

**THE EFFECTIVENESS OF DIGITAL MARKETING ON CONSUMERS'
POST-PURCHASE DECISION**

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**The thesis is submitted in partial fulfilment of the requirements for the award
of Bachelor of Technology Management (High Technology Marketing)**

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I/We, here declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in term of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management
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DEDICATION

I would like to dedicate the appreciation to my family members who supported me from spiritually and financially, beloved supervisor and also panel who guided me throughout the research, my course mates and housemates that assisted me through the journey of research.

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I would like to take this opportunity to express my sincere appreciation to my supervisor, Pn Azrina Binti Othman for guidance and encouragement throughout the journey of completing this final year project. Because of her guidance, I managed to finish my final year project successfully. Besides that, there are also a lot of important people involved in my final year project, for instance, my lecturers, friends, housemates and course mates. I am deeply grateful and appreciate for the guidance towards this project as play an important role for this project.

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ABSTRACT

Due to the dramatically growth of technology, many organizations would like to move their business from traditional business into digital world. E-commerce has become the trend of business today's. This has opened an opportunity for the marketers to conduct marketing activities in the digital world. Besides that, due to the technology advancement, the rise of the internet and the development of Web 2.0, it has enabled the interconnectivity of the consumers to increase. As a result, the consumer behavior has changed. It is very important for the organization to understand the consumers' post-purchase in order to reduce cognitive dissonance and build a long term relationship with the consumers. For that reason, this study was conducted to study the effectiveness of digital marketing on consumers' post-purchase decision. The data will be collected using questionnaires from 384 respondents in Selangor and Melaka area. The factors that may influence the effectiveness of digital marketing on consumers' post-purchase decision include perceived ease of use, perceived usefulness, perceived benefit and perceived risk. In this research, perceived ease of use and perceived risk were significant in influencing the effectiveness of digital marketing on consumers' post-purchase decision. The result of this study contributes exceptional judgement to marketers and the organizations in Malaysia.

Keywords: E-commerce, digital marketing, post-purchase decision

ABSTRAK

Disebabkan pertumbuhan teknologi secara mendadak, banyak organisasi telah memindahkan perniagaan mereka dari perniagaan tradisional ke perniagaan digital. E-dagang telah menjadi trend perniagaan pada hari ini. Ini telah membuka peluang kepada para pemasar untuk menjalankan aktiviti pemasaran di dunia digital. Selain itu, disebabkan kemajuan teknologi, kebangkitan internet dan pembangunan Web 2.0, ia telah membolehkan interaksi antara pengguna meningkat. Akibatnya, tingkah laku pengguna telah berubah. Jadi, organisasi mestilah memahami sikap pengguna selepas pembelian bagi mengurangkan percanggahan kognitif dan membina hubungan yang erat dengan pengguna. Oleh itu, kajian ini telah dijalankan untuk mengenalpasti keberkesanan pemasaran digital terhadap keputusan pengguna selepas pembelian. Data kajian ini telah dikumpulkan melalui soal-selidik sebanyak 384 responden di Selangor dan Melaka. Faktor-faktor yang mungkin mempengaruhi keberkesanan pemasaran digital terhadap keputusan pengguna selepas pembelian termasuk sikap berasa senang diguna, kegunaannya, manfaat yang diterima dan risiko yang dihadapi. Dalam kajian ini, sikap berasa senang diguna dan risiko yang dihadapi akan mempengaruhi keberkesanan pemasaran digital terhadap keputusan pengguna selepas pembelian. Keputusan kajian ini menyumbangkan kepada pemahaman yang dalam kepada pemasar-pemasar dan syarikat-syarikat di Malaysia.

Kata Kunci: E-dagang, pemasaran digital, keputusan selepas pembelian

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LIST OF ABBREVIATIONS AND SYMBOL

ABBREVIATIONS	MEANING
ANOVA	Analysis of Variance
IV	Independent Variable
DV	Dependent Variable
PEU	Perceived Ease of Use
PU	Perceived usefulness
PB	Perceived Benefit
PR	Perceived Risk
H0	Null Hypothesis
H1	Alternative Hypothesis
SPSS	Statistical Packages for the Social Science

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter will discuss the background of study of the researcher where the topic of the research is the effectiveness of digital marketing on consumers' post-purchase decision in Malaysia. In this chapter, it will introduce what is digital marketing and also consumers' post-purchase decision. Besides that, this chapter will also describe the problem statement, research question, research objective, scope and limitation of the study, and also the important of research.

1.1 Background of Study

The usage of internet has grown dramatically in Malaysia. According to the report showed in the Digital Integration & Business Transformation Asia Conference (2016), it showed that out of 31,545,990 of the total population in Malaysia (as of February 2016), 21,056,126 are internet users. It also means that two third of Malaysian are internet users. In addition, it showed that the internet penetration in Malaysia is about 68.5%. This evident showed that more than half of Malaysian used internet. Therefore, this has opened a window for the marketers to conduct marketing

activities in the digital world.

Besides that, according to the report in the Digital Integration & Business Transformation Asia Conference (2016), the estimated Malaysia digital revenue will increase continually from year to year and it stated that the digital revenue in 2016 is RM1,336.85mil. This showed that marketers can gained a lot of benefits if they conduct digital marketing. But, as stated by Chang & Tseng (2014), the purchased item that the consumer received may not living up to pre-purchase expectation, this may influence the consumer post-purchase decision. The issue that faced by the marketers currently is how to effectively conduct digital marketing on consumers' post-purchase decision in order to build a long term relationship with the consumers and reduce cognitive dissonance.

Therefore, the purpose of the study is to understand the effectiveness of digital marketing on consumers' post-purchase decision. This study also determines the factors that influence the effectiveness of digital marketing.

1.2 Problem Statement

The amount of trade that is conducted electronically using online shopping has increased with a wide spread usage of internet and technology (Vanitha & Prakash, 2016). Nowadays, people preferred shopping online. This has opened an opportunity for the marketers to conduct digital marketing in order to attract more consumers and build a long term relationship with them. Unfortunately, according to Li & Darban (2012), e-commerce also raises a number of further problems for firms including dealing with post-purchase complaints and many more. Therefore, in order to solve this problem, the researcher decided to study the effectiveness of digital marketing on consumers' post-purchase decision in this study.

Besides that, past researchers have studied more on pre-purchase and purchase process. There are less study regarding to post-purchase decision. As stated by Dahl, Keitsch & Boks (2016), research in the field of consumer behavior has a strong focus

on how to encourage purchase decisions. There are few studies in marketing literature have focused on strengthening and maintaining brand attitudes following a purchase and much less attention has been paid to the emotion consumers experience after purchase. There are a research gap and this has attracted the researcher to conduct research regarding to effectiveness of digital marketing on consumers' post-purchase decision.

1.3 Research Question

Further from here, three research questions have formatted from problem statement.

1. What is the impacts of online medium that influences the effectiveness of digital marketing on consumers' post-purchase decision?
2. What are the factors that influence the effectiveness of digital marketing on consumers' post-purchase decision?
3. What is the most important factor that influence the effectiveness of digital marketing on consumers' post-purchase decision?

1.4 Research Objective

The primary objective of this study was to investigate the effectiveness of digital marketing on consumers' post-purchase decision. Besides that, the study also determined significant critical factors that influencing the effectiveness of digital marketing on consumers' post-purchase decision.

1. To identify the impacts of online medium that influences the effectiveness of digital marketing on consumers' post-purchase decision.
2. To investigate the factors that influence the effectiveness of digital marketing on consumers' post-purchase decision.

3. To determine the most important factor that influence the effectiveness of digital marketing on consumers' post-purchase decision.

1.5 Scope of Study

The purpose of this study was to identify the critical factors that influence the effectiveness of digital marketing on consumers' post-purchase decision. In this study, researcher has suggested 4 factors which associate with the effectiveness of digital marketing on consumers' post-purchase decision. These factors include perceived ease of use, perceived usefulness, perceived risk and perceived benefit. Researcher believed that these factors has strong relationship towards the effectiveness of digital marketing on consumers' post-purchase decision

1.6 Limitation of Study

The researcher found several limitations while conducting the research. One of the major limitation in this research is time constraint. The researcher is only given 24 weeks to conduct this research and this was consider as limited time to conduct a research that can cover every area. Besides that, this research only involve the point of views of the consumer and it doesn't represent the voice of the marketer or company. In addition, this study did not cover all states in Malaysia and the respondents are only from Melaka and Selangor. Finally, the level of knowledge and understanding of each respondent are different therefore the result could be happened some biased responses based on their personal opinion.

1.7 Important of Research

The importance of this research was to understand how marketers can use digital marketing to influence consumers' post-purchase decision. This research may provide a guideline for the marketers while conducting digital marketing to influence consumers' post-purchase decision. The researcher has suggested 4 factors that may influence the effectiveness of digital marketing on consumers' post-purchase decision. Therefore, the marketers can take it as reference in order to eliminate cognitive dissonance and build relationship with the customers.

Besides that, this research can help in academic field which will provide a different prospective for the researchers in understanding the content of digital marketing and also consumers' post-purchase decision. This research also provides a clue to the researcher for future study.

1.8 Summary

In chapter one, the researcher had expressed the background of study and also the problem statement. Based on the problem statement, researcher able to formulate the research question and research objective. Moreover, this chapter also cover scope of this study, limitation of this study and also the importance of doing the research.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this chapter, researcher discussed about marketing. Besides that, the researcher focused on digital marketing. Moreover, the researcher discussed about the trend of digital marketing and also the advantages and disadvantages of digital marketing. Furthermore, this chapter discussed about consumer behavior and consumer purchase decision. Then, the researcher related digital marketing with post-purchase. Next discussion was about the contribution of success factors that influence the effectiveness of digital marketing on consumers' post-purchase decision. Finally, the researcher constructed a research framework to relate the dependent variable with independent variables. Researcher also made hypothesis based on independent variables to identify the significant relationship between dependent variable.

2.1 Marketing

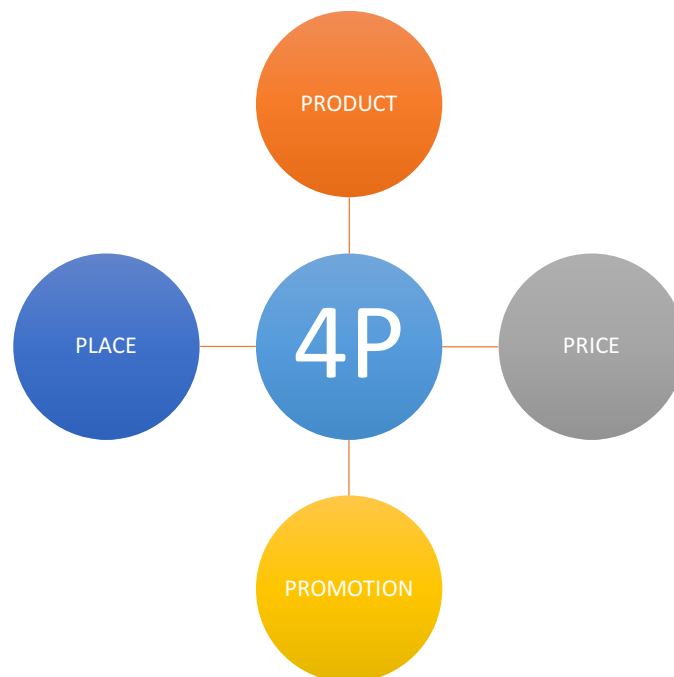
Marketing is defined as the activity, set of institutions, and the processes for creating, communicating, delivering, and exchange offering that have value for customers, clients, partners, and society at large (Armstrong, Adam, Denize & Kotler,

2014). Marketing is an activity in which it helps to create value that satisfy the needs and wants of the consumers and on the other hand that help the organization to achieve its goal. Besides that, as described by Chartered Institute of Marketing (2015), every product we buy, every choice we make and every media message we receive in our consumer society has been shaped by the forces of marketing. This showed that marketing plays a very important role in a business where marketing can help a business to deliver the information and message to the customers, and also communicate with the target audience.

2.1.1 Four P's

Figure below showed 4P's marketing mix element. The 4P's included product, place, promotion and price.

Figure 1: "4P" Marketing Mix Element (Išoraitė, 2016)



Product

As described by Işoraitė (2016), product is defined as a physical service or product to the consumer for which he is willing to pay. It is best viewed as the “bundle” of characteristics and benefits that the customers perceive they will obtain by purchasing it, based on their perceived needs, expectations and wants (Gomez, 2013). An organization offered the product to the customers in order to satisfy the needs and wants of the customers.

Price

Price can be considered as one of the most important marketing mix (Işoraitė, 2016). It is the amount of money that the customers paid to obtain the product (Londre, 2016). It is the only element in the marketing mix that generates revenue and therefore, has a significant impact over a firm’s profitability (Gomez, 2013).

Promotion

Promotion is some strategies used by marketers to help to increase awareness of the consumers in terms of the products that may lead to higher sales and help to build brand loyalty (Işoraitė, 2016). It will help the marketers to promote the organization’s product or services to the customers.

Place

Place is also known as distribution. It is defined as the process and methods by which services or products can reach to the customers (Işoraitė, 2016). It is the process of making a firm’s product/service available for consumption by the target customer. The way a product is distributed is very important because it has an impact on customer’s perception about the product (Gomez, 2013).

2.1.2 Promotion

As described by Išoraitė (2016), promotion is a marketing tool that can help to disseminate information, encourage the purchase and affect the purchase decision process. Besides that, promotion also refers to the marketing tool that a firm uses to communicate with its current or potential customers (Gomez, 2013). This means that promotion can help an organization to deliver the information to the customers and also influence the consumers' purchase decision.

Promotion can affect the consumers' purchase behavior. In order to promote the brand, products or services to the public, there are some elements that the marketers should consider such as advertising, personal selling, sales promotion, direct marketing and public relations (Išoraitė, 2016). With the increasing penetration of mobile Internet and the number of mobile users, the technology, marketing and advertising opportunities using smartphones and tablets are developing a lot (Pogorelova, Yakhneeva, & Anna, 2016). This shows that it has become an opportunity for many marketers to conduct marketing activities in the digital world.

2.2 Digital Marketing

Due to the advances in technology, the ascent of the web and the improvement of web 2.0, interconnectivity between individuals has risen significantly (Hajli, 2014). According to Stephen (2016), he stated that using of internet, social media, mobile apps, and other digital communication technologies has become part of billions of people's daily lives. Nowadays, many people would like to spend their time on digital communication technologies. Therefore, this has opened a window for the marketers to conduct marketing activities or to deliver information through digital marketing.