widely utilized for creating an innovation marketing strategy in order to capture users to adopt in daily life (Kim & Yoon, 2014).

Quick response (QR) codes are two-dimensional and machine-readable matrix bar codes originally developed and designed in 1994 by Denso Wave Incorporated for the purpose of accurate and fast inventory checks (Hossain, Zhou, & Rahman, 2018). QR code is Quick Response code is common in many parts of the world. Mobile tagging with QR codes has many functions in the business. Malaysia is also not left behind using mobile technology which is QR codes in business especially in retail industry. The integration of QR codes in the mobile marketing strategy has been increasing worldwide as a way to promote communication and interaction between the brands and the users (Santos, 2015). The use of QR code implies the creation and printing of a code that can be quickly read by the smartphone to provide additional useful information related to product, services, brand, payment or other objects that attract users to use the technology (Santos, 2015).

The Quick Response (QR) code has emerged as the next retail innovation that fulfils the users or consumers desire for smart, convenient and experiential shopping via mobile phone or smartphones (Ryu & Murdock, 2013). QR code is a two-dimensional matrix barcode developed by the Japanese company which is Denso Wave in 1994 (Ryu & Murdock, 2013). It can obtain a wide array of product content, such as URLs, message, images and video, payment and others (Pupa, 2012). It embeds text, advertisement, personal information, business card information or any type of digital information that can be thought of. Today, new mobile devices enable us to install the applications or software that can read QR code such as newspaper, magazines, product, advertisement, entertainment and others platforms (Demir, Kaynak, & Demir, 2015).

The trend of using QR code in mobile marketing communication has been perceptible for many years in Asia and Europe. The QR code has an excellent information capacity, high security and good security(Sun, Si, & Zhang, 2007). The QR code could be promoted by many companies such as retailers, as smart shopping tools that help consumer access product details or information, receive promotional offers, make online purchases and experience enhanced shopping experiences (Ozkaya, Ozkaya, Roxas, Bryant, & Whitson, 2015). It also has the positive impact to users while using the QR codes.

#### The objectives of this study:

- 1. How the QR codes which is usefulness, acceptability, feasibility impact perceived flow.
- 2. How the perceived flow can influences customer satisfaction and purchase intention of customer..
- 3. How the customer satisfaction can impact purchase intention of customer.

#### 1.1 Significant of the Study

#### 1.1.1 Researcher

This study will be one of the references to the future researcher to do the research paper.

#### 1.1.2 Malaysian Citizen And Community

This research will be the journal that Malaysian citizen and community to know the detail about QR codes and the positive impact while used the QR codes in their life and the awareness QR codes to the users. It also can attract the users to stay and continued using the technology (QR code) and attract the people who never tried this technology that give positive impact in daily life.

#### 1.1.3 Technology Of QR Codes.

This study can help retailer, advertisers, marketers and others in the business to using the technology to attract the customers for using the QR code while shopping and it can give the good impact to both parties such sales and their customer satisfaction.

#### 1.1.4 Government

This study also can be the reference to the government the effectiveness of the QR code while shopping.

#### 2. Literature Review

#### 2.1 Theory Stimulus-Organism-Response (S-O-R)

The theory that the researcher used in this study is Theory Stimulus-Organism-Response (S-O-R), (Del Rosario-Raymundo, 2017), (Hossain et al., 2018). The each stimulus are response and impact to organism. The theory also show the related organism has influences on each response.

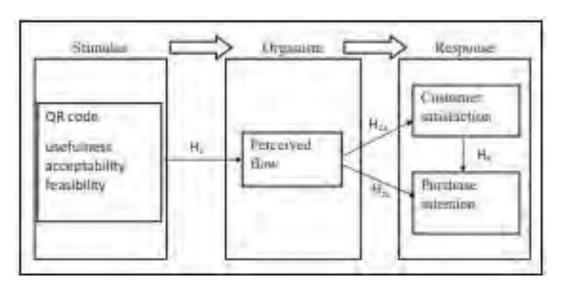


Figure 2.2: Theory Stimulus-Organism-Response (S-O-R)

#### 2.2 Research Hypotheses

There are hypothesis included in this research:

#### **Hypotheses 1**

H1a: The usefulness of QR codes can impact the perceived flow.

H1b: The acceptability of QR code can impact the perceived flow.

H1c: The feasibility of QR code can impact the perceived flow.

#### **Hypotheses 2**

H2a: Perceived flow influences customer satisfaction.

H2b: Perceived flow influences purchase intention.

#### **Hypotheses 3**

H3: Customer Satisfaction can impact on purchase intention.

#### 2.3 Research Framework

Using QR codes are involving all different types of ages among people. It can impact by using QR codes. The researchers just focused on impact while using QR codes. it each impact such usefulness, acceptability and feasibility (independent variable) can impact the perceived flow (dependent variable). It perceived flow (independent variable) influence the customer satisfaction and purchase intention of customer (dependent variable). It customer satisfaction can impact on purchase intention. It can conclude the dependent variables for this study is usefulness, acceptability and feasibility. Intervening variable is perceived flow and customer satisfaction and the dependent variables is customer satisfaction and purchase intention of customer.

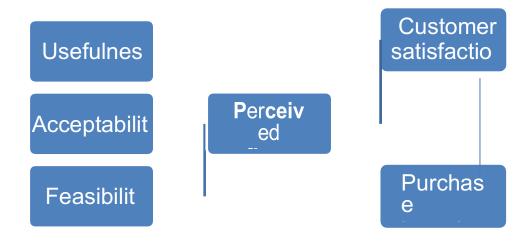


Figure 2.9: Conceptual frameworks.

#### 3.1 Methodology

The research design that been used in this research proposal was correlation research design. This design is used to measure the relationship between two variables. This study to determine the level of awareness among Malaysian regarding QR codes, the degree of QR codes usage, the reason why scanning QR codes and to determine that QR codes usage improves the shopping experiences. In this study, the researchers used this design to test the each impact such usefulness, acceptability and feasibility (independent variables) impact perceived flow. This study also to test the perceived flow (independent variable) can be influenced by customer satisfaction and purchase intention of customer. This research also to test the customer satisfaction impact purchase intention of customer.

#### 3.2 Data Collection

To achieved the objectives of this study, the researcher use two kind of data which is primary data and secondary data. The primary data is based on the questionnaire that the researcher creates to collect the new data of respondent based on the Malaysian users in QR codes. Otherwise, the researcher also refers other journal, and article as the secondary data.

Data collection methods that the researchers used to collect the overall data from the consumers are using quantitative methods. In general, quantitative data collection methods such as questionnaires, surveys, and documents. The quantitative analysis is related to evaluate a numerical result in the study. To collect the data from the respondents the researchers used questionnaires randomly from the consumers. Researcher using the Google form as the quantitative methods to collect the data of the respondents in Malaysia.

#### 3.3 Sampling Technique

The researchers were handling the probability technique because models were selected randomly. In this study, the researchers were used simple random sampling. The researcher was ensuring that all the individuals of the population are picking randomly. A researcher was select randomly based on the consumers by using smartphones which is using QR codes. Sampling techniques was being chosen because it can categorise as a newbies and still trying to adapt the new technologies and lifestyles in Malaysian. The sample of this study is 387 respondent were collected the data. The data that the researcher collected will used in Statistical Package for Social Science (SPSS) to insert and examined the data.

#### 3.4 Sampling size

The sample size is the subset in the population. In this research of this study, the sample size that researchers choose in Malaysian. The numbers of questionnaires that the researchers provided are randomly for consumers to answers which is probability sample. Then the data that has been obtained from the questionnaires were used for the research purposes. The data were collected from the users QR codes in Malaysian. Sampling method the researcher used is Krejcie and Morgan sampling methods. It simplifies the process to collect the data from the sample size. The sample size that researcher is 387 respondents. The researcher used the quantitative method in this study which is questionnaire.

# 4. Findings

# 4.1 Descriptive Analysis

Table 1: Demographic characteristic of respondents

Demographics	Category	Frequency	Percentage (%)
characteristic			
Gender	Male	173	44.7
	Female	214	55.3
Age	18-22	91	23.5
	23-27	213	55.0
	28-32	35	9.0
	33-37	20	5.2
	38& above	28	7.2
Status	Single	283	73.1
	Married	97	25.1
	Others	7	1.8
Race	Malay	320	82.7
	Chinese	39	10.1
	Indian	23	5.9
	Others	5	1.3
Education level	SPM	78	20.2
	STPM/ Diploma	139	35.9
	Degree	166	42.9
	Others	4	1.0
Occupation	Student	173	44.7
	Employee	162	41.9
	Unemployed	9	2.3
	Self-employed	37	9.6
	Others	6	1.6
Know about Quick	Yes	384	99.2
Respond (QR) Code	No	3	0.8
Ever used QR code	Yes	374	96.6
in daily life	No	13	3.4

(Sources: Develop for the Research)

Table 1 show the overall of descriptive statistics which is demographic respondent that covering gender, age, status, race, education level, occupation, know about QR code and ever used from respondent in daily life. the total respondent for this research is 387 through questionnaire in Google form from Malaysian users of QR code. From the table show each demographic characteristic recorded the highest percent. The number of female is the highest with 55.3%, the age recorded the highest is 23 until 27 years old (55.0%), status single is the highest (73.1%), the majority race of respondent were Malay (82.7%), education level were dominant is degree (42.9%), occupation has highest which is student (44.7%).

Table 2: The Descriptive Statistics

Section	Valid	N	Mean	SD
	Independent Variable			
В	Usefulness	387	4.3682	0.56998
С	Acceptability	387	4.3829	0.57135
D	Feasibility	387	4.3747	0.57932
	Intervening variable			
Е	Perceived flow	387	4.3006	0.63578
F	Customer satisfaction	387	4.3480	0.61179
	Dependent variable			
F	Customer satisfaction	387	4.3480	0.61179
G	Purchase intention	387	4.3859	0.60496

(Sources: Develop for the Research)

The overall mean for usefulness is 4.3682 (SD=0.56998), mean for acceptability is 4.3829 (SD=0.57135) and mean for feasibility is 4.3747 (SD=0.57932). While, perceived flow recorded overall mean is 4.3006 with standard deviation 0.63578. Customer satisfaction recorded overall mean is 4.3480 (SD=0.61179) and purchase intention of customer overall mean is 4.3859 with standard deviation 0.60496.

# 4.2 Reliability Analysis

The more reliable a set of scale is or scale items, the more confident we have score obtained from the administration of the scale that researcher test is essentially the same score that would be obtained if the test is repeated. Reliability raises the questions of whether each scale is measuring a single idea. It is a measurement of the internal consistency of a test of scale items. The content validity was obtained by obtaining from the questionnaire that already done by the previous researcher in the journal. Furthermore, content validity was strengthened through an extensive literature search. Observations made were corrected and noted. The reliability of instruments was measured using Cronbach's Alpha. The reliability involved 387 respondents of Malaysian users in shopping experience via QR code. Reliability test, the test of data is variable alpha value or Cronbach's Alpha must more than 0.7.

Table 3: The Reliability Analysis

Questionnaire	Number of items	Cronbach's Alpha
Independent Variable		
Usefulness	4	0.903
Acceptability	5	0.936
Feasibility	4	0.924
Intervening variable		
Perceived flow	3	0.840
Customer satisfaction	3	0.932
Dependent variable		
Customer satisfaction	3	0.932
Purchase intention	3	0.924

(Sources: Develop for the Research)

The reliability analysis in table 3, the coefficient Cronbach's Alpha that been obtained in actual reliability test for independent variable which is usefulness (0.903), acceptability (0.932), feasibility (0.924). intervening variable for perceived flow (0.840) and customer satisfaction (0.932). dependent variable for customer satisfaction (0.932) and purchase intention (0.924). the all result are display from the table.

# 4.3 Spearman's rho Correlation Coefficient Analysis

Table 4: The Spearman's rho Correlation Result

			USE	ACC	FEA	PF	CS	PIOC
Spearman's rho	USE	Correlation	1.000	0.864	0.864	0.753	0.771	0.759
		Coefficient		**	**	**	**	**
		Sig.(1-tailed)		0.000	0.000	0.000	0.000	0.000
		N	387	387	387	387	387	387
	ACC	Correlation Coefficient	0.864	1.000	0.871	0.769	0.797	0.785
		Sig.(1-tailed)	0.000		0.000	0.000	0.000	0.000
		N	387	387	387	387	387	387
	FEA	Correlation Coefficient	0.864	0.871	1.000	0.790	0.834	0.788
		Sig.(1-tailed)	0.000	0.000		0.000	0.000	0.000
		N	387	387	387	387	387	387
	PF	Correlation Coefficient	0.753	0.769 **	0.790	1.000	0.820	0.797
		Sig.(1-tailed)	0.000	0.000	0.000		0.000	0.000
		N	387	387	387	387	387	387
	CS	Correlation Coefficient	0.771 **	0.797 **	0.834	0.820	1.000	0.832
		Sig.(1-tailed)	0.000	0.000	0.000	0.000		0.000
		N	387	387	387	387	387	387
	PIOC	Correlation	0.759	0.785	0.788	0.797	0.832	1.000
		Coefficient	**	**	**	**	**	
		Sig.(1-tailed)	0.000	0.000	0.000	0.000	0.000	•
		N	387	387	387	387	387	387

<sup>\*\*</sup> Correlation is significant at the 0.01 level (1-tailed).

(Sources: Develop for the Research)

The table show that, the usefulness has a high positive correlation with perceived flow. The value that obtained is r=0.753 and the result show that it was significant under significant level p<0.05 which was p=0.000. It shows that 75.3% usefulness of QR codes impact on perceived flow. This means the relationship is strong and significant between these two variables. Hence, hypothesis 1 (H1a) is accepted. While, acceptability has a high positive correlation with perceived flow. The value that obtained is r=0.797 and the result show that it was significant under significant level p<0.05 which was p=0.000. It shows that 79.7% perceived flow influences purchase intention of customer. This means the relationship is strong and significant between these two variables. Hence, hypothesis 2(H2b) is accepted.

Next, the feasibility has a high positive correlation with perceived flow. The value that obtained is r=0.790 and the result show that it was significant under significant level p<0.05 which was p=0.000. It shows that 79% feasibility of QR codes impact on perceived flow. This means the relationship is strong and significant between these two variables. Therefore, it can conclude that usefulness give impact on perceived flow. Hence, hypothesis 1(H1c) is accepted.

The acceptability has a high positive correlation with perceived flow. The value that obtained is r=0.820 and the result show that it was significant under significant level p<0.05 which was p=0.000. It shows that 82% perceived flow influences customer satisfaction. This means the relationship is strong and significant between these two variables. The acceptability has a high positive correlation with perceived flow. The value that obtained is r=0.797 and the result show that it was significant under significant level p<0.05 which was p=0.000. It shows that 79.7% perceived flow influences purchase intention of customer. This means the relationship is strong and significant between these two variables. Hence, hypothesis 2 (H2a) and (H2b) are accepted.

The customer satisfaction has a high positive correlation with purchase intention. The value that obtained is r=0.832 and the result show that it was significant under significant level p<0.05 which was p=0.000. It shows that 83.2% customer satisfaction impact of purchase intention on customer. This means the relationship is strong and significant between these two variables. Therefore, it can conclude that usefulness give impact on perceived flow. Hence, hypothesis 3 (H3) is accepted.

# 5.0 Discussion and Summary

The title of this study is enhancing the shopping experience through QR code based on Malaysian users' perspectives. The overall conclusion of the study based on chapter 4 through SPSS has same results in this study. This can be concluding each independent variable impact and influence the dependent variables. It shows that has the positive influence and positive impact.

Furthermore, all the research questions and the research objectives in this study were achieved throughout this study based on the Malaysian users' perspectives in shopping experience through QR codes. This study also support the all hypotheses are accepted for each variable. This study used the spearman correlation. It proven based on the value of r is below than 0.05(<0.05). For hypotheses 1a show that the usefulness has a high positive correlation with perceived flow. The value that obtained is r = 0.753, hypothesis 1 (H1a) is accepted. Hypotheses 1b show that the acceptability has a high positive correlation with perceived flow. The value that obtained is r = 0.797, hypothesis 2(H2b) is accepted. that the feasibility has a high positive correlation with perceived flow. The value that obtained is r = 0.790, hypothesis 1(H1c) is accepted. While hypotheses 2 show 2a that the perceived flow has a high positive correlation with customer satisfaction. The value that obtained is r = 0.820 and 2b show that the perceived flow has a high positive correlation with perceived flow. The value that obtained is r = 0.797. both hypotheses 2a and 2b is accepted. Hypotheses 3 show that the customer satisfaction has a high positive correlation with purchase intention. The value that obtained is r = 0.832. Hence, hypothesis 3 (H3) is accepted.

This study also has the implications and the limitations of the study. The implications of the study such based on the online shopping, online marketing, marketing based on online platform such applications and the customer behaviour based on the group s and retailing such online retail store. The advertising are very helpful the marketers and advertisers in marketing. It can influences purchase intention and customer satisfaction. This research has the limitation of the study. This study need to be highlighted for future researchers as limitations. It can be used this study to refer. The limitation for this research has limited information to refer to base on the population of the study. Otherwise, it can't compute the all of sample data to conclude the overall populations that more specific group such as students, employee, company, the place and others. The researcher also has the several recommendations for future research. It is hoped that recommendations given could help other research such as using this research as a moderating research. Other that, for future research the researcher can used the QR codes more specific such as group, product, company as others. There are several recommendations in this study that the researcher would identify to future research. The suggestion for future research is the researcher can do the research based on qualitative methods because lack of information to prefer this research. It can be used as a moderating research for the future. Last but not lease, the suggestion for the future research is can use the QR codes more specific such as group, product, and company as others. For future, the researcher can do the research about the encourage adoption of QR codes among users in Malaysia.

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# FACTOR INFLUENCE THE INTENTION TO USE FOOD ORDERING AND DELIVERY APP AMONG UNIVERSITY MALAYSIA KELANTAN (UMK) STUDENTS

# Teo Kai Jing and Mohammad Bin Ismail

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: tkjing.a17a0737@siswa.umk.edu.my; mohammad.i@umk.edu.my

### Abstract:

This research examines the influence intention to use food ordering and delivery for students in their lifestyle or during the hostel what application to use for ordering food. Food ordering and delivery is an important app in our lifestyle that will help us to solve the dietary problem. In this investigate that I want to conclude the factor influence the intention to use food ordering and delivery between the attitudes, subjective norm, perceive behaviour control, trust and convenience relationship. This result of the study to demonstrate the theory of planned behaviour model (TPB) which is an attitude, subjective norm and perceive behaviour control. Questionnaire were distributed to collect is analysed by using IBM SPSS 24.0versions based on descriptive statistics, reliability analysis, normality test and Pearson correlation coefficient. Future researchers are recommended to find the different scholar to continue to study the challenge with a similar topic. Through this study, it will understand the factor that influence the intention to use food ordering and delivery app.

**Keywords:** Attitude, Convenience, Subjective Norm, Trust and Food Delivery

### 1.0 Introduction

The Internet has become an integral part of the daily lives of many countries and has important changed different field of people's lives, it also includes the way how they shop. In ecommerce environments, the time of the delivery service plays an important role in satisfying and retaining customers. According to the mobile app download statistics show that over the user of smartphones has 2.7 billion in the worlds and they spend around 90% time on apps in 2020. The mobile food ordering has become fashionable in recent that the owner of food and beverage service operators have look for new channel to bring their products to consumers. Food ordering and delivery application is increasingly downloaded and used by a class of people having smart phones. The frequency of usage and the determinants which engage people to use this app has not been assessed. An order is typically made either through a restaurant or grocer's phone or website, or through a food ordering company. The delivery fee is depending on company that the customer can choose to pay online or in person. A delivery fees is often charged with what the customer has bought. Sometimes no delivery fees are charged depending upon the situation. Food is a basic need for every person. Food industry has also evolved in e- commerce technology. It is more interesting to understanding the influencing factors which leads to intension to order food using App like Grab Food, Food Panda, Dah Makan and others. Online food ordering is the process of ordering food from a website or other application to

choose their favourite food or want to eat. The products will directly delivery to home and ready-to-eat food. Nowadays, consumers are busy in work, study and lifestyle and they didn't have any time to cook therefore they use the easy way to take their food and they can use the time to eat and do their work. In this year the consumer are frequently intentions to use online food ordering and delivery app because of Coronavirus (Covid-19) pandemic.

### 1.2 Research Objectives

- 1. To investigate the factor influence of individual's attitude on intention use Food Ordering and Delivery.
- 2. To examine the influence of subjective norm on intention use Food Ordering and Delivery.
- 3. To study the influence of perceive behavioural control on intention use Food Ordering and Delivery.
- 4. To examine the influence of trust on intention use Food Ordering and Delivery.
- 5. To examine the influence of convenience on intention use Food Ordering and Delivery.

### 2.0 Literature review

Review of the literature on the factor affects the consumer 's intention to use the food ordering and delivery app among UMK students in Malaysia. Studies are the attitude of internet users to the adoption of a web environment for food ordering. The past studies, articles and related journal will be used to find out what factor influence intention use food ordering and delivery app among University Malayasia Kelantan Students. Attitude, subjective norm, perceive behavior control, trust and convenience that are considering the factor contributing to purchase food through online among a group of students and friends. Theory of planned behavior (TPB) is think that the role and social impact of the individual. It is one of the most widely accepted in the interpretation of technical adoption behavior. Theory of Planned Behavior (TPB) is proposed by the polish social psychologist names Icek Ajzen (1991) and it is a theory that improves on the theory of Reasoned Action (TRA). The aim of TRA is intention of behavior by subjective norm or attitude that force individual to take specific actions. To achieve the behavior target that one of the factors over an individual to control is perceived behavior control by Ajzen (1988). In TPB have three independents decide or determine of intention to action or behavior such as attitude, perceive behavior control and subjective norm. Assume that intention is the motivation factors that capture the behavior.

# 2.1 Dependent Variable:

### 2.1.1 Intention to use

Intention of customer in choosing a product or service is important information that the marketers need to know because it is highly associated with customer retention. According to Azjen (1991), intention is one of the major driving forces of behavior.

# 2.2 Independent variable:

### 2.2.1 Attitude

According to Ajzen and Fishbein (1980) attitude is the behavior intention that infuence one someone in the TPB model. Based on the previous research the attitude to be an assessment that consumer exploit when using the food delivery apps.

### 2.2.2 Subjective Norm

Subjective norm is defined as the social pressure that the person or individual perceive some issues that important influence on the intention of behavior (Ajzen; Fishbein 1980). According to Ajzen (1991), the influences of social such as their families or friends become the main impact that affected an individual's career choice.

### 2.2.3 Perceive Behaviour Control

According to Ajzen found that people's behavior is not absolutely voluntary however is under control. Budic (2016) defined the perceived behavioral control as the individual mindset for download the app and use to order. Although use the food delivery app is easily for everyone that they just click an order and the apps also provide an excellect usage experience for the consumer.

# 2.2.4 Trust

Trust is an important reason that can improve the relationship with buyer and seller; the intention to online purchase in e-commerce (Jarvenpaa et al., 1998; Zhou et al., 2007; Naveed and Eddaoudi 2009; Yulihasri et al. 2011; Swidi et al., 2012). Trust can be defined as the characteristic that the consumer will belief and confidence to give the consumer choose purchase online.

### 2.2.5 Convenience

Convenience is very important for the consumer to do any thing and purchase easily. Based on the previous research Azitul, Jamaludin, Albattat, Ahmad also stated quality attributes represent convenience be related with food delivery apps that think the consumer can easily to ordering purchase among young generation.

# 2.3 Hypothesis Statement

These following hypothesis are generated by resercher and were tested in this study.

H1: Attitude will be the factor influence consumer intention to use food ordering and delivery among UMK students.

H2: Subjective norm will be the factor influence consumer intention to use food ordering and delivery among UMK students.

H3: Perceive behavior control will be the factor influence consumer intention to use food ordering and delivery among UMK students.

H4: Trust will be the factor influence consumer intention to use food ordering and delivery app among UMK students.

H5: Convenience will be the factor influence consumer intention to use food ordering and delivery among UMK students.

### 2.4 Theoritical Framework

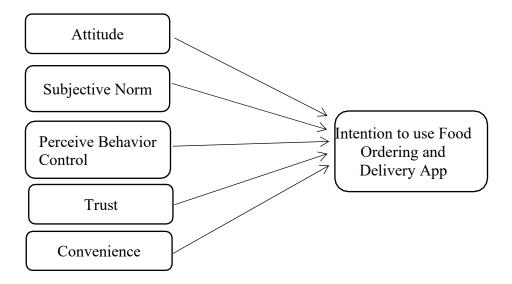


Figure 1: Theoretical Framework of factor influence the intention to use food ordering and delivery app among UMK students

# 3.0 Methodology

The methodology of research consists of the procedure and action taken in the collection and processing of data related to this study. In the research design the researcher choose quantitative methods. For the data collection, the research use the primary data which is use the questionnaire methods to collects data. The secondary data gathered were from internet, journal, databases and other which had been adopted and adapted in this research.

The purpose of this study intends to examine the factor influence intention use the food ordering and delivery app among University Malaysia Kelantan students. The population of this study in UMK is around 5631 students in session 2020/2021 from the first year until fourth year. Therefore, for the sample size will chosen around 360 respondents. In this research using the probability sampling which is simple random sampling to collect the data.

The questionnaire in this research divided into three sections which is section A, Band C. For the section A is demographic profile of the respondents that are related some personal information such as gender, age, religion, academic of the year and others. In section B is the dependent variable and section C is independent variable such as attitude, subjective norm, perceived behavioural control, trust and convenience.

In the section A are using the multiple choice thus section B and C were examined based on the statement on a 5- point scale. The scales ranged are from 1 until 5 which is 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree. Lastly, the procedure of data analysis is use descriptive analysis, frequency analysis, reliability test and Pearson correlation coefficient.

# 4.0 Data Analysis and Findings

The researcher collected the demographic characteristic of the respondents by distribute the questionnaire which is involve students in University Malaysia Kelantan City Campus which consists the demographic profile of respondents such as gender, age, race, faculty, year of study, monthly usage application and usage application. From the sample collected the female respondents were higher than male. The female respondents are 65.6% (n=236) and the male respondents are 34.4% (n=124).

Next is the age of respondents. The respondents were allocated into three groups. The highest numbers of respondents were from the age of around 21-23 years old with 84.4% (n=304). The second highest are 18-20 years old with 9.2% (n=33). Lastly, the lowest number of group age was 24-26 years old with 6.4% (n=24) respondents.

There are four races from respondents. 51.4% (n=185) was Chinese respondents are the most and the next was Malay respondents with 39.4% (n=142). The India respondents was 8.1% (n=29) and the other respondents just only 1.1% (n=4). For the faculty of the respondents, the first higher was the FKP respondents with 80.8% (n=291). The FHPK respondents is the second high in the study with 17.5% (n=63). For the FPV respondents was the least with 1.7% (n=6).

Besides, the year of the respondents the  $4^{th}$  Year's respondents was the higher than  $3^{rd}$  Year. The year fourth students were 57.5% (n=207) and the third year students was 26.9% (n=97). Meanwhile the second year students was 9.4% (n=34) and first year students was 6.1% (n=22). The respondents are use the most monthly application in 1-2 times with 52.2% (n=188). Moreover, 3-4 times usage the application in monthly was 25.8% (n=93) respondents. The third higher of usage the application in monthly was 0 times with 13.3% (n=48) respondents. For the 5-6 times of usage the application was 6.7% (n=24) respondents. The monthly of usage application in 7-8 times was 0.6% (n=2) respondents and use the application more than 9 times was 1.4% (n=5) respondents.

Lastly for the application of Food Panda was the most usage in 61.9% (n=223). Grab Food was 28.9% (n=104) which in the second most used application. The third most useapplication was Halo in 4.4% (n=16) respondents. The respondents also use the other of application to ordering and delivery which was 3.3% (n=12). For the application Dah Makan was 1.4% (n=5) respondents only.

# 4.1 Descriptive Analysis

The descriptive analysis tested according their variable and listed out the summary of the mean and standard deviation.

Table 1: Summary of the mean and standard deviation for all variable

Variables	Mean	Standard deviation
Intention to use	3.97	0.682
Attitude	4.24	0.556
Subjective norm	4.04	0.626
Perceive behavioral control	4.07	0.629
Trust	4.09	0.609
Convenience	4.19	0.577

In this study that the summary of the mean and standard deviation for all variable. The intention to use in dependent variable of mean was 3.97 and standard deviation was 0.682. for the independent variable the first is attitude of mean show 4.24 and standard deviation is 0.556. The second is subjective norm show the mean shown 4.04 and the standard deviation was 0.626. The perceive behavioral control of mean is 4.07 and standard deviation is 0.629. For the fourth is trust show the mean is 4.09 and standard deviation was 0.629. therefore, the last one was convenience of mean is 4.19 and standard deviation was 0.557.

### 4.2 Reliability Analysis

**Table 2: Reliability Analysis** 

Variable	Number of item	Cronbach's Alpha
Intention to use	5	0.826
Attitude	5	0.822
Subjective Norm	5	0.777
Perceive Behavior Control	5	0.814
Trust	5	0.828
Convenience	5	0.800

The first dependent variable is intention to use found to be good level (5 items; a=0.829). Next is the first independent variable which is attitude showed a good reliability (5 items; a=0.822). The second independent variable is subjective norm which is show an acceptable reliability (5 item; a=0.777). The third independent variable is perceived behavior control which is show a good reliability (5 items; a=0.814). The fourth independent variable is trust which is show a good reliability (5 items; a=0.828) and the last independent variable is convenience which found to be an good reliability (5 items; a=0.800).

### 4.3 Normality Test

Table 3: Normality Test for all Variables

	Kolmogorov	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.	
Intention to use	.118	360	.000	.958	360	.000	
Attitude	.097	360	.000	.945	360	.000	
Subjective Norm	.090	360	.000	.961	360	.000	
Perceive Behavior	.096	360	.000	.955	360	.000	
Control							
Trust	.086	360	.000	.959	360	.000	
Convenience	.104	360	.000	.949	360	.000	

a. Lilliefors Significance Correction

Table 4.16 is show that the normality tests for dependent variable and independent variable. Kolmogrov-Smirnov and Shapiro-Wilk are the type of to use to run the normality test. As these two types of tests with the significant value, p-value which is less than 0.05 which indicate normal data. Therefore, on the table above show the dependent and independent variable which the significant value is 0.000, which is less than 0.05. As a result, show that it is a normal distribution.

# 5.0 Key Findings

Table 4: Summary of hypothesis result

Research question	Hypothesis result	Finding
a) Is there a significant relationship	R = 0.715	There are positive relationship
between attitude and intention to use		between attitude and intention to
food ordering and delivery among		use food ordering and delivery
UMK students?		among UMK students.
b) Is there a significant relationship	R=0.723	There are positive relationship
between subjective norm and		between subjective norm and
intention to use food ordering and		intention to use food ordering and
delivery among UMK students?		delivery among UMK students.
c) Is there a significant relationship	R=0.728	There are positive relationship
between perceive behavior control		between perceive behavior
and intention to use food ordering		control and intention to use food
and		ordering and delivery among
delivery among UMK students?		UMK students.
d) Is there a significant relationship	R=0.725	There are positive relationship
between trust and intention to use		between trust and intention to use
food ordering and delivery among		food ordering and delivery
UMK		among UMK students.
students?		
e) Is there significant relationship	R=0.640	There are positive relationship
between convenience and intention		between convenience and
to use food ordering and delivery		intention to use food ordering and
among UMK students?		delivery among UMK students.

### 5.1 Discussion

The study was conducted to identify the relationship of attitude, subjective norm, perceive behavior control, trust and convenience between intention to use the food ordering and delivery. In this research, the primary data was collected questionnaire through Google form from the respondents and secondary from article and journal.

# 5.1.1 The relationship between attitude and intention to use the food ordering and delivery among UMK students.

Based on the table 4 that the researcher identify there is significant relationship between attitude and intention to use food ordering and delivery among UMK students. According to the result of Pearson Correlation Coefficient, the researcher accepts the significant relationship between attitude and intention use food ordering and delivery because the result shows that 0.715 with significant value p, 0.05.

Attitude plays a significant role in evaluating the intention use the food ordering and delivery. This is because the attitude that will influence the person who didn't have time to cook and the consumer's attitude play an important recommend the services for the other person.

# 5.1.2 The relationship between subjective norm and intention to use the food ordering and delivery among UMK students.

Based on the table 4 that the researcher identify there is significant relationship between subjective norm and intention to use food ordering and delivery among UMK students. According to the result of Pearson Correlation Coefficient, the researcher accepts the significant relationship between subjective norm and intention use food ordering and delivery because the result shows that 0.723 with significant value p, 0.05.

Subjective norm also plays a significant role in evaluating the intention use the food ordering and delivery. This is because the consumer will introduce the comment that close with them made about food delivery apps.

# 5.1.3 The relationship between perceive behavioral control and intention to use food ordering and delivery among UMK students.

Based on the table 4 that the researcher identifies there is significant relationship between perceive behavioral control and intention to use food ordering and delivery among UMK students. According to the result of Pearson Correlation Coefficient, the researcher accepts the significant relationship between perceive behavioral control and intention use food ordering and delivery because the result shows that 0.728 with significant value p, 0.05.

Perceived behavioral control also play a significant role in evaluating the intention use the food ordering and delivery. Perceive bahavioral controls that affects the people are influence by the knowledge to use the food delivery app.

# 5.1.4 The relationship between trust and intention to use food ordering and delivery among UMK students.

Based on the table 4 that the researcher identifies there is significant relationship between trust and intention to use food ordering and delivery among UMK students. According to the result of Pearson Correlation Coefficient, the researcher accepts the significant relationship between trust and intention use food ordering and delivery because the result shows that 0.725 with significant value p, 0.05.

# 5.1.5 The relationship between convenience and intention to use food ordering and delivery among UMK students.

Based on the table 4 that the researcher identifies there is significant relationship between convenience and intention to use food ordering and delivery among UMK students. According to the result of Pearson Correlation Coefficient, the researcher accepts the significant relationship between convenience and intention use food ordering and delivery because the result shows that 0.640 with significant value p, 0.05.

Convenience also plays a significant role in evaluating the intention use the food ordering and delivery. The convenience gives the customer could get more easily price between different restaurant that they can choose from food delivery app. The customer could purchase and save their time and money

### 6.0 Recommendation

Based on the limitation of the research, some of the recommendation that need to discuss for researcher who would carry out the similar topic of the research. Firstly, future researcher could conduct the research in different area or big city area that often uses food ordering and delivery in Malaysia. The future researcher can search out more information or knowledge to identify the respondents is efficiency on uses food ordering and delivery in Malaysia. The future researcher can know the influence of respondents that want to use delivery and the convenient for them.

Furthermore, the second recommendation of the research is the researcher can more expand the sample size and population that to get more exact of the study. The study just focuses on UMK students. The future researcher could conduct in different university, place and age of the respondent to solve more information from that. In addition, the researcher also can take the longer time to collect the data accurate which more understanding the respondent that adopt food ordering and delivery in their lifestyle.

Lastly, the future researcher can interview compare to questionnaire which is more recommended action for survey that can more understanding the user to know they which the favourite type of application to order their food through online. The researcher also can easily show the guidance to the user which the person has difficult to answer the questionnaire. This action will more effective in doing the research and collect the data.

### 7.0 Conclusion

As a conclusion in this study, we can identify the study the factor influence the intention to use food ordering and delivery app among University Malaysia Kelantan students. The result of this study show that the literature is supported and the data collected are reliable. This is proven by all independent variable which is include attitude, subjective norm, perceive behavior control, trust and convenience are supporting the dependent variable is intention to use. According to the result is shown that the attitude had positive influence the intention to use food ordering and delivery. The result indicates the respondents feel that using the food ordering and delivery app is a good idea in their lifestyle.

Next, in the result of subjective norm also had positive influence the intention to use food ordering and delivery. The respondents always use the delivery because of promotion code and the influence of advertising on social media or television that can affect the people to use and purchase on it easily. On the other hand, the result of perceived behavior control also has the

resources, knowledge and ability to use the app that the people also feel the app is under their control. Hence, the trust on the reult also positive with the people feel trust on using the app and the information on the site is true for them. The last independent variable which isconvenience that show the result is effectiveness that feel use the delivery application give the people is convenience and no need to cook when busy to do something.

Although in the study of hypothesis result is relationship between independent and dependent variable however the study have some limitation on that. Therefore, the recommendation for the future researcher can find out more reliable information and result of the study on the similar topic. Future researcher can do some action to collect data more effective. After do this research, the owner will more know that their customer trend to buy with them because of convenience, perceive risk and trust on the food ordering and delivery. Lastly, the researcher had antipated the purpose of the findings of the research to give knowledge and experience for university students to know the food ordering and delivery app in their lifestyle.

# 8.0 Acknowledge

I would like to take this opportunity to express my appreciation to all people who have contributed their time and efforts that helped me in this research study. First of all, I would like to thank you University Malaysia Kelantan for the opportunity to work on this research.

Second, Iwould like appreciate to my supervisor, Prof Madya Dr Mohammad Bin Ismail. For guidance me to complete this research today. He always kindness and generous when I face some problem in this research and he will give the guidance for me. Without his guidance and support, I would not have complete it within this time.

Lastly, I would like to grateful towards my family, coursemate and friends for theri understnding and assistance during my writing. Thank you all for helping me.

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# THE CAUSATION OF ONLINE GAME ADDICTION AMONG UNIVERSITY STUDENT

### Wan Ahmad Ilman Wan Amir Zaki and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: <u>ilman.a17b084@siswa.umk.edu.my</u>; mahathir.m@umk.edu.my

### Abstract:

This research aims to identify the causation of online game addiction among university student. This study tested three hypotheses, namely (1) Relationship between psychological factor and online game addiction, (2) Relationship between technological factor and online game addiction, (3) Relationship between media factor and online game addiction. This study obtained a sample of university students, using a questionnaire survey was conducted on 105 samples. The factors are developed from justice theory. The quantitative methodology is adopted for this study and the result shows that all the variables are supported by the carried out the analysis.

**Keyword:** Justice, psychological factor, technological factor, media factor

# 1 Introduction

### 1.1 Background of Study

Nowadays, the majority of people use technology. When technology advances, it grows by simply clicking to make things simpler for individuals. Even the Internet is very open for individuals. The Internet is the largest medium we use to connect around the world today. Playing online games is one of these things. It is a type of indoor gaming that is normally used on a computer or mobile device. Offline games are commonly played in single games, whereas online games require the internet to link players around the world or communicate. The online gaming that the Internet offers. As a result, online games are extremely popular for individuals, especially students, because they can easily access the internet and are downloaded free of charge (Lowa State University, 2011).

### 1.2 Problem Statement

Online games are meant to draw students for hours on end. When they play sports, most students experience a sense of strength and accomplishment. They have little financial freedom in the modern world and are trapped in the uncomfortable void between infancy and adulthood. Playing an online game offers an escape from life for them.

Online games offer a sense of excitement to sedentary students. When they are facing a new challenge in a game, some students get an addictive adrenaline rush. Most games often have different levels of ability that work to draw the gamer in. The gamer earns a reward and feels a sense of satisfaction with each new level reached. Games such as massive online role-playing multiplayer games (MMORPG) are highly addictive. In order to progress, these types of games force the player to perform tasks, and sometimes players must work together in an online forum as teams. The more time students spend in front of a computer or mobile screen, the less time they have to deal with their assignments or socialize with peers. They are more sedentary as well, which can lead to health issues.

When a student starts playing the game online more often and longer, it can have some lasting impact on their lives. Students have spotted failure in education achievement and relationship due to their online game addiction.

# 1.3 Objective

This research is carried out with the primary goals of understanding the causation of online game addiction among university student. This research specifically aims to; (1) To investigate the relationship between the psychological factor and online game addiction among university student. (2) To identify the technology variables that lead to addiction to online game among university student. (3) To analyzing whether media factors can trigger online gaming addiction among university student.

# 1.4 Scope of Study

Online game addiction research is still a fairly recent condition. There are not many researchers doing this study about how to formulate any preventions, especially for students. Since excessive online game addiction is the problem, it can have a serious unforeseen effect on both the gamer and the people around them. Moreover, this research focus on the causation of online game addiction among university students.

This study will offer solutions to the problem and thus help to find ways to eventually avoid and prevent it from being addictive. Moreover, with the information collected, some students could find solutions for online gaming addiction to improve their academic performance.

# 2 Literature Review

# 2.1 Psychological Factor

This research focuses on researching the potential causation of online game addiction among university students. Unlike drug abuse, the biological aspect of video game addiction is unknown. Study shows that gambling raises dopamine, but there is more to addiction than brain chemistry (Rooij, 2010). The addict is suffering from a psychological aspect of the addiction. Online gaming helps a person to escape the real world and shift the sense of self-esteem (Rooij, 2010). An addiction to an online game is not so far removed from opioid addiction. Virtual life becomes more enticing than real life. Compared to the risks of a drug overdose, too much gaming may seem relatively harmless, but experts warn video game addiction can destroy lives. Students who play four to five hours per day have no time for socializing, doing assignments, or playing sports leaving little time for normal social development. According to Lan Ying Huang 2010, players of online games can also see the games as a source of diversion and filling time by playing the online game features. It seems that students who play games to get away from their lives or pretend to be other individuals are most at risk of being part of a vicious circle. These players escape their issues by playing games, which in turn interfere with their lives because they're too busy playing games.

# 2.2 Technological Factor

According to Simon Hill, developers and publishers have been ensuring the most of their attempts to increase the reception of online gamers. People keep track of the latest version of the game to enable them follow the pattern. Online game incentive schemes, such as achieving a high level in the game, gaining new weapons, can also inspire players to play online (Choi, Lee, Choi, & Kim, 2007). According to Choi, Lee, Choi, & Kim, the aspect that affects addiction is the role of satisfying interdependence. This happens because online players are drawn to the task and incentive of the game. There are a number of challenges and prizes from various types of games. The rise in this addiction is due to technology. Technologies have continued to innovate over time. Addictions to electronic devices such as online game have been referred to as 'technological addictions' (Griffiths, 1995, 1996).

### 2.3 Media Factor

The role of the media in promoting the games also contributes to why such games would be more popular in the addicted games. Unintentional advertisement processing, unconscious learning states, and retentive exposure effects in advertisement and marketing literature remain intensely debated topics (Mick, 2003). In their immediate surroundings, people often do not consciously include or process any of the commercials (Bauer and Stephen Greyser 1968; Webb and Ray 1979). According to Wood. R. T. A 2008, media hype regarding video game addiction

may encourage some of the concerned relatives to define totally natural actions as problematic. The fundamental consideration is that the influence of in-game ads relies on the respective method of processing, which is in turn influenced by factors dependent on stimuli and person thresholds (Mau. G and Silberer. G, 2013).

# 2.5 Hypothesis Development

There are three hypothesis conducted for this study, which are:

H1: To investigate the relationship between the psychological factor and online game addiction among university student.

H2: To identify the technology variables that lead to addiction to online game among university student.

H3: To analyzing whether media factors can trigger online gaming addiction among university student.

# 2.6 Conceptual Network

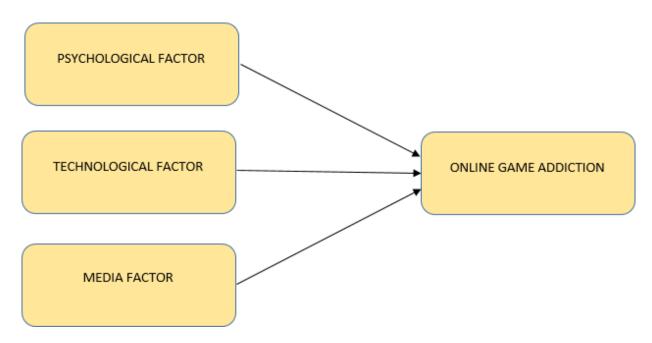


Figure 2.1 Conceptual Framework

# 3 Methodology

# 3.1 Research Design

The purpose of the research design is to provide an appropriate framework for the study. The choice to be made regarding the research approach is a very important decision in the research design process, since it determines how the relevant information for the study will be obtained. In order to provide a solution, research can be described as a systematic and organized effort to investigate a particular problem (Sekaran; 2000; Burn, 1994).

According to Smith et al., (1979), quantitative research employs the traditional, positivist, experimental, or empiricist method to enquire into an identified problem. Quantitative is based on the analysis of a theory, measured by numbers and analyzed using statistical techniques, and emphasizes objectivity and reproducibility in particular (Smith et al., 1979). A structure questionnaire was designed to obtain the data on the causation of online game addiction among university students. The data were then being analyzed to discover the relationship.

### 3.2 Data Collection

Data collection is a process of gathering information from all relevant sources to find answers to the research problem, to test the hypothesis and to evaluate the results. Methods for data collection can be split into two categories: primary data and secondary data.

# 3.2.1 Primary Data

In this study, data collection is through primary data collection method which is a common online survey questionnaire. An online questionnaire is used to gather information from university students. Next, the SPSS and Smart PLS is used as a tool to identify and examine information on the basis of a questionnaire.

# 3.2.2 Secondary Data

Secondary data is the data that has already been collected and made readily available for researchers to use for their own research through primary sources. It is a form of information that has already been gathered in the past.

# 3.3 Sample Size

Sample size in any statistical context is a count of individual samples or findings. The size of the sample is an essential aspect of any scientific analysis in which the aim is to draw inferences from the sample. In this research, the population from which the samples were derived conducted on the university students. The most appropriate sample size for this research is 105. There means that 105 university students were used to answer questionnaires. Hence, the questionnaires were distributed randomly for those people that can express their willingness to respond to this survey.

# 3.4 Sampling Techniques

Sampling technique as a method used by a researcher to determine how to choose or identify the individual survey units that would be used as study respondents. The convenience sampling will be the selection of the sample in this study. Convenience sampling is a form of non- probability sampling technique in which samples are chosen for the target population due to their convenient usability and accessibility to the researcher. Elements are picked for the survey depending on the convenience of the researcher in convenience sampling (Black, 2011). Researchers are easier to identify the respondents among the population by selecting convenience sampling, since the respondents select based on their availability and willingness. In fact, the convenience sampling method would effectively minimize the time and expense of this research.

# 4 Data Analysis

# 4.1 Data Analysis

The SPSS and Smart PLS application was used in this chapter to evaluate the data obtained from respondents and the effects of statistical analysis. The result included demographic section such as gender, marital, age, ethnicity, type of university, education level and preferred online game, dependent variable which is online game addiction. The researcher distributed questionnaires through Google form for respondents to answer. There is a three-part data analysis used: descriptive statistics followed by Cronbach's Alpha and Frequencies Statistic. Multiple Linear Regression (MLR) is to test the strength of variables between the dependent variable and independent variables.

# 4.2 Findings

The reliability test was carried out on the independent variables to check the measurement instrument's internal consistency. The Cronbach's Alpha for all variables scales was in the range of 0.7 to 0.91. They were well above the minimum acceptable reliability of 0.6 as suggested by (Hulin, Netemeyer, & Cudeck, 2001). The result for the first independent variable which is psychological factor has value of 0.853. This means that the result of Cronbach's Alpha is acceptable. Next, the result of Cronbach's Alpha for technological factor has value of 0.843 which is acceptable. Moreover, the result for media factor has value of 0.917. This means that the result of Cronbach's Alpha is excellent. Thus, the actual reliability test was obtained for this study is reliable.

Table 4.1 The Result of Actual Reliability Test for Each Section of Questionnaire.

Variable	Number of Items	Cronbach's Alpha	Strength of Association
Online game addiction	5	0.752	Good
Psychological factor	5	0.853	Acceptable
Technological factor	5	0.843	Acceptable
Media factor	5	0.917	Excellent

Partial Least Square (PLS) Algorithm and Bootstrapping used in this study describe the relationship between the independent variables and dependent variable by using the term of beta coefficient and p-value. The result indicated that psychological factor value ( $\beta$ = 0.614, t-value= 6.628, p-value= 0.000), technological factor value ( $\beta$ = 0.436, t-value=2.515, p-value= 0.012), and media factor value ( $\beta$ = 0.318, t-value=1.854, p-value= 0.064).

Table 4.2 Beta Coefficient, T-value and P-value among Independent Variables

	Beta Coefficient	T Statistics	P-Value	Significant
Psychological Factor	0.614	6.628	0.000	Significant
Technological Factor	0.436	2.515	0.012	Significant
Media Factor	-0.259	1.854	0.064	Not Significant

### Discussion and Discussion

This paper conducted a questionnaire survey on studying the causation of online game addiction among university student. According to the research result, psychological factor, technological and media factor have a remarkable impact on university student. This study's significant contribution was to investigate the psychological factor, technological factor and media factor that influence to online game addiction. However, this study proposed a substantial relationship between the independent variable and the dependent variable. Therefore, the objectives of this study have been achieving.

### Acknowledgement

I would like to express my appreciation and my thanks to the authors and acknowledge the support and guidance received from Sir Mahathir Muhamad, Faculty of Entrepreneurship and Business, University Malaysia Kelantan research. His knowledge, information, and experienced shared on the learning process very valuable. He is also very understanding of each of the difficulties to finish this assignment.

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# FACTORS THAT INFLUENCE THE INTENTION OF THE CUSTOMERS TO USE E-HAILING SERVICES

### Wan Alia Nabila and Mohammad Ismail

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: nabila.a17a0755@siswa.umk.edu.my; mohammad.i@umk.edu.my

### Abstract:

Nowadays, using E-hailing services become a trend to university students. Students tend to use E-hailing services due to the benefits that have when using the Ehailing services. E-hailing services are useful especially for those who do not have their own vehicles. In this era of globalization, people prefer to be one of the Ehailing drivers. Therefore, this analysis is to study the factors that influence the intention of customers to use E-hailing services among university students. The analysis is to examine the relationship between perceived price, perceived convenience and perceived safety and security with the intention of customers to use E-hailing services among FKP students at UMK. From the findings, the research design of the study is quantitative study while for data collection is by online questionnaire. Population of the study is for 3482 students from FKP but only 136 questionnaires were distributed and valid for coding, analyzing and to test hypotheses. The collected data were then analyzed using SPSS version 25.0 and this study can be used in the future in this field. From the findings also, there are 47 male students and 89 females students that participate to answer the questionnaire. Majority of the respondents are still single while only 9 of the respondents have been married.

**Keywords**: E-hailing service, perceived convenience, perceived price, safety and security, university students

### 1 Introduction

Since the transition to a global integrated network to share and distribute data, the internet has become a valuable marketing tool to serve as a platform for domestic and foreign transactions. It also becomes a platform for those who want to use online applications. Throughout 2018, global transportation market size has been forecasted to grow by 19.8%, however, the transportation industry was worth 75 billion in 2017 (Research, 2019). Progressed improvement in Global Positioning System (GPS) innovation has effects affected metropolitan development and robotized transport organizations (Mason, 2001). One of those innovative advancements in the on-going past is the improvement of e-hailing down applications in the taxi market. According to (Arumugama, Ismailb, & Joehareec) Malaysia's E-hailing administration is controlled under the Ministry of Transport Malaysia (MoT). Both specialist services must enlist with the Land Transport Commission (SPAD), the Companies Commission of Malaysia (SSM), or the Cooperative Commission of Malaysia (SKM) to apply for e-hailing permitting.

E-hailing is an online transportation administration that has arisen as the vehicle area's traveler, requiring correspondence between specialist providers and users. Anyway, as users have more information and decision in this period to pick any customers, the specialist organization needs to fulfil and offer better support to its huge number of clients, especially for e-hailing administration. For the specialist organization of e- hailing to hold upper hands, keeping up consumer loyalty is significant. One of the standards of comaking of significant worth is organization customer's connection.

Subsequently, the technique of significant worth co-creation was utilized to enhance purchaser commitment as buyers are associated with making encounters and incorporating quality-in-setting that can improve the organization's effectiveness (Idros, Mohamed, & Jenal, 2018). (Khalaf Ahmad, 2011) it guaranteed that a framework should be all around planned and makes it simple for customers to use as it is critical to impact consumer fulfilment. At present, e-hailing permits travelers to rate their experience on a size of 1 to 5 stars to screen customers' loyalty for the driver as it were (Idros et al., 2018)

In the overall vehicle industry, E-hailing with different names, otherwise called ride-booking and ridesharing, was notable and was presently getting famous in Malaysia. E-hailing administrations were viewed as the securing of on-request vehicles that depend on organization reliance and the Internet use of a specific computerized application. E-Hailing was defined as the use of a private car to transport a paying passenger, enabled by the use of technology and apps (Juma, 2016).

There were various types of e-hailing which was grabbing, maxim, mycar and others. E-hailing services is vital to everyone due to it may help others to use the services to go anywhere at any time. So it is easy for others who does not have car or motorcycle license to drive. While, as software programmed licensed by TNC, an E-Hail Application can be portrayed occupant on a cell phone or smartphone (Transportation Network Companies) and coordinated with the TPEP (Taxi Passenger Enhancement Program). Such a solicitation should be joined by the ID of the places of both the driver and the traveler, the quest for accessible cabs in the region, the capacity of the traveler to book a taxi and the driver to acknowledge such demands and the capacity of the traveler to pay for the administration utilizing the E-hail application.

The purpose of this research is to know more about the factors influencing the intention of customers to use e-hailing services, especially among students. E-hailing services have been raise expanding as more passengers register for the services. The number of operators and the increased coverage of the areas served by taxi operators have also increased (Juma, 2016). In recent months, in terms of users, drivers, and geographical areas covered, these services have expanded rapidly. In their present state, these services look exactly to taxis, which have generated a lot of political confusion and tension about strain about 'reasonableness' in administrative treatment among cabs and ride sourcing organization (Rayle, 2014). In most areas, the inevitable populace development has prompted the requirement for endeavours to improve the simplicity of development of individuals and vehicles, to limit self-driving and to support the utilization of public vehicle (Veloso, 2011).

The tendency to use e-hailing services has increased, as they allow users to control their reservations in advance by pre-booking, changing and cancelling applications at lower costs. E-hailing services enable passengers to book private cars via application and take

advantage of surge pricing during the high demand to arrive within the specific time at the location of the request of passengers (Homniem & Pupat, 2020). Although e-haling services become increasingly common in Malaysia, the generation X usage rate of e-hailing services is relatively low. Generation X is more educated and has a higher disposable income compared with the baby boomer generation (Chin, Leng, Peter, & Yacob, 2019). E-hailing services become one of the favoured public transportation modes, door-to-door service, security features, and vehicle choices due to its 24-hour availability. In conclusion, the purpose of this study was to evaluate the competition brought about by the selection of different E-Hailing Apps and the distinctive characteristics that separate the applications and their degree of separation utilization starting with one then onto the next administrator. In 2017, the market revenue for the e- hailing is 53billion that reported by (McKinsey, 2017). Users can use smartphones, laptops or tablets to conduct e-commerce operations as long as wireless internet access is available. With more than 90% of the market share, Asia is the largest e-hailing industry in the world.

Generally, the intention was an indicator to denote the factors that influence a desired behaviour (T. Teo & Zhou, 2014). It also shows how much effort a person can make to conduct an action. Basically, having a specific intention can improve the level of concentration and motivation. However, there is little understanding of the factors that influence the intention of the customers to use e-hailing services and the relationship between perceived safety and security and factors that influence the intention of the customer to use e-hailing services. Many conceptual models of entrepreneurial intentions exist. All of them are generally derived from the theory of planned behavior in (Ajzen, 1991). The intention of using e-hailing services depends on the understanding of the intention of the person and the probability of behaviors and tendencies associated with it.

### 2 LITERATURE REVIEW

### 2.1 Attitudes

Attitude is defined as the affective assessment of a given assignment (Fishbein, 1980). In other words, the attitude towards the use of technology relates to the degree to which a person wants to use technology or dislikes it. Intention is an indicator to define the variables influencing an action that is desired. It also shows how much effort a person must make to carry out a behavior (Fishbein, 1980). In the TRA and TPB, the attitude-intention relationship was highlighted, suggesting that the attitude of a person is an evaluative predisposition to the behavior as a result of its definitive personal effects. Thus, the following hypothesis was proposed:

H1: There is a significant relationship between attitude and the intention of the customers to use e-hailing services

# 2.2 Perceived Safety and Security

Perceived safety and security is the main predictor of the experience of passengers in deciding on the use of public transport services, which is very sensitive and vital to the personal safety and security of passengers. The perceived safety and security issues are about the drivers, the privacy of passengers, the state of the car, as well as insurance coverage for premiums when using the service. Include when requesting the service, the details given in advance, such as the location of the driver, phone number, plate number, and the approximate fare in advance (B.-C. Teo, Mustaffa, & Rozi, 2018). Recent studies have shown that perceived safety and security has an effect on attitudes and intention to use technology because perceived safety and security directly affects attitudes. It is supposed to have an indirect impact on the intention to use technology.

H2: There is a significant relationship between perceived safety and security and the intention of the customers to use e-hailing services

### 23 Perceived Price

The perceived price can be described as the perception of a person's price in relation to the price at which the passenger charged for using the service charged after completion of the service. During high demand era, the surge pricing by e-hailing service has occurred, resulting in a different charge for fare and driver management particularly during prime time (Mohamad, 2016). Recent studies have shown that perceived price has an effect on attitudes and intention to use technology because perceived price directly affects attitudes. It is supposed to have an indirect impact on the intention to use technology.

H3: There is a significant relationship between perceived price and the intention of the customers to use e-hailing services

### 2.4 Perceived Convenience

Perceived convenience can be defined as an alternative to standard modes of transport that are similar to general public transport, but have better features that are more convenient for passengers with accessibility to certain fares and multiple payment methods available as alternatives depend on the convenience of customers (B.-C. Teo et al., 2018). Recent studies have shown that perceived convenience has an effect on attitudes and the intention to use technology because perceived convenience directly affects attitudes. It is supposed to have an indirect impact on the intention to use technology.

H4: There is a significant relationship between perceived convenience and the intention of the customers to use e-hailing services

# 2.5 Perceived Ease of Use

Perceived ease of use refers to how the individual thinks they can use the system to make purchases, and it can be easily accomplished, and a system does not cause users to have trouble and problems. Passengers feel that because of its comfort, fast, and trouble-free way the public transport service can be lightened to use and happy to use (Gumilar, W.D., Oliver, Gunawan, Sfenrianto1, 2019). Recent studies have shown that

perceived usefulness has an effect on attitudes and the intention to use technology because perceived usefulness directly affects attitudes. It is supposed to have an indirect impact on the intention to use technology.

H5: There is a significant relationship between perceived ease of use and the intention of the customers to use e-hailing services

### 2.6 Conceptual Framework

**Independent Variable** 

By referring to the literature review, a research framework has been conducted to connection between factors that influence the intention of the customer to use e-hailing services. The independent variables that been proposed consist of four factors which is perceived safety and security, perceived price and perceived convenience. Meanwhile, the dependent variable is intention to use e-hailing services.

# Perceived Safety and Security Perceived Price INTENTION TO USE E-HAILING SERVICES Perceived Convenience

**Dependent Variable** 

Figure 2.6.1: Factors That Influence the Intention of the Customers to Use E-Hailing Services among University Students

# 3 Methodology

# 3.1 Research Design

The purpose of this study is examining factors that influence the intention of the customer to use e-hailing services among university students. The correlational research design is carry out that it seeks to determine the relationship between the intention to use and factors that influence the intention of the customer to use e-hailing services among university students. In this study, online questionnaires are used as a method for data collection. Besides that, this study also conducted using the descriptive design.

### 3.2 Data Collection Methods

Data collection method of the research is quantitative analysis. Quantitative analysis refers to the measurement of a numerical result. A typical case is a survey that asks questions to gather answers that shed light on patterns, preferences, behavior and so on. Each respondent was asked to answer the questionnaires by online. The researcher makes a survey of the respondents' survey forms. The complete forms are accepted for the data analysis process, incomplete questionnaires are replaced with new questionnaires. The researcher ask question to the respondent which is university students that has the intention to use e-hailing services. Besides that, the researchers also acquire the data from secondary data which is from books, journal, and articles.

# 33 Populations

Population of the study involved university students which is FKP students in UMK that have intention to use e-hailing services. To carry out this study, the researcher takes female and male respondent in UMK under FKP to answer the online questionnaire. According to Universiti Malaysia Kelantan Pengkalan Chepa, the total of FKP students is 3482. According to (Cohen 1992) 136 respondents need to answer the questionnaire.

# 3.4 Sampling

Sampling technique that used is convenience sampling technique. A convenience sample is simply one where the units chosen for inclusion in the sample are the most easily accessible. Sampling technique is FKP students who has been experienced and has intention to use e-hailing services. FKP students are participate and 136 respondents answering the questionnaire. It passed randomly to FKP students.

# 3.5 Data Analysis

In this report, primary data collection is used directly and precisely to gather information and feedback from the respondent who uses the E-hailing services. Besides that, in this research, the Statistical Package for the Social Sciences (SPSS) will be used. The data that we collected will enter into SPSS which helps to provide material for analysis. The techniques were used to analyse the information gathered by descriptive analysis, normality analysis and correlation analysis.

# 4 Data Analysis and Findings

# 4.1 Demographic Profile

In this section, researcher were analysed the demographic characteristic of the respondent. This section of Part A in the questionnaire generates information on demographic profile respondents such as gender, course, race, marriage status and understanding about E-hailing. The purpose of the collection of demographic data is to identify the background of respondent that have been used E-hailing services. There are 136 respondents.

In this result, the number of male respondents is the lowest which is 34.6% while the number of female respondents is the highest with 65.4%. Meanwhile, for the course SAR has the highest respondent with 55.1% and the lowest one is SAB which is 7.4%. Besides, in this result show that, Melayu is the highest races that answer the questionnaire with 84.6% follow by others race which is 2.2%. In terms of marital

status, only 6.6% were married and the rest 93.4% are single. It shows most of the respondent which is single marital status was comprised the majority group of the study. Lastly, in term of understanding about E-hailing services show that 97.8% is understand while the rest are not understand about E-hailing services.

# 4.2 Descriptive Analysis

Table 4.2.1: Descriptive analysis for intention to use e-hailing services

Descriptive Statistics						
Mean Std. Deviation						
Intention to use E-hailing	4.3382	.66572				
Perceived Safety and Security	4.3382	.65584				
Perceived Price	4.3787	.56025				
Perceived Convenience	4.4301	.59837				

Table 4.2.1 shows the result of all dependent variable and independent variables include intention to use e-hailing, perceived safety and security, perceived price and perceived convenience. The highest mean is perceived convenience with 4.43 whereas the lowest mean is intention to use e-hailing and perceived safety and security with 4.34 each. Moreover, the highest standard deviation is intention to use e-hailing with 0.67 while perceived price has the lowest standard deviation which is 0.56. Thus, E-hailing need focus more to the highest value variables in order to influencing consumers have intention to use E-hailing services.

# 43 Reliability Analysis

Table 4.3.1: Reliability Analysis for All Variables

Variables	Number of	Crombach's	Strength of
	Items	Alpha	Association
Intention to use e-hailing	6	0.895	Good
Perceived safety and security	4	0.884	Good
Perceived price	4	0.811	Good
Perceived convenience	4	0.861	Good
All	18	0.926	Excellent

From the table 4.3.1 is show overall reliability analysis. The Cronbach Alpha for intention to use e-hailing is 0.895 with the strength of association is good. For the perceived safety and security, the Cronbach Alpha is 0.884 while perceived price is 0.811 and for the perceived convenience is 0.861. From the all variables the strength of association is excellent.

### 4.4 Normality Test

**Table 4.4.1: Normality Test** 

Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk			
Statistic		Df	Sig.	Statistic	df	Sig.
Intention to use e-hailing	.160	136	.000	.853	136	.000
Perceived safety and security	.171	136	.000	.849	136	.000
Perceived price	.159	136	.000	.890	136	.000
Perceived convenience	.194	136	.000	.810	136	.000

### a. Lilliefors Significance Correction

The result that shown in table normality tests that using SPSS was abnormal data. The value of 0.000 in Shapiro-Wilk's test and Kolmogorov-Smirnov's test that shown mean it was less than 0.05. It means that the data was counted as abnormality data. Table 4.6.1 show that the significant of intention to use e-hailing was 0.025, significant for perceived safety and security was 0.016 and significant for perceived price was 0.014. That is mean intention to use e-hailing, perceived safety and security and perceived price. Significant for perceived of convenience was 0.056 that means it was normal data.

### 4.5 Hypothesis Testing

Table 4.5.1 Hypothesis Testing

Variables	Pearson Correlation	Sig. (2-tailed)
Perceived Safety and Security	0.803**	.000
Perceived Price	0.792**	.000
Perceived Convenience	0.586**	.000

The table 4.5.1 shows the result of Pearson correlation or hypothesis testing of the research. The highest r value is perceived safety and security with 0.803 while the lowest is perceived convenience with 0.586 r value. Moreover, perceived price also shows a high r value with 0.792. However, the p-value is significant for all variables with the value of 0.000. That's mean all independent variable has a significant relationship between dependent variable in this study.

#### 5 Discussion and Conclusion

#### 5.1 Overall Conclusion

In a nutshell, this research concludes that all of the independent variables which are perceived safety and security, perceived price and perceived convenience have positive related towards factors that influence the customers intention to use e-hailing services among FKP students in UMK. However, based on our research the result show that the perceive convenience became the most influence factor that influencing the customers intention to use e-hailing services among FKP students in UMK. Most of students of UMK preferred to a convenience in using e-hailing services. This is because students care more about the convenience rather than price and safety and security. Thus, it is important to e-hailing drivers to make sure that they provide clearly and accurately site to influence customers intention to use e-hailing services among FKP students in UMK.

#### 5.2 Recommendation

The first recommendation is more determinant factors should be used by the future researcher beside perceived safety and security, perceived price and perceived convenience. There are others determinant factor that can influence customers' intention to use e-hailing services such as trust, privacy and information. Future researcher are suggested to use other related research when continuing this research as this research are done in such limited time and this research are not able to provide full understanding towards bigger scope of study. Next, researcher can provide some goodies to attract the co-operation of respondents. As we know, people like the appreciation. This is to appreciate the respondent because they spent their time for complete the questionnaires. Lastly, future researchers should find more respondent by choosing wide 53 population compared to this study that focus on FKP students in UMK which the wider population will give more relevant results.

#### 5.3 Implications

This study basically is to understand the factors that influence the intention of the customers to use e-hailing services. From the factor were given in this study may help e-hailing driver to penetrate the intention of the drivers in planning a strategy to attract customers to use e-hailing services. Moreover, as new e-hailing drivers, they can refer to this study for the knowledge to know the factor that influence the customer intention to use e-hailing services to know their target market. This can help the e-hailing drivers to focus on what they need to do to attract and gaining customer interest in their business.

### 6 Acknowledgements

First and foremost, I would like to convey our deepest gratitude to our supervisor, Prof. Madya Dr. Mohammad Bin Ismail for his excellent guidance for our research project. He has spent lots of effort and valuable time in guiding us to complete this research project. Furthermore, I would like give thanks to University Malaysia Kelantan for giving me opportunity to conduct our research in order to fulfil subject requirement for Bachelor of Entrepreneurship (Retailing). Throughout this research project, I gain a lot of information and it gives extra knowledge to me whether by books, source of internet or lecturers. Even though these research outcomes may not be the best among student nevertheless, I strongly believe that my research will give benefits for another researcher, academician or retailer for their future references. This research project may give clear understanding in different perspective for them. Last but not least, I would like to confess my deepest appreciation to my beloved friends who assist me to completing this research.

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## INTENTION TO PURCHASE HALAL PRODUCT AMONG MUSLIMS CONSUMER IN KOTA BHARU

### Wan Anis Zahirah Binti Wan Mohamad Zaki and Nur Ain Ayunni Binti Sabri

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: zahirah.a17a0823@siswa.umk.edu.my; ayunni.s@umk.edu.my

#### Abstract:

The purpose of this study is to explore the relationship between Halal awareness, religious belief, Halal certification and intention to purchase Halal product among Muslims consumer. The convenience sampling approach was used and 400 respondents were evaluated. The data collected is analysed by using Statistical Packages for Social Science Version 26 (SPSS Version 26) software based on descriptive statistic, reliability analysis, and correlation analysis. As for the result, all of the independent variables (Halal awareness, religious belief, Halal certification) had significant relationships towards dependent variable (intention to purchase Halal product) among Muslims consumer in Kota Bharu, Kelantan.

**Keywords**: Halal awareness, religious belief, Halal certification, intention to purchase Halal product, Muslims consumer.

#### 1 Introduction

Today, the halal logo is no longer just a commodity. It's just a religious matter. It's turning into a global icon. In the category of industry and business, quality improvement and lifestyle preference. Halal is an "allowable" Arabic word. It is more commonly referred to as lawful under Islamic law in English. It applies to everything that is permitted under Islam in the Arabic language. Typically, it is used to define something a Muslim may indulge in, such as eating, drinking or using. Haram, which is Arabic as forbidden or banned, is contrary to Halal. Islamic concepts linked to human interactions with Allah are Halal and Haram. God permits Halal to do, use, or drink. It means that the halal substance will be eaten by God and that it does not affect torture or sin. AlQur'an requires not only halal but also cleanliness in terms of food (Tayyib). Halal products are also shariah-conforming, that is to say they are not dangerous or are not meant for harmful reasons and are not subject to use of haram (prohibited) ingredients, labour or environment use. All consumer goods such as toiletries, pharmacy, etc. can be included in halal cosmetics, and so forth. It also comprises a wide variety of subsectors in the industry with religious, political and financial components.

Muslim customers, who have to fulfil Shariah requirements, are very close to every other market group, who demand safe, good quality goods. Not only do Muslims guarantee what is eaten or worked according to Islamic laws but also the Halal certificate or emblem encourages farmers to adhere with the Halal requirements. Halal certification will also

play an important part in ensuring that customers have the requisite halal product requirements.

One Hadith told us, "Whoever lives on halal food has a smooth spirit, has no challenge to his prayers, his faith shines. And if you eat syubhat (ambiguous, halal or haram) forbidden food, your religion is cryptic, your heart is ambiguous. He who eats haram, his heart has gone, his religion is frail, and his faith decreases and Allah closes his prayers and his worship is low. This hadith explains very specifically the joy of the people who eat Halal food all the time in their lives, so that they can follow the order of Allah, so that His piety for Allah will be strong and His prayers will be offered to Him.

In order for businesses to concentrate more on Halal in the global market beyond content (allowable ingredients), farms and spoons, as the population of Muslims is growing by approximately 35% over the next 20 years, from 1,6 billion in 2010 upto 2,1 billion by 2015 and 2.2 billion by 2030. Thus, it enables academics and advertisers to broaden this commodity to multiple markets by exploring its attributes. The signs and symptoms of Halal such as brand names Halal, Halal labels, Halal icons and Halal certifications, etc. are the main factors in making items of Halal available on the markets.

Various studies have been carried out in Muslims consumer to analyse the influence of intention to purchase Halal product among Muslims consumer, with varying results. This research is also discussed in the literature review. The findings of several papers on the intention to purchase Halal product among Muslims consumer are summarised in this literature review report such as Halal Awareness, religious belief and Halal Certifications.

### 1.1 Research Objectives

- 1. To identify the relationship between halal awareness and intention to purchase halal product among Muslim's consumer.
- 2. To identify the relationship between religious belief and intention to purchase halal product among Muslim's consumer.
- 3. To observe the relationship between halal certification and intention to purchase halal product among Muslim's consumer.

#### 1.2 Research Significant

#### 1.2.1 Retailers

Basically, by depending on the results of this report is to ensure that it suits the needs of Muslims consumer, retailers or retail industry also can get some advantages which can help them to offer the suitable products to consumer according on their age, religion and also gender. Retailers also can know Muslims consumer's perceptions about the product and how much they aware and their knowledge about Halal products. So, in this case it proofs that this research can help retailers or retail industry to offer the products to consumer.

#### 1.2.2 Researcher

Since researcher is currently doing this study, for sure researcher can get input too from this study. One of them is, researcher also can be a consumer that need to purchase the products moreover researcher is Muslim. In this case, researcher will be more aware about Halal products. It is also because of religious beliefs that researcher holds which is in Islam concept, Muslim people cannot eat, wear or more precisely buy the products which has illegal ingredients. Researcher also can get a lot of knowledge in Halal industry.

#### 1.2.3 Muslims Consumer

Moving on to the next point, this study is purpose to get to know what is intention to purchase Halal product among Muslims consumer through Halal awareness, religious beliefs and also Halal certification. There is significant value for the Muslims consumer that can make they aware about purchasing Halal product. This thing really important to consumer especially Muslim consumer who are really about Halal or Haram concept.

### 2 Literature Review

### 2.1 Independent Variable

#### 2.1.1 Halal Awareness

Halal awareness is the ability of a Muslim to understand what a Halal product actually is. This includes their awareness on how products are being stored, sanitary practices, and transferred in the distribution system. For instance, how well a Muslim is able to separate Halal from non-Halal product during shipment and storage to prevent contamination of these products (Ab TalibMS, 2012). Halal is defined as anything that is allowed or acceptable to Muslims (Eliasi and Dwyer, 2002; Berry and Donna, 2000; Berry, 2008). Islamic food products can be separated into nine categories between Halal and Haram. Makrooh and Mashbooh fall in between these categories (Eliasi and Dwyer, 2002). This is very essential for the Muslim customers to know the product categories that they buy and use (Shaari and Arifin, 2009). Regardless of the extensively offered Halal food products, and frequent research information on Halal food market, there is an absence of theory-driven research on Halal food purchasing (Alam and Sayuti, 2011). Moreover, consumers are not exposed adequately to Halal certification and Halal brands (Rajagopal et al., 2011). At the same time, there has been a lack of unpretentious knowledge on the connection between Halal concept such as Halal consciousness and Halal accreditation with purchase intention in the context of purchasing Halal products (Aziz and Chok, 2013). According to previous studies (Bang et al., 2000) knowledge has an influence on intention, as increasing knowledge is likely to influence the intention. Similarly, the knowledge in the direction of the influence of marketing-related concept such as advertising and branding with Halal purchase intention is almost unavailable (Aziz and Chok, 2013). Although vendors are beginning to achieve an understanding on the significance of Halal accreditation and Halal awareness, still very little is known about Halal components and other determinants that have an impact on purchase intention. The manifestation of publicized Halal food meaningfully impacts consumer knowledge of Halal principles (Rezai et al., 2012). Consequently, Halal awareness has a substantial influence on explaining the intention to purchase Halal products (Aziz and Chok, 2013). Previous studies (Bonne et al., 2009) involved habit as an independent construct in Halal meat purchase intention while considering Halal awareness as part of an overall habit. In the UAE, the awareness of youngsters concerning fundamental Halal principles and Halal accreditations is tremendously low (Rajagopal et al., 2011), and this paradigm needs to be confirmed in other parts of the world, especially in the Muslim countries (Hayat M Awan, 2015).

### 2.1.2 Religious Beliefs

Religiosity is the extent to which people are committed to their religion, reflecting their attitude and behaviour in either obeying or violating the religion's rules and regulations

(Z. Zakaria, 2017). Therefore, religious perception becomes an important aspect that affects consumption actions (Essoo and Dibb, 2004). More religious consumer will buy more Halal meals as nearest as possible to the religious perception and prevent themselves from getting involved in activities that are against the religious guidelines (Schneider et al., 2011; Masnono, 2005). Therefore, the religious belief of customers has become a very important part in marketing, particularly in advertisements (Froehle, 1994). Religiosities also have a strong effect on consumer actions and behaviour to buy Halal foods (Weaver and Agle, 2002). Individual's level of religiosity positively affects attitude towards the Halal products (Mukhtar and Butt, 2012).

### 2.1.3 Halal Certification

In a Muslim majority nation such as Malaysia, the principle of halal is a gateway to consumption. Muslim consumers are now facing a wide variety of goods and services which are quite questionable. Halal certification and logo were indirectly forced by manufacturers and advertisers to warn and persuade their target customers that their goods comply with Halal and Shariah. In general, in Malaysia, Muslim consumers seek authentic Halal Certification issued by the Islamic Development Ministry (JAKIM) in Malaysia, under the jurisdiction of the Prime Minister's ministry (Abdul Raufu Ambali, 2014). The implementation of Halal Logo and Certification (JAKIM) has led to a greater understanding among Muslims of the value of consuming imported goods or participating in services that obey Islamic guidelines and principles. In Malaysia, Muslims consume food, beverages and manufactured goods by looking at the halal logo approved by the government agency. The Halal logo itself is considered to be a significant source or consideration because food or beverages can be trusted in terms of halal, protection and hygiene. Halal logo is therefore a signal for which food outlets are permitted to be the patronage of Muslims in the country. Labelling is also relevant as a source of knowledge about healthy and hygienic food and diet-related drinks and health. For instant, fruit, vegetables and starchy staples must have complete nutrition labelling and marketing practises that are conducive to healthier food choices (Ahmad Naqiuddin Bakar, 2014).

### 2.2 Independent Variable

#### 2.2.1 Intention to Purchase Halal Product

The intention is one of the main factors that brings person's behaviour in purchasing a Halal product and how they aware with it especially Muslim people. Intention is the best predictor of behaviour, meaning that if you want to know what someone will do, the best way is to know the intention of the person. The purchase intention a consumer is regarded a subjective propensity towards a product and can be an important index for predicting buying behaviour. However, one can make judgments based on completely different reasons, not always based on intention. In this study, Armitage and Conner stated that intention is recognize as the motivation for individuals to engage in a certain behaviour. Purchase intention can affect the buying decision of customers in the future (Khairi Mohamed Omar, 2012). Moreover, based on various previous theories, purchase intention can be considered as the predictor of future purchase decisions. Furthermore, according to the TPB model, behavioural intention is an immediate antecedent of behaviour. Thus, Behavioural intention is defined as the individual's subjective probability that he or she will engage in that behaviour (Khairi Mohamed Omar, 2012).

### 2.3 Research Hypothesis

purchase halal product among Muslims consumer.

H2: There is a significant relationship between religious beliefs with intention to purchase halal product among Muslims consumer.

H3: There is a significant relationship between halal certification with intention to purchase halal product among Muslims consumer.

#### 2.4 Conceptual Framework

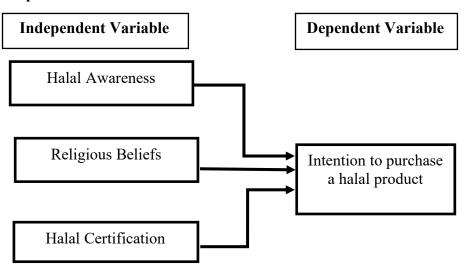


Figure 2.1: The Study Framework

Figure 2.1 shows the conceptual framework that has two variables which are dependent variable namely, intention to purchase a halal product. Dependent variable is the variable that being measured or tested in this study. The next variable is independent variable namely Halal awareness, religious beliefs and Halal certification. An independent variable is a variable believed to affect the dependent variably. By this mean, intention to purchase a halal product among Muslims consumer based on their Halal awareness, religious beliefs and Halal certification.

### 3 Methodology

#### 3.1 Research Design

This study aims to investigate the relationship between Halal awareness, religious belief and Halal certification towards intention to purchase Halal product. In this research, quantitative type of research has been used for the data collection purpose. Based on Veal (2006), quantitative approach involves statistical analysis. This research is prescriptive in nature, attempting to identify the relationship between Halal awareness, religious beliefs and Halal certification with intention to purchase Halal product among Muslims consumer in Kota Bharu, Kelantan. This area is selecting due to the differences in population of residents and consumers. Residents in this area are mixing community, Malays, Chinese, Indians, and Siamese. Respondent will be selecting among Muslims consumers in Kota Bharu, Kelantan.

#### 3.2 Data Collection

Data collection define as the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer question, stated research questions, test hypothesis and evaluate outcomes. The procedure to collect data involves quantitative and qualitative data collection. In this study of halal awareness, religious beliefs and halal certification among Muslims consumer in Kota Bharu, Kelantan. Researcher choose *quantitative method* as a collection of data. Researcher also using primary and secondary data as the method to collect the data.

### 3.3 Target of Population

Population is an important task for the researchers to carefully select and define before collecting data. Besides, the population also refers to the entire group of people or element sharing some common set of characteristics or interest which the researchers wish to investigate Davis (2005). There are at least 608 600 people at Kota Bharu, Kelantan provided by Department of Statistics Malaysia 2019. In this study, researcher's respondent is among Muslims consumer in Kota Bharu and researcher assume the total is around 564 300 Muslims people.

### 3.4 Sample Size

The study will be conduct at Kota Bharu, Kelantan. Researcher is focusing for Muslims consumer that have intention to purchase halal product in Kota Bharu. Researcher's respondents involving in variety industry such as food and beverages, cosmetics and others. The sampling is not probability they will make the choice to choose to collect all the data of the study data. Researchers using Kercie & Morgan Table as guidance in determine sample size. According to that table, if the population of study is greater than 100,000 the sample size must at least 384.

### 3.5 Sampling

In this research, a non-probability sampling will be employed. A non-probability sampling represents a group of sampling techniques that help researcher to select units from a population that are interest in studying. This study will conduct by using convenience sampling as sampling method to collect the data. It is often applied to population study topics which are readily available to the researcher. (Etikan the Ilker, 2015). In this case, each consumer is chosen entirely by chance and each member of the population has an equal chance, or probability, of being selected. One way of obtaining a random sample is to give each individual in a population a number, and then use a table of random numbers to decide which individuals to include.

#### 3.6 Data Analysis

Data processing is a technique of collecting analysis, storage and production of data. The data will analyse and transfer into the statistical packaging for the Social Science Software (SPSS) in latest version 26.0. The descriptive statistics analysis is conducted as to obtain some general observations about the respondent's background. On the other hand, correlation analysis is performed in order to predict the relationship between independent variables (HALAL awareness, religious belief and HALAL certification) and dependent variable (intention to purchase Halal product).

### 4 Data Analysis and Findings

### 4.1 Demographic Profile

This section discusses the demographic analysis of 400 Muslims consumer respondents, who had intention to purchase Halal products. This section presented the findings about age, gender, race, status and education level. Next, the demographic profiles of respondents were recorded, analysed and simplified as shown in Table 4.1.

No.	Category	Details	Frequency	Percentage
				(%)
1.	Age	20-25	153	38.3
		26-30	48	12
		31-35	32	8
		36-40	37	9.3
		41-45	53	13.3
		45-50	40	10
		50 an above	37	9.3
2.	Gender	Male	240	60
		Female	160	40
3.	Race	Malay	382	95.5
		Chinese	10	2.5
		Indian	8	2.0
4.	Status	Single	198	49.5
		Married	195	48.8
		Widower/widow	7	1.8
5.	Education Level	UPSR	6	1.5
		PMR	4	1
		SPM	89	22.3

MATRICULATION/STPM	46	11.5
DIPLOMA LEVEL	126	31.5
UNDERGRADUATE	87	21.8
POSTGRADUATE	42	10.5

**Table 4.1 Demographic Profile** 

### 4.2 Descriptive Analysis

This study has analysed the mean and standard deviation for section B, and C of the questionnaires.

Variables	N	Mean	Standard Deviation
Halal Awareness	400	4.7590	0.30880
Religious Beliefs	400	4.7395	0.32389
Halal Certification	400	4.7485	0.31828
Intention to Purchase Halal Product	400	4.7490	0.32351

**Table 4.2 Descriptive Statistics** 

Table above showed the number of respondents, mean and standard deviation of independent variables and dependent variables. For the independent variables, the highest mean was Halal Awareness which is 4.7590 and followed by Halal certification which was 4.7485 and Religious beliefs was 4.7395. The mean for dependent variable which is intention to purchase halal product is 4.7490.

### 4.3 Reliability Analysis

Validity is about the interpretability, utility and accuracy meanwhile reliability is about the stability, consistency and precision. The reliability of the data is test by the Statistical Package Social Science (SPSS) software and for the internal consistency the Cronbach's alpha.

Table 4.3 Independent and Dependent Reliability Test

	1	•	
Variables	Total	Cronbach's	
	Items	Alpha	
All variable analysis	20	0.942	
Halal Awareness	5	0.759	
Religious Beliefs	5	0.783	
Halal Certification	5	0.780	

Intention to Purchase Halal 5 0.798

**Products** 

Table 4.3 shows the Cronbach's Alpha Coefficient value of independent variable and dependent variable of reliability coefficient of this study. All the questions are adopted from the previous study and the entire question has used Likert-Scale. The Cronbach's Alpha for all variables is 0.942. The result shown is an excellent result and the reliability is acceptable. For the independent variable which is Halal awareness, religious belief and Halal certification, the Cronbach's Alpha value are 0.759, 0.783, and 0.780 respectively. All value in independent variable is the good value and the reliability are acceptable. Moving on to the dependent variable, the value of Cronbach's Alpha for intention to purchase Halal product are in a good value which is 0.798. Thus, the result shows the reliability of dependent variable is acceptable.

### **4.4 Pearson Correlation Analysis**

Pearson Correlation Coefficient used to determine strength of linear relationship between independent variables and dependent variables of the study. Basically, it used to determine the strength of the relationships between the Halal awareness, religious beliefs and Halal certification with intention to purchase Halal products.

Correlation			
		IV1	DV
IV1	Pearson Correlation	1	.853**
	Sig. (2-tailed)		.000
	N	400	400
DV	Pearson Correlation	.853**	1
	Sig. (2-tailed)	.000	
	N	400	400

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Table 4.4 Correlation Data for Halal Awareness** 

According to the table above, Halal awareness has been regarded as to have a positive high relationship with intention to purchase Halal product among Muslims consumer in Kota Bharu which their r value is at 0.853.

Correlation			
		IV2	DV
IV2	Pearson Correlation	1	.874**
	Sig. (2-tailed)		.000
	N	400	400

DV	Pearson Correlation	.874**	1	
	Sig. (2-tailed)	.000		
	N	400	400	
**. Correlation is significant at the 0.01 level (2-tailed).				

### **Table 4.5 Correlation Data for Religious Belief**

Table 4.5 shows the correlation data for religious belief which is second independent variable. According to the table, religious belief has a positive high relationship with intention to purchase Halal product among Muslims consumer in Kota Bharu. The value of r is at 0.874. The correlation is significant at the 0.01 level in 2 tailed.

Correlation				
		IV3	DV	
IV3	Pearson Correlation	1	.878**	
	Sig. (2-tailed)		.000	
	N	400	400	
DV	Pearson Correlation	.878**	1	
	Sig. (2-tailed)	.000		
	N	400	400	

#### **Table 4.6 Correlation Data for Halal Certification**

According to the table above, role of Halal certification has been regarded as to have a positive high relationship with intention to purchase Halal product among Muslims consumer in Kota Bharu which their r value is at 0.878.

### 4.5 Hypothesis

Hypothesis	Statement	Result
Halal Awareness (IV1)	There is a relationship between Halal awareness towards intention to purchase Halal product among Muslims consumer in Kota Bharu.	Accepted
Religious Belief (IV2)	There is a relationship between religious belief towards the intention to purchase Halal product among Muslims consumer in Kota Bharu.	Accepted

Halal There is a relationship between Halal Accepted

Certification certification towards intention to (IV3) purchase Halal product among

Muslims consumer in Kota Bharu.

### **Table 4.7 Hypothesis for All variables**

### 5 Discussion and Conclusion

### 5.1 Implication of the Study

This research has contributed beneficial to the society in Kota Bharu, Kelantan in terms of awareness and knowledge regarding with the purchase intention to buy Halal product. As Muslims, we should not only focus on getting the certificate at the first place, but the ingredients which use in making the products is also important. That is why, the society need to understand that Halal is not just about the foods, but the other products also need from Halal ingredients. The implication of this study will be discussed in detail below.

### 5.1.1 Implication for Retailers

Basically, by depending on the results of this report is to ensure that it suits the needs of Muslims consumer, retailers or retail industry also can get some advantages which can help them to offer the suitable products to consumer according on their age, religion and also gender. Retailers also can know Muslims consumer's perceptions about the product and how much they aware and their knowledge about Halal products. So, in this case it proofs that this research can help retailers or retail industry to offer the products to consumer.

#### 5.1.2 Implication for Researcher

Since researcher is currently doing this study, for sure researcher can get input too from this study. One of them is, researcher also can be a consumer that need to purchase the products moreover researcher is Muslim. In this case, researcher will be more aware about Halal products. It is also because of religious beliefs that researcher holds which is in Islam concept, Muslim people cannot eat, wear or more precisely buy the products which has illegal ingredients. Researcher also can get a lot of knowledge in Halal industry.

### 5.1.3 Implication for Society

Moving on to the next point, this study is purpose to get to know what is intention to purchase Halal product among Muslims consumer through Halal awareness, religious beliefs and also Halal certification. There is significant value for the Muslims consumer that can make they aware about purchasing Halal product. This thing really important to consumer especially Muslim consumer who are really about Halal or Haram concept.

#### 5.2 Recommendation

#### 5.2.1 Future Research

These future researchers can study about entrepreneur's intention towards selling Halal product based on Halal awareness, religious belief and also Halal certification. This suggested might be able to generate different outcome compared to present study. 5.2.2 Expand Sample Size

This study covered 400 respondents Muslims consumer in Kota Bharu, Kelantan. For the future studies, researchers can expand the number of sample size to increase the accuracy and reliability of data and the problem such as bias data can be divided.

5.2.3 Simplified the Question in Questionnaire

The questionnaire for the present study had included demographic questions, questions for independent variable and dependent variable. The questions should be simpler and easier to understand by the respondents. The respondents will definitely answer the future simpler question more accurate.

5.2.4 Different Population

For the future study, researchers can try to get from the different population such as not only in Kota Bharu, researchers can pick the population in the Malaysia or in East Cost Malaysia which is Kelantan, Pahang and Terengganu. In this case, researchers can get more respondents and also can study in more depth about this Halal awareness.

#### 5 Conclusion

The aim of this study was to investigate the relationship between independent variable and dependent variable. In this study, there are independent variable namely Halal Awareness, religious belief and Halal certification which was include examining the relationship with intention to purchase Halal product. As mentioned in chapter 3, 384 respondents were chosen from Kota Bharu, Kelantan to analyse their factors that brings intention to purchase Halal product by distribute questionnaire in Google form platform. Furthermore, in Chapter 4, there are analyses about the finding from the questionnaire. Pilot Test, Reliability Test, Descriptive analysis and Pearson Correlation were used to interpret the result. The final results reveal that Halal awareness, religious belief and Halal certification has a significance relationship between intention to purchase Halal product. Lastly, in Chapter 5, the study presents the summarizations of the result based

on data analysis. In overall, all hypotheses were accepted. Apart from that, the implication of study and some of recommendation for further studies were also include. **Acknowledgement** 

First and foremost, praise and thanks to God, the Almighty, for His showers of blessings during my research study to bring the research to a successful end. I would like to express the deepest appreciation gratitude to my research supervisor, Dr Nur Ain Ayunni Bin Sabri, Center for Market Statistics, University of Malaysia Kelantan, for providing us an opportunity to carry out research and providing invaluable guidance during this research. I was profoundly influenced by her vision, honesty and inspiration. She has taught me the methods to carry out the research and to present the research work as simply as possible. It has been a great pleasure and honors to work and research under her guidance. I am deeply grateful for what she has given me. I would also like to thank her for her friendship, sympathy and a wonderful sense of humor. I extend my heartfelt thanks to her husband and family for their acceptance and understanding in the discussion I had with her on study and thesis preparation.

I am extremely grateful to my parents for their love, prayers, caring, and sacrifices for trying to educate and preparing me for my future. I also appreciate to my brother and younger brother for their support and valuable prayers. I would like to thank my friends and research colleagues, Syahirah Wahida, Nur Ain, Muhd Danial, Muhd Rifdi and Nurul Hasimah, for their continuous support. I would also like to thank the management of the University of Malaysia Kelantan for their help in enabling me to do this work in the library and get a lot of information via the internet network that has been given to students. Finally, my special thanks go to all the people who have supported me to complete the research work directly or indirectly.

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# RESEARCH ON THE FACTORS THAT INFLUENCE INTERNET ENTREPRENEURSHIPS INTENTION WITHIN UMK CITY CAMPUS STUDENTS

Wan Az-Zahra Binti Wan Abdullah and Yusrinadini Zahirah Binti Md. Isa@Yusuff

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: azzahra.a17b1019@siswa.umk.edu.my; yusrinadini@umk.edu.my

#### Abstract:

This research is examined the factors that influence internet entrepreneurship intentionwithin UMK City Campus students. In today business environment, as indicates to competitive advantages the internet and technology are important to curb the strategies in commercializing business activities also organization development. People use the internet as a mainstream necessity into their life today but in a different version of the technology. Today locus, traditional entrepreneurs must mash-up with modern digital technology. Internet revolution opens the new era for business to develop and have filled the holes with random numbers of new entrepreneur that has young flourishing mind also could lead to taking control in dispute economy. The convenience of internet network became a trend that lead to influence the intention of entrepreneurial among UMK City Campus students. Also the advance of internet increases the intention of student's awareness in internet entrepreneurship. This analysis was therefore to establish relationship between the factors influence of ICT adoption, entrepreneurship education and family background towards the internet entrepreneurship intention within students of UMK City Campus Malaysia. Resource-based view theory has been used in this research. There are 741 students from fourth year are given questionnaire through e-survey (google form) by applying a convenience sampling, use valid for coding, analysing and testing the hypothesis. The results for the UMK City Campus are presented in this report. The report suggests improving internet entrepreneurial intention among UMK City Campus students by stimulating entrepreneurship education at universities also ICT adoption guide the students that considering specific offers and activities for the different groups of entrepreneurial students as well as for students who have not considered becoming a founder yet.

**Keywords:** internet entrepreneurship intention, e-business, ICT adoption, entrepreneurship education, family background.

### 1.0 Introduction

In today business environment, as indicates to competitive advantages the internet and technology are important to curb the strategies in commercializing business activities also organization development. Revolution of the internet has an impact not only on business but also on the economic section and growth of human society. Digital technology industry well- known call as a new economy where the data gather and the process by software. Generally, digital technology builds with the internet that applied in a different version of devices what

people frequently use such as digital television, mobile phones, household appliances and "smart" electronics, as for today events it becomes more mainstream use. It improves major factors like a time consuming and upgrade the living standard of people holistically.

As a developing country, according to Annual Report RMK 10, 2011-2015, through the Economic Planning Unit 2010, Malaysia have growth as a knowledge-based economy technology to be in the same line as other countries that have technology development and large-scale of the economy. This partnership with internet shows results of thousands information by the business through networks that will receive a huge amount of mind baffling of new data directly from consumers who become customers to the products. The business usually will receive information and analysis through customers by internet transaction from customers about their behaviour tracking, situational awareness of the products and sensor- driven decision analytics during their purchases. Besides, from the internet, the business will automatic and can directly control the process of optimization, resource optimization and can have independent systems. Nevertheless, in the age of internet today, if the business can predict and meet consumer needs will tremendously make the business become a more pleasurable experience to any consumers and like to continue to do the business in future. The prediction will move the business into infinity and vigorous circumstances of massive data as they have this ability power to evaluate the wars, current natural disasters, climate changes, geopolitics, advance telecommunications and other variables demand. In a business cycle, the ability to predict is apart from a strategy.

Entrepreneurs also booster the use of the internet as it increasingly high roles in searching job or business, whether used for gathering information, medium communication for interaction or as a session for relaxation that leads to technology innovation. Internet is a network tool it helps entrepreneur whether students, individual, small business or corporate company to sell products and services directly to customers on their smart devices without waste any extra of minutes. Today locus, traditional entrepreneurs must mash-up with modern digital technology. This was caused by the pandemic of COVID-19 that hit and paralyzes every stage of their business. Digital technology could assemble all manner of virtual resources that enable direct link from all groups of the consumer in the same network. Meanwhile, according to recent research, about 65% of primary school at an average are children will have a job in sectors may not yet exist according to new prediction follow through these days event. More to be the point, entrepreneurship has legally accepted in the community as they steadily adapt and define as an alteration that meets the demands between new technologies and the internet to become more necessity of the future.

#### 2.0 PROBLEMS

### a. Unemployment among fresh graduate keep raise and difficult to find job

Unemployment affected Malaysia in the early year 1980's to 2010 from the past research (Mariana Mohamed Osmana, Syahriah Bachoka, Siti Aisyah Muslima, Nurul Izzati M Bakri, 2014). During the development process through programmed called Economic Transformation Programme (ETP). the rising population of unemployment in graduate students become critical scenario to Malaysia because of lack vacancies offered, the huge influx of foreign worker, mismatch skills and job selection, spatial job location offered, high demand on semi-skilled workers and others reason lead to this situation (Mariana Mohamed Osmana, Syahriah Bachoka, Siti Aisyah Muslima, Nurul Izzati M Bakri, 2014). Malaysia is one of the regional economies with a double-digit incidence of youth unemployment despite a low overall unemployment rate of about 10.7% from 21.6 was Indonesia. According to previous research

by Nasrudin (2004), unemployment can be attributed to eleven factors, which are capitalintensive economies, a rapid increase in graduate workforce, a lack of partnership between educational institutions and industry, a lack of training for job readiness, a rapid increase in the population rate and a rapid decrease in the rate of jobs.

### b. Lack of skills and outside of their expertise when they required to perform some task

According to Ministry of Higher Education during years 2012, in their report they reveal some evidence the lack of skills in students today which are the weak English ability 55.8%, unpleasant character, attitude or personality 37.4%, unrealistic wages 33%, abilities that do not match 30.2%, inability to solve problems 25.9% and lack of profound knowledge of skills 23.8% are the dominant problems reported among them (Lee Lai Fong, Gurnam Kaur Sidhu, and Chan Yuen Fook, 2013). New students must face daunting and demanding careers in the workplace because many employers often want to find seasoned talents as benchmarks for their role in the business. Because of struggling in today's situation and following the current government structure, a business itself could not afford to accept any new graduates to undergo an apprenticeship. The lack of skills today existed on graduate students because they did not prepare to entitle this job market. This action is often seen as a step in the right direction, but the fact seems to be that universities do not have the expertise to use them to get the business industry off its feet. Furthermore, another research carried out by Monster.com in Malaysia has shown that more than a third of the fresh students of Malaysia have left their first job in less than one year (Azahar, 2017). Lastly, most students have a lack of basic knowledge and skills job they demanded, lack of communication skills and language skills; and lack of general information.

### a. Struggle and frustrating from long wait of job vacancies in the middle of sputtering economy

Everyone from students to retirees, a sputtering economy implies miserable financial, psychological, and physical health implications. Not only exactly does that mean a few years of high unemployment or a couple of years of living in the apartment buildings of their parents. This meant a complete decade of lost wages and even more house environment with low economic status is often linked with stress. This is what struggle and frustration mean living as a graduate student without no work but must pay huge bills. In general, though, getting in the job at a government or private sectors, they will receive minimum or starting amount of fixed income in every month without considering another option like being an entrepreneur that need many sacrifices in term of wages and remuneration. Graduated from any universities is no longer guarantees for the job secure because the number of job seekers is higher than job vacancies.

#### 3.0 LITERATURE REVIEW

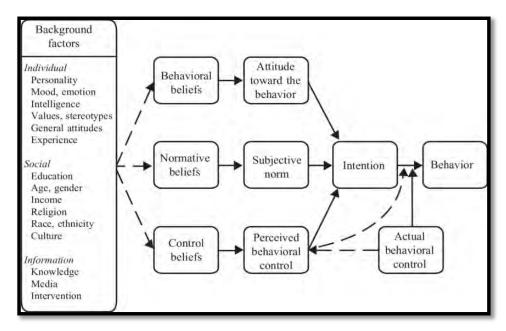


Figure 3.0 shows an important theoretical perspective and it considers as the resource combination of organization (Prahalad & Hamel, 1997). This theory presents the use of organization resources to obtain a competitive advantage and achieve high performance in market (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993).

In this paper, we enlarge the Ajzen (1991) theory of planned behaviour TBP, as an intention model in order to accurately measure and help to keep the ways of this study on student's internet entrepreneurship intentions. The internet entrepreneurship is sub-seed of digital entrepreneurship where all physical assets has become digitized (Esmaeeli, 2011 and Hull et al. 2007. So internet entrepreneurships imply activities that associated with digital goods or services or all the activities with be conduct in digital. The adoption of technology defined through TAM Theory that has broadly expand into another theory which is TPB by Ajzen in 1993 where behaviour of entrepreneur is unpredictable according to psychological nature that be measure by entrepreneurial intention base on behavioural beliefs, normative beliefs and control beliefs can affect the most intentions. In this theory, there three selection factors indicate to TPB which are ICT adoption under behavioural beliefs, family background called under normative beliefs and entrepreneurship education is under control beliefs. The TPB by Ajzen is useful in explaining any type of behaviours in the wide range. Besides, Ajzen TPB said the strong factors of behaviour is individual's intention here refers to the entrepreneur scope, where this intention create by motivation that push them to react on some certain of behaviour. The TPB model in some literature is support by EI, it shows the link between EI, intention and behaviour (Krueger et al., 2000; Guerrero et al., 2009; and Gelderen et al., 2008). Moreover it influences on data whereby it found about 0.53% the overall data correlation in meta-analysis between intention and behaviour (Sheeran, 2002).

### a. The Internet Entrepreneurships Intention Create by ICT Adoption

Students can't be separate from technology and internet, because they are the generation that generate of tech savvy that create new foam of opportunities to develop in internet entrepreneurships and open the new advance business that emerge with technology through talent, cash venture and instantaneous decision-making skills (Byers, 1983). ICT adoption in

internet entrepreneurship make students pursuit straightforward and can utilize the existing technology as much as possible to venture also integrate with social welfare and prosperity. Moreover the incentive from ICT adoption can increase the attractiveness of internet entrepreneurships these related with credit profile, government programs, loans, the information and communication, also influence the sensitize about entrepreneurship among students (Sabri et al., 2008). What's more, the growth of internet user in students who live in rural areas will lead by ICT development, plus help the intention to be internet entrepreneurship evermore (Arunachalam, 2004). ICT itself is built in the foam of software and hardware through technology whereby it allowed the flow of communications and information transfer that capture by electronic process (Parliamentary Office of Science & Technology, 2006). The technology evolution from ICT development is consider as a new section for online resource to advance the effective performance of the business by sharing electronic data transfer. The electronic data transfer use in internet entrepreneurship business regard to ICT adoption will receive an improvement and progressive in output, social environment, effective government service and economic conditions (Crandall, Lehr, & Litan, 2007; Gillet, Lehr, & Sirbu, 2006 and LaRose et al., 2008). On top of that, the utilize of ICT adoption on internet entrepreneurships can mould the creativity of local entrepreneurship business not only just for students by selling the products or services, brand name and can construct the local setting. It also allowed the business to have permit for expansion, change whole of the business looked, help the business to enter in new market and design a new branch for new customers.

HI = There is a significant relationship between internet entrepreneurship intention and ICT adoption among students

### b. The Internet Entrepreneurships Intention Create by Entrepreneurships Education

Some study agrees that in shaping and curb the internet entrepreneurial behaviour support them through education which allow them to help to merge with economic growth plus prepare them in a healthy business environment (White R.E., Thornhill S. and Hampson E., 2007). Moreover according to previous research also agreed entrepreneurship educational provide necessary knowledge about internet entrepreneurship with good and efficient technique of knowledge to practical use (Mumtaz et al., 2012 and Turker & Selcuk, 2009). Hence to enhance the internet entrepreneurial confident, every universities need to provide and encourage entrepreneurship curricula program that give more advance skills to students, the level of self-confident surely influence by internet entrepreneurial education and the intention as it able to high believe in their self and confident to be able manage their own business more manageable and achieve the success in the future Boyd and Vozikis (1994); Peterman and Kennedy, 2003; Izquierdo and Buelens (2008) and Drost Ellen (2010). The entrepreneurships education help students to become internet entrepreneur as it influences by knowledge that they learn also it become career choices (Peterman and Kennedy, 2003). Therefore entrepreneurships education through proper and an adequate information will boost up the internet entrepreneurial intention also gain interest towards internet entrepreneurship career decision (Gelard & Saleh, 2010). Students were prepared by entrepreneurship knowledge and experiences can recognize opportunities by their selfindependencies it could bring sustainable development in the future as they can avoid any personal threat, natural hazards and benevolence. It can gain more of their motivation through complex opportunities and help economic not to fall on inflation. There are major different between students that receive higher motivation in entrepreneurship education than students without the entrepreneurship education (Solesvik, 2013). Besides motivation that create by entrepreneurship education is linked between the attitude and

intention. This has proved by past researcher where entrepreneurship education and behaviour of student's has significant positive relationship that obtain the increasing student's mindset as it could expose them into real-worlds skills and knowledge (Tam, 2009 and Dell 2008). Hence, entrepreneurship education can't be separate with economic environment as it interrelated with each other to develop economic scale and shows positive relationship. Moreover, this relationship keeps minimize the perception on situation like barriers ahead and risk of internet entrepreneurship example human investment, financial capital, determining of opportunity, material gaining and technology adoption. Plus in advance, it increases their entrepreneurial knowledge as it become a base or foundation when they want to start new business in handling the management process (Clouse, 1990; Ahmed et al., 2010 and Zhou et al., 2012).

H2 = There is a significant relationship between internet entrepreneurship intention and entrepreneurship education among students

### c. The Internet Entrepreneurships Intention influence by Family Background

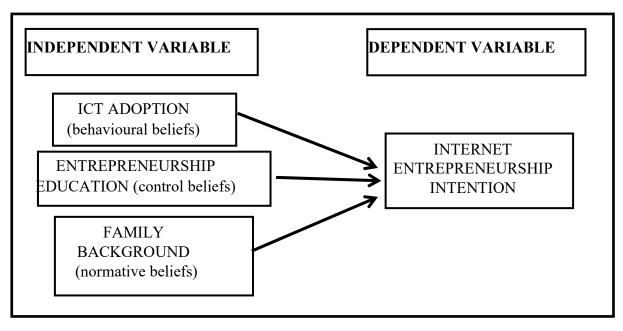
Family background is the last independent variable relations that need to put on test conducting on this research. Family support is important encouragement to internet entrepreneurships intention as they are nearest members, spouses, relatives and associated with entrepreneur's development as they want to start-ups the venture (Davidson & Honig, 2003 and Baughn et al., 2006). Also in this scenario, the emphasis is on colleagues and significant others (as mentors) who may encourage or disapprove of the concept of entrepreneurial action taken by students. The family, friends or others are the most relational support who powerfully influence the approval and support the involvement of entrepreneurial activities (Türker and Selçuk, 2009). As we know, family background can consist environment of internet entrepreneurship intention be more favourable, and students might want to engage more in entrepreneurship activities, this is what we called trigged effect. Their roles are prominently influenced to students in making the decisions and becoming internet entrepreneur (Nanda and Sorensen, 2009). They are the one who willing to give information, supervision, figure of good example and supportive roles (Postigo et al. 2006). A good figure is a set of examples that will lead students to be more confident and inclined to become an internet entrepreneur, hence inspired them to be more successful motivated in this career. The family background impact was also a crucial factor that offered a history of knowledge and inspiration for students to pursue entrepreneurial practises (Bagheri and Pihie, 2010). Research findings have also revealed that student with a family who became an entrepreneur are often more likely to exhibit entrepreneurial intention (Krueger, 1993) (Krueger, 1993). Studies have also revealed that people having a parent who is an entrepreneur are more likely to express entrepreneurial intention (Krueger, 1993). A parent who aware of this situation will facilitate tangible support like supplies and equipment that can help their entrepreneurial activities. Additionally, member of the family who has awareness and innovations especially parents, may not have the most up-to-date information to promote the invention processes of internet entrepreneurs.

H3 = There is a significant relationship between internet entrepreneurship intention and family background among students

#### d. PROPOSED CONCEPTUAL FRAMEWORK

The purpose of this research is to examine the relationship between the factors influence and the internet entrepreneurship intention within UMK City Campus students. It is illustrated by three factors which are ICT adoption, entrepreneurship education and family background. Figure 3.0.1 shows the establishment of conceptual framework for this research.

The model used as follow:



#### 4.0 RESEARCH METHODS

In this research, a quantitative research method has been applied. The researchers apply a case study and survey in this research study. A case study is implemented in this research study as it assists researchers to understand and define the detail description of a phenomenon in depth within its perspective (Yin, 2003). Meanwhile, forwarded the survey link about 741 questionnaires, but received and only selected 266 questionnaires are collected from the target respondents which is UMK City Campus students to participant in the survey. Respondents selected in the research study indicated that the information received is from knowledgeable Purposive sampling techniques are applied for selecting the convenience sampling since it is enables researches to obtain complete questionnaires quickly and economically whereby respondents are randomly selected for the ease of researcher. Likert scale is applied in the research. Section A has five questions which are intended with an arrangement of nominal scale and ordinal scale. The nominal scale is applied to identify the respondents' wide-ranging info which is gender, age, courses, places, hours and network. The 5-point Likert scale in section B allows respondents to indicate their consent or disagreement with the statement of the problem. The scope ranges from "very disagree", "disagree", "somewhat agree", "agree", to "strongly agree. There are several types of analytical techniques that are used to check the accuracy of the data collected throughout the research such as descriptive analysis, normality analysis, pilot test and Spearmen's Rho correlation coefficient analysis.

#### 5.0 ANALYSIS AND DISCUSSION

#### a. Demographic Profile of Respondents

The demographic of the respondent is collected and recorded in the table 5.0.1. The demographic includes with gender, age, courses, internet access, internet network, spending hours and internet entrepreneurship. Based on the result, there is 36.8% of 98 male respondent and 63.2% of 168 female respondent in the data. It concludes that the total of female respondents is more than the total of male respondents. The result explained by the fact that the participation of the study is characterized by a female dominated the survey questions. As for the age majority is in the age

range of 24 - 25 years who agreed to participate in the studies which is 33.2% of the respondents. Majority of the respondents is Malay students hold with the number 207 with the percentage is 77.8. There are very high number according to courses in UMK City Campus about 82 respondent and the percentage is 30.8 more than other courses fill in the survey. As for internet access among of them answer both at home and outside home as its complementary items for today necessary use, so 204 respondents follow by 76.7%. Moreover, majority for internet network they use oftenly is both wi-fi and mobile cellular data with 173 numbers answer them with the percentage is 65.0%. there are 186 respondents with 69.9% answer more than 4 hours they spent on the internet to streaming. Lastly as for do they want to be internet entrepreneurship, about 123 respond to maybe answer followed with the percentage is 46.2%.

Table 5.0.1: Respondent's Demographic

Variables	Frequency (n= 266)	Percentage (%)
Gl	ENDER	
Male	98	36.8
Female	168	63.2
	AGE	
20-21 years	80	30.1
22-23 years	80	30.1
24-25 years	83	33.2
26 years and above	23	8.6
I	RACE	
Bumiputera Sarawak	1	0.4
Chinese	31	11.7
Iban	1	0.4
Indian Muslim	1	0.4
Indian	25	9.4
Malay	207	77.8
CC	URSES	
SAB	82	30.8
SAE	25	9.4
SAK	37	13.9
SAL	42	15.8
SAR	80	30.1
INTERN	ET ACCESS	
Both at home and outside home	204	76.7
only at home	47	17.7
only outside the home	15	5.6
INTERNE	T NETWORK	
Both Wi-fi and Mobile Cellular Data	173	65.0
Mobile Cellular Data	77	28.9
Wi-Fi	16	6.0
	ING HOURS	
1 hours	15	5.6
2 hours	24	9.0

4 hours	41	15.4					
More than 4 hours	186	69.9					
INTERNET	INTERNET ENTREPRENEUR						
Maybe	123	46.2					
No	40	15.0					
Yes	103	38.7					

### b. Descriptive Analysis

**Table 5.0.1 Descriptive Statistics** 

Item	N	Mean	Std. Deviation
DV1: Internet Entrepreneurship Intention	266	4.2723	.71056
IV1: ICT Adoption	266	4.32	.592
IV2: Entrepreneurship Education	266	4.29	.604
IV3: Family Background	266	4.14	.743

The table shows the descriptive statistics of Dependent Variables (DV) is Internet Entrepreneurship Intention, while Independents Variables are ICT adoption (IV1), entrepreneurship education (IV2) and family background (IV3). In this research, the ICT adoption has the highest mean which is 4.32. Then, second follows are entrepreneurship education which is the mean 4.29, the third place ranked by internet entrepreneurship intention with the mean is 4.2723 and lastly will be family background with the mean is 4.14 respectively. However, the factor influence on family background has the lowest mean which is 4.14. The result shows that majority of the respondents agreed that ICT adoption is most important factors influence the intention on them, want to be an internet entrepreneurship. Undoubtedly, it is strategy for internet entrepreneur for growth in business when adopt to ICT which can offer best prospects to overcome the challenging part on entrepreneurial activities (Hollifield & Donnermeyer, 2003). Absolutely the adoption from ICT development could eliminate any barriers or problem arise that replace with generate income, increase productivity, become the best network of communications, prepare job-field and can delivered the task easily (Ghazy et al., 2008 and Rahman et al., 2005).

### c. Spearman's Rho Correlation Coefficient

Table 5.0.3: Summary of Spearman's Rho Correlation Analysis

			IV1	IV2	IV3	DV
Spearman	IV1	<b>Correlation Coefficient</b>	1.000	.798**	.690**	.672**
's rho		Sig. (2-tailed)	•	.000	.000	.000
		N	266	266	266	266
	IV2	<b>Correlation Coefficient</b>	.798**	1.000	.754**	.729**
		Sig. (2-tailed)	.000	•	.000	.000
		N	266	266	266	266

IV3	Correlation Coefficient	.690**	.754**	1.000	.840**
	Sig. (2-tailed)	.000	.000	•	.000
	N	266	266	266	266
DV	Correlation Coefficient	.672**	.729**	.840**	1.000
	Sig. (2-tailed)	.000	.000	.000	•
	N	266	266	266	266

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

By using the Spearman's Rho Correlation Coefficient table, the study can determine the relationship between the dependent variable and the independent variables Based on the literature review and the current studies, the hypotheses can be formulated as the awareness of ICT adoption, entrepreneurship education and family background have a significant positive relationship towards the factors influence internet entrepreneurship intention. Table 5.0.3 shows the results of Spearman's Rho correlation coefficient analysis. The objective of Spearman's Rho correlation coefficient is to define strength of association between independent and dependent variables. On the other hand, to define significant, p-value must be higher than >0.05. Based on the results, the four independent variables (ICT adoption, entrepreneurship education and family background) have a positive relationship towards the factors influence internet entrepreneurship intention. Based on table it shows that all the variables have substantial significant positive correlation with internet entrepreneurship intention which is factor IV1 (r=1.000), IV2 (r=0.798) and IV3 (r=0.690). According to the rules of thumbs, this indicates that there is a very strong relationship between the ICT adoption towards the internet entrepreneurship intention within UMK City Campus students.

### d. Hypotheses Testing

**Table 5.0.4 Summary of Hypothesis Testing** 

	Hypothesis	Significant Value	Magnitude Relationship	Supported or Rejected
H1	There is significant relationship between ICT adoption and internet entrepreneurship intention	1.000	Substantial	Accept H1 hypothesis supported
H2	There is significant relationship between entrepreneurship education and entrepreneurship intention	0.798	Substantial	Accept H2 hypothesis supported
Н3	There is significant relationship between family background and internet entrepreneurship intention	0.690	Substantial	Accept H3 hypothesis supported

Source: Develop for The Research

Table 5.0.4 shows the summary of hypothesis testing. To conclude, there are relationship between all independent variables (ICT adoption, entrepreneurship education and family background) against dependent variable (internet entrepreneurship intention). All these

hypotheses to address research question one, two and three. The proposed theoretical framework is accepted.

### H1 = There is a significant relationship between internet entrepreneurship intention and ICT adoption among students.

Based on the table, the value of correlation is 1.000 able to prove that there is a positive relationship between internet entrepreneurship intention and ICT adoption among students. This show how internet, social media platform and ICT adoption really important to engaged together which it help students to have better communication and can smoothly conduct the business (Cooke and Buckley, 2008; Datis, 2014; Liu and Ying, 2010 and Edosomwan et al., 2011). The power of ICT adoption and development to internet entrepreneur intention as it can operate the business through website or social media tools and can spread the message more evenly also can test their new markets (Nasir et al., 2017).

### H2 = There is a significant relationship between internet entrepreneurship intention and entrepreneurship education among students.

According to our study result, the hypothesis H2 is accepted with the correlation is 0.798. There is a positive relationship between internet entrepreneurship intention and entrepreneurship education among students. Conversely, students who didn't seem engage in entrepreneurship education have a poor internet entrepreneurial intention, which decreases their interest in internet entrepreneurship. It has been proven by researcher in USA, entrepreneurship education enhances the economic growth as new companies and new ventures extremely expand their business globally (Drost, 2010). Hence, entrepreneurship education can't be separate with economic environment as it interrelated with each other to develop economic scale and shows positive relationship.

### H3 = There is a significant relationship between internet entrepreneurship intention and family background among students.

The table above indicate the value of the correlation is 0.690 able to prove that there is a positive relationship between internet entrepreneurship intention and family background among students. From parents' interactive communication with their children have influences the perspective of normative view. That being said, entrepreneurial independence promotes the creation of entrepreneurial interest in the family's position (Bahheri and Pihie, 2010). Research findings have also revealed that student with a family who became an internet entrepreneur are often more likely to exhibit internet entrepreneurial intention (Krueger, 1993) (Krueger, 1993).

#### 6.0 CONCLUSIONS AND RECOMMENDATIONS

#### a. For Universities

The finding that the students from the business background showing higher internet entrepreneurial intention where there is a growing concern base on their entrepreneur knowledge. There will be broad the research and development also can eventually market those products. Those who have attended courses training have indicated significantly higher internet entrepreneurial intention that will reveal the entrepreneurship attituded or behaviour as university compulsory the subject in the curricula. The university should take the approach this course oh higher level of education but also on schools. The programme or course maybe can focus more on how to help them in manage the consumption, or how to maintain compulsory savings or help them find the way to become more knowledgeable in internet entrepreneurship. So, it can help students to make better in decision making in future.

### b. To Students

For students, they need self-initiative to provoke the internet entrepreneurial intention base on the knowledge, take experience base on people around them and facilities around them. This will improve or increase their awareness towards internet entrepreneurial intention because from this research findings, it can say the entrepreneurial level among them is moderate but the effect of lack self-initiative. This finding can be improved by demographic question, about do they want to internet entrepreneur, the higher scale that they rate is maybe. So, in order to increase the internet entrepreneurial intention level, the students should join more and can be done through seminars and training courses tailored towards this issue. The results also show that many of the young undergraduate have incredible potential and very innovative, but they need more special entrepreneurial training in order to transform from neutral potentials to internet entrepreneurial leaders and creators of enterprises.

### c. Future Research

It would be more useful for those with stronger studies in the future. These were recommended that the constraint issue findings of the study be solved in continued study. First, the research should be extended broadly by the study. The analysis findings will become more and stronger as the scale of the study is extended. Therefore, a society including teachers, lecturers and students will benefit considerably. In addition, the questionnaire should be delivered directly to the respondent by hand although today scenario we are not supposed to have direct contact because of pandemic Covid-19. But for this research, this will ensure the respondent can react naturally or the respondent can ask the researcher if he or she struggles to understand the questions he or she has asked. In addition, study could be offered a chance to enhance the research by giving the interview subject their own interpretation and input. For potential scientists it is recommended that the research is carried out in various fields or in considerable distances, such as different educational level, or includes a diversified colleges or universities. In turn, the prospective researcher can also concentrate on other variables and attempt to discourage common variables from being included.

#### 7.0 ACKNOWLEDGEMENTS

This work is supported by Faculty of Entrepreneurship and Business, University Malaysia Kelantan. The completion of this research would not complete without assistance and participation of so many people whose names that cannot be enumerated. The researchers are very much thankful to who provided detail guidance, expertise and valuable advice in the process of writing this *DR YUSRINADINI ZAHIRAH BINTI MD ISA@YUSUFF* research. She inspired and motivated us to work hardest to complete the analysis. Researchers wish to express sincere thanks and gratitude to all those interviewed who, despite their busy schedule, were able to participate. We are thanked as well as honoured for their contributions to this study. The researchers were also thankful for their contributions and sacrifices to the families and friends. Despite everyone this study will not be successful.

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# FACTORS OF SATISFACTION TOWARD ONLINE FOOD DELIVERY APPS AMONG GENERATION Y IN KUALA LUMPUR

### Wong Kar Wei and Mahathir Muhamad

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: wkwei.a17a0779@siswa.umk.edu.my; mahathir.m@umk.edu.my

#### Abstract:

With the emergence of various food delivery service providers through the internet and mobile applications, online food delivery services are becoming more advanced in Malaysia. Rapid growth of internet service has provided customers a lot of benefits. Therefore, this research project establishes a valid measure on factors of satisfaction toward Online Food Delivery Apps among Generation Y in Kuala Lumpur. The major aim of this research project is to identify the factors influencing Generation Y satisfactions towards Online Food Delivery Apps. In addition, it investigates the relationships between the independent variables (service quality, food quality and trust) and dependent variable (Online Food Delivery Apps toward Generation Y satisfaction). Primary data were collected through survey questionnaire with 384 respondents who have experience in Ordering Food Online and their age are from 24 – 39 years old who live in Kuala Lumpur. The data were analysed by Statistical Package for Social Sciences (SPSS) version 25. Data analysis was done for reliability analysis, descriptive analysis, , normality test, Pearson correlation analysis and hypothesis testing. The result showed that there have significant relationships between factors (service quality, food quality and trust) and Online Food Delivery Apps toward Generation Y satisfaction. Lastly, this research had brought significant contributions to the university/academic, researcher and government. At the end of project, the limitations and several recommendations will be addressed and presented in this study.

**Keyword:** Online Food Delivery Apps; Satisfaction; Generation Y; Kuala Lumpur

### 1. Introduction

### 1.1 Background of the Study

Digital information technology and their offspring, such as computers, the internet, smart phones, tablets, mobile applications, have fundamentally changed daily lives of people (He, Han, Cheng, Fan, & Dong, 2019). The advent of Information Technology has paved ways to procure quality food with much ease. Due to the paucity of time professionals across all spectrum of occupations prefer to fetch food online as it saves a lot of resources especially time. Intrinsically ordering food through online food apps has become an innate human tendency (Hamid, Sood, & Seth, 2020).

With the emergence of various food delivery service providers through the internet and mobile applications, online food delivery services are becoming more advanced. Due to busy schedules or heavy traffic jams, individuals do not have time to go out to buy food. With the help of Go-Jek's, Go-Food and other food delivery service, individuals can now conveniently order food via their smartphone, food delivery companies will deliver food directly to the place of order. Therefore, this is considered a trend that will continue for some time (Prabowo & Nugroho, 2019).

There are a lot of online food delivery apps in Malaysia. The three top online food delivery apps in Malaysia are Grabfood, Bungkusit, and Foodpanda (XphX, 2020). For reasons such as visible price menu, complete service details, real-time delivery tracking, push notifications, multiple payment options, GPS search of nearby restaurants, better interface, and discounts and deals offered, online food delivery applications have become popular (Reddy & Aradhya, 2020).

Besides that, Online Food Delivery Application provides a complete food ordering and delivery solution system. It offers a single window for ordering from a wide variety of café and restaurants and has its unique fleet of delivery personnel to pick up and deliver food to the customer (CHETAN PANSE, SHARMA, & DORJI, 2019).

Based on the newspaper article, Pew Research Centre decided a year ago that the last birth year for generation Y is 1996. Generation Y is born between 1981 -1996, and their age is from 23-38 years old in the years 2019. They also can be referred to as Millennials, and anyone born after 1997 belongs to a new generation (Michael Dimock, 2019). According to San, Omar, and Thurasamy (2015), Generation Y is a group of consumers who are always involved in Online Shopping.

While online shopping has given society many benefits, there are also some negative concerns regarding online shopping (UKEssays, 2018). The number of individuals who want to order the delivery of food is increasing. At present, 47% of the market for food orders is offline, while 53% is online. But as the industry of food delivery apps grows, food delivery companies face significant challenges (Julia Matyunina, 2020). Therefore, this complete framework is needed to understand the factors of satisfaction toward online food delivery apps among Generation Y in Kuala Lumpur.

#### 1.2 Research Objectives

The objectives of the study as following:

- (1) To determine the relationship between service quality and Generation Y satisfaction toward Online Food Delivery Apps.
- (2) To determine the relationship between food quality and Generation Y satisfaction toward Online Food Delivery Apps.
- (3) To determine the relationship between trust and Generation Y satisfaction toward Online Food Delivery Apps.

### 2. LITERATURE REVIEW

### 2.1 Generation Y Satisfaction toward Online Food Delivery Apps

Consumption habits and people's purchasing food behaviour have changed significantly in a study conducted by K Group in Finland in 2017. To make any food choices, customers want more accurate information and expect more varied foods than before. It has happened because the internet's ability to search for data and compare goods enables consumers to be smarter, thirstier (for information), have a more varied choice, and prefer to get something quickly when buying food. Consumers now tend to shop on e-commerce platforms because they can easily shop without time constraints in their homes. The use of the internet from year to year also encourages e- commerce penetration, which continues to penetrate various sectors. (Prabowo & Nugroho, 2019).

Due to the increase in the number of working populations and tight working hours of work-life culture in metro cities, the changing presence of urban customers has triggered the emergence of online food delivery services (Saad, 2020). Businesses today recognise that to be competitively viable, they must satisfy consumers and deliver quality services. For several years, service firms have measured customer satisfaction and quality of service to gauge how well they meet customer needs (Dabholkar, 1995).

Consumer satisfaction measures how the organisation has fulfilled customer needs for the product or service delivered. Customer satisfaction is an abstract concept and involves factors such as service quality, food quality and trust. Businesses often use customer satisfaction surveys to measure customer satisfaction. Companies that use customer satisfaction to measure the success of a marketing strategy or marketing plan (Lee & Eun-Ju, 2005).

The concept of online food delivery system is the delivery of food at the doorstep of the consumer. It is the process by which the customer's order food online from their favourite food stores or restaurants using the mobile app or through websites providing the feature of zero mobility to customers while having the favourite food at his doorstep (Hamid et al., 2020).

Moreover, customers always take advantage of selecting the food of their choice from the massive food options and virtual menu. The digital revolution is reshaping everything; in order to order food online, you only need a smartphone and internet access. The few reasons behind the growing

popularity of ordering food through online apps are the quality, quantity, discount, food customization, on-time food deliveries of various parameters. Seeking comfort is the priority of every customer (Hamid et al., 2020).

Online food ordering through the web or mobile applications connects the eater and restaurants. The websites and applications are tailored to meet the needs of eaters and provide them with a better service. This model is a massive success because of the simplicity of the customer's choice to conveniently choose food from the menu, the convenience of placing an order with the service provider and the convenience of paying through multiple channels (Reddy & Aradhya, 2020).

#### 2.2 Service Quality

With the presence of food delivery services to provide the customer with ease in getting the food products. In this case, with quality service delivery between good food, the quality of service can be one measure of success in ensuring consumer satisfaction, so it can increase customer satisfaction that impacts increasing customer loyalty (Ilham, 2018).

Service quality refers to the customer's opinion on a product's quality and is similar to attitude (Haghighi, Dorosti, Rahnama, & Hoseinpour, 2012). (Zeithaml, Berry, & Parasuraman, 1988) state that to measure service quality, a multi-item scale called SERVQUAL was developed, which shows that the service quality perceived by customers comes from the comparison of customer expectations and their perception of delivery performance. (Jamal & Anastasiadou, 2009) demonstrate that service quality is "magnitude and direction of the discrepancy between perception and expectations of the consumers".

Lastly, service quality plays an essential role in customer satisfaction because it is the customers who are the patrons of the goods or services. Consequently, effective methods for evaluating the service standard are invaluable to companies who earn their profits or part of it from the delivery service. (Zulkarnain, Ahasanul, & Selim, 2015).

#### 2.3 Food Quality

Quality food can be defined as well-presented, fresh, and delicious food. (Ha & Jang, 2012). From their research, (Namkung & Jang, 2008) identify the presentation and taste of food as the most critical factors in food quality, whereas (Ha & Jang, 2012) identify food variety as the most important contributor. According to (Sahari, Basir, & Jangga, 2012), restaurants can also address additional considerations such as cost, presentation, taste, portioning, and value for money while addressing food quality issues.

Understanding the perceptions and representations of food quality by consumers is essential. This is because consumers will concentrate their purchasing decisions on these beliefs (Van Rijswijk & Frewer, 2008). According to (Al-Tit, 2015), there have five aspects of food quality: The food is fresh, the food is delicious, the food is nutritious, a selection of menu items is available, and the food's scent is appealing.

Moreover, food quality variables have typically been a fundamental part of the overall experience of the restaurant. The description of food quality concept is evaluating the quality of food before and after purchase. Food quality can be defined based on this understanding as an essential feature that affects customer experience in buying food. (Sjahroeddin, 2018).

Food quality is related to food performance that meets the needs of customers in restaurants (Ha & Jang, 2012). According to (Namkung & Jang, 2008), detailed indicators such as the menu, freshness and health, the way the food is displayed and the food temperature used to assess the quality of the food. The food quality was identified as part of the menu, the size of food, the presentation and other measures in restaurants. Therefore these indicators, as well as the delivery time, delivery package, and so on will indicate the online food quality in this study from the views of the delivers (Namkung & Jang, 2008).

#### 2.4 Trust

A shopper would not purchase anything from an online or physical store without trust. (Mayer, Davis, & Schoorman, 1995). Trust is described as the willingness of customers to accept vulnerability in an online transaction based on their positive expectations of future behaviour in the online store. (Kimery & McCord, 2002). This implies that trust is the willingness of a customer who wants to shop online. In online shopping, consumers rely on and behave on the seller, rendering the customer vulnerable to the seller.

Furthermore, customers are more willing to purchase via online when they trust the seller: they believe that the seller is credible, reliable, and trustworthy. When customers carry out the transaction through the Internet, such as internet banking and direct debit by using credit card or debit card, they had trusted these payment systems are secured. They believe that the sellers and the payment system protect their personal information and credit information. All these three perspectives of trust are essential. When one of these does not obtain by the customer, the trustworthiness will not exist, and customers will not purchase online. Therefore, trust is the critical barrier for the customer involved in online purchase.

Trust is fundamental just in unsafe circumstances, and to trust implies to go out on a limb and abandon oneself helpless against the activities of those one trusts (Yao-Hua Tan, 2000). The past research also has shown that apparent trust assumes an essential part in E-Commerce because of the insignificant eye to eye cooperation amongst retailers and shoppers in the web-based setting (Liat & Wuan, 2014). Trust refers to the observation of shoppers to the conduct of online retailer because of their capacity, generosity and trustworthiness (D Harrison McKnight, 2001). Most customers agree that large organisations are more trustworthy in the e-commerce situation and affect their loyalty and purchasing intention through e-commerce (Koufaris & Hampton-Sosa, 2004). Online purchasing expectations of consumers may increase when buyers think that their private information is being secured and guaranteed. (Chiu, Lin, & Tang, 2005).

### 2.5 Research Hypothesis

The research hypothesis was formulated to identify the factors influencing the participation of service providers in Shared Economy regarding the previous literature.

H<sub>1:</sub> There is a significant relationship between service quality and generation Y satisfaction towards Online Food Delivery Apps.

H<sub>2</sub>: There is a significant relationship between food quality and generation Y satisfaction towards Online Food Delivery Apps.

H<sub>3:</sub> There is a significant relationship between trust and generation Y satisfaction towards Online Food Delivery Apps.

#### 3. METHODOLOGY

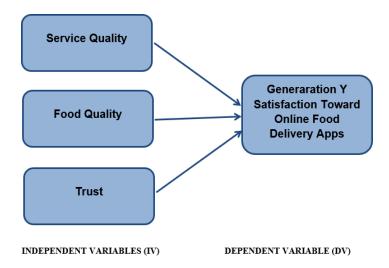


Figure 1: Conceptual Framework

This study uses both types of data collection method which are primary and secondary data. This study used survey questionnaire as the primary data source by using questionnaire, while in the secondary data collection is from journals, scholarly journals, magazines, museums, company's report, internet and electronic database. A purposive sample size of 384 of Generation Y from Kuala Lumpur were selected as respondents of this study. The target respondents of this study are Generation Y from age 24-39 years who lived in Kuala Lumpur and the questionnaire were only distributed among this specific group of people. According to Department of Statistic (2020), the total population of Generation Y in Kuala Lumpur is 405,000. The selection of the sample in this study will be purposive sampling. Based on Tongco (2007), purposive sampling is the most effective sampling technique that we use when we want to get targets sample quickly with select

the respondents to have the same characteristics. After the data collection process was done, SPSS software is used to conduct the analysis. SPSS is a predictive software to enable accurate analysis of result for better decision making and problem solving in academic research. In carrying out this research, there are a few types of analysis methods that will be used, which are descriptive analysis, pilot test and reliability analysis, and Pearson Correlation analysis.

#### 4. FINDINGS

#### 4.1 Reliability, Mean and Standard Deviation

Table 1: Reliability, Mean and Standard Deviation

Variables	Cronbach's Alpha	N	MEAN	SD
Generation Y Satisfaction toward	0.885	384	4.0193	0.581
Online Food Delivery Apps				
Service Quality	0.833	384	3.9062	0.6792
Food Quality	0.755	384	3.5062	0.6561
Trust	0.846	384	3.6370	0.5714

Based on Table 1, Reliability Test among the variables has been measured by Cronbach's Alpha are more than 0.7 therefore all the variable was well-established with good level of reliability. Moreover, table 1 also shows the mean and standard deviation for Generation Y Satisfaction toward Online Food Delivery Apps, Service Quality, Food Quality and Trust.

The findings reflect that the factor of Service Quality on Generation Y Satisfaction toward Online Food Delivery Apps in Kuala Lumpur is highest compared to Food Quality and Trust. This is because the values of the mean of Service Quality was scored 4.00 and above while Food Quality and Trust is below 4.00. From above results, it concludes that Service Quality is the worthiest elements which influence Generation Y Satisfaction toward Online Food Delivery Apps and Food Quality has the least contribution to satisfy Generation Y.

#### 4.2 Correlations

Table 2: Pearson Correlation Coefficient

#### Correlations

	Correlations				
		Generation Y Satisfaction toward Online Food Delivery			
		Apps	Service Quality	Food Quality	Trust
Generation Y Satisfaction	Pearson Correlation	1	.660**	.677**	.567**
toward Online Food Delivery	Sig. (2-tailed)		.000	.000	.000
Apps	N	384	384	384	384
Service Quality	Pearson Correlation	.660 <sup>**</sup>	1	.597**	.639**
	Sig. (2-tailed)	.000		.000	.000
	N	384	384	384	384
Food Quality	Pearson Correlation	.677**	.597**	1	.753**
	Sig. (2-tailed)	.000	.000		.000
	N	384	384	384	384
Trust	Pearson Correlation	.567**	.639**	.753**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	384	384	384	384

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 1: There is a significant relationship between Generation Y Satisfaction toward Online Food Delivery Apps and Service Quality. The r value of Service Quality was 0.660. Besides that, the P value which is 0.000 showing the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, the result showed that there is a moderate positive relationship between Generation Y Satisfaction toward Online Food Delivery Apps and Service Quality.

Hypothesis 2: There is a significant relationship between Generation Y Satisfaction toward Online Food Delivery Apps and Food Quality. The r value of Food Quality was 0.677. Besides that, the P value which is 0.000 showing the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, the result showed that there is a moderate positive relationship between Generation Y Satisfaction toward Online Food Delivery Apps and Food Quality.

Hypothesis 3: There is a significant relationship between Generation Y Satisfaction toward Online Food Delivery Apps and Trust. The r value of Trust was 0.567. Thus, the P value which is 0.000 showing the significant value for the analysis where it is lower than the alpha root which is 0.01. Therefore, the result showed that there is a moderate positive relationship between Generation Y Satisfaction toward Online Food Delivery Apps and Trust.

#### 5. DISCUSSION

### 5.1 Key Findings

This study was conducted to find out about the Factors of Satisfaction toward Online Food Delivery Apps among Generation Y in Kuala Lumpur. In this research, primary data was taken by a set of questionnaires that was used and been distributed to get feedback from the respondent. The sample of respondent are 384 that have been selected.

The main objectives of this study were to determine the relationship between the dependent variable which was the Generation Y Satisfaction toward Online Food Delivery Apps and the independent variables which were Service Quality, Food Quality and Trust.

Therefore, the reliability was carried out using Google Form towards 384 of respondents. It was tested by Cronbach's Alpha Coefficient. The value of Cronbach's Alpha Coefficient for the independent variables for Service Quality is 0.885. Then, the value of Cronbach's Alpha Coefficient for Food Quality is 0.833. Finally, the value of Cronbach's Alpha Coefficient for Trust is 0.755. Both of variables which is Service Quality and Food Quality indicated the acceptable and good result respectively. Moreover, all the variables had satisfied the requirement of reliability because all the value of the variables was greater than 0.7.

The results showed in Table 4.20 that there is positive relationship between independent variables and dependent variable. Among the factors that listed out, the findings show that Generation Y Satisfaction toward Online Food Delivery Apps is having the highest moderate positive relationship with Food Quality (value of coefficient is 0.677). Hence, it shows that most of the respondents were agree with the statement descriptions of food quality. According to Atiyah (2016), all of the organization that provide online food delivery service always thrive to satisfy all of their customer of level of services and quality of food.

Researcher had performed the Pearson Correlation Coefficient to measure of the strength of a linear association between two variables as to meet the objective of the study. Table 5.1 showed the overview of the Pearson Correlation Coefficient, the strength between the service quality, food quality and trust were positive and no linear relationship.

#### 5.2 Discussion

Table 3: Summary of Pearson's Correlation Coefficient

Hypothesis	Significant	Conclusion	Correlation, r
1	0.000	Moderate	0.660
2	0.000	Highest Moderate	0.677
3	0.000	Lowest Moderate	0.567

#### 5.2.1 Discussion of Hypothesis 1

**H1**: There is a positive relationship between service quality and Generation Y satisfaction toward Online Food Delivery Apps.

In this study, the first research objective is to determine the relationship between Service Quality and Generation Y Satisfaction toward Online Food Delivery Apps. According to the results of Pearson Correlation Coefficient, Service Quality has moderate positive relationship after food quality where the value of r=0.660 and P value is less than 0.01. The respondents were all agreed that they are satisfied toward the service if the food delivery is on time. Customer is able to track their food preparation and delivery in real time. Atiyah (2016) concluded that the companies need to highlight on important ways to determine the relationship between customer satisfaction and quality of the service. Reliable delivery must be a priority and is crucial to the success of every online food delivery service.

#### 5.2.2 Discussion of Hypothesis 2

**H2**: There is a positive relationship between food quality and Generation Y satisfaction toward Online Food Delivery Apps.

Besides, the second hypothesis is to determine relationship between Food Quality and Generation Y Satisfaction toward Online Food Delivery Apps. Based on the result in previous chapter, Pearson correlation analysis between Food Quality and Generation Y Satisfaction toward Online Food Delivery Apps has highest moderate positive relationship among those three factors where the value of r = 0.677 and P value is less than 0.01. The respondent was mostly agreed with the proper packaging and good condition of foods delivered is utmost important to them. Food presentation and taste are the significant factors in food quality. Based on (Kedah et al., 2015), condition of food delivered which are fresh, well-cooked and well-presented are important food characteristics for the customers to be satisfied and reorder.

#### 5.2.3 Discussion of Hypothesis 3

H3: There is a positive relationship between trust and Generation Y satisfaction toward Online Food Delivery Apps.

Finally, the third hypothesis is to determine relationship between Trust and Generation Y Satisfaction toward Online Food Delivery Apps. Based on the result in previous chapter, Pearson correlation analysis between Trust and Generation Y Satisfaction toward Online Food Delivery Apps have lowest moderate positive relationship compared than other factors where the value of r

= 0.567 and P value is less than 0.01. Al Karim (2013) said that the main concerning issues related to online shopping are online payment systems, delivery system faults and personal privacy information. The respondents were standing neutral with statement of "I am comfortable to provide my financial details during ordering food online". Most of the respondent feeling unsafe to provide financial details when using credit card or other online transfer methods. Most common risk is card fraud. If the card details are discovered or revealed, respondent may find fraudulent purchases appearing on their statement. This is a huge security risk for respondent.

#### 6 RECOMMENDATION

Based on the study, I find that the scope of the study is appropriate to my research title. This research may contribute not exclusively to a superior comprehension of what and how firmly the components engaged with online buy choices yet in addition this examination gives a diagram of the client's fulfilment with this innovation.

In any case, online food delivery companies should remember that shopper fulfilment may change now and again particularly in the online commercial centre so online food providers need to examine buyer conduct after some time and tailor items and administrations to address clients' issues. However, I can recommend the future research of some things as a continuation of my research.

Firstly, my survey respondents only involve the Generation Y in Kuala Lumpur. As I am aware that Kuala Lumpur is a city and they mostly go directly to the restaurant to buy food and the frequency for ordering food online is less. I propose for future research to compare Online Food Delivery Apps patterns by location, respondents' income and their frequency of buying online shopping in a month. By knowing the frequency of users to Online Food Delivery Apps, I can compare whether the respondents have the satisfaction of buying in the restaurant or ordering food online.

Besides that, the scope of the study is involving the Generation Y; it can be expanded to other generations as well to get the perfect result on Online Food Delivery Apps. This can be made a comparison of which among the Generation Y and the older generation is more often in ordering food online.

Another recommendation including advertise the online food providers on a daily paper article or newspaper to attract more consumer to try this Online Food Delivery Apps. A positive press about Online Food Delivery Apps should be put on the news to enhance more consumers.

Moreover, future researches can also be carried out to find out factors of Online Food Delivery Apps satisfactions among university students in Malaysia compare on factors of Online Food Delivery Apps satisfactions among the Generation Y in Kuala Lumpur.

Lastly, for future research, the questionnaire form needs to be improved to facilitate respondents to respond to the questionnaire provided by the researcher. Changing questions to be more easily understood by respondents as well as reducing the number of questions to be given to respondents. Respondents are quite lazy to answer the questionnaire when looking at the questions given quite a lot. Other way will attract respondents to answer the questionnaire given when questions are easy to understand, and the amount of question is less.

#### 7 CONCLUSION

This study is focus on the factors of satisfaction toward Online Food Delivery Apps among Generation Y in Kuala Lumpur. From the analysis of the entire variables, it has been satisfied the minimum requirement of reliability since all the Cronbach's Alpha coefficients shows greater than 0.7 which is all the independent variable (service quality, food quality and trust) had the significant relationship to the dependent variable (Generation Y Satisfaction toward Online Food Delivery Apps).

In this study, I examine several factors that influence the satisfaction of the Generation Y for online food delivery apps. Among the factors of satisfaction of the Generation Y for online food delivery apps are service quality, food quality and trust. Based on the results obtained in this study, the satisfaction of the Generation Y is based on the service quality available in this online business. Most respondents agree that the service quality factor is the highest factor to influence the satisfaction of the Generation Y to buy food online. In this case, it can be concluded that the Generation Y is more concerned with service quality compared to other factors.

Food Quality is the second factor that affects the Generation Y satisfaction for online food delivery apps. Based on the study, food quality is also an important element in the satisfaction of the for Generation Y online food delivery apps. Although trust factors are at the lowest stages of our study results, but this factor is valid as an important factor in our study.

This study can help many users to understand all the advantages of online food delivery apps offered besides to see that there are other options that can be done ordering food online instead of going to a restaurant. This study can also become a beginner to use Online Food Delivery Apps more widely, not just involving the Generation Y. So, through this study I can conclude that there is a positive and significant relationship between satisfactions based on online food delivery apps factors. And that the outcome of the study may be confidently improving the general knowledge and awareness of Online Food Delivery Apps and may be a prospect for the future.

#### 8 ACKNOWLEDGEMENT

This research was supported by University Malaysia Kelantan. I would like to take this opportunity to thank God as finally I was able to finish interpretations and conclusions of this paper in the time frame which is given. Besides that, I would like to take this chance to express my deep and sincere gratitude to our supervisor, Encik Mahathir Bin Muhamad for his kind encouragement and time while this task was in process. He had given us appropriate example and knowledge in order to make me understand more about this task. I would also like to show my gratitude to all respondents that involve in this research project for willingness to spend their time and effort in participating in the questionnaire survey.

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### SERVICE QUALITY OF SUPERMARKETS INFLUENCE TOWARDS CUSTOMER SATISFACTION IN SIBU, SARAWAK

#### Emily Teng Wei Chee and Tahirah Binti Abdullah

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: emily.a17a0081@siswa.umk.edu.my; tahirah@umk.edu.my

#### **Abstract:**

Service quality typically applies to a customer's assessment of service standards as it relates to the performance of the company. This study examined the relationship between service quality (tangibility, reliability, responsiveness, assurance and empathy) of supermarkets on customer satisfaction in Sibu, Sarawak. The data were collected from 384 respondents who really visit supermarkets in Sibu, Sarawak through questionnaire distribution. The collected data were analyzed through Statistical Package for Social Sciences (SPSS) Version 26 and the results of data were analysed using descriptive analysis, reliability analysis, Spearman correlation, and multiple regression. The results showed that tangibility, reliability, responsiveness, assurance, and empathy had a significant relationship to customer satisfaction in Sibu's supermarkets. In this study, assurance is the most influential dimension of service quality towards customer satisfaction. The findings of study should assist all supermarkets in Sibu, Sarawak to enhance their service quality and improve their customer satisfaction.

**Keywords:** Assurance, Customer Satisfaction, Empathy, Reliability, Responsiveness, Service Quality, Tangibility.

#### 1 Introduction

#### 1 1.1 Background of Study

Service quality was among the most significant competitive reasons in today's market environment. Therefore, the service quality will bring the different industries a great opportunity for organisations to generate competitive differentiation. The service quality reflects the core of the economy today, not just in developed countries, as well as in developing countries in the global (Mmutle, 2017). However, issues such as poor conditions of jobs, poor work standards and inefficient structures and procedures in place negatively affect the service quality by public organizations (Hennayake, 2017). In addition, due to unsatisfactory goods and poor service quality in different industries, Malaysian customers had to suffer a big loss of ever more than RM360 million (Malay Mail, 2019). The e-commerce (online buying) sector reported the highest number of complaints, followed by retail and telecommunications and mobile networks.

Supermarket is one of the retail service sectors. Nowadays, the supermarket performs a critical role in Malaysia's economy. Good service quality contributes to more customer satisfaction, sales and

improved business performance (Sirohi & Kumar, 2018). Service quality is generally specified as customer evaluation. Consequently, Supermarkets should enhance the quality of service in order to satisfy their customers with the services provided.

Customer satisfaction emerges which means that it determines the customer's expectation as to how goods and services are provided by businesses (Khadka & Maharjan, 2017). When the customer satisfaction is high in the business, the business will get high profit because the customer revisit and repurchase in this business. Hence, supermarkets can boost their profit quickly and efficiently by increasing customer satisfaction.

A successful service provider is providing consumers outstanding quality service. If the service quality is not good enough, the service provider is likely to deceive its customers and also lower their satisfaction. The service quality serves as a defining factor of customer satisfaction. Customer satisfaction and the service quality are related. The better the quality of the service, the customer satisfaction will be greater.

#### 1.2 Research Objectives

- 1. To determine the relationship between tangibility and customer satisfaction in Sibu's supermarkets
- 2. To determine the relationship between reliability and customer satisfaction in Sibu's supermarkets
- 3. To determine the relationship between responsiveness and customer satisfaction in Sibu's supermarkets
- 4. To determine the relationship between assurance and customer satisfaction in Sibu's supermarkets.
- 5. To determine the relationship between empathy and customer satisfaction in Sibu's supermarkets
- 6. To determine the most influential dimension of service quality towards customer satisfaction in Sibu's supermarkets

#### 1.3 Significance of Study

This study primarily focuses on the relationship between service quality of supermarkets and customer satisfaction in Sibu, Sarawak. The findings of this study may help the management of supermarkets in Sibu to know the customer's opinion on the level of service quality. The result of this study would probably give references to the management of Sibu's supermarket to enhance their service quality to satisfy their customer. Service quality is an important factor contributing to customer satisfaction and thus service providers should boost their overall quality of service from each aspect which is used in this study.

It also brings priority to future researchers and other students who are involved in conducting research in this field. It helps those who are interested to lead the discovery in the related field to explore the relations between each aspect in detail at a later stage in the study. It also provides statistical and sentence support for further research from each aspect.

#### 2 Literature Review

#### 2.1 Independent Variables

### 2.1.1 Tangibility

It relates to anything that is tangible and influences the quality of service to the customers. It is a company's ability to display its presence to other individuals in tangible bodies, such as infrastructures available, equipment, and the physical appearance of the company (Andrianto & Santoso, 2019). Tangibility will influence customers because failure in providing tangible things will make customers feel the company did not pay attention to the company image. Physical appearance will influence customers whether proper or improper service is provided by the company. Organizations spontaneously arrange physical items and combine them to deliver services to their customers who after its utilize access it (Othman, Harun, Rashid, & Ali, 2019).

#### 2.1.2 Reliability

It relates to the willingness to fulfill the promise of service accurately and regularly (Felix, 2017). It involves right service and accurate record and prompt response to customers. Precise information involves precise product prices, and also right and reliable product information (Beneke, Hayworth, Hobson, & Mia, 2012). Reliability is a result evaluated when the customer evaluates the service after the service has been experienced. Reliability is the ability to assess the customer experience and as an aspect of the supplier's accreditation (Sakarji et al., 2020).

### 2.1.3 Responsiveness

It relates to the company's ability to serve customers and give quick service (Andrianto & Santoso, 2019). This dimension focuses attention and focus and pace in interacting with inquiries, questions, complaints and concerns from the customer. Responsivity is interacted to customers as long as they have to ask for help, responses to questions or attention to issues (Linh & Anh, 2018). It also relates to the capacity for employees to build customised solutions (Penceliah, Noel, & Adat, 2015).

#### 2.1.4 Assurance

Assurance is the understanding and friendliness of staff and their ability to build faith and trust. It also defines the capacity of the company to foster trust in the eyes of the customer through the friendliness and understanding of the workforce in operation (Haming, Murdifin, Syaiful, & Putra, 2019). This dimension concerns how professional and courteous workers are to encourage confidence and trust from their users (Auka, Bosire, & Matern, 2013). If customers did not feel assured by the service provider, it meant that the company betrayed customer trust to them. Customers based their evaluation of a service provider 's ability on how effective or confident the necessary services were to be delivered (Sakarji et al., 2020).

#### **2.1.5** Empathy

Empathy involves the willingness of the service provider to provide each customer with caring and personalised attention (Parasuraman et al., 1988). The key factors included in the measurement of empathy were individual attention, convenient working hours, awareness of the employees when an issue arises and the knowledge that employees have of the needs of the customers (Auka et al., 2013). Customers want to feel valued and essential to businesses that give them access service (Hennayake,

2017).

#### 2.2 Dependent Variable

#### 2.2.1 Customer Satisfaction

The customer concept is the person or business that purchases the items or service from a corporation (Hamzah et al., 2017). Satisfaction can influence the company whether customers would repurchase, buying more goods, positive word of mouth and the willingness of the consumer to spend more for the specific brand (Hanif, Hafeez, & Riaz, 2010). Satisfaction is an expression to identify a feeling for an individual for something. Customer satisfaction with a company's goods and services is recognised as the most significant factor contributing to competition and growth.

In the corporate sector, customer satisfaction is critical because it will not have a market without loyal and satisfied customers. The more to concentrate on customer satisfaction and retention, the more long-term business to have (Mohsan, Nawaz, Khan, Shaukat, & Aslam, 2011). Customer satisfaction tests how well a customer's needs have been met for a product or service offered by a business. According to Beneke et al. (2012). high ratings for customer satisfaction are commonly assumed to be the main predictor of the financial performance of a company. As criteria for identifying product or service performance, many companies use customer satisfaction and even refer customer satisfaction ratings to management and employee pay ratings. The service quality is an essential tool to evaluate customer satisfaction and a criterion for maintaining satisfactory customer relations.

#### 2.3 Research Hypothesis

- H1: There is a significant relationship between tangibility and customer satisfaction in Sibu's supermarkets
- H2: There is a significant relationship between reliability and customer satisfaction in Sibu's supermarkets.
- H3: There is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets
- H4: There is a significant relationship between assurance and customer satisfaction in Sibu's supermarkets
- H5: There is a significant relationship between empathy and customer satisfaction in Sibu's supermarkets

### 2.4 Conceptual Framework

The conceptual framework shows the relationship between independent variable and dependent variables. There are five independent variables selected which are tangibility, reliability, responsiveness, assurance and empathy. The dependent variable is customer satisfaction.

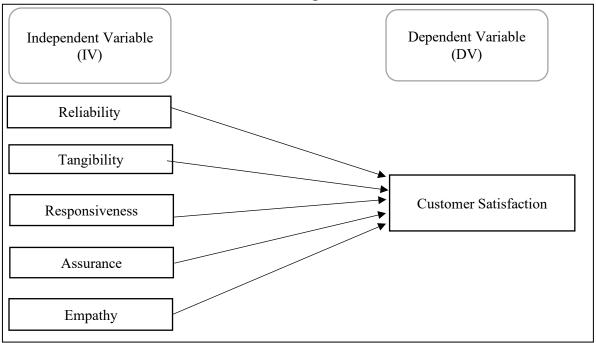


Figure 2.1 Conceptual Framework of Research

### 3 Methodology

#### 3.1 Research Design

The research design that the researcher selected is descriptive research which used a quantitative research method in this study. In quantitative research method, the researcher uses standardised questionnaires to obtain data. Descriptive study in this research can be categorized as cross-sectional. Cross-sectional is the data only collected just once.

#### 3.2 Data Collection Methods

This study will be conducted on a quantitative research method. Both the primary data and secondary data will be used in this study. Primary data is data that was collected by first hand by researcher for the purpose of this study. The researcher uses primary data in this study because it can get the latest information from the respondents. The secondary sources of data usually collected from journals articles, official websites, newspapers and others. The researcher uses secondary data which is existing data in this study because it will be conducted such as in literature reviews to explain definition and other information.

#### 3.3 Study Population

The study will proceed in the Sibu which is a town in the central zone in Sarawak. The population for this study includes the customers who really visit the supermarkets in Sibu. Hence, the population of this study is the total number of residents in Sibu. Based on the statistics from the websites, the population of Sibu is approximately 198,239 (World Population Review, 2020).

#### 3.4 Sample Size

All the respondents are the people who visit supermarkets at least one time in their life. The total number

of residents in Sibu is the population in this study. A sample size will be carried out from the population in Sibu based on Krejcie and Morgan (1970) table, therefore the researcher decides the sample size that is 384 respondents.

Table 3.1: Table for Determining Sample Size of a Known Population

Table f	Table for Determining Sample Size of a Known Population								
N	S	N	S	N	S	N	S	N	s
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
Note: N	l is Popul	ation Size,	; S is Sam	iple Size		Sou	rce: Krejo	ie & Morgar	1, 1970

Sources: Krejcie and Morgan (1970)

#### 3.5 Sampling Techniques

Present study decided to select convenience sampling in non-probability sampling. A convenience sample comprising 384 respondents who convenient access was selected. In this case, the survey questionnaire will be distributed by using non probability sampling method who have fulfilled the functional requirements of convenience sampling.

#### 3.6 Research Instrument Development

The questionnaire was categorized into 3 sections. Section A is about personal information. Section B is the questions that related with the independent variables, which included tangibility, reliability, responsiveness, assurance and empathy of Sibu's supermarkets. Section C is related to the dependent variable which is Sibu's supermarkets customer satisfaction.

Table 3.2: Sources of Questionnaire

Items	Adopted Sources
Tangibility	(Goranczewski & Puciato, 2011; Kitapci et al.,
	2013; Slack, Singh, & Sharma, 2020)
Reliability	Goranczewski & Puciato, 2011; Loke et al.,
	2011)
Responsiveness	(Goranczewski & Puciato, 2011; Kitapci et al.,
	2013; Eshetie, Seyoum, & Ali, 2016)
Assurance	(Goranczewski & Puciato, 2011; Slack, Singh, &
	Sharma, 2020; Handrinos et al.,)

Empathy	(Goranczewski & Puciato, 2011; Loke et al., 2011
Customer Satisfaction	(Kitapci et al., 2013; Slack, Singh, & Sharma, 2020; Peng & Moghavvemi, 2015)

#### 3.7 Measurement of the Variables

Nominal scale, ordinal scale and interval scale will be implemented in the questionnaire. In addition, the researcher will use a 5 point likert scale of scaling technique at section B and section C in the questionnaire.

#### 3.8 Procedure for Data Analysis

Before doing data analysis, present study will design questionnaire and distribute to respondents to fill. After all data collected from the respondents, the researcher would transfer all data collected into SPSS. In this study, the researcher used Statistical Package for Social Sciences (SPSS) 26 in order to make the data analysis which included descriptive analysis, reliability test, Spearman correlation analysis and multiple regression Analysis.

#### 4 Data Analysis and Findings

#### 4.1 Demographic Profile of Respondents

The personal information includes gender, age, race, education level, occupation and frequency of the respondents visiting Sibu's supermarkets in a month.

For gender, the majority of the respondents are female. It can be explained that about 222 (57.8%) respondents who participated in this study were female, meanwhile 162 (42.2%) were male. Therefore, the most active participant in this study was female rather than the male. It means that females visit supermarkets more than male.

For age, it states that the age of participants consists of people around below 20 until above 50. The majority of the respondents are from age 31-40. The percentage about 2.9%, which was 11 respondents of age below than 20, 26.0% or 100 respondents of age 21 to 30, 32.3% or 124 respondents from age 31 to 40, 28.1% or 108 respondents from age 41 to 50, and age 50 to above was about 10.7% which was 41 respondents. The most participated respondents were in age between 31 to 40 because they could give their time to answer questionnaire.

For race, it states the races of participants consists of races which are Malay, Chinese, Indian and Bumiputera Sarawak. The majority of the respondents are Chinese which represent 168 respondents (43.8 %). Meanwhile Malay respondents represent 75 out of 384 respondents. The number of Bumiputera Sarawak respondents show an impressive feedback which are 139 respondents or 36.2%. 2 Indian respondents also contribute into this study. It could indicate that the most respondents that participated in this study were Chinese which are more often went to supermarkets.

For education, the majority of respondents are having SPM level as their highest education. For no education level, it was about 1 respondent with 0.3%, PMR about 9 respondents with 2.3%, SPM level about 124 respondents with 32.3%, STPM/A level about 61 respondents with 15.9% and Diploma level

about 64 respondents with 16.7%, Bachelor Degree about 114 respondents with 29.7% and last Master Degree about 11 respondents with 2.9%. It could indicate that the most respondents that participated in this study had at least SPM level as their education.

For occupation, it provides selection for the respondents to choose their occupation which related to government sector, private sector, student and others. The majority of respondents are from the private sector. Government sector was about 121 respondents with 31.5%, private sector about 184 respondents with 47.9%, students about 59 respondents with 15.4% and others about 20 respondents with 5.2%. It could be concluded that the respondents from the private sector participated the most in this study and the least participated were involved in others.

For frequent visit Sibu's supermarkets in a month, the selection of the question was 1 to 5 times, 6 to 10 times, 11 to 15 times and more than 15 times. The majority of respondents visited supermarkets in a month were 1 to 5 times. The respondents that using the Sibu's supermarkets for 1 to 5 times in a month was about 216 with 56.3%, 6 to 10 times was about 126 respondents with 32.8%, 11 to 15 times was about 26 respondents with 6.8% and more than 15 times was about 16 respondents with 4.2%. This could conclude that the most participating respondents in this study were the respondents that visit Sibu's supermarkets in 1 to 5 times a month.

Table 4. 1 Personal information of Respondents

	Frequency	Percentage (%)
Gender:		
Male	162	42.2
Female	222	57.8
Age:		
20 years old and below	11	2.9
21-30 years old	100	26.0
31-40 years old	124	32.3
41-50 years old	108	28.1
51 years old and above	41	10.7
Race		
Malay	75	19.5
Chinese	168	43.8
Indian	2	0.5
Bumiputera Sarawak	139	36.2
Education		
No Education	1	0.3
PMR	9	2.3
SPM	124	32.3
STPM/ A-Level	61	15.9
Diploma	64	16.7
Bachelor Degree	114	29.7
Master Degree	11	2.9
Occupation		
Government sector	121	31.5
Private sector	184	47.9
Student	59	15.4
others	20	5.2
How frequent did you visit		

Sibu's supermarkets in a		
month?		
1-5 times	216	56.3
6-10 times	126	32.8
11-15 times	26	6.8
More than 15 times	16	4.2

#### **4.2 Descriptive Analysis**

Based on the result, customer satisfaction (DV) obtained the highest mean with 4.24, whereas tangibility (IV1) recorded the lowest mean with 4.10.

Table 4.2: Summary of the Means and Standard Deviation of Computed Items according to Variable

Variables	Mean	Std. Deviation
Tangibility (IV1)	4.10	.846
Reliability(IV2)	4.14	.742
Responsiveness (IV3)	4.16	.702
Assurance(IV4)	4.21	.679
Empathy (IV5)	4.11	.745
Customer Satisfaction (DV)	4.24	.674

### 4.3 Reliability Analysis

Reliability analysis played a vital role in the process of analysing the data. Reliability test was a technique for checking a scale's internal regularity. Reliability test was also concerned about repeatability with obtaining the same result.

Based on the table 4.3, the highest Cronbach's Alpha is Tangibility. It indicated the consistency and reliability of this items. The second highest of Cronbach's Alpha was customer satisfaction which was 0.923. 0.922 which was part of reliability. Cronbach's Alpha of empathy was 0.906 which was higher than assurance which was 0.905. Lastly, the lowest Cronbach's Alpha belongs to responsiveness be part of 0.903. The overall result on above was shown to be good consistency and reliability for all of the independent variables and dependent variables as all of the Cronbach's Alpha results were above 0.7.

Table 4.3: Reliability Statistics Results

Variables	Number of Items	Cronbach's Alpha Value .941		
IV 1- Tangibility	5			
IV 2- Reliability	5	.922		
IV 3- Responsiveness	5	.903		
IV 4- Assurance	5	.905		
IV 5- Empathy	5	.906		
<b>DV-</b> Customer satisfaction	5	.923		

#### 4.4 Normality test

According to Kolmogorov-Smirnova test and Shapiro-Wilk test, normal is p>0.05 while p<0.05 is

abnormal. For sig. value(p=.000) of Kolmogorov-Smirnova test and Shapiro-Wilk test of all variable are considered as abnormal. Thus, the distribution was abnormal. The researcher will use Spearman correlation analysis in this study.

Table 4.4: Normality Test Results

	Kolmogorov-			Shapiro-		
	Smirnova			Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig
Customer satisfaction	.145	384	.000	.886	384	.000
Tangibility	.170	384	.000	.869	384	.000
Reliability	.157	384	.000	.910	384	.000
responsiveness	.129	384	.000	.914	384	.000
Assurance	.126	384	.000	.912	384	.000
Empathy	.130	384	.000	.918	384	.000

### 4.5 Spearman Correlation Analysis

This study has using the Spearman correlation coefficient analysis as the guide in measuring the strength of the linear relationship between all of the independent variables which are tangibility (IV1), reliability (IV2), responsiveness (IV3), assurance (IV4), and empathy (IV5) with the dependent variable, which is customer satisfaction (DV). The result in this study showed five independent variable had a strong relationship with dependent variable. The correlation between assurance (IV4) and customer satisfaction (DV) which was 0.866 is the most positive and strong relationship compared to other independent variables which has been tested in this study.

Table 4.5: Spearman Correlations

Correlations								
			DV	IV1	IV2	IV3	IV4	IV5
Spearman's rho	DV	Correlation Coefficient	1.000	.838**	.843**	.829**	.866**	.851
		Sig. (2-tailed)		.000	.000	.000	.000	.000
		N	384	384	384	384	384	384
	IV1	Correlation Coefficient	.838**	1.000	.868**	.827**	.809**	.870
		Sig. (2-tailed)	.000		.000	.000	.000	.000
_		N	384	384	384	384	384	384
	IV2	Correlation Coefficient	.843**	.868**	1.000	.857**	.831**	.879
		Sig. (2-tailed)	.000	.000		.000	.000	.000
		N	384	384	384	384	384	384
	IV3	Correlation Coefficient	.829**	.827**	.857**	1.000	.886**	.882
		Sig. (2-tailed)	.000	.000	.000		.000	.000
		N	384	384	384	384	384	384
	IV4	Correlation Coefficient	.866**	.809**	.831**	.886**	1.000	.824
		Sig. (2-tailed)	.000	.000	.000	.000		.000
		N	384	384	384	384	384	384
	IV5	Correlation Coefficient	.851**	.870**	.879**	.882**	.824**	1.00
		Sig. (2-tailed)	.000	.000	.000	.000	.000	
		N	384	384	384	384	384	384

\*\*. Correlation is significant at the 0.01 level (2-tailed).

#### 4.6 Multiple Linear Regression Analysis

A metric of dependent variable that is affected by one or more independent variables can be measured by using regression analysis. Thus, in order to achieve the research objective, multiple regression analysis is used to measure the relationship between five dimensions of service quality towards customer satisfaction at Sibu's supermarkets.

Assurance is the most influential for customer satisfaction compared to other four independent variables, which are reliability, responsiveness, tangibility and empathy. This is because its unstandardized coefficient beta is the highest, which is 0.507. Hence, the main predictor of customer satisfaction is assurance. Other independent variables consist of empathy, tangibility, reliability and responsiveness, which are 0.234,0.194, 0.130 and-0.172 respectively.

Table 4.6: Coefficient Table of Independent Variables towards the Customer Satisfaction in Sibu's

#### supermarkets

Coefficients <sup>a</sup>								
	_	C 115000	ndardized fficients	Standardized Coefficients				
Model		В	Std. Error	Beta	t	Sig.		
1	(Constant)	.525	.088		5.998	.000		
	Tangibility	.194	.035	.244	5.491	.000		
	Reliability	.130	.053	.143	2.446	.015		
	Responsiveness	172	.060	179	-2.862	.004		
	Assurance	.507	.054	.511	9.455	.000		
	Empathy	.234	.046	.258	5.047	.000		

a. Dependent Variable: (Customer Satisfaction) DV

#### 5 Discussion and Recommendations

#### 5.1 Discussion

The relationship between tangibility of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 1. Based on the results of Spearman Correlation Coefficient, it showed that p-value of tangibility is 0.000. It means that there is a significant relationship between tangibility and customer satisfaction in Sibu's supermarkets (r = 0.838, p < 0.05). Hence, hypothesis 1 is accepted.

The relationship between reliability of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 2. Based on the results of Spearman Correlation Coefficient, it showed that p-value of reliability is 0.000. It means that there is a significant relationship between reliability and customer satisfaction in Sibu's supermarkets (r = 0.843, p < 0.05). Hence, hypothesis 2 is accepted.

The relationship between responsiveness of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 3. Based on the results of Spearman Correlation Coefficient, it showed that p-value of responsiveness is 0.000. It means that there is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets (r = 0.829, p < 0.05). Hence, hypothesis 3 is accepted.

The relationship between assurance of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 4. Based on the results of Spearman Correlation Coefficient, it showed that p-value of assurance is 0.000. It means that there is a significant relationship between assurance and customer satisfaction in Sibu's supermarkets (r = 0.866, p < 0.05). Hence, hypothesis 4 is accepted.

The relationship between empathy of Sibu's supermarkets and customer satisfaction was determined in Hypothesis 5. Based on the results of Spearman Correlation Coefficient, it showed that p-value of empathy is 0.000. It means that there is a significant relationship between empathy and customer satisfaction in Sibu's supermarkets (r = 0.851, p < 0.05). Hence, hypothesis 5 is accepted.

Table 5.1: Summary of Hypothesis Testing

Hypothesis	Data Analysis Method	Results
H1: There is a significant relationship between tangibility and customer satisfaction in Sibu's supermarkets	Spearman Correlation Coefficient	Accepted (p = 0.000, r = 0.838) p < 0.05
H2: There is a significant relationship between reliability and customer satisfaction in Sibu's supermarkets	Spearman Correlation Coefficient	Accepted (p = 0.000, r = 0.843) p < 0.05
H3: There is a significant relationship between responsiveness and customer satisfaction in Sibu's supermarkets	Spearman Correlation Coefficient	Accepted (p = 0.000, r = 0.829) p < 0.05
H4: There is a significant relationship between assurance and customer satisfaction in Sibu's supermarkets	Spearman Correlation Coefficient	Accepted (p = 0.000, r = 0.866) p < 0.05
H5: There is a significant relationship between empathy and customer satisfaction in Sibu's supermarkets	Spearman Correlation Coefficient	Accepted (p = 0.000, r = 0.851) p < 0.05

#### 5.2 Recommendations

The future researchers are suggested to increase the sample size so that more people can involve in this study. This is because there are only 384 respondents in the present study. When there are more respondents involved in this study, the more the result can represent the opinion of the people. Hence,

the future researchers are recommended to conduct similar research in other places and enlarge the sample size to generate more information from a different and larger population.

Second recommendation that suggested by the researcher of this study is the future researchers can add on other factors that might be influenced on customer satisfaction. The other factors might be also important to involved in the research in order to examine the level of customer satisfaction who visited the supermarkets. Hence, the future researchers who want to carry out the same field can add other factors not only service quality so that it can ensure different factors are also important to customer satisfaction.

Lastly, future research also recommended conducting mixed collection method. This is because in quantitative method, the questions were already fixed. Through qualitative research, researcher can get more perspective and more detail information about what they really felt at supermarkets from the respondents.

#### **6 Conclusion**

The main objective of this study is to investigate the relationship between service quality of supermarkets and customer satisfaction in Sibu, Sarawak. The finding showed that each dimension of service quality which is reliability, tangibility, empathy, assurance and responsiveness had a significant relationship with the customer satisfaction in Sibu's supermarkets. The most important is assurance plays a vital role in influencing service quality of supermarkets towards customer satisfaction in Sibu, Sarawak. While responsiveness was the least significant dimension of service quality that caused to give an influence towards the supermarkets customer satisfaction. Hence, the findings of the study will be helpful to all supermarkets in Sibu, Sarawak to enhance their service quality and improve their customer satisfaction.

#### 7 Acknowledgment

I would like to take this chance to record my deepest thanks for those who supported me in this research. The research would not be done without their great encouragement and supportive contributions.

Firstly, I would like to thank my supervisor Dr. Tahirah Binti Abdullah for her guidance and supervision of this research and correcting mistakes and guiding me.

I indebted to all of them, who did their best to bring their suggestions to us. Furthermore, I would like to express our gratitude towards my parents and members of my families for their understanding while in completion of this research.

Finally, I would like to thank the people who directly or indirectly helped me do the research. Thank you.

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# FACTORS INFLUENCING THE USE OF E-WALLET AS A PAYMENT METHOD AMONG STUDENT IN UNIVERSITY OF MALAYSIA KELANTAN CITY CAMPUS

#### Amira Khalisha Arshad and Nurul Izyan Mat Daud

Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Malaysia

Email: khalisha.a17a0037@siswa.umk.edu.my, izyan.md@umk.edu.my

#### Abstract:

E-wallet also well-known as a noticeable increase of cashless transactions due to the development of financial technology. One of the best inventions of the 21st century is the electronic wallets (e-wallets) an integral part of electronic payment system. The term "e-wallet" is a form of digital wallet that allows an individual to link their debit or credit cards to digital wallet in order to make any transactions (Digital Wallet, 2019). Apart from the debit or credit cards electronic cards enable consumers to store their physical cards information and bank account number to perform certain action towards payment (Ray, 2017). The purpose of this study was to investigate the relationship between save money and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. This study also aimed to investigate the relationship between discount and cashback and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. Next this study aimed to investigate the relationship between safety and privacy and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. In this study has three factors influencing use of E-wallet were state: Save Money, Discount and Cashback, and Safety and Privacy. This research discusses the relationship between the factors mentioned with use of E-wallet. This research use questionnaire as the survey to collect data from respondents. This research uses Statistical Package for Social Sciences (SPSS) to analysis the data. This research also have regression and correlation techniques to study the relationships between independent variables and dependent variables.

Keywords: E-wallet, Digital Wallet, Payment Method, Discount, Mobile Payment

#### 1 Introduction

E-wallet is one of the technology apps and software. E-wallet is a device that has also been recognized as a digital wallet. E-wallet is a software application that uses electronic devices such as computers or mobile devices for online transactions. E-wallet is also a payable device without the use of cash or money. This helps the seller to collect the customer's payment through the use of the unique two-dimensional quick-response code, also known as (QR) code that the seller generates. For example, Grab pay, Boost, Touch n Go e-wallet, Alipay, Fave-pay and so on. If the customer wants to use this method of payment, they will need to install the Mobile app to begin the payments and services (Kasthuri Subaramaniam, 2020).

Then, E-wallet well-known as a component of payment system. The word "payment system" is defined as a system that enables payment to be effects between a payers and a beneficiary, involving clearing, payment, or settlement services or all of them. A "payment system" as understood in India, can include the system enabling credit card operation, debit card operation,

smart card operation, money transfer operations or such similar operation (Jinimol.P, 2018). Next, E-wallet is a component of payment system. It is an electronic, internet-based payment system which stores financial value as well personal identity related information. More security measures to safeguard the identity related information will lead to use of e-wallet among many. Lack of awareness is also problem, which can be sort out only by giving proper information about e-wallets

The term "e-wallet" is a form of digital wallet that allows an individual to link their debit or credit cards to digital wallet in order to make any transactions (Digital Wallet, 2019). Apart from the debit or credit cards electronic cards enable consumers to store their physical cards information and bank account number to perform certain action towards payment (Ray, 2017). The mobile payments can be defined as "a type of payment transaction processing in which the payer uses mobile communication techniques in conjunction with mobile devices for initiation, authorization, or completion of payment" (Goeke and Pousttchi, 2010). When implemented on a mobile phone, the mobile payments can be combined with additional services, for example, public transport and event ticketing, loyalty programs, and so on. This is a way to develop a mobile wallet including all items that people usually hold in their physical wallets (Tatjana, 2014).

The increasing of customer's needs in mobility when payment for transaction has created requirement for a new payment tool allowing the transactions more feasible and convenient (Ondrus & Pigneur, 2006). The current payment method gives consumers solvency that is beneficial in dealing with medium and large amount of money. It is inconvenient for customers in small denominations of coins or pennies when making micropayments (Gia-Shie Liu, 2016). Mobile payment (M-payment) is defined as a transaction method which money is transferred from one person to another through a mobile device without intermediate. Mobile payment is a new payment method for purchases of products and services, which uses all kinds of mobile devices and wireless communication technologies which ia mobile telecommunication networks, Internet. In this new method, mobile devices can be used to make a varied type of small payments. These devices help users to connect to a server through which transactions are made and confirmed (Antovski & Gusev, 2003).

#### 2 Literature Review

#### 2.1 Save Money

E-wallets usually act like a debit card, which means the amount of money you have preloaded is determined by you. Reign in your spending by topping up your e-wallet with an amount limit based on your monthly budget. This is particularly great for discretionary spending such as shopping and eating out. If you've spent it all before the month ends, do not cave in by topping up with more cash. Instead, acknowledge that you've hit your budget limit and start reducing your indulgences.

H1: Save time of e-wallet will have positive influence on factors influencing to use E-wallet.

#### 2.2 Discount and Cashback

Cashback is the amount of cashback payment not only by the cashback offer but also by the amount a consumer spends which results in significant variation in the size of cashback payments related to the same offer. The variable Last Purchase Spend it captures the amount consumer I spent on the most recent purchase day, and therefore it controls for consumer-specific purchase trends. The variable Purchase Instance it the number of transactions consumer I made up to but not including day controls for past experience with the cashback

company.

H2: Discount and cashback will have positive factors influencing on use of E-wallet.

#### 2.3 Safety and Privacy

The study reported a moderate positive correlation between "security" and "intention to use" E-wallets. LAI (2016) argued that "intention to use" of e-Payment system was significantly influenced by "security," design, "perceived usefulness" and "perceived ease of use." He reported that "security" positively influences users' "intention to use" the e-Payment system. Kim et al. (2010) found that "perceived security" has a positive impact on "perceived trust" and on the usage of e-Payment. They reported that "hedonic motivation, perceived security, general privacy, facilitating conditions, performance expectancy, perceived savings and social influence and price value in this order, influence the intention to adopt e-wallets." They advocated to modify existing services to maintain the customers' "privacy and security."

H3: Safety and privacy will have positive influence on factors influencing to use e-wallet.

#### 2.4 Conceptual Framework

Figure 1 show the theoretical framework on the factor influecing use E-wallet as a payment method among student in University of Malaysia Kelantan, City Campus. There is two type of variables. The first variable is independent variables, which consist ofsave money, discount and cashback, and safety and privacy. The second variable is dependent variable, which is use of E-wallet.

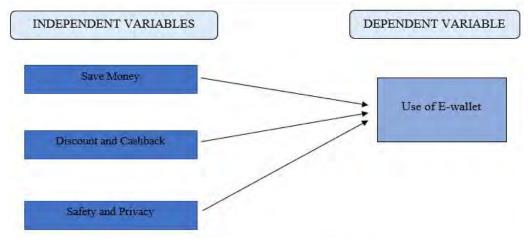


Figure 1: Conceptual Framework of Factor Influencing Use of E-Wallet As A Payment Method Among Students in University of Malaysia Kelantan

### 3 Research Methodology

#### 3.1 Research Design

In this research, researchers chose the quantitative research approach. Quantitative research includes the collection of primary data which can ensure the validity of the study. Therefore, the study should collect information about the factor influencing by questionnaire. This study design used quantitative approaches to collect the necessary data. Questionnaires will be

undertaken in order to collect data from selected groups of among student in the area University of Malaysia Kelantan City Campus.

#### 3.2 Data Collection Methods

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Data collection methods can be divided into two categories that is primary data and secondary data. Questionnaires is use particularly in case of big enquiries. It is being adopted by private individuals, research workers, private and public organizations, students and even by governments. In this method a questionnaire is sent (usually by post) to the persons concerned with a request to answer the questions and return the questionnaire. A questionnaire consists of several questions printed or typed in a definite order on a form or set of forms. The questionnaire is mailed to respondents who are expected to read and understand the questions and write down the reply in the space meant for the purpose in the questionnaire itself. The respondents must answer the questions on their own. This study will use the method of distributing questionnaires to respondents in the area of the study to gain data collection.

#### 3.3 Study Population

Population is the large general group of many cases from which a researcher draws a sample for a study (Neumann and Robson, 2009; Engine, 1998). According to Mugenda (1999), the target population means the population to which a researcher wants to generalize the results of the study. The population was composed of students each year in University of Malaysia Kelantan City Campus. Krishnan, (2003) defined population as the target group to be studied place. It is the aggregate of all units pertaining to the study. The technique which was students in sampling. The target population of this study will be the students in University of Malaysia Kelantan City Campus consist of both gender from the age of 21 and above.

#### 3.4 Sample Size

University of Malaysia Kelantan City Campus is the federal university and most famous area in Kelantan, Malaysia. University of Malaysia Kelantan Campus Kota the fastest growing university area of Kelantan state. University of Malaysia Kelantan Campus Kota has 3482 students from Faculty Entrepreneurship and Business and 2169 students from Faculty Hospitality, Tourism and Wellness. It is has 6000 students in University of Malaysia Kelantan City Campus. Many students in University of Malaysia Kelantan use the E-wallet nowadays. The population size of students use the E-wallet based on table (Krejcie & Morgan). Therefore, based on the table by (Krejcie & Morgan, 1970). For be respondents need to follow the table. University of Malaysia Kelantan that being domestic violence are targeted 362 respondents to answer questionnaire.

#### 3.5 Sampling Technique

Non-probability sampling was used as the sampling design in this study as the samples are collected in a method that does not offer equal opportunities for all people in the population for being selected. In the convenient sampling, respondents are randomly selected. The people who are easy to reach and provide the information will become the target respondents in the research.

#### 3.6 Research Instrument Development

The method of data collection for this study is quantitative. Questionnaire will be used to collect the data. It consists of 5 sections: A) Demographic; B) Use of E-wallet; C) Save Money D) Discount and Cashback; E) Safety and Privacy.

#### 3.7 Measurement of The Variables

This study will be using 5-Likert scale which consist of Scale: 1 Strongly Disagree, 2. Disagree, 3. Less Agree, 4. Agree, 5. Strongly Agree. Section B, Section C, Section D and Section E use the scale for answer.

### 4 Research Findings

#### 4.1 Frequency Analysis

Table 1 shows the demographic of respondents was collect form survey and analysis by SPSS.

Table 1: Demographic respondent profile

Variables	Frequency	Percentage%
Gender		
Male	113	31.2
Female	249	68.8
Total	362	100
Age		
19-20 Years	105	29.0
21-22 Years	166	45.9
23 Years and above	91	25.1
Total	362	100
Races		
Malay	304	84.9
Chinese	33	9.1
Indian	14	3.9
Others	11	3.0
Total	362	100
Marital Status		
Single	347	95.9
Married	15	4.1
Total	362	100
Education		
STPM	27	10.2
Diploma	37	10.2
Bachelor	51	14.1
Others	266	73.5
	8	2.2
Total	362	100

#### 4.2 Reliability Analysis

Table 2 show the reliability analysis of Cronbach's Alpha. The Cronbach's Alpha for

Use of E-wallet which is dependent variable is 0.890. Next is the Cronbach's Alpha for save money which is independent variable is 0.900. The Cronbach's Alpha for Discount and Cashback which is independent variable is 0.893. Lastly, the Cronbach's Alpha for Safety and Privacy is 0.929. The number item for all construct has five. All the construct has the good relationships.

Table 2: Reliability Test

VARIABLES	COEFFICIENT	NUMBER OF ITEM	RELATIONSHIP
Use of E-wallet (DV)	0.890	5	Good
Save Money (IV 1)	0.900	5	Good
Discount and Cashback (IV 2)	0.893	5	Good
Safety and Privacy (IV 3)	0.929	5	Good

#### 4.3 Pearson's Correlation

Pearson's Correlation Analysis will examine that whether the independent variable, which is store image, satisfaction and consumer value is statistically significant with the technological innovation, the dependent variable. In this case, the researcher had used the Pearson Correlation Analysis (two-tailed test) to investigate the relationship between store image, satisfaction and consumer value with the use of technological innovation. The table below showed the interpretation of the strength of the coefficient with variables Guilford and Fruchter (1973).

Table 3 shows that there is a positive fair significant relationship between discount and cashback and use of E-wallet (p >0.05, r = 0.778). Then, there is a positive good significant relationship between save money and use of E-wallet (p>0.05, r = 0.783) and there is a positive perfect significant relationship between safety and privacy and use of E-wallet (p >0.05, r = 0.799).

Table 3: The correlation between independent and dependent variables

		Save Money	Discount and Cashback	Safety and Privacy	Use of E-wallet
Save Money	Pearson Correlation	1	.789~	.836**	.783**
	Sig. (2-tailed)		.000	.000	.000
	N	362	362	362	362
Discount and Cashback	Pearson Correlation	.789**	1	.826**	.778**
	Sig. (2-tailed)	.000		.000	.000
	N	362	362	362	362

Safety and Privacy	Pearson Correlation	.836**	.826	1	.799~
	Sig. (2-tailed)	.000	.000		.000
	N	362	362	362	362
Use of E-wallet	Pearson Correlation	.783**	.778**	.799**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	362	362	362	362

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

#### 4.4 Multiple Linear Regression Analysis

Multiple regression analysis was a statistical technique for estimating the variability of the dependent variable by regressing the independent variables against it (Sekaran & Bougie, 2016). Cooper and Schindler (2014) stated that multiple regression analysis was a statistical method used to construct a self-weighing estimation formula that predicts values for a dependent variable from the values of independent variables; monitors confounding variables to better assess the influence of other variables; tests and describes a causal hypothesis. The multiple regression result shown in Table 4:

Table 4: Multiple regression between independent variables with use of E-wallet.

				Standardiz ed				
		Unstand	lardized	Coefficien			95.0% Co	onfidence
		Coeff	icients	ts			Interva	l for B
							Lower	Upper
Mo	odel	В	Std. Error	Beta	t	Sig.	Bound	Bound
1	(Constant)	1.633	.122		13.380	.000	1.393	1.874

	Safety and Privacy	.663	.026	.799	25.203	.000	.611	.715
2	(Constant)	1.520	.116		13.144	.000	1.292	1.747
	Safety and	.397	.045	.479		.000	.309	.486
	Privacy							
	Save	.294	.041	.383	7.083	.000	.212	.376
	Money							
3	(Constant)	1.207	.127		9.510	.000	.957	1.456
	Safety and	.269	.050	.324	5.389	.000	.171	.367
	Privacy							
	Save	.224	.042	.292	5.294	.000	.141	.307
	Money							
	Discount	.262	.051	.279	5.193	.000	.163	.362
	and							
	Cashback							

#### 5 Discussion

Although this research has reached its aims, there is several research limitations were found in this study when conducting this study. This limitation is important and must give attention in order for the researchers to learn and gain knowledge. The first limitation is using only students in University of Malaysia Kelantan City Campus area as place of the survey of study. The researchers just focused at one university which is University of Malaysia Kelantan. However, the result at each state will not be the same and the researcher can evaluate based on the respondent of using E-wallet as a payment method. Each respondent's perception is not same because of the experience and their type of E-wallet as a payment method. Second, the limitation of study that the researchers had been facing during conducting this research is distributing the questionnaire to the right people at right time. This is because there was less commitment from the respondent as some-time they busy with their business.

This causes them to fill the answer without read the questions properly and understand it. Most of the questionnaire was answered by the students and not the owner although some students have less experience about this study. Researcher need to distribute the questionnaire and collect it on other day. So, it is difficult to find respondents that willing to answer the questionnaire as well as conducting the research in quantitative method.

Lastly, time constraint is one of the barriers in completing this research. Only 4 months are given to complete final year project 1 and 2. The time is very limited to conduct this research as this research needs more commitments to find research about E-wallet as a payment method.

#### 5.1 Hypothesis Testing

In discussion, will have more discussion on the hypothesis in this study. The hypothesis are based on the independents variables that is save money, discount and cashback, and safety and privacy. Firstly, hypothesis for independent variable of save money are stated as H1. Second, hypothesis for independent variable of discount and cashback are stated as H2. Lastly,

hypothesis for independent variable of safety and privacy are stated as H3.

Table 5: Discussion of the Key Findings

Research Question	Hypotheses	Result	Initial
			Decision
between save money and factor use of E-wallet among students in University of	H1: There is a significant relationship between save money and the factors influencing use of E-wallet as a payment method among student in University of Malaysia Kelantan City Campus.	= 0.000 Sig.	Hypothesis, H1 are accepted
between discount and cashback and factor use of E-wallet among students in	H2: There is a significant relationship between discount and cashback and the factors influencing use of E-wallet as a payment method among student in University of Malaysia Kelantan City Campus.	= 0.000	Hypothesis, H2 are accepted
between safety and privacy and factor use of E-wallet	H3: There is a significant relationship between safety and privacy and the factors influencing use of E-wallet as a payment method among student in University of Malaysia Kelantan City Campus.	= 0.000	Hypothesis, H3 are accepted

#### 6 Recommendations

After ending this study, the researchers have found out that there are some spaces for improving the quality of this study in the future. The study can be conducted using different independent variable such as discount and cashback to get better results on factors influencing use E-wallet as a payment method in University of Malaysia Kelantan City Campus. The researches just focus in certain students in University of Malaysia Kelantan City Campus. So, in the future the researcher can conduct the research at other place such as at University of Malaysia Kelantan Bachok and Jeli Campus. Besides that, researchers prescribed some strategies that the government and its agencies responsible to using E-wallet as a payment method in the industries.

The government should play a leading role in educating E-wallet as a beginner on the incentives available to them and how to use the E-wallet when shopping with E-wallet. Such incentives will help them to improve their business besides contributes to national income. These incentives should be delivered through an establishment that really cares for the success

and sustainability of E-wallet. Moreover, the primary data collected for the studies should compromise not only quantitative method but also the qualitative method such as interview. Qualitative data obtained from the interview session can generate high reliability as there are two-way communications between researchers and the respondents. This will make sure the respondents will clearly understand with the research and can give better commitment. Lastly, this study will give benefit to future researcher to conduct their study. This journal will be a reference and guideline to them to improve the benefit of E-wallet as a payment method in nowadays. This thesis can be displayed at the libraries and can be uploaded in website to the future researcher's reference. They will have proper guide when they understand about this case study and also the limitations.

#### 7 Conclusion

In this chapter, the researchers make a conclusion of the study based on the research objectives which show in chapter 1. The implication of the study also discussed in this chapter which is about the impact of this research study. Besides, the researchers discussed the limitation of the study and make a several recommendations to improve the research. Based on the problem statement, the researcher investigates that the factor influencing use of E-wallet as a payment method among students in University of Malaysia Kelantan City Campus. It shows that payment method is one of the keys that factor influencing use E-wallet as a payment method. By this, the researcher can know the relationship between the use E-wallet and the factor influencing use E-wallet as a payment method.

The objective of this is to investigate the relationship between save money and factor use of E-wallet among students in University of Malaysia Kelantan City Campus. The result of the study has shown the use of E-wallet as a payment method in Kelantan. Furthermore, the factor influencing use of E-wallet as a payment method is classified accordingly. All the hypotheses are accepted where there are significant positive relationships between save money (IV1), discount and cashback (IV2) and safety and privacy (IV3).

For the finding, the researcher was found that the respondent was agreed that E-wallet is important as a payment method in nowadays. Save money can gain the competitive advantage for students to save money when shopping. Besides, save money is also important for the growth money and income nowadays. In addition, the finding shows that the save money is also one of the factors that influence use E-wallet as a payment method. Save money can increase the value for the payment method by online, or it can generate value to external customers, including supplier, end users or potential consumers. Besides, discount and cashback can increase the demand for user E-wallet in nowadays. It is can increasing the number of people who register the E-wallet as a payment method and minimize the cost and to generate more income for the firm. Besides, safety and privacy is also one of the key factors that influence to use E-wallet as a payment method. Customer data is important and must give full attention. Customer always hopes that their use E-wallet must be fulfilled. So, E-wallet should take note about it to attract more customers by using the benefit of E-wallet. Customer taste and preference is not always the same. It will change according to the trend and environment. E-wallet should accept and adapt to the changes to attract more customers by fulfil their demands.

This will make sure the user E-wallet to them as customer with E-wallet as a payment method can fulfil customers demand on the time. In sum, all of the independent variable and dependent variable show a positive result, which is means that the result for research are acceptable, reliable, and significant, therefore, this research can be carrying out for the further research and

learning.

# Acknowledgements

It is a great pleasure for me to undertake this project. I feel high doing the Final Year Research Project entitled "Factors Influencing the Use of E-wallet as a Payment Method among student in University of Malaysia Kelantan City Campus"

First of all, I would like to express our deepest gratitude to our research project supervisor, Dr. Nurul Izyan Binti Mat Daud, for her valuable supports and efforts in helping and guiding me in the completion of this research. I appreciate her dedication and the faith that she gave for me especially when I was facing difficulties during the entire process. I'm having extremely grateful to her for becoming our supervisor.

Furthermore, I would like to thanks the second examiner, Puan Nik Noorhazila Binti Nik Mud. She has given us valuable recommendations and suggestions that helped us in making better improvements in this research project.

Besides, I'm thankful for the infrastructures and facilities provided by the University of Malaysia Kelantan (UMK). Without those faculties, I'm unable to obtain the sufficient data, journal articles, and information required in conducting this research.

Last but not least, the credit also gave to my friends, course mates, and parents, Hj Arshad Bin Zainal Abidin and Hjh Masmerah Binti Abd Samat whose always support and motivate me throughout this Final Year Research Project. Their dedications are gratefully acknowledged, together with the sincere apologies to those we have inadvertently failed to mention here.

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# THE USE OF TECHNOLOGICAL INNOVATION ON RETAILING STORE EFFECT ON CONSUMERS PURCHASING

# Nurul Husna binti Zainal and Nurul Izyan binti Mat Daud

Faculty of Entrepreneurship and Business,
Universiti Malaysia Kelantan,
Malaysia

Email: husna.a17a0578@siswa.umk.edu.my, izyan.md@umk.edu.my

### Abstract:

Technological innovation will have a significant impact on retail. The use of a large number of benefits enjoyed by retailers using technologies such as cost reduction, increased consumer satisfaction, flexible job introduction and finally in the field of market dominance and increased company competitiveness (Gil et al., 2014). The retail industry is one of the sectors connected to the revolution because of continuous technological advances (Priporas et al., 2017). Although retailers traditionally lack modern ability and typically adapt to innovation, products and services are available and increasing rapidly to support consumers and retailers with technology and creative systems and digital sales (Pantano, 2014). The aim of this paper is to deepen the study of retail technology innovation and explore the direct effect of innovation in the areas of level of satisfaction, image storage and consumer value to stimulate corporate economic efficiency (Townsend, 2010). There are several other key issues identified related to store image, satisfaction and consumer value that will use of technological innovation in the retailing.

Keywords: Consumer Value, Retailing, Satisfaction, Store Image, Technological Innovation

# 1 INTRODUCTION

Innovation is usually linked with technology-based change. Innovation not only pose challenges for retailing but also creates new effective solutions to improve consumer experience and retail management (Imtiaz, Eissa.A & Mosab, 2019). The level of innovation that may occur vary between firms operating in the same industry in terms of the nature and volume of successful innovations (Cao, 2014). Moreover, by providing new instruments to add value to the consumer experience, the rapid development of information and communication technology has fundamentally changed business conditions (Thiesse et al., 2009). In this study, technological innovation will have a significant impact on retail. The use of a large number of benefits enjoyed by retailers using technologies such as cost reduction, increased consumer satisfaction, flexible job introduction and finally in the field of market dominance and increased company competitiveness (Gil et al., 2014).

As Cyber Monday statistics show, smartphone use, in particular is driving retail e-Commerce sales with the rapid growth of technology. The mobile share of e-Commerce retail sales reached \$ 1.4 trillion in 2017, which is 58.9 percent of the total. It is expected to hit \$ 3.5 trillion by 2021, which will account for 72.9 percent of all retail e-commerce revenue. Outstanding growth in the e-Commerce retail sector, widespread use of information

technology, increase mobile internet connection, and increased investment will increase market share. The aim of this paper is to deepen the study of retail technology innovation and explore the direct effect of innovation in the areas of level of satisfaction, image storage and consumer value to stimulate corporate economic efficiency (Townsend, 2010). The objectives of this study are to:

- 1. To determine the relationship between store image on technological innovation.
- 2. To determine the relationship between satisfaction on technological innovation.
- 3. To determine the relationship between consumer value on technological innovation.

# 2 LITERATURE REVIEW

# 2.1 STORE IMAGE

Store image management is a key strategic tool to achieve competitive advantage (Delgado et al., 2014). According to Kumar et al., 2014, this concept gets a lot of attention from academics and the world today and is associated with consumer perceptions of the business world (Morschett et al., 2005). The study began in the 1950s, and the literature is very extensive. A large number of authors use Martineau's classic conceptualization concept (1956) as a basis for which he describes the picture or "the way the mind of the buyer envisions the store partly through the quality of its function and partly through its psychological attributes".

Therefore, the image of the store represent the identify or personality of a store because it is a mixture of values and expectations centred on customers' tangible and intangible elements associated with the business (Ailawadi and Keller, 2000; Hartman and Spiro, 2005). According to Shen, 2010, a number of variables or attributes have been recognized as contributors to image formation and, in particular, atmosphere, product display, service, pricing facilities and more. Based on (Beristain and Zorrilla, 2011; Delgado et al., 2014; Gil et al., 2017) as a result of this different approach, various attributes have been considered as part of the sales point image, although most studies retain accessibility-related attributes, space organization, comfort and convenience as key technology components to enhance their store image.

H1: Store image have a positive effect on technological innovation in retailing.

### 2.2 SATISFACTION

For retail managers, satisfaction is the key goal and a definition that is of great interest in market research (Coil et al., 2007). From a specific or cumulative approach (Boulding et al., 1993) and a cognitive or affective approach (Oliver, 1997), satisfaction has been defined in the literature. An approach shared by several writers is an analysis of satisfaction with a concrete encounter (Spreng et al., 1996; Giese and Cote, 2000). However, fulfillment refers to a collection of cumulative interactions in the retail sense (Jones and Suh, 2000; Sivadas and Baker-Prewitt, 2000). A decision on a pleasurable level of consumption-related fulfillment is happiness from a cognitive perspective (Oliver, 1997). Store satisfaction in this line refers to a subjective judgement that meets or exceeds expectations in the store (Helesen et al., 2010),

and the principle of expectation dis-confirmation is most widely accepted in the literature. The affective viewpoint notes that a summary of emotional responses of varying severity is happiness (Giese and Cote, 2000). Therefore, we consider customer satisfaction with the technology to be a cumulative evaluation, affective and cognitive.

H2: Satisfaction have a positive effect on technological innovation in retailing.

### 2.3 CONSUMER VALUE

Values are also easily equated with satisfaction even though the contract is different. This is because value takes sacrifices in exchange into account, while satisfaction is not (Grace and O'Cass, 2005) and this is because value occurs at different stages of the purchase process, while satisfaction is post-purchase (Oliver,1997). Research on value has traditionally focused on technology and little on the retail context, focusing on a variety of perspectives, such as the value of in-store experience (Terblanche and Boshoff, 2004) the value of the shopping process (Mathwick et al., 2002) or the value of general shopping experience (Babin et al., 1994). A study by Sharma et al., 2012, presents empiric retail studies that traditionally focus on more beneficial aspects of the shopping process, but more recent literature shows that consumers have motivations that go beyond buying a product.

H3: Consumer value have a positive effect on technological innovation in retailing.

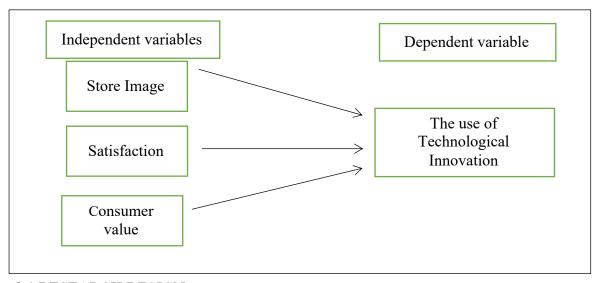
### 2.4 THE USE OF TECHNOLOGICAL INNOVATION

Technological innovation provides opportunities for entrepreneurs to find new organizations and create a competitive position as a source of employee advantage. The impact of innovation may not be so obvious that it is too late for providers who use older knowledge to compete with new competitors. Thus, the underlying technology and technological innovations can have a profound effect on the dynamics and evolution of organizational population competition. Ecological research linking the technological cycle with population dynamics, albeit limited in scope, provide strong support for this assertion (Baum, 1996).

New technologies can increase efficiency, build on existing knowledge and strengthen the position of incumbents or destroy competencies, making existing knowledge obsolete and making it possible for newcomers to become superior competitors in terms of technology. Technology advances return to additional enhancements to dominant technologies. While the universality of this technological cycle is debated, it has proven to illuminate various industries.

### 2.5 CONCEPTUAL FRAMEWORK

A theoretical framework has been developed and present in Figure 2.1. It used to examine the relationship among three variables such as:



### 3.1 RESEARCH DESIGN

Research design is an important element in methodology. This is "a study design to provide a specification of the procedure that must be followed by the researcher to achieve the objectives of the study or test the hypotheses formed for the study" (McDaniel & Gates, 1999). Study design can ensure that the evidence generated from the data can answer research questions confidently and convincingly (Lewis, 2015). The target respondents for this research are residents in Parit Buntar, Perak. Researchers use independent variables and dependent variables to construct questions. This study uses descriptive research analysis to identify the role of technological innovation on store image, satisfaction and consumer value in retailing among resident Parit Buntar, Perak.

### 3.2 DATA COLLECTION METHOD

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Data collection methods can be divided into two categories that is primary data and secondary data.

# 3.3 STUDY POPULATION

Population refers to the whole group of people, events or interesting things that the researcher wants to investigate (Kumar, Abdul Talib & Ramayah, 2013). The target population of this research is in Parit Buntar, Perak. But considering the cost and time limit, this study focuses on residents in Parit Buntar. The total population in Parit Buntar, Perak is 97,975 (Portal Rasmi Majlis Daerah Kerian, 2017). The reason for choosing this target population area is less time consuming to get more accurate results and achieve high data collection speed. The target population for the research is the customer from in Parit Buntar, Perak. The number of the of respondent that will be fill out the online questionnaire is 382 respondents (Krijcie & Morgan,1970).

# 3.4 SAMPLE SIZE

The sample size is a subgroup of the population, by examining the sample, the researcher should be able to draw conclusions from the general to the interested population "(Sekaran & Bougie, 2013). Sample sizes were selected based on sample size calculations using Krejcie and Morgan sample size determination tables. They have simplified the process of determining the sample size for a limited population developed in 1970. It is the number of respondents chosen from population by researchers. The number of populations in Parit Buntar, Perak was 97,975. Due to the sample size of a known population of Krejcie and Morgan (1970), there will be 382 will be chosen as the respondents. Study will be used a convenience sampling.

### 3.5 SAMPLING TECHNIQUES

Sampling technique is the process of selecting a sufficient number of elements from the population. Sampling design for this study is a non-probability sampling. Non-probability sampling is a sampling technique in which the researcher decides in sample based on subjective judgment of the researchers rather than random selection. Convenience sampling is chosen in conducting the sampling method as it's allows researchers to identify respondent. It is also referred to the researching subjects of the population that are easily accessible to the researcher (Etikan et al., 2016). Convenience sampling is affordable, easy and the subjects are readily available.

# 3.6 RESEARCH INSTRUMENT DEVELOPMENT

The survey questionnaire was used as a measurement tool by the researchers to obtain data in this study. Questionnaires were used to ask respondents to give their opinions by answering the questionnaire. Questionnaires printed in bilingual. Nominal scales will be used for Sections A, B, C, D and E in the questionnaire for this study. This questionnaire was made with simple and standard words for respondents who easily understand the questions in the questionnaire. Moreover, this question is made based on the objectives and questions of this study. Questionnaire made as a closed question, which is a Likert type scale. Respondents can choose the answer that is closest to their point of view.

# 3.7 MEASUREMENT OF THE VARIABLES

The questionnaire will be used as an instrument in this study. The measured scale used by the researcher is the Likert scale. A Likert scale will be used to measured targeted respondents responses based on the use of technological innovation on retailing store effect on consumers purchasing.

### 3.8 PROCEDURE FOR DATA ANALYSIS

Once the information was collected from the respondents, the researcher began to collect and analyze the questionnaire. Respondents' feedback was converted to numerical values before entering the data in the spreadsheet. The Statistics Package for Social Sciences (SPSS) is selected and applied to collect and analyze the information collected. SPSS Statistics is a software package used for interactive statistical analysis, or batch. The statistical analysis for the study included the descriptive analysis, reliability analysis, Pearson correlation analysis and multiple analysis. Result of analysis came out and the discussion, conclusion also can be proceed.

### 3.8.1 DESCRIPTIVE ANALYSIS

Descriptive statistics help researchers to simplify large amounts of data in a sensible way. Each descriptive statistics reduces lots of data into a simple summary. For instance, consider a simple number used to summarize the use of technological innovation on retailing store effect on consumers purchasing based on store image, satisfaction and consumer value.

### 3.8.2 RELIABILITY ANALYSIS

Reliability analysis is a way of estimating the quality of the measurement procedure used to collect data in a research. Reliability is concerned with consistency or how far the questions used in a survey which is the same kind of information each time respondent has been asked. Reliability is concerned with consistency or how far to the questions used in survey which is the same kind of information each time respondent has been asked.

# 3.8.3 PEARSON CORRELATION ANALYSIS

Pearson correlation analysis is used when it believed there is a linear relationship in data. In this study, Pearson correlation analysis was used to determine the relationship between store image, satisfaction and consumer value.

### 3.8.4 MULTIPLE REGRESSION ANALYSIS

Multiple regression was computed to ascertain the best linear combination of store image, satisfaction and consumer value in the use of technological innovation on retailing store.

# 4 RESEARCH FINDING

In this chapter shows that data questionnaires in SPSS.

# 4.1 DEMOGRAPHIC

Table 1: Demographic respondent profile

Variables	Frequency	Percentage%
Gender		
Male	127	33.2
Female	255	66.8
Total	382	100
Age		
15-25	186	48.7
26-35	97	25.4
36-45	71	18.6
45 >	28	7.3
Total	382	100

Education STPM Matriculation Diploma Degree Others	51 22 80 122 107	13.4 5.8 20.9 31.9 28.0
Total	382	100
Occupation Student Unemployed Employee Housewife	159 33 155 35	41.6 8.6 40.6 9.2
Total	382	100
Retail Store Food Household goods Electronic goods Textile	153 82 77 70	40.1 21.5 20.2 18.3
TOTAL	382	100

Table 1 shows that respondent of demographic profile. First, based on the sample obtained by the questionnaire distribution, the total sample have been collected reached a total of 382. From the sample collected, the respondents were majority female respondent which has dominated a total of 255 in total, and the rest were male respondent. 66.8% of the respondents were female and only 33.2% were male. For age, the population of Parit Buntar in the age range of 15 to 25 years is the majority in this study. Next, based on the data collected, the highest academic qualification which was Degree and Matriculation has recorded as the least number between STPM, Diploma, and others. After that, the highest occupation which was students and unemployed has recorded as the least number between employee and housewife. Last but not least, the highest retail store which was foods and textile has recorded as the least number between household goods and electronic goods.

# **4.2 RELIABILITY**

Table 2: The Actual Result of Reliability

rable 2: The Metali Result of Remainity				
Variable	Cronbach's Alpha	N of item	Result	
Dependent variable				
	0.904	5	Excellent	
Technological	0.904	3	Excellent	
Innovation				
<u>Independent variable</u>				
Store image	0.740	5	Good	
Satisfaction	0.748	5	Good	
Consumer value	0.906	5	Excellent	

Table 2 showed the Cronbach"s Alpha for technological innovation was 0.904 and it indicated as a "excellent" result because it closed to 1.0. Besides that, consumer value obtained

a "excellent" result in the reliability test, which was 0.906 respectively. The Cronbach"s Alpha for store image and satisfaction was 0.740 and 0.748 respectively, there was considered as "good" reliability. Generally, the items will be acceptable when the result of Cronbach"s Alpha was more than 0.70. Based on this statement, all of the items in this research can be accepted and there was positively correlated with each other.

### 4.3 PEARSON CORRELATION

Table 3: The correlation between independent and dependent variables

		Technological innovation	Store image	satisfaction	Consumer value
Technological innovation	Pearson Correlation	1	.418**	.521**	.876***
	Sig. (2-tailed)		.000	.000	.000
	N	361	361	361	361
Store image	Pearson Correlation	.418**	1	.518**	.343**
	Sig. (2-tailed)	.000		.000	.000
	N	382	382	382	382
Satisfaction	Pearson Correlation	.521**	.518**	1	.494**
	Sig. (2-tailed)	.000	.000		.000
	N	361	361	361	361
Consumer value	Pearson Correlation	.876**	.343**	.494**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	361	361	361	361

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows that there is a positive fair significant relationship between store image and technological innovation (p <0.05, r = 0.418). Next, there is a positive good significant relationship between satisfaction and technological innovation (p<0.05, r = 0.521) and there is a positive perfect significant relationship between consumer value and technological innovation (p<0.05, r = 0.876).

# 4.4 MULTIPLE LINEAR REGRESSION ANALYSIS

Table 4 : Table of Coefficients Analysis

# Coefficients Unstandardized Coefficients Standardized Coefficients Model B Std. Error Beta t Sig. 1 (Constant) -.628 .203 -3.098 0.002

<sup>\*</sup>p-value < 0.05

	_				
Store image	0.181	0.049	0.107	3.715	0.000
Satisfaction	0.109	0.050	0.068	2.177	0.030
Consumer value	0.822	0.029	0.806	28.431	0.000

a. Dependent Variable: Technological innovation

Table 4 showed the table of coefficient analysis. There is a significant effect of store image toward technological innovation (<0.05). In every unit increase of store image, technological innovation will increase by 0.18. Next, there is a significant effect of satisfaction toward technological innovation (<0.05). In every unit increase of satisfaction, technological innovation will increase by 0.11. Last but not least, there is a significant effect of consumer value toward technological innovation (<0.05). In every unit increase of consumer value, technological innovation will increase by 0.82.

# **5 DISCUSSION**

In this research, the researcher had managed to collect data using the research instrument (online questionnaire) and after analyzing the data using IBM SPSS Statistics version 23, the result for the tests was obtained.

The first objective of this study is to determine the relationship between store image and technological innovation among the residents of Parit Buntar, Perak. The strength of the correlation between store image to technological innovation is a moderate positive correlation. Based on Gil et al., 2017, found that various attributes have been considered as part of the selling point picture, although most studies maintain attributes related to accessibilities, space organization, comfort and convenience as key technology components to enhance store image. This study has a positive effect on the store image

The second objective is to determine the satisfaction of the relationship between satisfaction and technological innovation among the people of Parit Buntar. The strength of the correlation between satisfaction with technological innovation is a simple positive correlation. Store satisfaction refers to subjective assessment that meets or exceeds store expectations (Helesen et al., 2010). Therefore, satisfaction with technology is considered a cumulative, effective and cognitive assessment. This study has a positive effect on satisfaction.

The last objective is to determine the relationship between consumer value and technological innovation among the people of Parit Buntar. The strength of the correlation between satisfaction with technological innovation is high positive correlation. Research on value has traditionally focused on technology with a focus on various perspectives, such as the value of in-store experience (Terblanche and Boshoff, 2004). This study has a positive impact on consumer value.

There is a significant effect of store image toward technological innovation (<0.05). In every unit increase of store image, technological innovation will increase by 0.18. Next, there is a significant effect of satisfaction toward technological innovation (<0.05). In every unit increase of satisfaction, technological innovation will increase by 0.11. Last but not least, there is a significant effect of consumer value toward technological innovation (<0.05). In every unit increase of consumer value, technological innovation will increase by 0.82.

### 5.6 HYPOTHESES TESTING

Table 5: Hypotheses testing

Hypotheses	Objective	Result
H1: Store image have a positive impact on technological innovation in retailing.	the p-value for store image had indicated 0.000, which p<0.01, meaning that there is significant relationship between store image and technological innovation.	Accepted
H2: Satisfaction have a positive impact on technological innovation in retailing.	the p-value for satisfaction had indicated 0.03, which p<0.01, meaning that there is significant relationship between satisfaction and technological innovation.	Accepted
H3: Consumer value have a positive impact on technological innovation in retailing.	the p-value for consumer value had indicated 0.000, which p<0.01, meaning that there is significant relationship between consumer value and technological innovation.	Accepted

Based on the table 5, it can be concluded that the store image, satisfaction and consumer value have a significant relationship between the use of technological innovation in retailing.

# 6.0 RECOMMENDATION

This study focuses on the use of technological innovation on retailing store effect on consumers purchasing toward resident Parit Buntar, Perak. Clear research should be out in the Parit Buntar, Perak area as it has been shown that there is no wide-range research done in Parit

Buntar. Future studies in other universities and elsewhere can use the proposed model. For future studies, the number of respondents should be increased and distributed elsewhere not only in Parit Buntar but also in each district in Perak to get a clearer study on the factor of the use of technological innovation on retailing store effect on consumers purchasing. This study can also be useful for future researchers as they can utilize it as a source of perspective and rules in leading comparative research, as they can direct exploration of research the factors that successfully influence the use of technological innovation on retailing store effect on consumers purchasing.

# 7.0 CONCLUSION

In conclusion, the results of this study have contributed useful information on the use of technological innovation on retailing store effect on consumers purchasing and success factors to future researchers as a reference for their study. In addition, this study provides an understanding of the use of technological innovation in retail stores effect on consumers purchasing. Retail stores can improve a business to increase its effectiveness in the use of technology. This study involved the resident of Parit Buntar. A total of 382 respondents to complete this study. The results for correlation is that there is a positive fair significant relationship between store image and technological innovation (p <0.05, r = 0.418). Next, there is a positive good significant relationship between satisfaction and technological innovation (p<0.05, r = 0.521) and there is a positive perfect significant relationship between consumer value and technological innovation (p <0.05, r = 0.876). Finally. This study is expected to obtain good feedback from relevant businesses in improving the use of technological in business. Although there are some limitations to this study, its is hoped that the first step taken in studying the use of technological innovation on retailing store effect on consumers purchasing is important for further justification.

# **ACKNOWLEDGEMENT**

The success and the final outcome of this assignment required a lot of guidance and assistance from people that I truly appreciated and are extremely privileged to have along the completion of this assignment. Everything I have done just because of the endless supervision, help and encouragement I will never forget during this semester. Here, I would like to thank the supervisor for the Retail Research Project, DR. NURUL IZYAN BINTI MAT DAUD for the guidance and help given to me. Although there are flawless and mistakes that I have made throughout the completion of this research study. Not forgetting also many thanks to the family who helped a lot to provide complete facilities to me while completing this project due to the pandemic problems that hit the country that caused me to stay at home to complete this final project. I would like also to thank the friends behind me for their encouragement in completing this project. Therefore, without them the process of completing a task would probably be quite challenging.

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