

“I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality to fulfil the requirements for the award of

Bachelor of Technology Management (High Technology Marketing)”

Signature : _____

Name of Supervisor : Madam Azrina binti Othman

Date : _____

Signature : _____

Name of Panel : Dr. Nurul Zarirah binti Nizam

Date : _____

THE FACTORS THAT INFLUENCE SOCIAL MEDIA REVIEW TOWARDS
CUSTOMERS' DECISION MAKING IN MALAYSIA FOOD INDUSTRY

SHAMINE IZATY BT JUMALI

The thesis is submitted in partial fulfilment of the requirement for the degree of
Bachelor of Technology Management in High Technology Marketing

Faculty of Technology Management (High Technology Marketing)
Universiti Teknikal Malaysia Melaka

JUNE 2017

DECLARATION

“I admit that this report is the end result of my own work that excluded certain explanation and passages where every of it is cited with sources clearly

Signature : _____

Name : Shamine Izaty binti Jumali

Date : _____

DEDICATION

I would like to dedicate the appreciation to my beloved family members that supported me spiritually and financially, my dearly loved supervisor and panel that guided me throughout the research and my friends that assisted me throughout completing this research journey.

ACKNOWLEDGEMENT

I would like to express my appreciation to Universiti Teknikal Malaysia Melaka (UTeM) for gives me chance and offers this course, BPTU 4084 Final Year Project II that give me experience throughout completing this research paper.

First and foremost, I would like to thank my undergraduate project supervisors, Madam Azrina bt Othman who despite of her busy schedule and workload, were able to find some time for her students and instructed the students' knowledge that covered a way for better understanding of the fundamentals of research paper. Devoid of her assistance and dedicated involvement in every step throughout the process, this paper would have never been accomplished. I would like to thank you very much for your support and understanding over completing this research.

I would like to extend my thankfulness to the past researchers for their published journal that helps me gain the theory and knowledge regarding my research topic. Receiving through my research required more than academic support, and I have many, many people to thank for listening to and, at times, having to tolerate me over the past three years. I cannot begin to express my gratitude and appreciation for their friendship. I am very lucky to have various parties for contributing both time and money in completing my project. Moreover, I hope this research could be beneficial reference for others in forthcoming.

ABSTRACT

The development and enhancement of technology empowered consumers to share their knowledge and opinion through online especially social media. Thus, electronic word of mouth (eWOM) using social media as platforms were recently adopted and preference by consumer to review and look further information about products, services, brand and etc. However, the influences that really in major concern for consumers to engage in online activity. This research project empirically identified the factors that influence social media review towards customers' decision making in Malaysia food industry. The Technology Acceptance Model (TAM) was applied to study the influence of the factors regards for this research. Elements of the research which are perceived ease of use and perceived usefulness towards attitude to use social media investigated the factors that influence social media review towards customers' decision making in Malaysia food industry. This research used quantitative method which have collected 384 total of targeted respondents in Melaka between 18 to 45 years old who are internet user and had knowledge using and conducting the social media review. The results were analysed using Software Package for Social System (SPSS). The findings verified that both factors, perceived ease of use and perceived usefulness positively influenced social media review towards customers' decision making in Malaysia. Thus, these findings provided beneficial information for marketing practitioners for manager and business owners' to improvise the quality of a new advertising tools for maximum usage of social media review.

Keywords: Electronic Word of Mouth (eWOM), Social Media Review, Technology Acceptance Model, Customers' Decision Making, Malaysia

ABSTRAK

Pembangunan dan peningkatan teknologi pengguna berkuasa untuk berkongsi pengetahuan dan pendapat mereka melalui media dalam talian terutama sosial. Oleh itu, perkataan elektronik mulut (eWOM) yang baru-baru ini diterima pakai dan menjadi keutamaan oleh pengguna untuk melihat maklumat lanjut mengenai produk, perkhidmatan, jenama dan lain-lain. Walau bagaimanapun, pengaruh yang benar-benar dalam kebimbangan utama bagi pengguna untuk melibatkan diri dalam aktiviti dalam talian. Projek penyelidikan mengenal pasti faktor-faktor yang mempengaruhi kajian media sosial terhadap keputusan pelanggan membuat dalam industri makanan di Malaysia. Model Penerimaan Teknologi (TAM) telah digunakan untuk mengkaji pengaruh faktor-faktor berkenaan untuk kajian ini. Unsur-unsur penyelidikan yang dianggap kemudahan penggunaan dan kegunaan dilihat ke arah sikap untuk menggunakan media sosial menyiasat faktor-faktor yang mempengaruhi kajian media sosial terhadap keputusan pelanggan membuat dalam industri makanan di Malaysia. Kajian ini menggunakan kaedah kuantitatif yang mengumpulkan 384 responden di Melaka di antara 18 hingga 45 tahun yang pengguna internet dan mempunyai pengetahuan menggunakan dan menjalankan eWOM. Keputusan telah dianalisis menggunakan Perisian Pakej untuk Sistem Sosial (SPSS). Keputusan kajian juga menyatakan kedua-dua faktor, kemudahan penggunaan dan kegunaan dilihat positif memberikan pengaruh media sosial terhadap keputusan pelanggan membuat dalam industri makanan di Malaysia. Seterusnya, dapatan kajian juga memberikan informasi berguna kepada pakar pemasaran untuk pengurus dan pemilik bisnes untuk memperbaiki kualiti bahan pengiklanan baharu untuk penggunaan pandangan media sosial yang maksima.

Kata kunci: *Perkataan Elektronik Mulut (eWOM), Semakan Sosial Media, Model Penerimaan Model, Pembuatan Keputusan Pelanggan, Malaysia*

TABLE OF CONTENTS

CHAPTER	TITLE	PAGE NUMBER
	TOPIC	I
	DECLARATION	II
	DEDICATION	III
	ACKNOWLEDGEMENT	IV
	ABSTRACT	V
	ABSTRAK	VI
	TABLE OF CONTENT	VII
	LIST OF TABLES	XII
	LIST OF FIGURES	XIV
	LIST OF ABBREVIATION	XV
CHAPTER 1	INTRODUCTION	
	1.1 Background of study	1
	1.2 Problem Statements	4
	1.4 Research Objectives	5
	1.3 Research Questions	5
	1.5 Research Scope	6
	1.6 Research Limitation	6
	1.7 The Important of Research	7
	1.8 Summary	8
CHAPTER 2	LITERATURE REVIEW	
	2.1 Introduction	9
	2.2 The Importance of Marketing	9

2.2.1	Communication Process	10
2.2.2	Promotion Mix	11
2.2.2.1	Media Basics	12
2.3	Stimulating Word of Mouth	13
2.3.1	eWOM	14
2.3.1.1	Social Media Review	14
2.3.2	Technology Acceptance Model (TAM)	15
2.3.2.1	Perceived Ease of Use	16
2.3.2.2	Perceived Usefulness	17
2.3.2.3	Attitudes toward Using	17
2.3.2.4	Behavioural Intention to Use	17
2.4	Consumer Behaviour	18
2.4.1	Consumer Decision Making	18
2.4.1.1	Consumer Decision Making Model	19
2.4.1.2	Go-Online to Secure Assistance in Decision Making	21
2.5	Food Industry in Malaysia	22
2.6	Theoretical Framework and Hypothesis	23
2.6.1	Hypotheses	24
2.7	Summary	25
CHAPTER 3	RESEARCH METHOD	
3.1	Introduction	27
3.2	Research Design	27
3.2.1	Time Horizon	28
3.3	Methodological Choice	29
3.4	Research Strategy	29
3.5	Primary And Secondary Data Source	30
3.5.1	Primary Data Source	30
3.5.2	Secondary Data Source	31
3.6	Research Location	31
3.7	Questionnaire Design	33

3.8 Sampling Design	33
3.9 Data Analysis Method	36
3.9.1 Descriptive Analysis	36
3.9.2 Inferential Analysis	36
3.9.2.1 Pearson Correlation Coefficient Analysis	36
3.9.2.2 Multiple Linear Regressions	37
3.10 The Characteristic of Measurement	37
3.10.1 Validity	38
3.10.2 Reliability	38
3.11 Summary	39
CHAPTER 4 DATA ANALYSIS	
4.1 Introduction	40
4.2 Pilot Test	40
4.2.1 Reliability Test	41
4.3 Descriptive Analysis	41
4.3.1 Respondents' Demographic	42
4.3.1.1 Gender	42
4.3.1.2 Age	42
4.3.1.3 Occupation	43
4.3.1.4 Monthly Income	44
4.3.1.5 Reasons for Internet Usage	45
4.3.2 Respondents' Social Media Application Usage	46
4.3.2.1 Social Media Applications Ranking	46
4.3.2.2 Hours Spending on Social Media Application	47
4.3.2.3 Action towards Social Media Review for Decision Making	48
4.3.2.4 Review Findings Interpretation	49
4.3.2.5 Frequency of read or share	49
4.3.2.6 Social Media Review Awareness	50

4.3.2.7 Attitude to use Social Media Review	51
4.3.3 Research Question	52
4.3.3.1 Perceived Ease of Use	53
4.3.3.2 Perceived Usefulness	55
4.3.3.3 Influence factors effected Social Media Review towards customers' decision making	57
4.4 Scale Measurement	58
4.4.1 Reliability Analysis	58
4.5 Inferential Analysis	60
4.5.1 Pearson's Product Moment Correlation	60
4.5.2 Multiple Regression Analysis	62
4.5.3 Hypothesis Testing	68
4.6 Summary	70
CHAPTER 5 DISCUSSION, CONCLUSSION AND IMPLICATIONS	
5.1 Introduction	71
5.2 Discussion of Descriptive Analysis	71
5.3 Discussion of Objective and Hypothesis Test	73
5.3.1 Objective 1: To determine types of social media platform that has been used towards customers' decision making in Malaysia food industry.	73
5.3.2 Objective 2: To observe the relationships of social media review between customers' decision making in Malaysia food industry.	74
5.3.3 Objective 3: To analyse the most important factors that influencing social media review towards customers' decision making in Malaysia food industry.	76
5.4 Implications of the Study	77

5.4.1 Theoretical Implications	78
5.4.2 Practical Implications	79
5.4.2.1 Managerial Implications	79
5.5 Recommendation for Future Research	81
5.6 Conclusion	82
5.7 Summary	74
REFERENCES	85
APPENDICES	95

LIST OF TABLES

Table	Title	Page
2.1	Comparison of Electronic and Traditional Information Environment	22
3.1	Tourist expenditure pattern in Melaka	34
3.2	Sample size	35
4.1	The reliability of pilot test for social media review usage	41
4.2	Respondents' Gender	42
4.3	Respondents' Age	42
4.4	Respondents' Occupation	43
4.5	Respondents' Monthly Income	44
4.6	Respondents' Reasons for Internet Usage	45
4.7	Social Media Applications Ranking	46
4.8	Hours Spending on Social Media Applications	47
4.9	Action towards social media review for decision making	48
4.10	Review Findings Interpretation	49
4.11	Frequency read or share feedbacks using social media networks	49
4.12	Social media awareness towards decision making	50
4.13	Attitude to use social media review	51
4.14	Perceived ease of use	53
4.15	Perceived Usefulness	55
4.16	Influence factors effected Social Media Review towards customers' decision making	57
4.17	The range value Cronbach's Alpha and their relationship corresponding internal consistency	58
4.18	Reliability statistical analysis of social media review usage factors	59

4.19	Reliability statistical analysis of factors influence social media review towards customers' decision making	59
4.20	Partial Pearson's Correlation between factors that influence social media review towards customers' decision making	61
4.21	Variables Entered/Removed in Multiple Regression Analysis	62
4.22	Multiple regression analysis for influence factors of social media review towards customers' decision making	63
4.23	Strength of linear relationship	63
4.24	ANOVA of influence factors of social media review towards customers' decision making	64
4.25	Coefficients of influence factors of social media review towards customers' decision making	65
4.26	Excluded variables of influence factors of social media review towards customers' decision making	66
4.27	Collinearity diagnostic of influence factors of social media review towards customers' decision making	67
5.1	Results of social media application ranking and time spending	72
5.2	Results of hypothesis testing	74

LIST OF FIGURES

Figure	Title	Page
2.1	The Communication Process Model	10
2.2	Smartphone Activities Done/ Interested In Doing	15
2.3	Technology Acceptance Model (TAM)	16
2.4	Consumer Decision Making Model	19
2.5	Performance of Services Sector	22
2.6	Theoretical Framework	24
3.1	Population of Malaysia	32

LIST OF ABBREVIATION AND SYMBOL

WOM	=	Word of mouth
eWOM	=	Electronic word of mouth
SNS	=	Social Networking Sites
B2B	=	Business to business
F&B	=	Food and beverages
et al	=	Et alia, and others
etc.	=	Et cetera
TAM	=	Technology Acceptance Model
QR code	=	Quick Response Code
e.g.	=	exempli gratia, for example
H_0	=	Null hypothesis
$H_{1,2,3}$	=	Alternative hypotheses
UTeM	=	Universiti Teknikal Malaysia Melaka
SPSS	=	Statistical Package for the Social Science
ATU	=	Attitude to use
PEU	=	Perceived ease of use
PU	=	Perceived usefulness
IF	=	Influence factors effected Social Media Review towards customers' decision making

LIST OF APPENDICES

Appendix	Title	Page
1	Gantt Chart for PSM 1	95
2	Gantt Chart for PSM 2	96
3	Questionnaire	97

CHAPTER 1

INTRODUCTION

1.1 Background of Study

The influence of marketing communication can sometimes be as conspicuous as price changes, but consumers are not always aware of some of the newest forms of marketing communication (e.g., “advergaming,” package design, or social media activities) and, even when they are aware of the persuasive intent behind these tools, they may not realise that their consumption decisions are being influence (Chandon & Wansink, 2012). Recently, advance used of technologies lead marketers to use social media as their main tools to advertise their restaurant and products offered, this will convey social media consumers to read and let them using their judgement on how the netizens (internet users) review, and responds from their advertisement. Besides, back then, the businesses in the food industry make wide use of traditional media outlets, such as television, magazines, newspapers and radio to spread the word about their products. Traditional advertising campaigns can work for most players in the industry, including wholesalers, grocery retailers and restaurants. Nowadays, consumer-focused food businesses are uniquely positioned to leverage new media advertising techniques, such as social media, email and text messaging. The essence of creating a winning social-media advertisement is to send a message that makes people want to spread the word. Some factors that influencing the purchase decision process could be included to refine the model and deepen the understanding of social media’s influence on the decision- making process (Hutter, Hautz, Dennhardt, & Füller, 2013).

Social media is the collective of online communications channel dedicated to community-based input, interaction, content-sharing and collaboration. Websites and applications dedicated to forum, microblogging and social networking are among the different type of social media. Social media is becoming an integral part of life online as social websites and applications that increase rapidly. Most traditional online media include social components, such as comment fields for users. However, in recent years and driven by technological advances, these sources of influence have evolved; many are now available electronically in the form of social media (Tham, Croy, & Mair, 2013). Electronic word-of-mouth (eWOM), also often referred to as online reviews, online recommendations, or online opinions, has gained importance with the emergence of new technology tools (Serra Cantalops & Salvi, 2014). This sources contribute to customers and consumers to exchange and share their experience from using any product or service communication, via online consumer review to public.

Technically, social media disseminates word of mouth electronically, unlike traditional word of mouth (Tham et al., 2013). Nevertheless, eWOM is using the same techniques as word of mouth with improvement in technology where customers using social media as tools to review and read the past customers' experience about some products or services. However, electronic sites, has enabled an immediate information flow to a much wider audience as a single message can affect all site visitors (Chen, Fay, & Wang, 2011). Besides, in year of 2015 there are a lots of café and restaurant open in Malaysia, this can be some contribution factors of social media review take part and some tricks some marketers use to attract their customer and to new customer before they went experience themselves. Attracting new customers and cultivating customer relationships are considered to be the most important goals for such organisations when using Social Networking Sites (SNS) (Michaelidou, Siamagka, & Christodoulides, 2011). This finding highlights the important role of relationship marketing in a Business to Business (B2B) setting, and is aligned with past evidence suggesting that the internet and technology could be used as tools to build relationships (Bauer, Grether, & Leach, 2002; Sharma, 2002)

In general terms, a decision is the selection of an option from two or more alternatives choices. In other words, for a person to make a decision, a choice of

alternatives must be available (Schiffman & Kanuk, 2010). Same goes to customers' decision making, which they use the same concept as they have to choose which alternative that available is the best to fulfil their needs and wants. Common examples used are including shopping and what to eat. There are four views that customers would consider before they make any decision that known as models of consumers, which are from an economic view, a passive view, a cognitive view and an emotional view.

The term models of consumers refers to a general view or perspectives as to how and why individuals behave as they do (Schiffman & Kanuk, 2010). Different models of consumers represent consumers and their decision making processes in distinctly different ways. The models that include in the decision making has three set of variables which outline that ties together with the psychological, social and cultural concepts of customers. Theoretically, consumer decision making is differ depending in the researcher's assumptions about the nature of humankind.

Food industry also known as Food and Beverage industry (F&B) is the industry that specialises in the conceptualisation, the making of, and delivery of foods. Largest sectors in F&B in restaurants and bars, including hotels, resorts, catering services and many more. Local F&B industry is mainly Malaysian-owned, dominated by small and medium scale companies (SMEs). Recently, they are many opportunities are opening up for food risk communicators by the wide variety of social media applications and the digital environment with enormous abilities for storing, retrieving and reusing information (Rutsaert et al., 2013).

This research was made to identify what are the factors effecting social media review towards customers' decision making in food industry in Malaysia. Previous study stated that, social media allow organisations to engage in timely and direct end consumer contact at relatively low cost and higher levels of efficiency, making it a very attractive alternative to the traditional communication tools (Sotiriadis & van Zyl, 2013). Social media are becoming more important as an internet marketing tool given their wide adoption by the general public (Sotiriadis & van Zyl, 2013).

1.2 Problem Statements

Social medias are becoming more important as an internet marketing tool given their wide adoption by the general public (Michaelidou et al., 2011), therefore this will lead to the broaden use of the internet to promote and advertise food industry. The widen use technologies will indicate the industry on how to promote their products and services as well. As stated by (Kim & Ko, 2012) using commercial messages and interactions with consumers partner with media, events, entertainment, retailers, and digital services through social media, it is possible to perform integrated marketing activities with much less effort and cost than before. Compared to traditional promotion method, which if they use media to communicate with their customer, usually it involved high cost, yet perceptions still different. However not all consumer decision making situations receive or require the same degree of information research (Schiffman & Kanuk, 2010).

There are many factors that can influence customers' decision making in food industry such as trough personal recognition and awareness, word of mouth from other's experience, consumer reaction towards others customer reactions and many more. As said by Abdul Manaf, Cheng, & Nurwahida (2013) lacks of attractiveness of products as well as lack of knowledge and training on product development. Besides, in order to face the increasing competition in today's marketplace, SMEs, especially in the food industries in Malaysia, must intensify their quality practices and increase their performance (Hayati Habibah, Abdul Talib Khairul Anuar & Fazli, 2014).

Many early theories concerning consumer behaviour based on economic theory, on the notion that individuals act naturally that maximise their benefits with satisfactions in the purchase of goods and services (Schiffman & Kanuk, 2010). (Lee, Mira & Youn, 2009) found no difference in the influence that branded review websites and independent customers' opinion portals exercise on travellers' WOM recommendations. However, travellers may believe that the accuracy of information provided in independent customer opinion portals may be higher than the information provided in brand websites. Therefore, researchers might find a difference in the travellers' likelihood to adopt information from online reviews in the two types of

websites (Filieri & McLeay, 2014). As of the marketing strategy successful to attract customers then they will react from the other social media consumers' review of the topic. Wider practise of social media will lead the consumers to exchange their opinions with others because by using social media it is convenient and user friendly.

1.3 Research Objectives

- To determine types of social media platform that has been used towards customers' decision making in Malaysia food industry.
- To observe the relationships of social media review between customers' decision making in Malaysia food industry.
- To analyse the most important factors that influencing social media review towards customers' decision making in Malaysia food industry.

1.4 Research Questions

As stated in problem statements, widen use of technologies will indicate the industry on how to promote their products and services as well. In addition, the reaction from the consumer on how well the marketing strategy using social media review to influence customers' decision making after reviewing it. These were the research questions that contributed to the factors that influence social media review towards customers' decision making in Malaysia food industry.

- What types of social media platforms that has been used towards customers' decision making in Malaysia food industry?
- What are the relationships of social media review between customers' decision making in Malaysia food industry?
- What are the most important factors that influencing social media review towards customers' decision making in Malaysia food industry?

1.5 Research Scope

This research was focus on evidence and information that lead to the topics which were factors that influence social media review towards customers' decision making in food industry in Malaysia. This research were conducted in Malaysia because Malaysia is developing country that has multiple choice of cuisine selection and they has their own signature dish that attracted more domestic and foreign tourist in Malaysia. Besides, there were a wide selection of eateries to head to after a long day of exploring Malaysia's many attractions thus those were the main factors why Malaysia was chosen specifically in this research scope. This study was aimed to have respondents between ages 18 to 45 years old. According to the statistic, penetration of internet users in Malaysia is 68.6% from share of Malaysia population ("Malaysia Internet Users," 2016). However, the common users of smartphones and the internet from the research scope are more at the Y generation refers to who were born between the years 1977 and 1994 or 1982 and 2000 (Schiffman & Kanuk, 2010) while users of smartphones and internet decrease at the age of more than 45 years old thus lead researcher to has a specific number of age for related technology use for this study.

1.6 Research Limitations

There were numbers of limitation for this research. Initially, for the geographic and sample size factors were included it was because the size of population in Malaysia were limited, however Malaysia has a lot of attraction to attract internal and external tourist that bring them to this country. The number of respondents involved in this research is big as they are 380 estimated respondents for this research and it was affected the time consuming to finish this research. Thus, this research has large scope as the targeted respondents among Malaysians which included 14 states in Malaysia. Nonetheless, this research lead cross study associated with other states too to expending related issues that would attract tourist to come to research location scope which was in Malaysia.

Other than that, not all respondents tolerate with this research survey as they thought they have to waste their time by answering questionnaires. Plus, language barriers could be issues for instance of not every respondents can understand English really well.

1.7 The Important of Research

The important of this research was for customers, managers and business owners' and social media website operators. This was because they would use media social as their advantage for decision making thus the study how social media review could influence customers' decision making in food industry. Positively, by doing this research the result would identified what was the contributing factors that will take in customers' decision making on social media review of food industry in Malaysia. Correspondingly, it would increase the practice of social media review as a target before decision making from any circumstances. Additionally, from my observation the year of 2016 the usage of social media has been broaden to an advance marketing strategy hence social media represents one way to expose consumers to the brand and thereby create brand awareness (Hutter et al., 2013). It follows that the more actively consumers engage with the social media activities of a brand, i.e. the higher the brand page commitment is, the higher the awareness of the brand is (Hutter et al., 2013).

The developing era of internet and smartphones, this research defined how important the relationships of customers and online review for industry development, as this research was for food industry. Prior to the Internet, a spreader of word-of-mouth information would primarily impact the local group of friends and family, with dispersion to a wider audience occurring only gradually (Chen et al., 2011). In addition, practitioners and scholars have demonstrated the increasing importance of online consumer reviews, what motivates consumers to post their opinions on websites and, specifically, whether and how marketers can strategically stimulate consumer postings, all remain under-explored (Chen et al., 2011).