

FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR TOWARDS  
DIGITAL MARKETING IN MELAKA

**PRINCE ESWARAN**

Submitted in Partial Fulfillment of the Requirement of the Degree for the Bachelor of  
Technopreneurship (Honour)

Faculty of Technology Management & Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2019

## APPROVAL AND DECLARATION

“I hereby declare that I have checked this project/thesis and in my opinion, this report is adequate in terms of scope and quality for the award of the degree of Bachelor of Technopreneurship (Honours)”

Signature : .....

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Date :

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Panel Name : DR FAM SOO FEN

Date :

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## DECLARATION

“I hereby declare that the work of this exercise is mine except for the quotations and summarize that have been duly acknowledged”

Signature : .....

Name : PRINCE ESWARAN

Date :

## **DEDICATION**

I dedicate this research to my beloved father M.Eswaran A/L S.Muthan, mother R.Lurdumary A/P Rayappan and my sisters Bathsheba Eswaran and Deborah Eswaran. Thank you for raising me with affection and love and always supported me from the beginning until now. A special thanks to my supervisor Dr. Yusri Bin Arshad, my panel Dr. Fam Soo Fen and my friends for helping me throughout the project towards accomplishing my thesis.

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In addition, I would also like to express my sincere gratitude and appreciation to my respectable supervisor, Dr. Yusri Bin Arshad. The supervision and the support he gave me truly help the progression and smoothness of my research. Besides that, special thanks to my supervisor for the continuous support, motivation, patience and immense knowledge. By his guidance I am able to finish my research in time. Then I would like to thank to my respectable panel Dr. Fam Soo Fen for being supportive to my research. I hope this report will serve as reference for other student later.

## ABSTRACT

In this era, digitalization is the new era where everything is digitalize. It can maybe be digitalize documents, messages, and so on but the most significant changes that can be seen in the digitalization world is the way marketing is being used to influence the buying decision of the consumer. There is many types of digital marketing such as social media marketing, email marketing and others but there is also other factors that can influence the buying behavior of the consumer. But the main problem that can be seen is the digital marketing world have been growing so fast and have impacted in many areas of the market and consumer and that can be seen is that customer's tastes and tendencies change quickly and this also makes marketers find it difficult to deal with altering customer or customer demands. Thus, this research is conducted to examine the factors influencing consumer buying behaviour towards digital marketing in Melaka. There is three objective that the research desires to successfully achieve that is to examine all the factors influencing the consumer purchase intention towards digital marketing, and to examine the mediator variable that is the consumer purchase intention influencing the consumer buying behaviour and lastly to access the dominant factor that influence the consumer purchase intention towards digital marketing. The survey through questionnaire was conducted by the researcher to collect respondent answer and the data collected was analysed by quantitative research method. A total of 250 questionnaires were coded and analysed with statistical techniques. Then, the result is then being analyze by using the Pearson correlation analysis and multiple regression analysis to determine and answer all the hypothesis that has been developed. Thus, all hypothesis have been developed and answer and been discussed in detail in this research. This research contributes to an understanding of how the buying behaviour of consumer is influenced by the factors towards digital marketing.

## ***ABSTRAK***

Dalam era ini, digitalisasi adalah era baru di mana segala-galanya digital. Ia mungkin boleh menjadi digitalisasi dokumen, mesej, dan sebagainya tetapi perubahan yang paling ketara yang dapat dilihat dalam dunia digital adalah cara pemasaran digunakan untuk mempengaruhi keputusan pembelian pengguna. Terdapat banyak jenis pemasaran digital seperti pemasaran media sosial, pemasaran e-mel dan lain-lain tetapi ada juga faktor lain yang boleh mempengaruhi tingkah laku pembelian pengguna. Tetapi masalah utama yang dapat dilihat ialah dunia pemasaran digital telah berkembang dengan pesat dan telah memberi kesan kepada banyak bidang pasaran dan pengguna dan yang dapat dilihat adalah bahawa selera dan kecenderungan pelanggan berubah dengan cepat dan ini juga membuat pemarkar merasa sukar untuk menangani permintaan pelanggan atau pelanggan. Oleh itu, kajian ini dijalankan untuk mengkaji faktor-faktor yang mempengaruhi tingkah laku membeli pengguna terhadap pemasaran digital di Melaka. Terdapat tiga objektif yang ingin dicapai oleh kajian ini iaitu untuk mengkaji semua faktor yang mempengaruhi niat pembelian pengguna terhadap pemasaran digital, dan untuk mengkaji pemboleh ubah mediator yang merupakan niat pembelian pengguna yang mempengaruhi tingkah laku belian pengguna dan akhirnya untuk mengakses dominan faktor yang mempengaruhi niat pembelian pengguna terhadap pemasaran digital. Kajian melalui soal selidik dijalankan oleh penyelidik untuk mengumpulkan jawapan responden dan data yang dikumpul dianalisis dengan kaedah penyelidikan kuantitatif. Sejumlah 250 soal selidik telah dikodkan dan dianalisis dengan teknik statistik. Kemudian, hasilnya kemudiannya dianalisis dengan menggunakan analisis korelasi Pearson dan analisis regresi berganda untuk menentukan dan menjawab semua hipotesis yang telah dibangunkan. Oleh itu, semua hipotesis telah dibangunkan dan dijawab dan dibincangkan secara terperinci dalam kajian ini. Penyelidikan ini menyumbang kepada pemahaman tentang bagaimana tingkah laku belian pengguna dipengaruhi oleh faktor-faktor ke arah pemasaran digital.



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## **LIST OF ABBREVIATIONS**

UTeM	Universiti Teknikal Malaysia Melaka
TPB	Theory of Planned Behaviour
TAM	Technology Acceptance Model
SPSS	Statistical Package for Social Science
ANOVA	Analysis of Variance



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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter will discuss about the introduction of this research which is about the factors influencing consumer buying behavior towards digital marketing in Melaka. It comprises the research background, problem statements, research questions, research goals, research scope and research limitation and significance of research. For this chapter, the reader will have the idea of the key elements of why this research is conducted.

## 1.1 Background of Studies

Internet have been the main tool that marketing has been using for many decades and according to Judith & Rita (2002) stated that the Internet has become a global communication network over the past two decades that links millions of users to an endless flow of information. Marketing has a major role in the market where marketing affects the product or the customer's purchase decision. According to Yannis Bakos (1998) stated that buyers, sellers and dealers are driven by a desire to maximize their private usefulness. Before any type of marketing that is present until this date, this main type of marketing was the traditional marketing. Traditional marketing can be defined as printed advertising which contains the daily press and newsletters such as magazines that deal with every entertainment and special interest in a variety of fields, such as clothing section, sports section and much more. (Ahlberg & Einarsson, 2008). In that case, this makes commercial marketing so important in the business world, regardless of traditional marketing or online marketing and marketing, it can be described by means of the four elements called 4Ps of marketing or marketing mix as products and services which transfers from idea to client.

Digital marketing or can be said as digitalization have been in the marketing industry since 2000 and has change the look of our view towards the market or by purchasing a product. This also can be defined as a standard promotional projection, digital marketing is a Web tool and strategy (Otero & Martínez-Rolán, 2016). Digitization is now component of our everyday routines. It shapes the traditional interaction between customers and companies. Digitalisation is said to transform consumer behaviour, particularly in the social media. (Kaplan & Haenlein, 2010). However, digital marketing will always change because the world of the internet sector is changing fast and this effects many things in the industry including the purchase intention of the consumer. It solely takes a number of months for a once essential resource to be out of favour as a result of a hot new website or tool has popped up that everybody uses instead. According to (Forrester Research, 2008 & Nielsen, 2012), Consumers are increasingly spending their time online and using social

media There are many types digital marketing in the industry that can affect the buying decision of a consumer and such as social media marketing (SMM), email marketing, search engine marketing (SEM) and many more. The amount of individuals who use internet and mobile apps as their main source of data has increased dramatically every day, (Rohan Samson, et al, 2014). This type marketing is being used by many consumer and there is no range of ages that makes it more effective and efficient. Therefore, I am going to do research on how the factors influencing consumer buying behavior towards digital marketing in Melaka.

## 1.2 Problem Statement

Digital marketing world have been growing so fast and have impacted in many areas of the market and consumer. In that case the main problem that can be seen is that customer's tastes and tendencies change quickly (Dr. S. Sivasankaran, 2017). These means the buying behaviour of the consumer always change and will not vary because their taste changes. It is also maybe because their expectation must be more then what the marketer have been presenting through their marketing. Moreover, based on (Dr. S. Sivasankaran, 2017) in comparison with younger generation children and elderly people, buying behaviour or acquiring intentions changes are more apparent. These shows that younger people are seen using the digital platform to buy their stuff and also have a significant amount of impact on the buying behaviour.

Besides that, there is also some other problem such as marketers find it difficult to deal with altering customer or customer demands (Otero & Rolán, 2016). The demand of the customers changes so rapidly that it hurts the development of the marketer. Besides that, it creates a scenario whereby the marketer have to change the setup of the marketing or advertisement that is already done because it doesn't satisfy the expectation of the customer. This

also causes the marketing to be not that effective to influence the buying decision of the customers.

Third and the last problem that the researcher can identify is that according to Cindy & Hatem (2013) in marketing communication, the internet media have modified the design and utility of standard mass media. This is also something that really can influence the buying decision because there is lack of knowledge that consumer get about the product through the digital marketing that is used. This also will cause or effect whereby the customer will have an expectation versus reality where after the customer getting what they purchase and finds out that it is not as what they expected because of the lack of knowledge from the marketers.

### **1.3 Research Questions**

To attain the goals of studies, the researcher should come out with the research question as a guideline to conduct this study. The following are the research question:

1. What is the relationship between attitude, subjective norms, perceived behavioral control, perceived usefulness and perceived ease of use factors with the consumer purchase intention towards digital marketing?
2. What is the relationship between consumer purchase intentions with the consumer buying behaviour towards digital marketing?
3. Which factor contribute the most towards the consumer purchase intention in Melaka towards digital marketing?

#### **1.4 Research Objectives**

The primary aim of this study is to study the factors influencing consumer buying behavior towards digital marketing in Melaka and how much have it impacted the consumers in Melaka. Therefore, the following are the primary purposes of this study:

- To determine the relationship between attitude, subjective norms, perceived behavioral control, perceived usefulness and perceived ease of use factors with the consumer purchase intention towards digital marketing
- To determine the relationship between the consumer purchase intention with the consumer buying behavior towards digital marketing.
- To determine the dominance factor that influence the consumer purchase intention towards digital marketing in Melaka.

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

Study scope shall be examined for this research are the factors influencing the consumer buying behaviour towards digital marketing in Melaka and the relationship between factors influencing the consumer purchase intention. This study also covers on the factors of the purchase intention by the consumers. In order to complete this study, researcher has chosen to use the quantitative method to collect as much of data through survey. This survey is done by giving out questionnaires to random respondents in Melaka. Moreover, the reason for the researcher to choose Melaka as the research location is because it is much easier to conduct the survey and data collection will be easier to collect because it is near to the campus and it will help the researcher a lot in term of locations, time and cost.

## 1.6 Significance of Study

This study was conducted to find or examine the factors influencing the consumer buying behaviour towards digital marketing. Digital marketing has become a very popular platform for all user or consumer and this is because everyone is using the latest technology. Therefore, there are many ways for the digital marketing platform to influence the purchase intention of consumers. Moreover, as we entering to the new era of the Industry 4.0, it is important to understand the capability of these digital marketing in the business world and how much can it positively impact the purchase intention of the consumer. Many other countries have already started with cashless system whereby everything is needed to use technology which means, even purchasing anything must use technology and not cash.

Moreover, it is also important for all the consumer or the users in Malaysia to adapt to the changes of the technology because we are entering to the world of digitalization where everything is in digital. This also can bring a great impact to our country Malaysia as it can lead our country into a developed country because most developed country have change themselves into using everything digital or online. Thus this makes digital marketing very important and to know until what extend is this marketing beneficial to the consumer in influencing their purchase intention.

Besides that, digital marketing can save the time of the consumers or users whereby they can just click and pay through the digital platform to purchase their products. This makes it easier and efficient for the consumers because they don't need to queue in the counter or need to rush to the shop to purchase their product but can just purchase through the digital marketing platform. This also makes their purchase intention to be much higher rather than the traditional marketing method. In addition, consumers also can get updated with newest offer or product through the digital marketing because it is assessable at anywhere and anytime. The details of the products and offer are more precise in the digital marketing platform can has broad information that the consumer needs.

## 1.7 Limitation

There are several limitations that the researcher has to face in order to complete this study. The following are the limitations through by the researcher:

- Lack Of Resources

The scope of this study covered many topic of Digital Marketing. So, it could be more difficult for researchers to gain more information and suitable with researcher specific topics.

- Lack Of Experience

As the researcher is new to this field, so researcher lack of experience on how to conduct the questionnaires and collect data. It is hard for the researcher to conduct the study with lack of experience.

## 1.8 Summary

This chapter consists of the fundamental of this research and objective of this study is to study the factors influencing the consumer buying behaviour towards digital marketing . This chapter also explains the research question as well as research objective.