

THE CUSTOMER PERCEPTIONS ON PURCHASE BEHAVIOR OF MALAYSIA
CONVENIENCE STORE

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**The thesis is submitted in partial fulfillment of the requirements for the award of
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DECLARATION OF ORIGINAL WORK

“I declared that this project is the result of my own research except as cited in the references. This research project has not been any degree and is not concurrently submitted in candidature of any other degree.”

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DEDICATION

This research paper is special dedicated to my parents, who have been my main source of inspiration and encouragement during my studies. Thank you for giving me the opportunity and a new experience in my life to complete this research. Also, thanks to my friends and lecturers that help and encouragement towards me when conducting this research paper. Not forgetting, to those who indirectly contributed to this research, your kindness means a lot to me. Thank you very much.

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ABSTRACT

The study is about the customer perceptions on purchase behaviour of Malaysia convenience store. Convenience store such as 99 Speedmart, 7-eleven, KK-Mart and so on is providing 24 hours of their operating hours. The purpose of doing this research is to find out the how customer precepts and based on which factors to purchase on convenience store. There are certain factors like place of purchase, purchase terms and good/service availability would affect towards the customer perceptions on purchase behaviour of Malaysia convenience store. This study focused on three categories of customer which was Baby Boomers generation, Generation X and generation Y in order to identify their perception on purchase behaviour of Malaysia convenience store. This was a descriptive research and using survey strategy to collect primary data. In the study, quantitative method was conducted to collect the relevance data from the convenience store customer. Furthermore, researcher has been distributed 200 questionnaire surveys to the customers who live in Melaka. Data collection was analysed by using the SPSS 24.0. Multiple linear regression analysis used to examine the relationship between the independents variables and dependent variable. The results showed the customer perception on purchase behaviour had positive relationship toward Malaysia convenience store. The findings would help the convenience store find the way to attract more customers to purchase at convenience store.

Keywords: customer perception, purchase behaviour, Malaysia convenience store

ABSTRAK

Kajian ini adalah mengenai persepsi pelanggan ke atas tingkah laku pembelian kedai runcit Malaysia. Kedai runcit seperti 99 Speedmart, 7-eleven, KK-Mart dan sebagainya menyediakan 24 jam dalam waktu operasi mereka. Tujuan melakukan penyelidikan ini adalah untuk mengetahui bagaimana peraturan pelanggan dan berdasarkan factor yang mengambil kira untuk membeli-belah di kedai runcit. Terdapat faktor-faktor tertentu seperti tempat pembelian, terma pembelian dan ketersediaan baik / perkhidmatan akan memberi kesan terhadap persepsi pelanggan ke atas tingkah laku pembelian kedai runcit di Malaysia. Kajian ini memberi tumpuan kepada tiga kategori pelanggan yang merupakan generasi Baby Boomers, Generasi X dan generasi Y untuk mengenal pasti persepsi mereka terhadap tingkah laku pembelian kedai runcit di Melaka. Kajian ini adalah berbentuk deskriptif dan menggunakan strategi kajian untuk mengumpul data primer. Dalam kajian ini, kaedah kuantitatif telah dijalankan untuk mengumpul data relevan dari kedai pelanggan runcit. Tambahan pula, penyelidik mengedarkan 200 kajian soal selidik kepada pelanggan yang tinggal di Melaka. Pengumpulan data dianalisis dengan menggunakan SPSS 24.0. Analisis multi regresi linear digunakan untuk mengkaji hubungan di antara calon bebas pembolehubah dan pemboleh ubah bersandar. Hasil kajian menunjukkan persepsi pelanggan ke atas tingkah laku pembelian mempunyai hubungan positif ke arah kedai runcit di Malaysia. Hasil kajian akan membantu kedai runcit mencari cara untuk menarik lebih ramai pelanggan untuk membeli di kedai runcit.

Kata Kunci: persepsi pengguna, tingkah laku pembeli, kedai runcit di Malaysia

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LIST OF ABBREVIATIONS

SPSS	Statistical Package for Social Science
WOM	Word of Mouth
CP	Customer Perception
PB	Purchase Behavior
PP	Place of Purchase
PT	Purchase Terms
RG	Retailer's Good
SA	Service Availability

LIST OF SYMBOL

H0	Null Hypothesis
H1	Alternative Hypothesis

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CHAPTER 1

INTRODUCTION

1.1 Background of study

According to Barry Berman and Joel R. Evans, p.33 (2013), the retail business is one of the activities involved in selling goods and services to consumers for, family, or personal use them. They include any sales to end users ranging from cars to clothing to food in the restaurant for a movie ticket. Retailing is the last stage in the distribution process. Retailing today is at the crossroads of the complex. On the one hand, retail sales are at the highest point in history. Wal-Mart is the world's leading companies in terms of sales ahead of ExxonMobil, Toyota, and other manufacturing giants. A new technology is increase productivity of retailing. There are many opportunities to start a new retail business or work for the existing and to be franchised. The possibility of global retailers has a major impact on retailers, their suppliers, and consumers worldwide. Many users are tired of shopping or do not have much time for it. Some place has too many stores, and retailers often encourage each other to cut the price of regular and low profit margins. Customer service expectations are high at a time when more retailers are often self-service and automated systems. Some retailers remain unsure of what to do with the web; they are still struggling with an emphasis to put on image enhancement, customer information and feedback, and sales transactions. And the influence of the emerging social media has become difficult for many retailers to adapt their strategies.

Particularly in the market of small shops, convenience stores were created, reflecting the need for integrated operating system that will ensure easy access, direct services,

creating interpersonal relationships and the possibility of regular visits (Antonios G. Zairis Prontzas Evangelos, 2014). In the marketing literature, special attention was given to the operation, description, services and development departments provided for in the global market. Although the concept of mobile commerce was first introduced to the British retailing by Richard Branston, former Group Managing Director of symbol, VG, which is the first official department stores '7-Eleven' branch of the Southland Corporation, which opened in 1970s (Kirby, 2014).

UK retail transformed in the last quarter of the twentieth century has contributed to increasing the professionalism of the industry. In response, retailers have individual bright, motivated, and capable of a wide range of personal and technical skills to manage their business (Broadbridge, 2003). According to (ISHITA SACHDEVA Sushma Goel, 2015), people will forget what you said, people will forget what you did, but people will never forget how you made them feel, 'What do people remember about the shopping experience is determined by the mood, feelings and emotional intensity created in certain moments during a shopping.

Many retailers that incorporate the customer experience as a component of their customers. Faced with increased competition from retail site, traders increase in store experience into something more interesting, entertaining and educational to attract buyers through the door. The store does not yet exist just to move the items and call the transaction. Increasingly, it also serves as a showroom, museums, warehouses and satisfaction center. Stores routinely practice one-upmanship in encouraging more trips to the store to make shopping fun and entertaining (Poulsson and Kale, 2015).

According to (Semeijn, 2013), usually, customers who use the service retail like to navigate cape service store as easy and fun as possible. their interaction with the cape service that leads to ' cognitive assessment service experience (Sandstrõmet al.2008, p. 112), that influence their decision to visit or not. We are of the opinion that logistics operations, retailers and logistics in the shops especially (Samli et al., 2005), determining for the most part how customers experience this interaction (Yazdanparast

et al., 2010). Stores can differentiate their offer to improve the shopping experience and using the client against a service more convenient and satisfying (Sandström et al., 2008). In marketing, a customer-based view of retail service has been developed (Hartman and Spiro, 2005). In the theory of retailing, however, customer observed leads in-store logistics performance deficiencies. To investigate the role of logistics performance in customer visits the store on the evaluation of shops, stores conceptualized as image, defined by (Semeijn, 2013), “Complex perception that users store on different properties,” customer satisfaction and loyalty intentions.

Consumer purchase behavior is a complex pattern and sophisticated understanding of the marketing study, but only defined action research psychological, social and physical when people buy, use and dispose of products, services, ideas and practices. Consumer purchase behavior consists of ideas, feelings, thoughts and actions of users with additional environmental factors such as advertising, pricing and revenue per month (Solomon, 2006; Blackwell et al., 2011; Peter and Olson, 2008). Furthermore, consumer behavior is a dynamic process that continues to change in ideas, perceptions and activities of users as individuals or in groups. Knowledge of the products and benefits will affect their willingness to pay for the product. Knowledge people are influenced by the type and quality of information provided to users, (Danyfislá, 2014).

1.2 Problem Statement

Nowadays, there are many retail industries in Malaysia such as Tesco, Giant, Mydin and so on. However, there also has many of convenience store such as 99 Speedmart, 7-eleven, KK mart, My News Shop and more that affect the customer's perception of purchase behavior.

The problem that effect customers' perception on purchase behavior at convenience store such as 99 Speedmart is product. Customers face an out of stock at retail store when they need to purchase some product. Refer to (Hofstetter, 2014), Yet what happens to value creation when the items required are not available, such as when a buyer face items out-of-stocks he wants to buy at the convenience store? Logistics researchers have long dealt with this topic with a focus on the impact of store out-of-stocks.

Another problem is price. Prices have been noted as an important element affecting the deployment of new products and services, but the price of a new product or service is difficult (Munnukka, 2008). And to be able to decide the right price for a product or service detailed knowledge about perception and the characteristics required of potential new customers. Many of the customers who will purchase at convenience store because the price is cheaper than the retail industry.

Moreover, service quality also can influence the customer's perception on purchase behavior on convenience store. Quality of service as perceived by the customer can be defined as the extent of the discrepancy between customer expectations and perceptions. Build on the definition of the concept of service is the next step quantitative research phase to develop a tool to measure customer perceptions of service quality. The result is the development of the SERVQUAL instrument in which the score (gap) service quality is measured as the difference between the perception and expectation scores across each attribute. It was found that the performance of the company's service quality is better, the higher the tendency to engage in positive WOM and higher purchase intentions (Choudhury, 2014). According to (Ravichandran, 2010), The construct of user

satisfaction were considered major interventions in the field of marketing services because they ultimately lead to the development of consumer loyalty re-patronization of a product or service. There is general agreement that the constructs described above are important aspects in the quality of services, but many scholars doubt whether this dimension is used when assessing the quality of services in other service industries. Regarding the relationship between customer satisfaction and service quality, (Karim, 2014) first suggested that service quality will be that customer satisfaction does not matter whether this is a cumulative construct or specific transaction. Some researchers have found empirical support for the view point described above (Martey & Frempong, 2014); where customer satisfaction came as a result of service quality.

Lastly, corporate image of the store is also very important, it helps users gain a better understanding of the products offered by certain companies and consequently reduce their uncertainty when making a buying decision (Lu, Lin, & Lu, 2011). However, (Lu et al., 2011) also defined image as a certain view of things by description, memory, or other ways of association with the matter. It results from the interaction between people, the existing trust, thoughts, and feelings on things like this. Besides that, (Lu et al., 2011) pointed out that the results of the corporate image of the evaluation process, which is derived from the thoughts, feelings, and experiences before in relation to a business entity, the user memories into spiritual picture (Lu et al., 2011). (Lu et al., 2011) suggested that corporate image is a combination of consumer perceptions and attitudes toward a business entity and further proposed that the corporate image helps facilitate consumer knowledge about products or services offered by a particular company and reduce uncertainty when making a buying decision. Users are instructed to buy a commodity from a company with a good corporate image to reduce their risk. (Nguyen and Leblanc, 2001) found that corporate image related to the constitution and the nature of the company's behavior. For example, the corporate name, corporate buildings, and the products or services can strengthen consumer perception of the company. (Weiwei, 2007) have said that corporate image and reputation with the result of the aggregation process that incorporates a variety of information used by the user to shape the perception of the store. Even for people who have not had experience with the firm, this

perception may be formed of other sources of information such as advertising or word-of-mouth. In opinion, the emotional component of corporate image and corporate reputation may share a close relationship because of the psychological dimensions that contribute to their formation. This dimension is shown by the attitudes and beliefs that are dependent on past actions of the firm or previous experience with the firm. In the case of services which are categorized as product quality experience can only be assessed after use, as the intangibility of their corporate image and reputation of both can be used as an effective way to predict the outcome of the process of production of services and, perhaps, considered as a signal the most reliable signaling services firm's ability to meet customer desires. From a marketing perspective, the impact of corporate image and reputation on consumer behavior is recognized well despite the lack of empirical evidence. Many authors assert that a good corporate image or reputation helps to increase sales and market share, and for establishing and maintaining loyal relationships with customers.

1.3 Research Objective

In the research discussed want to examine why customers choose convenience store and what are their perceptions when they purchase at convenience store. The aim is to determine the purchase behavior factors that can influence the customer's perceptions in Malaysia. It may lead to a more effective method for analyzing customers purchasing behavior, extracting both positive and negative appraisals, and help them in their decision making. The main objective is supported by the following sub-objectives:

- 1.3.1 To determine the factors that influences the customer purchase behavior at Malaysia convenience store.
- 1.3.2 To determine the relationship between customer perceptions and the factors on purchasing behavior at Malaysia convenience store.
- 1.3.3 To determine which variable is the mostly influenced factors that deceived by customer to purchase at Malaysia convenience store.

1.4 Research Question

Based on the research problem and the issue that been discussed previously, the following research question has formulated:

- 1.4.1 What are the factors that influence the customer purchase behavior at Malaysia convenience store?
- 1.4.2 What is the relationship between all the factors with customer purchase behavior at Malaysia convenience store?
- 1.4.3 Which factors influence the most of the customer purchase behavior at Malaysia convenience store?