

KEY DETERMINANTS OF CONSUMER CHARACTERISTICS  
IN DECISION MAKING

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## SUPERVISOR DECLARATION

“I hereby declare that I have read this thesis and in my opinion this report is sufficient in terms of scope and quality for the award of the degree of Bachelor of Technology Management (High Technology marketing)”

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**DECLARATION OF WORK**

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“I hereby declare that the work entitled “Key Determinants of Consumer Characteristics In Decision Making” of this exercise is mine except for the quotations and summaries that have been duly acknowledge.”

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## DEDICATION

All the praise to Amighty Allah, for bestowing me with the courage, knowledge, health and wisdom to carry out this research.

To:

As'ari Bin Awang Min & Hanisah Bt Abdullah

For a debt i can never repay

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## ABSTRACT

Online purchasing is a usage processes by which customer satisfy purchasing demand through internet. Consumer easily can get the product through online purchase by just typing the keywords of the product that they wants compared to the finding product in the market. In online purchasing the customers get their required product from the internet according to their need and demands about the product.

This research aimed to identify the relationship between online purchasing characteristic towards consumer decison making. The independent variable in this research is convenience, time saving, and security characteristic while the dependent variable is decision to purchase. This research was conducted in around of Melaka Tengah, Bandaraya Melaka.

Quantitative approach is adopted for this research and a sample of 150 respondents is collected through questionnaires method. The Statistical Package for Social Science (SPSS) are become the tools and are used to analyze the data.

**Keyword:** Internet users, Online Purchasing Characteristic , Consumer Decision Making

## **ABSTRAK**

*Pembelian dalam talian adalah satu proses penggunaan yang mana pelanggan memenuhi permintaan pembelian melalui internet. Pengguna dengan mudah boleh mendapatkan produk melalui pembelian dalam talian dengan hanya menaip kata kunci produk yang mereka mahu berbanding produk dapatan di pasaran. Dalam talian membeli pelanggan mendapatkan produk yang diperlukan mereka dari internet mengikut keperluan dan permintaan mengenai produk mereka.*

*Kajian ini bertujuan untuk mengenal pasti hubungan antara ciri-ciri pembelian dalam talian ke arah membuat keputusan yang sukar pengguna. Pembolehubah bebas dalam kajian ini adalah kemudahan, penjimatan masa, dan ciri-ciri keselamatan manakala pembolehubah bersandar adalah keputusan untuk membeli. Kajian ini telah dijalankan di sekitar Bandaraya Melaka.*

*Pendekatan kuantitatif digunakan untuk kajian ini dan sampel 150 responden dikumpul melalui kaedah soal selidik. Pakej Statistik untuk Sains Sosial (SPSS) yang menjadi peralatan dan digunakan untuk menganalisis data.*

*Kata-kata: penggunaan Internet, Pembelian dalam talian, Pelanggan membuat keputusan*



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**LIST OF SYMBOLS**

Sig.	=	Significance
N	=	Number of Sample
%	=	Percentage
R	=	Correlation Coefficient
F	=	F-test
t	=	t-test
$\beta$	=	Beta



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## **CHAPTER I**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter describes the background of study and then follows by the problems statement, research questions, research objectives, scope and limitation and important of study.

#### **1.1 Background of study**

In the era of globalization, the dramatically was shows changes in social, economic and politic. In the last parts of 20<sup>th</sup> century with rapid changes in the information technologies, computers have become an important part of the life. With the development in the information and communication technologies, the computer ability has grown rapidly and internet of local network has become a network that connects the

entire computer in the world (Yoldas, 2011). In the information era, the internet has become more important and more necessary. Nowadays the computer and the internet have been essential tools for our daily life within the rapid development of knowledge and technology. With the increase of this new technology “internet” persons have start to searching everything they wants from the internet. Besides that, these technologies emerge large in our social life and business life as well (Yoldas, 2011).

According to the (Chng, C. 2014), there are many of persons gain access to the internet the people also use the internet to move of their buying power online too. From the statistic of post Malaysia, the statistic proves that the Malaysian people love to do their purchasing online. This statistic shows that the consumer start their online purchase deliveries are increase from 29 million to 40 million in 2014 years, a staggering increased in merely two short years. Besides that, as we know, in Malaysia have Ramadan month, and with Muslims preparing for Hari Raya, online purchase has increase by 23% to 30% during this time period. It is easy to see why people would turn their attention online. In the traditional store, the people need to travelling cost and time to travel to go the shop. But in online purchasing gives Malaysian people to better access branded goods and shopping experiences.

The researcher (Mohseni and Sreenivasan, 2014) mention that the online purchasing is defines about the process of purchasing product and services through the internet. The process of online purchasing consists of few steps similar to the traditional shopping behavior. The online purchasing process refers to the need of potential consumer for some goods and service in an online environment. The people searching for the needs, potential customers are having information about the product and service, they plan to purchase and evaluate the alternative to find and choose the best that meet the perceived criteria and finally, the transaction may occur. Besides that, through the online purchasing people can get the product easily by just typing the keywords of the product when compare physically finding the product in the market. In online purchasing the customers get their required product from the internet according to their

need and demands about the product. In addition, consumer can buy product from lots of choice and at a less price.

Buyer decision process is the decision making of consumer in consider to a potential market transaction before, during and after the purchase of a product and service (Chris, 2010). Decision making is a process of selection from various alternatives of shopping. There are five stages in the consumer decision making process of which actual purchasing is only one stage of the process. All consumer decisions do not always include in the five stages. The reasoning is behind the consumer make decision making to purchase product on the internet because they find their choice their product are dramatic increase. From the online purchasing consumers have access more information when making purchasing decision. Busy customers can save time and find shopping more convenience as online goods serve their needs individually (Margherio, 2015).

## **1.2 Problem Statement**

Nowadays, there are increasing number and variety of firms and organization are include in the business online (Liao, 2014). These statistics indicate the rapid growth in the virtual purchase. From there, the marketer interest to studying what are motivates the consumer to purchase online. The seller also faces in the fierce competitions among other online seller to gain the competitive edge in the virtual purchasing. In order to gain the competitive in the market, marketers need to know the decision making in the field of online purchasing. It is important to analyze and identify the factors which influence consumers to purchase online in order to capture the demands of the consumers. (Md Nasir, 2012), another factors influence consumer to purchase online is about the demography in term of age, gender, income and education is equally important to define their strategies accordingly.

Besides that, another problem in online purchasing is the one of great worried is trust and security. For example, recent statistic shows that in Malaysian people around 30% did not entrust in the online purchasing, while the one of important factors in electronic commerce is trust. In order to increase online purchasing in Malaysia, the seller need to be given priority about the understanding consumers in online purchasing decision making and what factors influence their decision when purchase online. Researcher indicate that the majority of Malaysian, around 76% specially young people were using internet for another activities such as to get an information, entertainment, playing games and communication with others. There are some barriers in online purchasing which that Malaysian people unwillingness to purchase online because they afraid that their personal information will be stolen by others. Despite the potential in Malaysian people, there is still lack of understanding towards online purchasing in Malaysia.

In addition, based on the problem in the research about buying behaviour of online customers comparison of turkey with UK, 2011, there are millions of people online at anytime and anyplace and they all are the potential in the online market. The most important thing in online purchasing is to understand what consumer wants and need in the competitive edge business environment. In internet purchasing market, there is no face to face contact, analyzing and identifying factors that influence the consumer is important. Being aware that customers are performing a major role in marketing, the sellers need to given the solution how the factors that are essentially affecting customer to the purchase online are important. Besides that, the sellers need to analyzing the process of purchasing activities and how consumer decide and make purchasing over the internet and what they buy need to identified by online providers in order to satisfy and success in the competitive business environment. Customer decision making are influence by different factors such as culture, social class, reference group relation, family, salary level, age, gender and others. This will make the customer in difference customer decision. The different shows more specific when it is considered between two different consumer groups from different countries.

### **1.3 Research Questions**

The aim of the study for this research was to investigate key determinants of consumer characteristics in decision making. The research questions in the study were:

1. What is the relationship between convenience characteristic of consumer and decision to purchase among Bandaraya Melaka consumers?
2. What is the relationship between time saving characteristic of consumer and decision to purchase among Bandaraya Melaka consumers?
3. What is the relationship between security characteristic of consumer and decision to purchase among Bandaraya Melaka consumers?

### **1.4 Research objectives**

The research objectives of this research have been establish in order to accomplish the purpose of this research and to better define the focus in the research. These specific objectives of this research were:

1. To investigate the relationship between convenience characteristic of consumer and decision to purchase among Bandaraya Melaka consumers.
2. To investigate the relationship between time saving characteristic of consumer and decision to purchase among Bandaraya Melaka consumers.
3. To investigate the relationship between security characteristic of consumer and decision to purchase among Bandaraya Melaka consumers.

## **1.5 Scope and Limitation**

My research project will focus primarily on key determinants of consumer characteristics in decision making. As the additional feature, with the using online purchasing to buy the product, it can save the time for those who are busy with work careers.

The limitation of this research also discussed in this part. This research use the quantitative method, that survey for this research is prepared. My respondents of this research were limit to the all people who have an experience in online purchasing including the student, parent and others internet user that are selected areas of professionals and the survey will distribute in area of Melaka Tengah, Bandaraya Melaka. The participants of the study were women and men who made purchase in online purchasing. Besides that, the majority of the participants were women, aged mid 20's to late 60's. Second, the time, a study of the best research requires a long time to complete. However for this study is just a research project for student, we were given a year as required by the university. This leads to time constraints to do better.

## **1.6 Important of the Study**

Nowadays, the issue of online purchasing was popularly in Malaysian. Online purchasing is considered to be a very helpful ways of buying product through the internet especially during the holidays and clearance seasons. It allows customers to enjoy a wide variety of products and items not only from a specific store, but from a diverse storage that include all kinds of items. Online purchasing also provides customers with a convenience, time saving and security characteristic that also occurs in online purchase.

In addition, many of the people around the world prefer to purchase online and buy product from several brand and companies that they cannot find or are not available for purchase in their countries. Nowadays, with the help of the new technology and the support of the internet, people from all around the world started to purchase items online by simply sitting their homes. Purchasing items and products through the web is a very easy task to do. It is important role in everybody life elderly people especially who has very busy life schedule. Online purchasing is provides a very comfortable.

## **1.7 Summary**

This research has focus on key determinants of consumer characteristics in decision making. In this chapter one, a foundation of this research was given which consist of six parts. Which are the background of the study, problem statement, research question, research objective, scope and limitation and important of the study. In the next chapter, researcher would proceed and discuss about the literature review. It was then followed by the research methodologies which would explain about the method that researcher used to collect data. The analysis of the collected results from respondents was discussed. Lastly, discussion, conclusion and recommendation were made.