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Signature : .....

Supervisor's Name : PUAN AZRINA BINTI OTHMAN

Date : .....

Signature : .....

Panel's Name : ASSOC. PROF. DR. AHMAD ROZELAN BIN YUNUS

Date : .....

THE CUSTOMER PERCEPTION OF USING ECO-FRIENDLY ELECTRICAL  
APPLIANCE PRODUCTS TOWARDS THEIR PURCHASE INTENTION IN  
MELAKA RESIDENTIAL AREA

NORHIDAYATUL HUSNA BINTI AZMAN

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Universiti Teknikal Malaysia Melaka

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## DECLARATION

“I hereby declare that the work of this thesis is my own work except the citation and which I have mentioned in the references.”

Signature : .....

Name : Norhidayatul Husna Binti Azman

Date : .....

## **DEDICATION**

I dedicate this thesis to my beloved parents, Azman bin Zakaria and Norfadhulaiha binti Mohd Razi for their endless support, encouragement, and prayers.

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## ABSTRACT

Environmental issues are increasingly transforming business practices and consumer behaviour across the world. Consumers are becoming ecologically conscious and desirous of purchasing environmental friendly products such as eco-friendly electrical appliance products. Therefore, the aim of this thesis had been to examine the customer perception of using eco-friendly electrical appliance products towards their purchase intention in Melaka residential area. The objective of this study is to identify the relationship, factors and most influence factors of eco-friendly electrical appliance products that can affect customer purchase intention in Melaka residential area. Based on the literature review, the influence factor of customer purchase intention is applied from the Theory of Planned Behaviour (TPB) which is attitude towards behaviour, subjective norms, and perceived behavioural control. The quantitative method is in the form of questionnaire survey conducted to achieve the objective of the research. Questionnaire was distributed to the 386 respondents in Melaka and the data was analysed using descriptive analysis, inferential analysis, and multiple regression to define the result. The result demonstrated that subjective norms and perceived behavioural control have significant relationship with customer purchase intention in Melaka residential area. For attitude towards behaviour shown there is no significant relationship. As a conclusion, the outcome of this study indicates that perceived behavioural control is the most influential factor that influence customer purchase intention in Melaka residential area and the least important factor is attitude towards behaviour. In addition, this study encourage to study the other theory such as Theory of Reasoned Action (TRA), examine the extent of implication of purchased eco-friendly electrical appliance products in future, and include all of the consumers or user within Malaysia as the recommendation for future study.

**Keywords:** Eco-friendly electrical appliance products, customer purchase intention, Theory of Planned Behaviour (TPB)

## ABSTRAK

*Isu-isu alam sekitar semakin mengubah amalan perniagaan dan tingkah laku pengguna di seluruh dunia. Pengguna menjadi sedar secara ekologi dan berhasrat untuk membeli produk mesra alam seperti produk perkakas elektrik mesra alam. Oleh itu, tujuan tesis ini adalah untuk meneliti persepsi pelanggan menggunakan produk perkakas elektrik mesra alam ke arah niat pembelian mereka di kawasan kediaman Melaka. Objektif kajian ini adalah untuk mengenal pasti hubungan, faktor dan faktor utama yang mempengaruhi produk perkakas elektrik mesra alam yang boleh menjejaskan niat pembelian pelanggan di kawasan kediaman Melaka. Berdasarkan kajian kesusasteraan, faktor pengaruh niat pembelian pelanggan diterapkan dari Teori Perancangan Yang Direncanakan (TPB) yang merupakan sikap terhadap tingkah laku, norma subjektif, dan kawalan tingkah laku. Kaedah kuantitatif adalah dalam bentuk soal selidik yang dijalankan untuk mencapai tujuan penyelidikan. Soal selidik diedarkan kepada 386 responden di Melaka dan data dianalisis dengan menggunakan analisis deskriptif, analisis inferensi, dan regresi berganda untuk menentukan hasilnya. Hasilnya menunjukkan bahawa norma subjektif dan kawalan tingkah laku yang dianggap mempunyai hubungan yang signifikan dengan niat pembelian pelanggan di kawasan kediaman Melaka. Untuk sikap terhadap tingkah laku yang ditunjukkan tidak terdapat hubungan yang signifikan. Kesimpulannya, hasil kajian ini menunjukkan bahawa kawalan tingkah laku yang dilihat adalah faktor yang paling mempengaruhi niat pembelian pelanggan di kawasan kediaman Melaka dan faktor yang paling kurang penting ialah sikap terhadap tingkah laku. Di samping itu, kajian ini menggalakkan untuk mengkaji teori lain seperti Teori Aksi Bertindak (TRA), mengkaji sejauh mana implikasi produk perkakas elektrik mesra alam dibeli pada masa akan datang, dan memasukkan semua pengguna di Malaysia sebagai cadangan untuk kajian masa depan.*

**Kata kunci:** *Produk perkakas elektrik mesra alam, niat pembelian pelanggan, Teori Perancangan yang Dirancang (TPB)*

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**LIST OF ABBREVIATIONS/SYMBOL**

TPB	=	Theory of Planned Behaviour
TRA	=	Theory of Reasoned Action
PBC	=	Perceived Behavioural Control
FYP	=	Final Year Project
RE	=	Residential Energy
HVAC	=	Heating, Ventilation and Air-Conditioning
CSE	=	Cold Storage Evaporator
HSC	=	Heat Storage Condenser
LED	=	Light Emitting Diodes
FL	=	Fluorescent Lamps
IV	=	Independent Variable
DV	=	Dependent Variable
SPSS	=	Statistical Package for the Social Sciences
MRA	=	Multiple Regression Analysis
H <sub>1</sub>	=	Hypothesis Alternative
H <sub>0</sub>	=	Hypothesis Null
CRM	=	Cause-Related Marketing

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## CHAPTER 1

### INTRODUCTION

#### 1.0 Introduction

In this chapter, the researcher had enclosed the background study of the research topic which is eco-friendly electrical appliance products and customer perception towards purchase intention. Besides, problem statement, scope, and limitation of the study, important of research and research questions were presented in the chapter.

#### 1.1 Background of Study

In economic evolution these days, energy absolutely show a very important role, particularly once the urbanization had increased rapidly day by day. This development can cause the high demand for energy consumption which is electrical supply in their building. With the population growth and non-stop development of living standards, continuing rise in energy consumption is inevitable. According to Emerson et al., (2010), Malaysia hierarchal 54 out of 163 tested countries and achieved a decent end in addressing environmental challenges. Nevertheless, huge industrial growth in recent years triggered Malaysia still facing a number of ecological problems due to rise in development and vehicle use. Therefore, to diminish energy consumption and reduce pollution, green services will be launched (“Market Watch”, 2012).

The term 'green' has nothing to do with colour, however the selection of name is suitable because green is a colour that is often related with nature. Green products or eco-friendly products are considered friendly to the environment compared to non-green products. The term is widely used to make consumer aware and can make a good decision to purchase eco-friendly products. An inspired person is ready to act. According to Kotler and Armstrong (2014), how the person acts is influenced by his or her own perception of the situation.

## **1.2 Problem Statement**

There are many eco-friendly products nowadays and most of the electrical products are eco-friendly with the energy star rating label. That label is show the products is energy saving with low energy consumption and environmental friendly. According to Enshassi, Elzebeded and Mohamed (2017), to guarantee their wise and sustainable use and maintain their quality and value, conservationists believe by using objects or resources wisely. However, recent researcher focus on what factors will increase energy consumption. Individual behaviours, lifestyles, gender preferences number of people residing in the house, the age of the residents, the education levels of the residents, the size of property, the residents' incomes and other factors may also influence energy consumption in the residential sector (Enshassi, Elzebeded and Mohamed, 2017). Some other researcher does the research about the consumer's purchase intention of eco-friendly products, but not specific to the electrical appliances. Their aim of the research is to examine drivers and its moderating that influencing consumers' purchase intention on green personal care products (Ling, 2013). Therefore, this research will increase the pool of study about the impact of eco-friendly products which is electrical appliances towards customer purchase intention in Melaka residential area.

The consumer awareness on impact of air pollution and global warming Malaysian has been ranked ninth. Despite the fact Malaysians have displayed great concern for the environmental impacts, only on in five or 20 percent of consumers were ready to pay more for environmentally friendly products (Kong et al., 2014). According to Mun (2014), consumers have not totally changed their taste and old habit even though many environmentally friendly products with green attribute and features have been familiarised in the markets. This show that even though many people alert of the surroundings issues, but they are not willing to respond to eco-friendly products or services and change their purchasing behaviour to benefit the environment.

### **1.3 Research Questions**

The main objective of this study is to identify the customer perception of using eco-friendly electrical appliance products towards their purchase intention in Melaka residential area. It is important to know what is having the greatest factor on the customer in choosing eco-friendly electrical appliance products and to know which factors force customer to purchase or not to purchase the eco-friendly electrical appliance products. These research questions proposed to be answered in this study based on the research objectives:

- I. What is the relationship between eco-friendly electrical appliance products and customer purchase intention in Melaka residential area?
- II. What are the factors of eco-friendly electrical appliance products that can affect customer purchase intention in Melaka residential area?
- III. What is the most influence factor of eco-friendly electrical appliance products that can affect customer purchase intention in Melaka residential area?

#### **1.4 Research Objective**

The objective of this research is to get deeper understanding of the customer perception of using eco-friendly electrical appliance products towards their purchase intention in Melaka residential area. It seeks to examine and understanding whether factors such as attitude towards behaviour, subjective norms and perceived behavioural control will influence customer purchase intention in Melaka residential area. The objectives of the study are stated as below:

- I. To analyse the relationship between eco-friendly electrical appliance products and customer purchase intention in Melaka residential area.
- II. To identify the factors of eco-friendly electrical appliance products that can affect customer purchase intention in Melaka residential area.
- III. To determine the most influence factor of eco-friendly electrical appliance products that can affect customer purchase intention in Melaka residential area.

#### **1.5 Scope of Study**

This study was conducted purposely to identify the customer perception of using eco-friendly electrical appliance products towards their purchase intention in Melaka residential area. Moreover, the researcher would like to study on customer perception and eco-friendly electrical appliance products. This happened because the researcher believed that these two tools gave strong impacts in enhancing customer purchase intention by using the theory of planned behaviour.

## **1.6 Limitation of Study**

The research only focus on the factors that enhances customer intention in a Melaka residential area. Moreover, while answering the questionnaires researcher expected that respondents will provide the straightforward answers. Due to social desirability, respondent may falsehood the respond. Most individuals perhaps may lie and bent the truth to look good because would like to show a positive image of the result. Others than that, researcher assumed that majority of the respondents had the adequate knowledge about the topic that researcher was proposed and researcher herself had limitation for accessing the secondary information. This is because some annual reports, journals and articles on online were required paying in advance in order to read. Besides, the time constrains for this research was only 24 weeks, so that will be the time limitation for the researcher to conduct this research.

## **1.7 Important of Study**

The important of study are as follows:

- I. To enrich the pool of case study reference materials related to the customer perception of eco-friendly products toward their purchase intention with the specific products which is electrical appliances.
- II. To educate customer to be more concern about the environment by purchasing eco-friendly electrical appliance products.

## **1.8 Summary**

This chapter was structured as the introduction to this study. It was introduced the topic of the study including background of study, problem statements, research questions and research objectives, scope and limitation of study, and important of study.

## CHAPTER 2

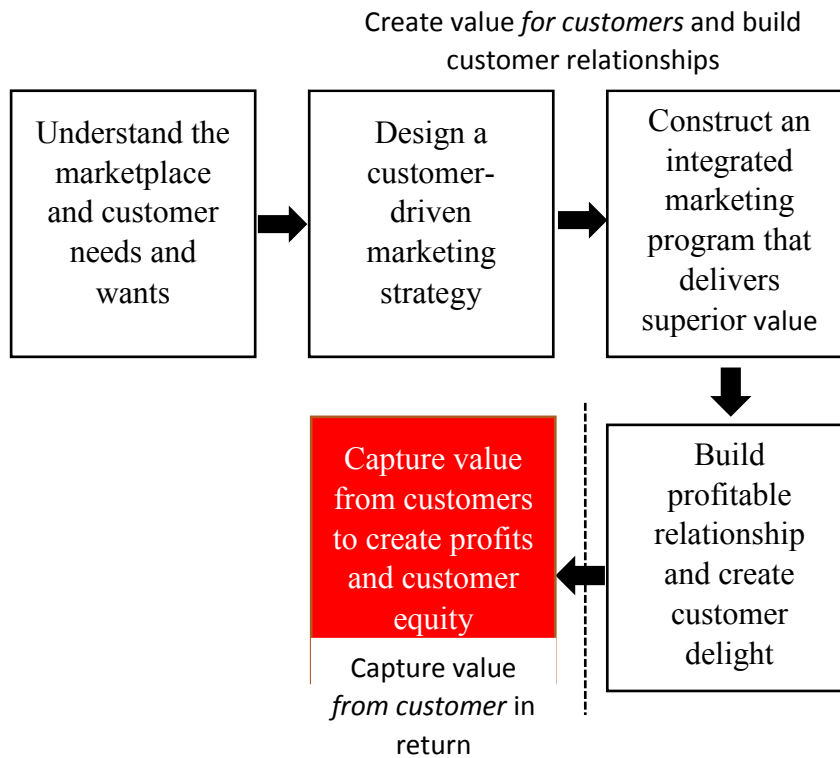
### LITERATURE REVIEW

#### 2.0 Introduction

This chapter, the researcher had discussed relevant theories that use as secondary data. It begins by introducing basic of marketing and marketing mix; focus on product which is electrical appliances that has been used in residential area. The review of journals, articles, books, and online database have been done to increase the understanding of this research.

#### 2.1 Marketing

According to Kotler and Armstrong (2014), marketing is the process by which companies build value for customers and form strong relationships in order to capture value from customers in return. Hopefully, the marketer will be able to offer this advantage consistently, so that eventually the customer will no longer consider other alternative and will purchase your product out of routine (John, 2008). This show that marketing is not only about selling and advertising the product or service but also to satisfying customer needs. By creating value for consumers, they in turn capture value from the consumers in the form of sales, profit, and long-term customer equity (Kotler and Armstrong, 2014). Figure 2.1 show five-step model of the marketing process.



**Figure 2.1: A simple Model of the Marketing Process**

(Source: Principle of Marketing)

Company used marketing tools which is call as marketing mix to fulfil consumer wishes and build customer relations. In marketing mix, the product is the first segment, followed by price, place and promotion.

## 2.2 Marketing Mix

According to Kotler and Armstrong (2014), marketing mix is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market. By using the elements in the marketing mix, the company can perform marketing actions to influence the demand for their products or services. Figure 2.2 shows the marketing tools which is the product, price, place and promotion.



**Figure 2.2: The Four Ps of Marketing Mix**

- Product or service : The features, designs, brands and packaging offered, along with post-purchase benefits such as warranties and return policies.
- Price : The list price, including discounts, allowances and payment methods.
- Place : The distribution of the product or service through stores and other outlets
- Promotion : The advertising, sale promotion, public relations and sale efforts designed to build awareness of and demand for the product or service.