PRODUCT ATTRIBUTE TOWARDS BUYER INTENTIONS IN ONLINE PURCHASING AMONG STUDENT IPTA IN MALAYSIA

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IN ONLINE PURCHASING AMONG STUDENT IPTA IN MALAYSIA

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Report submitted in fulfillment of the requirement for the degree of Bachelor of

Technopreneurship (Honours)

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2015

DECLARATION OF SUPERVISOR

I hereby acknowledge that this project paper has been accepted as part fulfillment for the

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DECLARATION

I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and it is not concurrently submitted in the candidature of any other degree.

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DEDICATION

This research is dedicated to my respective parents, my brothers and my sister-in-law who have been my constant source of inspiration and drive me to be discipline when doing this task. The respected with all friends, without their caring, support and understanding this project would not have been possible.

ACKNOWLEDGEMENTS

In the first instance, I want to deliver my deep gratitude to my principal tutor, Dr. Haslinda Binti Musa, who has tutored and helped me with this research a lot. In fact, I learned a great deal from her course which gives me a multitude of ideas and concepts.

Secondly, I highly appreciate my second tutor, Dr. Ismi Rajiani, who is responsible for the Research Method subject. During the progress of this research, he is always generous to give comments and suggestions. In addition, what I have learned from his course contribute to carry out the research, such as leadership, a leader's vision and motivation, and so on.

Thirdly, I am especially grateful for Dr. Chew who gave me advices and guides to complete my research. He always gives additional knowledge to help me in doing the research. Fourthly, I would like to thank to all my friends, who always gives me some comments and suggestions.

Fifthly, I am deeply appreciative of the student IPTA at UTEM, UKM, UUM, UNSIZA and others university in Malaysia that give little bit times in filling up the questionnaire. In the end, my family's mental support deserves a mention. Without their support and encouragement, I may probably not be able to finish this research.

ABSTRACT

Nowadays, shopping on Internet becomes an alternative for consumers since it is more comfortable than conventional shopping which usually attributed with anxious, crowded, traffic jam, limited time, parking space and etc.(Eri etc. 2011).

This research is about product attribute. According to C. Merle Crawford etc. (2011) Attributes include size, color, functionality, components and features that affect the product's appeal or acceptance in the market. Product attributes define the product. There are of three type which are features, functions and benefits. The researcher study about the relationship of product attributes and buyer intentions in online business.

To complete this research, the researcher choose online buyer in student IPTA as respondents and used quantitative method where the researcher used survey method by distributing hundreds of questionnaires to the respondent at UTEM, UKM, UUM and UNIZA.

The researcher used online survey and collect data directly from student IPTA from UTEM, UKM, UUM, UNSIZA and others university in Malaysia. The data collected were analyzed by using Statistical Package for the Social Science (SPSS). Based on the research, the independent variable which gave influence to buyer intentions in online business. This was based on the result from the Multiple Regression Analysis from SPSS.

ABSTRAK

Pada masa kini, membeli-belah di Internet menjadi alternatif kepada pengguna kerana ia adalah lebih selesa daripada membeli-belah konvensional yang biasanya dikaitkan dengan cemas, sesak, kesesakan lalu lintas, masa yang terhad, ruang letak kereta dan lain-lain (Eri dan lain-lain, 2011).

Kajian ini adalah mengenai sifat-sifat produk. Menurut C. Merle Crawford dan lain-lain (2011) Sifat-sifat termasuk saiz, warna, fungsi, komponen dan ciri-ciri yang mempengaruhi rayuan produk atau penerimaan di pasaran. Sifat-sifat produk mentakrifkan produk. Terdapat tiga jenis iaitu ciri-ciri, fungsi dan manfaat. Kajian penyelidik mengenai hubungan sifat-sifat produk dan niat pembeli dalam perniagaan online.

Untuk melengkapkan kajian ini, penyelidik memilih pembeli dalam talian pelajar IPTA sebagai responden dan kaedah kuantitatif digunakan di mana pengkaji menggunakan kaedah tinjauan dengan mengedarkan soal selidik kepada 100 responden terdiri daripada universiti UTEM, UKM, UUM dan UNIZA.

Penyelidik menggunakan kaji selidik dalam talian dan mengumpul data secara langsung daripada pelajar IPTA dari UTEM, UKM, UUM, UNIZA dan lain-lain universiti di Malaysia. Data yang dikumpul dianalisis dengan menggunakan Pakej Statistik untuk Sains Sosial (SPSS). Berdasarkan kajian, pembolehubah bebas yang memberikan pengaruh kepada niat pembeli dalam perniagaan online. Ini adalah berdasarkan hasil daripada Analisis Regresi Berganda daripada SPSS.

CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDIX

CHAPTER 1

INTRODUCTION

1.1 Background of the study

At the present time, Internet is not only a networking media, but also as transaction medium for consumers at global market in the world, and becomes dominant retailers in the future. The most necessary element of e-retail offers a direct interactive channel as well as no time definition, people and place. To shop on Internet becomes an alternative for consumers since it is more comfortable than conventional shopping which usually attributed with anxious, crowded, traffic jam, limited time, parking space and etc.(Eri, etc. 2011).

It is because of rapid diffusion of information technology system in the world. There have a lot of sosial media as a medium to transfers product to customer for example Facebook. According to Universal Maccann International (2008), social media is one of the most popular needs among internet user. It is defined as "online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content".

The most important in online business is product attribute to attract customer buy the product. According to C. Merle Crawford etc. (2011) Attributes include size, colour, functionality, components and features that affect the product's appeal or acceptance in the market. Product attributes define the product. There are of three type which are features, functions and Benefits include uses. The researcher focus three item in product attributes which are Benefits of the products, function and feature of product.

1.2 Research Problem

Nowadays, online business is the one of platform to distribute product or service direct to customer. In online business, product attribute is one of the strategy for new product management to attract buyer intentions. Mostly in online buyer, they look product that give intentions for the first look to them. In online business, a lot of competition of product. To overcome this problem, online seller use product attributes to attract customer buy the product.

1.3 Research Question

Throughout this study, the research questions are:
  i. What is the relationship between the feature of product and the buyer intentions?
  ii. How the Benefits of product can influence buyer intentions in online purchasing?
  iii. What is the relationship the function of product and the buyer intentions?

1.4   Research Objective

Throughout this study, the research objectives are:

   i.   To determine relationship between feature of product towards buyer intentions in online purchasing.

  ii.   To study Benefits of product influence buyer intentions in online purchasing.

iii.   To determine relationship between function of product and buyer intentions in online purchasing.

1.5   Scope and Limitations of the Study

1.5.1   Scope

The scope of research is limited only product attribute and concentrate of three characteristics which are feature, Benefits and function of product.

1.5.2. Limitation

The location of this study is limited of online buyer in Student IPTA at UTEM, UKM, UUM,UNISZA and others university in Malaysia.

1.6   Importance of this study

The researcher hopes that the research will help the online business to get insight on the relationship between product attributes and buyer intentions. The researcher also would like to know the effect of product attributes towards buyer intentions. In addition, the purpose of this study is to

become expert in this research areas. The researcher also aim to increase the skill and knowledge about product attributes.

1.7   Summary

Based on this chapter 1, the researcher can summarize that characteristics of product attributes are play in positive role to buyer intentions in online purchasing. However there still having company in online business not applies this information correctly in their business. Hence, there are some characteristics of product attributes that the researcher has identified in online purchasing. The researcher want to research are Benefits, function and features of product.

Hence, for the research, the researcher want to determine either Benefits function and features of product give positive role to buyer intentions in online purchasing. The researcher will do this research located at UTEM, UKM, UUM, UNISZA and others university in Malaysia.

CHAPTER 2

LITERATURE REVIEW

2.1   Introduction to Product Attributes

This chapter will explain about literature review for all dependent variable and independent variables that will support this research. The dependent variable in this research is buyer intentions in online purchasing.. For this research there are three independent variables used to test the dependent variable, which are Benefits, function and feature of product.

According to Nyrud et al. (2008), emphasized in an early article on wood-product attributes that it is of substantial importance to identify (forest) product attributes that are desired by customers so that the firm can deliver a product and meets consumer expectations. According to Chryssochoidis et al. (2007), several other studies suggest that the influence of COO-effect depends not only on the country of origin or the product category, but on specific product attributes as well (attribute-specific). It show that the important of product attribute towards sale performance and influence of buyer intentions.

Reference to the country of origin of a product made on its label influences consumers' perceptions regarding its quality country-specific yet the magnitude of the effect depends on the product category product-specific (Balabanis and Diamantopoulos, 2004). .Product attributes information is associated with marginal utility and curvature (satiation) parameters of various utility functions. Kim etc. (2007).

2.1.1   Benefits of Product

In this part, the researcher focus on three dimension which are testimony of customer, quality and design of product. According to C. Merle Crawford et al. (2011) Benefits are the most desirable form for protocol to use better than functions or features. Anadvantage of specifying the protocol in terms of Benefits is that places no (or very few) constraints on the R&D staff: they are given free rein to figure out how best to design the product so that it provides the desired Benefits.

According to Heyer, K. (2007) Customer testimony will continue to be relevant in the same way that it has always been relevant; customers remain the most objective marketplace participants. Consumers should rely more on product recommendations for these products than for search products. Senecal et al.(2004)

According to Senecal et al.(2004), from word-of-mouth (WOM) influence decision-making for buying the product. For example "this is the best product in the market". The comment of word-of-mouth come from the testimony of customer and customer spread and share with their family, friends and others. So from this jurnal show the important of testimony customer to attract buyer intentions of the product in online business.

According to Garvin, D. A. (1984). the definition of quality can be identified: (1) the *transcendent* approach of philosophy; (2) the *product-based* approach of economics; 3) the *user-based* approach of economics, marketing, and operations management; and (4) the *manufacturing-based* and (5) *value-based* approaches of operations management

According to Slotegraaf et al. (2004). The result show that the effect of attribute satisfaction on satisfaction with product quality asymmetrically shifts over time, depending on the resolvability of the attribute. Besides, it appears that customers may judge the quality of product under warranty in accordance with attribute-specific assessments, which consequently points to the importance of firms' examining satisfaction at an attribute level. However, according to Nelson, (1974) in jurnal Senecal et al.(2004) said search qualities are those that "the consumer can

determine by inspection prior to purchase," and experience qualities are those that "are not determined prior to purchase"

The Cambridge International Dictionary defines the term "design" as: "*To make or draw plans for something* or *A design is a plan*" and "designing" as *"The art of making plans or drawings for something"* (Dictionary 1995). Taking this meaning, it seems quite clear that the starting point of the development of the terminology was engineering, first related to buildings then to machines. The people working in the area were later confronted with the fact that design was also used for describing the discipline dealing with the shape, colour and material of objects. Marxt etc. (2005)

The German languages today still attributes this latter meaning to the word "Design". Hence the term engineering design evolved to allow a clearer distinction of the two areas. In German speaking countries the term used was "Konstruieren", which corresponds quite well with the English Term "Engineering Design". The research in the area especially by Pahl and Beitz (Pahl and Beitz 1993), also led to the DIN 2221 standard, which gives ideas on how the design process should look like. It incorporates not only a product oriented view of design but also tries to have an eye on issues like competition, costs, deadlines, regulations etc. (VDI Verein Deutscher 1993). Although DIN 2221 is the standard on "the methodology on developing and designing technical systems and products" in German speaking countries, it does not give a very clear definition on what, to "design" or to "develop" really mean.

2.1.2   Functions of Product

In this part, the researcher focus on two dimension which are information of product and target user. According to C. Merle Crawford et al. (2011). Some people feel a performance parameter (a function) may come to be e-pressed as a design parameter. For example, on the matter of the car pickup above, the statement might be "Use the new German 11-Z engine." Such a new engine would be a technology

but clearly might be a solution to a need, not a description of it, there are probably many other ways rapit pickup could be achieved.

According to Azad, N., & Hamdavipour, L. (2012), the result of their research show that the informative factors such as product information and trade name play the most important role on choosing a product and give impact on customer's decision for buying a product. Its show that, the important of information about product and give influent to buyer intentions.

The result showed that 68.5% respondents (Appendix 1) focused on the availability of information about a product that they can receive from the product that had been advertised on social networking site. This result supported one of positive perception toward advertising which found in research that stated users rating the advertising positively, since they think that there are availability of information about product that can be learnt anytime. Jie etc. (2010)

According to Zhou et al.(2007). Traditionally, shopping is an activity more favoured by women. It is women who are usually in charge of household shopping and hold more positive attitudes towards the traditional store and catalogue shopping than their male counterparts (Alreck and Settle, 2002). However, the new shopping channel provided by the Internet seems to result in a different, if not opposite, gender pattern. Although there was no significant difference between online shoppers and non-shoppers in terms of gender (Donthu and Garcia 1999), men were found to make more purchases (Li et al. 1999; Stafford et al. 2004) and spend more money online (Susskind 2004) than women. Men's perceptions of online shopping were approximately the same as (Alreck and Settle 2002) or even more favourable than (Slyke et al. 2002) those of female consumers.

2.1.3   Features of Product

In this part, the researcher focus on two dimension which are picture of product and packaging of product. According to C. Merle Crawford et al. (2011). Technical people often come up with features first, based on technologies they have.

According to Zhou et al.(2007).   Online consumers are becoming increasingly diversified. It is shown in this study that various consumer factors influence online shopping. Accordingly, the requirements for information content and presentation format provided by online retailers may differ. Personalization of an online shopping environment includes the personalization of information content and presentation, transactions, online help, and consumer services. Personalized online shopping environments can potentially improve the online experience and enhance consumer loyalty.

For example, a pleasant and visually-appealing online shopping environment that also provides a sense of online community and interactivity may boost the exploration and impulsive shopping of experiential shoppers; and an easy and controllable online shopping environment might fit goal-oriented shoppers. Therefore, an optimal online marketing strategy is to personalize shopping environments to meet the needs and preferences of different consumers (e.g., goal-oriented or experiential, and novice or experienced). (Zhou et al. 2007)

Any product with good packaging with sufficient information on labelling and suitable label will have a better change of absorbing customer's attractions (Azad, N., & Hamdavipour, L. ,2012) For example, according to Oliveira et al. (2010) presented a pilot study characterizing the domestic usage of food packaging in terms of amount and type at the household level. They selected all the necessary information such as design, methodology, and approach from a sample of Portuguese consumers. The results achieved were then analysed in relation to the current assumptions made for the safety assessment of materials based on European legislation.

According to Silayoi and Speece (2007), focused in their study on understanding consumer behaviour for buying decisions based on packaging