

SUPERVISOR CONFIRMATION

I/We, hereby declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management
(High Technology Marketing)

SIGNATURE :

NAME OF SUPERVISOR : DR MOHAMMED HARIRI BIN BAKRI

DATE :

SIGNATURE :

NAME OF PANEL : MADAM ADILAH BINTI MOHD DIN

DATE :

A STUDY ON THE FACTORS WHICH WILL AFFECT
CONSUMER BUYING BEHAVIOUR TOWARDS
HEALTHCARE PRODUCTS

TE JIE SHEN

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DECLARATION

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.”

SIGNATURE : _____

NAME : TE JIE SHEN

DATE :

DEDICATION

I would like to dedicate the appreciation to my family members who gave me mentally and financially support, respected supervisor, Dr. Mohammed Hariri Bin Bakri and panel, Madam Adilah Binti Mohd Din who guided me throughout the research. Also not to forget my fellow friends from other universities and course mates that assisted me throughout my research.

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ABSTRACT

Health is very important and the rate of growing in total cost of healthcare is not sustainable throughout this century. However, consumers have different consumer buying behavior and they are difficult to make their purchase decision on healthcare products. This research aimed to study the factors of consumers buying behavior towards healthcare products in Malacca area in order to understand the factors which will affect consumers' buying decision on healthcare products. There were five research objectives identified which were to analyze the influence of cultural factor towards consumer buying behavior towards healthcare products, to analyze the influence of social factor towards consumer buying behavior towards healthcare products, to analyze the influence of personal factor towards consumer buying behavior towards healthcare products, to analyze the influence of psychological factor towards consumer buying behavior towards healthcare products and to analyze the influence of intrinsic and extrinsic cue towards consumer buying behavior towards healthcare products. A set of survey questions was prepared and distributed to 382 respondents to learn about their opinions based on the factors identified in the research. The researcher used descriptive analysis, correlation analysis and multiple regression analysis to analyze the data. The result of the study had concluded that out of the five variables, personal factor, psychological factor and intrinsic and extrinsic cue were said to play a significant role in influencing consumer buying behavior towards healthcare products while cultural factor and social factor were said to have no significant effect on it. The researcher recommended the future research study could cover other areas in Malaysia and cover more specific healthcare product categories to provide more useful and accurate data for healthcare industries.

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CHAPTER ONE

INTRODUCTION

This chapter explained about introduction and the background of this research, problem statement, list of objectives and the scope of study.

1.1 Background of the Study

According to Porter (1990), an industry would not be success abroad without success in their home market. It was very important to understand the consumer behavior in the market in order to achieve success. According to Frank (2002), consumer behavior was about learning humans` responses towards products, services and marketing of the products and services in the market. Consumer behavior involved the relationship between the effects of emotions, moods, feelings, and other evolutions and also cognitions, behavior and environmental events. Many authors had their own factors which would influence consumer buying behavior. According to Russell (2006), as a part of national wealth according to percentage of GDP, the spending on healthcare had

increased from 6 percent in 1960 to 16 percent in 2006 and it was estimated to increase to 20 percent in 2020. The rate of growing in total cost of healthcare was not sustainable throughout this century. Health was very important because it was a dynamic process and it changed always. We all had times of healthy, times of sickness and maybe even times of serious illness in our lives. We had been taught to take care of our health since we were children. Besides that, the cost of hospitalization was increasing every year. It was very important to prevent from getting ill compared with curing after sickness. In order to improve the health level in the public, there were many kinds of healthcare products invented in the market. However, there were different consumer behaviors in every place. This paper tried to explore the factors that would affect consumer buying behavior towards healthcare products.

1.2 Problem Statement

Although everyone knew the importance of healthcare, consumers still had difficulties in making a purchase decision. Nowadays, it had become quite troublesome for consumers to decide on what they should spend because of so many available options in the market (Khaniwale, 2015). Most of the consumers would do a deep and clear research first before they made their buying decision on the products. The consumer buying behavior of every consumer was different. It involved the thinking and feelings from the experience and the actions they performed in consumption process according to (Paul, Olson, 2005). It involved everything in the environment which would influence the thoughts, actions and feelings. It was crucial to identify that consumer behavior was dynamic which involved interactions and exchanges. Consumer behavior was dynamic because the thoughts, feelings and actions of every consumer and society at large were constantly changing from time to time. In order to investigate the

factors that would affect the consumer buying behavior towards healthcare products in Malacca area, I had selected 382 respondents as my sample framework.

1.3 Scope of the Study

The scope of this project was to identify the factors that would affect consumer buying behavior towards healthcare products in Malacca area based on five major elements. The elements included cultural factor, social factor, personal factor, psychological factor (Khaniwale, 2015), intrinsic and extrinsic cues (Olson and Jacoby, 1972). The study would determine the relationship between the factors that would affect consumer buying behavior towards healthcare products. The study was conducted in Malacca area and involved 382 respondents. I chose to conduct the research in Malacca area because there are tourists from other states and countries in this area and I could collect data from respondents from different places. The respondents were mainly adults who take more effort in taking care of their health.

1.4 Significant of the Study

Healthcare is the most important issue among us in order to sustain in our lives. However, consumer buying behavior changed dramatically all the time. By understanding the consumer buying behavior in the market, it helped marketers to

understand the market. Marketers could only implement appropriate strategies to promote the products in the market and help their company to achieve the goals and survive in this ever changing market nowadays.

1.5 Research Questions

This study attempts to address the following research questions:

- i. What is the influence of cultural factor towards consumer buying behavior towards healthcare products?
- ii. What is the influence of social factor towards consumer buying behavior towards healthcare products?
- iii. What is the influence of personal factor towards consumer buying behavior towards healthcare products?
- iv. What is the influence of psychological factor towards consumer buying behavior towards healthcare products?
- v. What is the influence of intrinsic and extrinsic cue towards consumer buying behavior towards healthcare products?

1.6 Objectives of the Study

The objective of the study was to identify the factors that would affect consumer buying behavior towards healthcare products in the market. In this study, there were five factors used for the research which included cultural factor, social factor, personal factor, psychological factor (Khaniwale, 2015), intrinsic and extrinsic cues (Olson and Jacoby, 1972). Besides that, the study also helped to determine the relationship between the factors that would affect consumer buying behavior towards healthcare products.

The objectives of the study are stated as below:

- i. To analyze the influence of cultural factor towards consumer buying behavior towards healthcare products.
- ii. To analyze the influence of social factor towards consumer buying behavior towards healthcare products.
- iii. To analyze the influence of personal factor towards consumer buying behavior towards healthcare products.
- iv. To analyze the influence of psychological factor towards consumer buying behavior towards healthcare products.
- v. To analyze the influence of intrinsic and extrinsic cue towards consumer buying behavior towards healthcare products.

1.7 Research Hypothesis

Cultural Factor

H0: There is no significant relationship between cultural factor and consumer buying behaviour towards healthcare products.

H1: There is a significant relationship between cultural factor and consumer buying behaviour towards healthcare products.

Social Factor

H0: There is no significant relationship between social factor and consumer buying behaviour towards healthcare products.

H2: There is a significant relationship between social factor and consumer buying behaviour towards healthcare products.

Personal Factor

H0: There is no significant relationship between personal factor and consumer buying behaviour towards healthcare products.

H3: There is a significant relationship between personal factor and consumer buying behaviour towards healthcare products.

Psychological Factor

H0: There is no significant relationship between psychological factor and consumer buying behaviour towards healthcare products.

H4: There is a significant relationship between psychological factor and consumer buying behaviour towards healthcare products.

Intrinsic and Extrinsic Cue

H0: There is no significant relationship between intrinsic and extrinsic cue and consumer buying behaviour towards healthcare products.

H5: There is a significant relationship between intrinsic and extrinsic cue and consumer buying behaviour towards healthcare products.

1.8 Thesis Structure

The current study work had been divided into five chapters:

Chapter 1: Introduction and the plan of research would be stated in this chapter. The background of the study, problem statement, scope of the study, significant of the study, objectives of the study, research questions, research hypothesis, thesis structure and limitation were included in this chapter. It studied the factors that would affect consumer

buying behavior towards healthcare products and the relationship between the factors that would affect consumer buying behavior towards healthcare products.

Chapter 2: Literature review and conceptual framework were included in this chapter. Literature Review incorporated the review of theoretical and related literature regarding the study matter, publications of writer and researchers had been related on the study. This chapter also presented the concepts used in this research study, the conceptual models and how they were related. The definition of brand was given; and various aspects, dimensions and factors, variables were discussed and their relations were identified.

Chapter 3: Research methodology was included in this chapter. It explained about the research methodology used to evaluate and analyse the data. This had included research design, population and sample, nature and type of data, sources of data, data collection techniques, data analysis techniques, research variables, and differential statistical used in the study.

Chapter 4: Data analysis was included in this chapter. It focused on the differential techniques which the study had used in the data collection process. It included presentation and analysis of data using different statistical tools with description of major findings.

Chapter 5: Discussion and Conclusion were included in this chapter. This chapter presented the conclusion of this research study drawn from the analysis of the empirical data. The conclusion gave the result in terms of the factors that would affect consumer buying behavior towards healthcare products in the market.

Besides these, references and index were included at the end of the study research. Similarly, acknowledgement, table of contents, lists of figures, abbreviations and abstract are included in the beginning of this study research

1.9 Limitation

When conducting this research, few limitations had been confronted. One of the limitations found when conducting this research study was the time constraints. Data collection was a time-consuming task. It had taken around one month to gather all the responses from the target respondents. Moreover, other than this research project, there were few other subjects had been taken in the same semester. There were other assignments and projects had to be completed, not to mention tests and presentations as well. There was no sufficient time and it was not easy to carry out so many tasks at the same time. Besides, the accuracy of result appeared to be another limitation of this study. Due to the time constraints, the research study was just carried out at Malacca area and the study did not cover every state in Malaysia. Besides that, it was assumed that every respondent had provided honest and accurate answers. It was not guaranteed the answers from the respondents were totally accurate because some of them might filled in the questionnaires unwillingly. Other than that, the research study focused on healthcare products and it is very broad in healthcare product categories.

1.10 Summary

In this chapter, the researcher had briefly gone through and explained about the background of study. The main contents in this chapter were the research objectives, research questions and research hypothesis. Besides, this chapter had also explained about the limitations that were faced while conducting this research. Other than that, the researcher had also explained about the importance of study about this report and the contribution of this research report towards the publics.

CHAPTER TWO

LITERATURE REVIEW

This chapter presented the issues, factors, ideas, opinions and the results of the research that others had undertaken in the study area. The conceptual framework that best described the theory with the relevant variables identified and discussed how they were related.

2.1 Overview

Consumer acquired goods and services for their ultimate consumption or use. However, there were three roles for consumers. Consumers could be the decision maker who made the decision on the needs of the good or service, the buyer who purchased the good or service and the user who used the product or service (Chandler and Heinzerling, 1998).