

**FACTOR INFLUENCING CONSUMER PURCHASING DECISION
TOWARD FACEBOOK ADVERTISING IN MELAKA**

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**Factor influencing consumer purchasing decision toward
Facebook advertising in Melaka**

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FACTOR INFLUENCING CONSUMER PURCHASING DECISION TOWARD
FACEBOOK ADVERTISING IN MELAKA

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DECLARATION OF ORIGINAL WORK

I, MOHD LUKMANUL HAKIM BIN MOHD FAUZI “

I hereby declare that the work of this exercise is mine except for the quotations and summaries that have been duly acknowledged.”

Signature :

Name : MOHD LUKMANUL HAKIM BIN MOHD FAUZI

Date :

DEDICATION

This Research Paper is dedicated

To my beloved family who have been my constant source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination.

Without their love and support this project would not have been made possible.

ACKNOWLEDGMENT

The author would like to express my sincere appreciation to my supervisor, DR Muzidah binti Ahmad Murad for the support given during the project underwent this study. Appreciation is also extended to all involved either directly or indirectly help ensure the success of this research project. We hope this report will serve as a resource to other students later.

ABSTRACT

This study aims to identify factors that influence customer purchasing decisions toward Facebook advertising in Melaka by investigating the use of Facebook advertising from a consumer's point of view, by analyzing the determinants capable of motivating consumer to use this channel as tool for supporting the purchasing decision. This study was conducted to analyze the factors that influence consumer buying decisions based on three elements, such as perceived ease of use, perceived usefulness and perceived enjoyment. This research conducted by quantitative method through survey research strategy that is by distributing questionnaire. The questionnaire was distributing among users of Facebook, they have power purchase online and they prefer to buy online rather than to purchase in shopping mall at Melaka.

Keywords - Social media marketing, Facebook advertising, consumer purchasing decision

ABSTRAK

Kajian ini bertujuan untuk mengenal pasti faktor-faktor yang mempengaruhi keputusan pembelian pelanggan ke arah pengiklanan Facebook di Melaka dengan menyasat penggunaan Facebook pengiklanan dari sudut pengguna pandangan, dengan menganalisis penentu mampu memotivasikan pengguna untuk menggunakan saluran ini sebagai alat untuk menyokong keputusan pembelian. Kajian ini dijalankan untuk menganalisis faktor-faktor yang mempengaruhi keputusan pembelian pengguna berdasarkan tiga elemen, seperti melihat kemudahan penggunaan, manfaat dan kenikmatan yang dirasakan. Kajian ini dijalankan dengan menggunakan kaedah kuantitatif melalui strategi penyelidikan kajian iaitu dengan mengedarkan soal selidik. soal selidik telah dilakukan dengan mengedarkan di kalangan pengguna Facebook, mereka mempunyai kuasa pembelian dalam talian dan mereka yang lebih suka untuk membeli dalam talian berbanding membeli di pusat membeli-belah di Melaka.

Kata kunci - pemasaran media sosial, pengiklanan Facebook, keputusan pembelian pengguna

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LIST OF SYMBOLS

Sig.	=	Significant
N	=	Number of sample
%	=	Percentage
R	=	Correlation coefficient
t	=	t-test
β	=	Beta
f	=	Frequency

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CHAPTER 1

Introduction

1.1 Background of the Study

The major purpose of this research is to identify factor that influencing consumer purchasing decision toward Facebook advertising in Melaka by analyzing the determinant capable of motivating consumer to use this channel as tool for supporting the purchasing decision. As the world is rapidly growing, the development of market conditions which now has affected the strategy to be adopted by offers and companies in marketing their products. From time to time well informed customers the means whereby the desired product can be identified quickly through the information available. One of the strategies used by the company to offer products they attract the consumer and the product is through advertising. Facebook ads have the functions and benefits to channel messages from advertisers to the audience or target market in order to achieve the purpose desired by the advertiser itself. Online social networks provide an exciting environment for researchers and a promising interactive advertising channel for marketers (Trusov et al, 2009). The use of mass media as a medium to advertise commercial products have indeed been many studied (Ran et al., 2010). For instance, Facebook Advertising, Google Ads program, Yahoo ads, Blog ads, Youtube Ads, etc. In term purchasing products, consumer's needs and demands are also change through the times, which indirectly change their purchasing decision.

In this situation, the popular social networking platform such Facebook, is evolving as a new powerful tool for social and marketing communication, with more

than 750 million active users recently. (Pietro and Pantano, 2012). Additionally, it is one of the most popular social networks among citizen. The social network characterizes a free virtual space where users can share opinion, upload and download digital material such as photos, videos and so on discuss, chat, retrieve information, ask suggestions through several user-friendly tools, which allow to keep in touch with friends in a fast and easy way. So, they can share judgments and experiences about brands and products, as well as they can make recommendations.

Besides that, Facebook is a social networking site (SNS), which provides users with a platform to create a personal profile page, add 'friends', and send messages. Since the company was founded in 2004, it has become the top ranked social networking site (Kazeniak, 2009). Facebook users have claimed the site a "necessity, along the lines of oxygen, water, and food" (Verna, 2009 as cited by Robert, 2010). For many people, visiting Facebook has become an integral part of their daily lives, and has even caused some to have an unhealthy obsession with the site. Features and Advertising Facebook continues to add new features and developments on a consistent basis. Since it is free to create an account, Facebook has to generate its revenue elsewhere, through a venue such as advertising. Companies can utilize Facebook's features to reach their audiences in different ways.

Furthermore, Social media has become an imperative conduit for global marketing communications and is commanding a larger share of advertising budgets, especially to reach the younger generation. Therefore, the value of advertising on social media like Facebook is of great interest to organizations, managers and academics (Saxena and Khanna, 2013). There is more academic research has explored the attitudes and perceptions of online advertising (Blasco-Arcas ,Hsu et al., 2014) and lately, social media (He , McCarthy et al., 2014) There is also agreement that online advertising can be appraised through elements such as brand awareness, product recall and attitudinal and behavioral changes (Bannisteret , Barreto et al , 2013)

1.2 Problem Statement

Today, with increase competition between companies in term selling of product, make effective ads and delivery information in advertising. So, customer need to ensure either to buy the product or not in the market. Consumer today are also always busy with various responsibilities such as work, managing the household at all the time and so on, so there a very little chance for them to watch any advertisement platform like internet, television, newspaper, magazine, radio, billboard and etc. After the presence of digital-based advertising such as Facebook ads, consumers are increasingly receiving too many ads that being introduced (Learmonth, 2009). So, customers are more difficult to make decision to buy because there are so many of the advertised product that led to the difficulties on making decision. Besides that, there are various type of products in Facebook advertising (Swedowsky, 2009), hence, it will become more difficult for them to make a choice and also difficult to determine what their really needs (Katherine K. Roberts, 2010). Moreover, they are also difficult to determine the quality of the goods or products advertised on Facebook as of today, there are so many fake products are promoted on Facebook. After that, the customer is difficult to get all the information quickly and easily about the product or service to be introduced by advertising (Katherine K. Roberts, 2010). Other than that, user also difficult to stick decide to buy because of authenticity of information in on advertisement that introduce it credible or not. As such, it will interrupt the information delivery process to the customer to make a purchasing decision. It also causes customer are not aware of the product that will introduce in the future.

1.3 Research Questions

Based on the problem statement, researcher creates three research questions regarding on the barriers of consumer decision making towards Facebook advertising. The research questions are as follow: -

- 1) What are the factors influencing consumer to use Facebook advertising on making purchasing decision?
- 2) What is the most significant factor influencing consumer to use Facebook advertising on making purchasing decision?

1.4 Research Objective

The characteristics of research objectives obtained from the research question. So, it is aim to answer the research question.

- 1) To determine the factor influencing consumer purchasing decision toward Facebook advertising.
- 2) To investigate the most significant factor influencing consumer to use Facebook advertising on making purchasing decision.

1.5 Scope, Limitation and Key Assumption of the study

1.5.1 Scope of the study

The scope for this study survey is conducted at the Melaka city. The research is related to factor influencing consumer purchasing decision towards Facebook advertising method. The survey conducted by distributing questionnaires to the number of respondents focused.

1.5.2 Limitation of the study

As for the limitations for this study, the time and cost are one of the most essential limitation endured by researcher. Since the scope of this research is required for different state of location, the cost and the time is various. As an alternative, the partiality of respondent's feedback on the questionnaires in term of knowledge and experience possess is the limitations observed from the view of the whole process through this study.

1.5.3 Key Assumptions of study

Assuming that the respondents will answer the questionnaire with honesty. Besides, the researcher assumes a moral cooperation from the respondents throughout the distribution of questionnaires. Additionally, the researcher assumes this research is practicable and useful for all consumer of Facebook advertising in Melaka city.

1.6 Significance/Importance of study

First of all, this study is done to assess the factor influencing consumer purchasing decision toward Facebook advertising in Melaka. Researcher wanted to see and investigate whether Facebook ads can help consumer to broaden the observation of products or services to be introduced, and affect whether or not on the customer purchasing decision. Basically, this research will help the consumer to identify the importance of Facebook advertising to ensure the consumer can make a right decision. Among its advantages that help through this advertising method is the ease of dissemination of advertising because it is easy to viral in a short time while saving the cost of further increase the company's sales profit. Other than that, customer also can view another user experience about the product. Furthermore, Facebook ads are able to increase interaction between the business and customer because networking and communication are already taking place. This method also very easy for users to get access to all information about the products you want to buy. As such, customer always aware of the product that will introduce in the future. For the community, visiting Facebook has become an integral part of their daily lives. So, it has become significant for global marketing communication.

1.7 Flow of Research

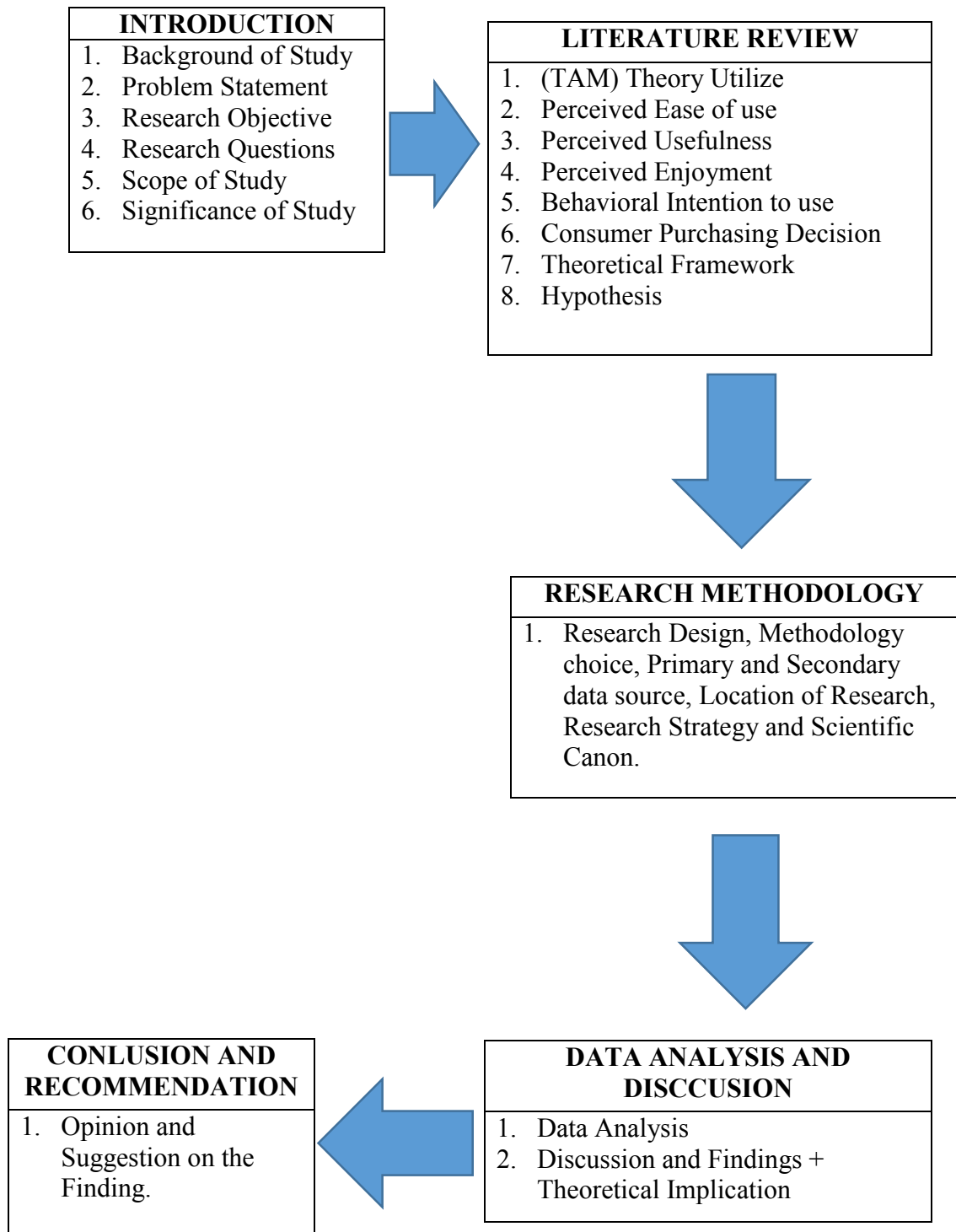


Figure 1. 1: Flow of Research

1.8 Summary

In conclusion, this chapter provides the background of study and current issues on factor that influence customer purchasing decision toward Facebook advertising. This will facilitate researcher to pursue and more focused on doing this study. This chapter also talks about objectives, scope and significance of the study in receiving prerequisites of this research. To find out more about factor that influence customer purchasing decision through Perceived ease of use, Perceived usefulness, Perceived enjoyment and Behavioral intention to use, it will be reported and described in the following chapter.