

**THE IMPLEMENTATION OF CLICK AND BRICK
BUSINESS MODEL IN ENHANCING
CUSTOMER SATISFACTION**

SUBATTR A/P DEVANDRAN

UNIVERSITY TEKNIKAL MALAYSIA MELAKA

DECLARATION

‘I hereby acknowledge that I have read this and in my opinion this work sufficient in terms of scopes and quality for the award of a Bachelor Degree in Technopreneurship Course’

Signature :

Supervisor’s Name :

Date :

Signature :

Panel’s Name :

Date :

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SUBATTR A/P DEVANDRAN

**This report submitted in partial fulfillment of the requirements for the award
Bachelor of Technopreneurship with honors**

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of Malaysia Malacca**

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DECLARATION

‘I hereby declare that the work of this research is mine except for the quotations summaries that have been duly acknowledged’

Signature :

Name :

Date :

DEDICATION

To my mom and dad I thank you sincerely for all the supports that you have gave me while studying, to raise me up become a successful student and also my friends who help me a lot while completing all the tasks that have given by lecturers.

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ABSTRACT

Nowadays people are busy with hectic working schedule and looking for better way to make purchasing. Thus, click and brick business model has become new method to fulfill customer needs. There are also a number of people who chooses this method because of the benefit which eventually increases customer's satisfaction for instances unlimited shopping time enable customer to shop instantly and they also does not have to travel to buy the product, besides that purchasing factors such as shopping trip and also exhaustive product selection are also other purchasing factors which increase the level of customer's satisfaction. Therefore, the purpose of conducting this research is to determine the relationship between purchasing factors and customer satisfaction by using click and brick business model. There were three main purchasing factors that used in this research which are exhaustive product selection, unlimited opening hours and shopping trip. Moreover, critical purchasing factor that contribute to increase the level of customer's satisfaction by using click and brick business model also has been determined in this research. Finally the researcher also identifies the advantages of choosing click and brick business model. To achieve all this objectives, 110 respondents has been answered the questionnaire and the collected data has been analyzed using multiple regression analysis to determine both the relationship between purchasing factors and customer's satisfaction; critical purchasing factor that increase the level of customer's satisfaction and descriptive statics analysis to identify advantages to customers. The result shows the level of significant <0.50 with $R= 0.844$ and $R^2 = 0.712$. This high R^2 value shows strong relationship between the purchasing factors and customer satisfaction. As a conclusion, this research has found that click and brick business model does provide value in new purchasing environment.

ABSTRAK

Pada masa kini kebanyakan orang semakin sibuk dengan tugas kerja dan mencari keadah yang lebih baik bagi membuat pembelian. Oleh itu, 'click and brick business model' telah dijadikan sebagai keadah baru bagi memenuhi kehendak pengguna. Terdapat juga sebahagian daripada kalangan pelanggan yang menggunakan kaedah ini disebabkan oleh kebaikan yang menjadi punca utama terhadap peningkatan tahap kepuasan pelanggan. Contohnya seperti, waktu membeli belah yang tiada had masa memberi peluang kepada pelanggan bagi melakukan pembelian secara serentak dan mereka juga tidak perlu keluar untuk membeli produk selain itu faktor pembelian seperti membeli belah dan juga kepelagaian pemilihan produk adalah faktor pembelian yang juga meningkatkan tahap kepuasan pelanggan. Dengan itu, tujuan kajian ini dijalankan adalah bagi menentukan hubungan antara faktor pembelian dengan kepuasan pengguna. Dalam kajian ini terdapat tiga faktor pembelian utama iaitu kepelbagaian pemilihan produk, waktu operasi tiada had masa, and membeli belah. Selain itu, faktor pembelian kritikal yang menyebabkan peningkatan terhadap tahap kepuasan pengguna yang menggunakan 'click and brick business model' juga ditentukan dalam kajian ini. Akhir sekali penyelidik juga telah mengenal pasti kebaikan menggunakan 'click and brick business model'. Bagi mencapai kesemua objektif, seramai 110 orang responden telah menjawab kajian soal selidik dan data yang telah dikumpul di analisa dengan menggunakan analisis regresi berganda bagi menentukan hubungan antara faktor pembelian dan kepuasan pengguna; faktor pembelian kritikal yang meningkatkan tahap kepuasan pengguna dan analisis deskriptif bagi mengenalpasti kebaikan kepada pengguna yang memilih membuat pembelian dengan menggunakan 'click and brick business model'. Keputusan hasil kajian menunjukkan tahap signifikan <0.50 dengan $R^2 = 0.712$. Nilai R^2 yang tinggi menunjukkan hubungan kukuh diantara faktor pembelian

dan juga kepuasan pelanggan. dalam 'click and brick business model' sememangnya memberi nilai terhadap peningkatan tahap kepuasan pengguna. Secara kesimpulan, kajian ini telah mendapati bahawa 'click and brick business model' sememangnya memberi nilai dalam persekitaran pembelian.

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LIST OF SYMBOL

b = b-value

t = t-value

H = Hypotheses

N = Number of Respondents

P = p-value

R = Point of Estimate

R^2 = Point of Estimates Square

CHAPTER 1

INTRODUCTION

1.1 Background of Study

Technology makes our life much easier. It helps us to organize and discover new things. Therefore technology play important role in business activities in previous years, business man or women were using traditional business model which are called as brick and mortar. Brick and mortar, is a company that possesses a building or store for operation (Enders and Jelassi, 2000).

There are several purchasing factors which incorporated in this business model in terms of great location, most probably customer would like to come in person to have look at the product such as price, quality, design and also to feel the product whether it is comfortable or not for example dress, and also sale assistant this are the purchasing factors which will increase the level of customers satisfaction but on the other hand there is also disadvantages which gives an impact on customers level of satisfaction which includes limited opening hours, customer might have less or insufficient time to make decision in buying or selecting the product that would be to make comparison or choosing the best product.

The methods of doing business are changed. Nowadays, people are getting busy and looking for better way to make purchasing therefore the click and mortar has become new business model to fulfill customer demand, according to Enders and Jelassi (2000) there are also a number of people who chooses online method because of the benefit which eventually increases the level of customers satisfaction for instance unlimited opening hours, the convenience that customer can shop instantly and do not have to travel to buy something, and also exhaustive product selection. Even though there are advantages that customer can gain through shopping online there are also several disadvantages such as lack of sales person assistant and also search inconvenience can be described in terms of download speed and web site design.

Therefore, from the above statement it can be said that despite from both advantages and disadvantages of doing business either traditional (having physical store) or online most of the emerging business are using both of business model called as click and brick business model in order to improve their way of doing business as well as increase the level of customers satisfaction (Ko and Roztockki, 2009). It is obvious that every person that operates a business wants to gain customer loyalty to buy or shop repeatedly and one of the ways is by implementing both business models. The benefit that customer can gain through shopping in both online and retail shop is that it offers best of the both worlds which are convenient for both online and offline shoppers, such as can cut down cost of travelling, and also there are sales person assistant.

1.2 Problem Statement

According to recent research Tariq et al., (2013), which state that, penetrations in the market with presence of competitors are very challenging and problematic. Traditional retailers also are unable to predict what the real sales trends now (kapur, 2010). Customer satisfaction depends on owner's capabilities on providing what actually customer wants or according to their needs. Even though owner of the shop provides what the customer want according to their needs there are still lack in certain aspects. **The question what would be the critical purchasing factor that can increase the level of customer's satisfaction?**

There are few purchasing factors which satisfies customer in order to attract them to buy the product for instance in online store it offers huge number of product that are displayed so that customer can choose or select according to their preference and purchase. Referring to Seiders et al., (2007) who developed service convenience (SERVCON) scale there are four types of convenience access (able to get quickly and easily), measuring decision (can easily make customer determine what they need), transaction (make the payment process became easy), and for last post-benefit convenience (easy to return goods and change). All this noted as scale that showed good reliability and validity for in-store shopping convenience and this are one of the factors that would be further discussed in literature review.

Therefore, this research is searching for critical purchasing factor and advantages of choosing click and brick business model to customer as stated in research questions and research objectives.

1.2.1 Research Questions.

- 1.2.1.1 What are the relationship between purchasing factors and customer's satisfaction using click and brick business model?
- 1.2.1.3 What are the critical purchasing factor which increase the level of customer's satisfaction towards purchasing using click and brick business model?
- 1.2.1.3 What are the advantages of choosing click and brick business model to customer?

1.3 Research Objectives

The objective of this study is to examine the click and brick business model that can enhance customer's satisfaction. And also customer's perception regarding the implementation of brick and click business model in a retail shop. Thus, this report will be describing the factor that increases customer satisfaction in purchasing a product.

The objectives of the study are stated as below:-

- 1.3.1 To determine the relationship between purchasing factors and customer's satisfaction
- 1.3.2 To determine the critical purchasing factor which increase the level of customer's satisfaction towards purchasing using click and brick business model.
- 1.3.3 To identify the advantages of choosing click and brick business model to customer.

1.4 Hypotheses

The implementation click and brick business model in Guardian retail outlet has enhanced customer's satisfaction.

To achieve the above objective of this study the researcher has come with a few hypotheses:

H1: The more varieties of product offered to customer the more it will increase the level of customer's satisfaction.

H2: If more time is given for customer to shop, and then their level of satisfaction will increase.

H3: The more shopping trip opportunities are offered to customer the more it will increase the level of customer's satisfaction.

1.5 Scope

The scope of this research is to determine relationship between purchasing factors and customer satisfaction, to determine critical purchasing factor which increase the level of customer's satisfaction towards purchasing using click and brick business model. Guardian has been chosen as a company to conduct this research and this study will also describe the advantages to customer purchasing using click and brick business model. Therefore the respondent of this research would be 110 people who are chosen; 42 of the respondent's will Guardian's regular customers who will be answering the survey question and another 68 will be a number of people who use to purchase at both online and offline (retail store).

1.6 Limitation

The limitation of this research is that will be focusing only on three purchasing factors (exhaustive product selection, unlimited opening hours, shopping trip) and from this three purchasing factors the researcher will determine the critical purchasing factor and also focusing on the advantages of choosing click and brick business model to customer. Other than this the research will not focus on customer's perception and also other purchasing factors such as ease of use, service and so on.

1.7 Summary

Click and brick business model creates a hub for the community with educational, free sample and engaged in social media component such as websites and also Facebook. Secondly, store as unlimited advertisement it is important for a store to have 'place to be'. Guardian uses proactive and innovative window display to attract customer's attention even on customer that was just passing by. It is a combination of right setting, sticking look and feel. On the other hand, this research also sharing it important for customer to feel at ease and welcomed as they purchase the product, and value is the most important, part to add knowledge and insight in their in store shopping experience such helping customer in making decision describe more about the product