

**AN ANALYSIS OF FACTORS AFFECTING CONSUMER'S ATTITUDE
TOWARDS VIRAL MARKETING IN MELAKA**

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APPROVAL

I acknowledge that have read this report and on my view this report is sufficient in term of scope and quality for purpose for the certificate of Bachelor of Technology Management (High Technology Marketing) with Honours.

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DECLARATION

“I am hereby to declare that the work of this exercise is mine expect of the quotations and summaries that have duly acknowledge.”

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DEDICATION

This research paper is dedicated.

To my loving parents, Ahmad Pozi Bin Bustani and Jarmiah Binti Yahya, who always inspired me. They gave me unconditional love dan support in finishing my studies. As my parents, I am honored to have them and also to all my family who always helped and encouraged me when I was faced with problems.

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ABSTRACT

This study was attempted to investigate the factors that effect consumer's attitude towards viral marketing. The purpose of this research is to identify and examine whether perceived informativeness, perceived entertainment, perceived irritation, and perceived source credibility will affect consumers' attitudes towards viral marketing in Melaka. This study also identified whether the consumers' attitudes towards viral marketing in Melaka will affect the consumer purchase intention. Pilot testing was carried out to certify the reliability of the questions before final distribution. There are a total of 266 sets of questionnaire being distributed to consumers in Melaka. From the analysis, it represented that most of the respondents in this study are degree holder who are frequent internet users. Findings obtained from this research had also implied that there is a weak positive relationship between all the factors with the consumers' attitudes towards viral marketing. Furthermore, it is implies that there is no significant between perceived informativeness and consumers' attitudes towards viral marketing. The results also show that the consumers' attitudes towards viral marketing will affect the consumer purchase intention. However, the results shows that perceived informativeness, have no significant relationship towards consumers' attitudes towards viral marketing in Melaka.

ABSTRAK

Kajian ini adalah untuk mengkaji factor-faktor yang mempengaruhi sikap pengguna terhadap 'Viral Marketing'. Tujuan penyelidikan ini adalah untuk mengenal pasti dan menilai sama ada 'Perceived Informativeness', Perceived Entertainment', 'Perceived Irritation', and 'Perceived Source Credibility' terhadap pemasaran viral di Melaka. Kajian ini juga mengenalpasti sama ada sikap pengguna terhadap pemasaran viral di Melaka akan menjejaskan niat pembelian pengguna. 'Pilot Testing' dijalankan untuk mengesahkan kebolehpercayaan soalan sebelum pengedaran terakhir. Terdapat sebanyak 266 soalan soal selidik yang diedar kepada pengguna di Melaka. Daripada keputusan analisis, kebanyakan responden dalam kajian ini adalah pemegang ijazah yang sering menggunakan internet. Daripada kajian ini juga, telah menunjukkan bahawa terdapat hubungan positif yang lemah antara semua faktor dengan sikap pengguna terhadap 'Viral Marketing'. Tambahan pula, ini menunjukkan bahawa 'Perceived Informativeness' tiada hubungan dengan sikap pengguna terhadap pemasaran viral. Hasilnya juga menunjukkan bahawa sikap pengguna terhadap pemasaran viral akan menjejaskan niat pembelian pengguna. Walau bagaimanapun, keputusan menunjukkan bahawa 'Perceived Informativeness' tidak mempunyai hubungan yang signifikan terhadap sikap pengguna terhadap pemasaran viral di Melaka.

TABLE OF CONTENT

CHAPTER	TITLE	PAGE
	APPROVAL	
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	TABLE OF CONTENT	vii
	LIST OF TABLES	x
	LIST OF FIGURES	xii
	LIST OF ABBREVIATIONS	xiii
	LIST OF APPENDICES	xiv
CHAPTER 1	INTRODUCTION	
	1.0 Introduction	1
	1.1 Background of Research	1
	1.2 Problem Statement	3
	1.3 Research Question	4
	1.4 Research Objective	5
	1.5 Scope and Limitation	5
	1.5.1 Scope of the Study	5
	1.5.2 Limitation of the Study	6
	1.6 Significant of Study	6
	1.7 Contribution of the Study	7
	1.8 Summary	7

CHAPTER 2	LITERATURE REVIEW	
2.0	Introduction	8
2.1	Consumer's Attitude	8
2.2	Purchase Intention	9
2.3	Viral Marketing	10
	2.3.1 Principal of Viral Marketing	11
2.4	Factors of Consumer's Attitude	13
	2.4.1 Perceived Informativeness	13
	2.4.2 Perceived Entertainment	14
	2.4.3 Perceived Source Credibility	14
	2.4.4 Perceived Irritation	15
2.5	Research Framework	16
2.6	Research Hypotheses	17
2.7	Summary	18
CHAPTER 3	RESEARCH METHOD	
3.0	Introduction	19
3.1	Research Design	19
3.2	Methodology Choice	20
3.3	Primary and Secondary Data Source	21
3.4	Location Research	22
3.5	Questionnaire Design	22
3.6	Sampling Design	23
3.7	Research Strategy	24
3.8	Data Analysis Methods	25
	3.8.1 Software of SPSS	25
	3.8.2 Multiple Regression Analysis	26
	3.8.3 Pearson Correlation Analysis	26
3.9	Reliability Analysis	27
3.10	Summary	28
CHAPTER 4	DATA ANALYSIS	
4.0	Introduction	29
4.1	Pilot Test Analysis	30

4.2	Descriptive Analysis	32
4.2.1	Gender	32
4.2.2	Marital Status	33
4.2.3	Race	34
4.2.4	Age	35
4.2.5	Highest Level of Academic Qualification	36
4.2.6	General Question	37
4.2.7	The Factors That Effect Consumer's Attitude Towards Viral Marketing	38
4.2.8	Consumer's Attitude Towards Viral Marketing	58
4.3	Reliability Analysis	63
4.4	Pearson Correlation	64
4.5	Multiple Regression	66
4.6	Hypothesis Testing	69
4.7	Summary	72

CHAPTER 5 DISCUSSIONS AND CONCLUSION

5.0	Introduction	73
5.1	Summary of Descriptive	73
5.2	Discussion of Objective	75
5.2.1	Research Objective 1	75
5.2.2	Research Objective 2	76
5.2.3	Research Objective 3	77
5.3	Limitation of Study	78
5.4	Recommendations	79
5.4.1	Recommendation for Future Research	79
5.4.2	Recommendation for Marketer and Organization	79
5.5	Conclusion	80
	REFERENCES	81
	APPENDICES	87

LIST OF TABLE

Table	Title	Page
3.1	Melaka Population from 2014 To 2018	23
3.2	Table Determining the Number of Population	24
3.3	Rules of Thumb About Pearson's Correlation Coefficient	27
4.1	Rules of Thumb About Correlation Coefficient Size	30
4.2	Pilot Test of Reliability	31
4.3	The Result Analysis Of Respondent's Gender	32
4.4	The Result Analysis of Marital Status	33
4.5	The Result of Respondent's Race	34
4.6	The Result Analysis of Respondent's Ages	35
4.7	The Highest Level of Academic Qualification	36
4.8	Frequency of Internet Usage of Respondents	37
4.9	Questionnaire Scale Result for Informativeness about Question One	38
4.10	Questionnaire Scale Result for Informativeness about Question Two	39
4.11	Questionnaire Scale Result for Informativeness about Question Three	40
4.12	Questionnaire Scale Result for Informativeness about Question Four	41
4.13	Questionnaire Scale Result for Informativeness about Question Four	42
4.14	Questionnaire Scale Result for Informativeness about Question Four	43
4.15	Questionnaire Scale Result for Entertainment about Question Two	44

4.16	Questionnaire Scale Result for Entertainment about Question Three	45
4.17	Questionnaire Scale Result for Entertainment about Question Four	46
4.18	Questionnaire Scale Result for Entertainment about Question Five	47
4.19	Questionnaire Scale Result for Source Credibility about Question One	48
4.20	Questionnaire Scale Result for Source Credibility about Question Two	49
4.21	Questionnaire Scale Result for Source Credibility about Question Three	50
4.22	Questionnaire Scale Result for Source Credibility about Question Four	51
4.23	Questionnaire Scale Result for Source Credibility about Question Five	52
4.24	Questionnaire Scale Result for Irritation about Question One	53
4.25	Questionnaire Scale Result for Irritation about Question Two	54
4.26	Questionnaire Scale Result for Irritation about Question Three	55
4.27	Questionnaire Scale Result for Irritation about Question Four	56
4.28	Questionnaire Scale Result for Irritation about Question Five	57
4.29	Questionnaire Scale Result for DV about Question One	58
4.30	Questionnaire Scale Result for DV about Question Two	59
4.31	Questionnaire Scale Result for DV about Question Three	60
4.32	Questionnaire Scale Result for DV about Question Four	61
4.33	Questionnaire Scale Result for DV about Question Five	62
4.34	The Result Analysis of Reliability Test	63
4.35	Rule of Thumb of Cronbach's Alpha	63
4.36	The result of Pearson Correlation	64
4.37	Strength of Association About Pearson Correlation	65
4.38	Model Summary of Multiple Regression Analysis	66

4.39	ANOVA for Multiple Regressions	67
4.40	Coefficients of Multiple Analysis	67

LIST OF FIGURES

Figure	Title	Pages
1	Research Framework	16

LIST OF ABBREVIATION

ABBREVIATIONS		MEANING
eWOW	=	Electronic Word-of –Mouth
RQ	=	Research Question
RO	=	Research Objective
SMS	=	Short Message Service
SPSS	=	Statistical Project for Social Science
TV	=	Television
FB	=	Facebook
IG	=	Instagram
DV	=	Dependent Variables
IF	=	Informativeness
EN	=	Entertainment
SC	=	Source Credibility
IR	=	Irritation
UNESCO	=	The United Nation Educational, Scientific and Culture Organization

LIST OF APPENDICES

APPENDEXES	TITLE	PAGE
A	Questionnaire Survey	87
	Gantt Chart Semester 1	95
	Gantt Chart Semester 1	95

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The aim of this research is to increase the knowledge of the consumer's attitude towards viral marketing in Melaka. Besides, this research is to investigate some of the factors affecting consumer's attitude towards viral marketing in Melaka. This research also determines the relationship between the factors affecting consumer's attitude towards viral marketing and the purchase intentions. In addition, this research will identify the most factors affecting consumer's attitude towards viral marketing in Melaka. This chapter commences by providing eight areas that will discuss which include a brief foundation of the background of the study, problem statement, research questions, research objectives, scope and limitation of the study, significant of the study, the contribution of study and lastly summary.

1.1 Background of Study

Nowadays, the demand for information is a good desire to share any ideas or experience due to the various products and services available in the market. Generally, the term "viral marketing" is not strange anymore to everyone, especially to the marketer and viral marketing is a very effective promotions tool to attract the consumer to buy their product or service. As indicated by Palka, Pousttchi, and Wiedemann (2009), the word "viral" describes as a kind of marketing that affects consumers with

the marketing message which delivers from one consumer to another like widespread “virus”. As we know the term “virus” is a very strong meaning to influence people around. Recently, there are a many of research on the viral marketing, this is because viral marketing is something like a very great marketing strategy to attract consumer’s attention about the messages delivered by marketer consequently can influence the customer purchase intention.

As stated by Cheng, Sheen, and Lou (2006), the internet has developed increasingly practical as a medium of sharing. Besides, online communication can take place in many ways, for instance, Web-based opinion platform, discussion forums, boycott Web sites, and newsgroups (Hennig-Thurau et al., 2004). Nowadays, viral marketing is important for marketers to reach customer because internet and smartphone have become part of everyone daily life. Nevertheless, it is obvious that viral marketing more popular today. As studied by Kulkarni, Ratchford, and Kannan (2012), many consumers usually searching internet source forget the information or review on the brands of product, services, locations, retails, and manufactures especially when making a purchase decision about quality products.

However, Haryani et al., (2015) analysed that viral marketing advertisement is a new occurrence in the world which can give an impact to the consumer behaviour and this type of marketing is still on the initial phase of development. Thus, the information about its background, dimensions, and characteristics are yet to be investigated in deeply (Fill, 2012). The problems of viral marketing promotions emerge from the consideration of how consumers act and respond to online marketing advertisements. It is very essential to select the best kind of consumer behaviour and attitude to influence the chances available with the marketers (Haryani et al., 2015). The psychological elements such as attitude, motivation, perception, learning, and belief will give an effect to the consumer’s attitude (Kotler and Armstrong, 2006). In addition, the theory of marketing begins with the fulfiller of the user desire and their actions.

Furthermore, as studied by Zernigah and Sohail (2012), marketing messages becoming the determinant for the consumer’s behaviour responses on viral marketing. There are also noticed by their perceived informativeness, perceived entertainment,

perceived credibility, and perceived irritation. Consequently, these four factors will be applied as the independent variables in this study. According to VanDerWaldt, Rebello, and Brown (2009) mention that informativeness is the perception of the consumer towards the information that they get from the marketing message and also to remind the consumer about the products which it can raise the consumer awareness. As mention by Ducoffe (1996), entertainment can be defined as the ability to satisfy the needs of the consumer to experience the exciting moment, pleasure time, or showing happiness. Generally, credibility can testify as to the impression of the consumer of trustworthiness and faithfulness of the meaning of marketing (MacKenzie and Lutz, 1989). Lastly, irritation in the marketing perspective is using tactics like an insult, annoy, offend or manipulative the message provide (Ducoffe,1996).

The result of this study is the researcher can measure and analyze the link between the consumer's behaviour on viral marketing and consumer purchase intention. As stated by Dharamdasani and Sharma (2017), an intention of purchases by consumers is the evaluation-making process utilized by the consumer is connecting to a market offered in the form of the buying of goods and services from sellers. Besides, purchase behavior is the consumer reaction of products and service. Besides, there is some disagreement on how a positive attitude towards a business or a product can effecting to the consumer's purchase intention (Pride and Ferrel, 1991).

1.2 Problem Statement

In the early 21st century, viral marketing is in the trend and still not reached its mature stage of development, thus information about its behaviour and magnitude has yet to be clearly examined. An effective marketing tool have to be creative and attractive to satisfy the target audients. With the aim to attain this, the product has to be superb enough share, so that the information can be spread around to win the consumer's attention and also achieve the main purpose of viral marketing (Dufour, 2011). So, to reach marketing value, there is a vital to understanding the relationship between the factors that affect consumer's attitude and viral marketing.

Besides, viral marketing is a very effective way to attract audiences in a large number. It is obvious that many growing businesses apply this technique to their marketing strategy (Eckler and Bolls, 2011). In addition, Palka et al., (2009) claimed there are many success evidence of viral marketing but there are still have a few limited studies relating to motivations, attitude, and behaviour. So as to make an effective promoting strategy it is significant for a marketer to consider the factors of consumer's behaviour, thus the attitude of the consumer will be recognisable. However, different research had reflected various results about the factors affecting consumer's attitude. Also, there are limited research has been conducted on consumer's attitude towards viral marketing technique because viral marketing is still considered new in Melaka. Thus, it is essential for a marketer to comprehend the consumer's attitude towards viral marketing in Melaka.

1.3 Research Questions

Developing a research question is one of the fundamental steps in the research study. A research question is an answerable inquiry that summarizes the problems that the researcher will study. It is the fundamental core of research which guides all stage of the research process from identifying the problem to reporting the results. The research questions of this research were:

RQ 1: What are the factors that affect a consumer's attitude towards viral marketing?

RQ 2: What is the relationship between the factors that affect a consumer's attitude towards viral marketing?

RQ 3: What are the most factor that affects the consumer's attitude towards viral marketing?

1.4 Research Objectives

Based on the research question above, the main objectives for this research is to study the factors affecting consumer's attitude towards viral marketing in Melaka. There are three important objectives for this research develop as below:

RO 1: To examine the factors that affect a consumer's attitude towards viral marketing.

RO 2: To determine the relationship between the factors that affect consumer's attitude towards viral marketing.

RO 3: To identify the most factor that affects the consumer's attitude towards viral marketing.

1.5.1 Scope and Limitation

1.5.2 Scope of Study

This main purpose of this research is to analyze the factors that affect consumer's attitude towards viral marketing in Melaka. Besides that, this research also contributes to identifying the relationship between the factors affecting consumer's attitude towards viral marketing and their purchases intention. To achieve the objectives of this research, Melaka has been choosing a focus area and citizens of Melaka will be the target respondents due to the different type of consumers in Melaka.

1.5.3 Limitation of Study

There are some challenges that have been found during conducting the research. Firstly, the number of respondents might be lacking to represent all of the population on consumers in Melaka. Because of the limited timeframe, only a few numbers of survey questionnaires can be distributed and analyzed. Hence, the research results may not be likely to represent the attitude all of the consumers in Melaka. Second, there is inadequate research which is done in Malaysia if compared to the outside nations. Thus, foreign research and journals will not relevant to the general understanding and background in Malaysia. Besides, to access certain information, it is hard to get the data because it required some fee in order to access or purchase them.

1.6 Significant Of Study

In this research, there are several advantages that are very useful to people especially to the marketer. The finding of this research will come out with a beneficial understanding of the marketer about consumer's attitude towards viral marketing. In order to apply a good viral marketing message and campaign, a marketer can minimize their cost such as products delivery. Besides, in this era, the internet plays an important role for the marketer to utilize marketing technique. In this research, the finding also can help marketer in-depth understanding of consumer's attitude towards viral marketing indirectly can affect consumer's purchase intention about their products or services. By having some expertise on consumer's attitude towards viral marketing, a marketer can develop their viral marketing message or campaign effectively. However, if the marketer is not enough knowledge about viral marketing, it will affect the effectiveness of viral marketing message.

Moreover, in this new era, there are a lot of companies and marketers realize the importance of using an online marketing platform. Nevertheless, due to insufficient information and limited expertise, some the marketers difficult to apply the best technique of viral marketing that affects consumer's attitude. A marketer must recognize the consumer's attitude towards viral marketing and use it as a competitive

advantage to advertise their goods. Hence, it is important to study and examine the consumer's attitude towards viral marketing. As a result, these studies will give some benefits for the company and to the marketers as a guideline and references for viral marketing.

1.7 Contributions to the Study

The intention of this research was conducted is because of insufficiency of published study or research look at the factors affecting consumer's attitude towards viral marketing. The theory used in this research was constructed by Zernigah and Sohail (2012), which investigate the relationship of each factor towards consumer's attitude. The contribution of this research is to analyze the positive or negative attributes that affect a consumer's attitude. Before that, the majority of the researcher is focusing on using the theory of factors consumer's attention to analyzing consumer intention but other factors are seldom to be discussed in the research. The additional factors may help to fill up the insufficient theory which not only links one's belief and behavior on consumer's attitude but also the general factors. The contribution will help marketer grab the opportunities to increase knowledge about viral marketing and consumer's attitude indirectly convince the intention of consumers to purchase product or service.

1.8 Summary

As a summary of this part, the background of the study and problem statement has been discussed related to the topic of the research. A reasonable expectation of the factors affecting consumer's attitude towards viral marketing has been expressed in this chapter. Furthermore, the research questions and research objectives are also been discuss in this chapter. The scope and limitation of the study that explains the limit of research also stated above. Lastly, the significance and contribution of the study have been point out in this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, a literature review was conducted to identify variables, and research framework that related to the factor affecting consumer's attitude towards viral marketing in Melaka. First, the definition of the keywords and the literature review of each factor that affects the consumer's attitude towards viral marketing. Second, a research framework based on the theory of previous research had been studied with the relationship of variables had been predicted.

2.1 Consumer's Attitude

Generally, attitude can be described as a non-stop establishment of cognitive-emotional, perceptual motivational practices due to few attributes of surrounding (Hawkins, Best, and Coney, 2004). Concisely, it includes recognition, attitude and the development of behaviour. Besides, Pride and Ferrel (1991) had clarified there is an additional particular method that behaviour describes to positive or negative sentiments and learning regarding an object or an activity. Grewal, Mehta, and Kardes, (2000) expressed also an attitude as a fundamental need for a person which is as requires of establishing an attitude about an action or object.