

**FACTORS THAT AFFECTING CUSTOMER PURCHASE INTENTION AT  
HYPERMARKET IN MALAYSIA**

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This thesis is put forward as fulfilling some of the requirement for the award of Bachelor  
of Technology Management (High-Tech Marketing)

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

June 2017

## DECLARATION OF ORIGINAL WORK

“I hereby certify that the papers of this project is the work of my independent except for the summary and experts who have been specifically acknowledgement”

Signature :

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Date :

## DEDICATION

Special thanks to:

My dearly loved parents

Sibling

Friend

Thanks to my supervisor:

Mrs Mislina Binti Atan @ Mohd Salleh

For all the spiritual and moral support that has been given to me all the time.

## ACKNOWLEDGEMENT

First of all, I wish to convey my deepest appreciation to the Faculty of Technology Management and Teknopreneurship (FPTT) in UTeM since been providing this subject - Project undergraduate. This project gave me the opportunity to get a deeper knowledge about the topic that I choose –customer purchase intention. Without the subject, I do not know that I have the ability to complete the project as an undergraduate project is always known as the toughest in the university project.

Other than that, I would like to thank my supervisor, Mrs Mislina Binti Atan @ Mohd Salleh, who has given me guidance with the patient to make sure I always stay on the right track. Without his help, this project would not be completed successfully. In addition, I would like to thank Dr Mohammed Hariri Bin Bakri who pointed out the mistakes I made during the presentation. Without him, my mistake will not be apprehended and is likely to cause serious consequences.

In addition, I would like to take this opportunity to express my gratitude to other lecturers and college friend who is always ready to help me whenever I faced difficulty in working on the project and willing to share information with me.

The last but not least, I would like to express my appreciation to the families and friends who have given me their hands along the way. Their spiritual support and love have always given me the strength to finish this project. Once again, a thousand words cannot fully reveal my gratitude to them, but their benefit has been immovable in my heart all the time

## ABSTRACT

The aim of this study was to determine the factors that affect the customer purchase intention at the hypermarket in Malaysia by using the Theory of Planned Behaviour (TPB). The theory suggests that behavioural factors instantly is its intention. The intention is determined by the attitude toward the behaviour, subjective norms, and perceived behavioural control. These findings have important implications for marketers as well as for policy makers. The methodology technique used is quantitative and survey method which distributing the questionnaires in all-around of southerners region. The questionnaire will be distributed in the state of Johor and Melaka. The 52 outlets hypermarkets in the state of Johor and Melaka has responded to the questionnaire. The results were analysed using factor analysis to determine the factors that affect customers purchase intentions in hypermarkets and using multiple linear regression analysis to identify the overall relationship between factors and their purchase intentions in the hypermarket. Through the result generated from SPSS, the antecedent factors have shown a significant relationship with the customer purchase intentions.

***Keywords:*** *Theory of Planned Behaviour, purchase intention, attitude, subjective norm and perceived behavioural control.*

## ABSTRAK

Matlamat kajian ini adalah untuk mengenal pasti faktor-faktor yang mempengaruhi niat pembelian pelanggan di pasar raya besar di Malaysia dengan menggunakan Teori Tingkahlaku Dirancang (TPB). Teori ini menegaskan bahawa faktor yang berlaku adalah dengan niat. Niat ditentukan oleh sikap terhadap tingkah laku, norma subjektif dan persepsi kawalan tingkahlaku. Penemuan ini mempunyai implikasi penting untuk pemasar dan juga untuk pembuat dasar. Metodologi kajian yang digunakan adalah kaedah kuantitatif dan juga menjalankan kajian dengan mengedarkan borang soal selidik. Borang soal selidik ini akan di edarkan di sekitar kawasan bandar negeri Johor dan Melaka. Sebanyak 52 pasar raya besar cawangan di Johor dan negeri Melaka telah dipilih sebagai lokasi penyebaran borang soal selidik. Keputusan dianalisis menggunakan analisis faktor untuk menentukan faktor-faktor yang membawa kepada niat pembelian pelanggan di pasar raya besar dan menggunakan analisis regresi untuk mengenal pasti hubungan antara keseluruhan faktor dan hasrat pembelian mereka di pasar raya besar. Melalui keputusan yang dijana daripada teknik SPSS, terdapat faktor-faktor yang telah menunjukkan hubungan yang signifikan dengan niat pembelian pelanggan.

***Kata kunci:*** Teori Tingkahlaku Dirancang, niat pembelian, sikap, norma subjektif dan persepsi kawalan tingkah laku.



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**LIST OF ABBREVIATIONS**

ANOVA	=	Analysis of Variance
ATT	=	Attitude
DV	=	Dependent Variable
IV	=	Independent Variable
KMO	=	Kaiser-Meyer-Olkin
PSM	=	Project Sarjana Muda
PBC	=	Perceived Behavioural Control
SPSS	=	Statistical Package for Social Science
SN	=	Subjective Norma
TPB	=	Theory of Planned Behaviour
%	=	Percentage



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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter consists of several sections in which section 1.1 describes the background of the research study and section 1.2 describes the problem statement. Furthermore, section 1.3 describes the purpose of the study, section 1.4 defines the research problem and section 1.5 briefly describes the scope of the research. Besides, other parts of the study are section 1.6 which describing the limitations of the study and section 1.7 explain about the significant of the study. Finally, section 1.8 is the conclusion of the research.

## 1.1 Background of the Study

The meaning of customers and consumer are not equivalent. The consumers are the end user of goods or services but they do not necessary to purchase it. Meanwhile, the customer is a purchaser of goods or services and they can become a business entity, who can buy it for reselling purposes. This research attempts to assess customer purchase intentions. In addition, this study also examines the relationship between factors and their purchasing intention at the hypermarkets.

Malaysia comprising of 14 countries, which are grouped into five main regions: 1) Northern Region, consisting of Perlis, Kedah, Penang and Perak; 2) Central Region, consisting of Kuala Lumpur, Putrajaya, Selangor and Negeri Sembilan; 3) Southern region, consisting of Johor and Melaka; 4) East coast, consisting of Kelantan, Terengganu and Pahang; and 5) East Malaysia, consisting of Sabah, Sarawak and Labuan. This study has aimed the populations' at the southern region of Malaysia.

The hypermarket industry in Malaysia has made a big movement for modern retailing concepts (Hassan, Mahdee, Sade, & Rahman, 2015). In 2013, The Department Statistics of Malaysian showed that the central region is the highest distribution of hypermarket outlets as a major hypermarkets players than any other region. Numerous youngsters have migrated from another region to the central region to improve the standards of living. Due to this, the concentrations of population are estimated to be more stable if there are more hypermarkets in a certain location. This is because hypermarkets have the competence to be a hub for people to earn more profits for a living (Hassan, 2013). However, the distribution ratio of hypermarket outlet with the population is inconsistent. Therefore, there are still opportunities for southern and other regions except for the central region to develop their retail operations.

## 1.2 Research problems

The development of the hypermarket retail in Malaysia is very impressive. This is because the key products sold in the hypermarket are groceries and basic necessities that should have been as a human needs. Retail and distribution are the most customer-centric industry, which covers a wide spectrum of different businesses (Hassan, 2013, Macdonald, 1994). It's supported by Hassan, (2013) and Verhetsel, (2005) that people would rather go to the hypermarket to buy fresh produce like milk, soft meat and groceries. There are many variations of products in the hypermarket with offering the different quality and price, which has made hypermarket the most attractive place to shop, especially for retail products.

In 2013, grocery retailing in Malaysia over whelmed the non-retail competitors (Euromonitor International, 2014). The five major hypermarket players in Malaysia are AeonBig, Econsave, Giant, Mydin and Tesco (Hassan et al., 2015). Malaysia is a developing country, although there are opportunities to enlarge the hypermarket retailing operations on an international level, especially in neighbouring countries, there is still an opportunity to develop the retail operations at a native level. The existence of a hypermarket outlet in a particular location can change the overall socio-economic level of a particular place (Hassan et al., 2015). This is because the majority of Malaysians have a high tendency to go shopping in modern retail centres as part of their modern lifestyle (Hassan et al., 2015).

The purpose of this study is to develop a better understanding of customers purchase intentions. It is the needful study because now every company is running their business in the high competitive market and ever changing environment due to those customers lifestyle is changing day by day (Euromonitor International, 2014; Hassan & Rahman, 2012). Therefore, every single of the organisation should give more consideration to customers' intentions because they are kings in the market. So, the factors of customer purchase intention toward products and services at hypermarket are worth to find out.

### **1.3 Research objectives**

According to the problem statement, some objective about the customer purchase intention at a hypermarket in Malaysia are:

- I. To determine the factors that affecting customer purchase intention at the hypermarket
- II. To examine the relationship between the factors and their purchase intention at the hypermarket.
- III. To examine the significant factors that affect customer purchase intention

### **1.4 Research questions**

This study attempts to answer the following questions:

- I. What are the factors that influence customer purchase intention at the hypermarket?
- II. What is the relationship between the factors and their purchase intentions at the hypermarket?
- III. Which is the most significant of the factors that affect customer purchase intention?

## 1.5 Scope

The research was conducted to identify the factors affecting consumer purchase intentions at a hypermarket in a southern region of Malaysia. This research will be conducted internally through the location that was selected and it would involve international and local organisations of hypermarkets. The 52 hypermarkets in the southern region of Malaysia will be randomly selected using simple random sampling to contribute in this questionnaire session. The questionnaires will be delivered to the hypermarket's shopper via electronic mail survey and directly distribute questionnaires to the 305 respondent. By completing this research, the relationship between the behaviour factors and the customer purchasing intention at the hypermarket could be explored thoroughly.

## 1.6 Limitation

There are some limitations faced by researchers in conducting this research paper. The first factor faced by researchers is the consumption cost of conducting this research. The cost will include all the expenses such as printing the materials, collecting and processing data.

A further limitation of this research would be the location. This research is only completed in the South of Malaysia (Johor and Melaka) which may not actually represent the total number of customers in Malaysia. Therefore, future research will identify the factors that affecting customer purchase intention at hypermarket should be carried out in another region of Malaysia.

The data for this study were collected in a short time period and it will only provide a snapshot result. The results can be reinforced by longitudinal research. Other than that, the research focuses on few key variables that the researcher believes can

provide useful insights into particularly the hypermarket. The results of this research were construed within limits of sample size (305 respondents), location (southern region) and time (data collected within six months). Although, the directives and explanations that have been given to the respondents may have different interpretations of the statements used, especially in the agreement level section. This might arise from different competencies in the command of the language.

### **1.7 Significant of the study**

The customer is a purchaser of goods or services. The purchasing power of the consumer is influenced by their needs and intentions. However, only a few studies have been related to the topic of customer purchase intentions at a hypermarket in the southern region of Malaysia context. Therefore, deeply examine in these related topics will provide a clear understanding for marketers to work out customers buying intent on hypermarket goods and services. As a result, the way hypermarkets manage the retail operations should be based on customer intentions.

In addition, this study also assists marketers to better understand the potential of hypermarket products and services purchase tendency of the customer. It will also be useful to develop our local hypermarket players in enhancing the overall revenue as well as to sustain in the industry.

## 1.8 Summary

This chapter provides an overview study on the factors that cause customer purchase intention at the hypermarket. Next chapter will be discussed on the variables and developed a proposed conceptual framework that describes the relationships between variables and the customer purchase intention at the hypermarket. All the former study result are provided and explained in the next chapter.