THE BENEFITS OF SOCIAL MEDIA TOWARDS PURCHASING BEHAVIOR AMONG UTEM STUDENTS

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'I hereby acknowledge that this project paper has been accepted as part fulfilment for the Bachelor Degree of Technopreneurship with Honors'

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DECLARATION

I declare that this project entitled "The Benefits of Social Media Towards Purchasing Behavior Among UTeM Students" is the consequence of my own research with the exception as referred to in the references. The research paper has not been accepted for any degree and is not concurrently submitted in candidature of some other degree.

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ABSTRACT

Social media has now become an integral part of our life and society where social media has forever changed the way society works, whether it's the sharing of an idea, the communication of news, or the availability of a product or service. Businesses across the globe can now amplify their brand message to a wider audience than they could ever dream of doing before achieving success that they could only wish for. On the other hand, millennials' purchasing power will soon exceed that of every other generation, yet the key factors that influence their purchasing decisions are sometimes a mystery to merchants. Therefore, this research is to identify the variables of benefits of the social media and purchasing behavior, determining the correlation between benefits of social media and purchasing behavior as well as analyzing the significance relationship between benefits of social media and purchasing behavior. The methodology used for is research is quantitative. Researcher had chosen a total sample of 375 participants to be the respondents of the questionnaire. Multiple regression and Pearson correlation analysis are used to analyze the variables. The gathered data were analyzed using Statistic Package for Social Science (SPSS) software. The finding of the research showed that all the independent variables which is information, personalization and monetary benefits had positive significant relationship with the personalization had the greatest contribution compared to information and monetary benefits. This research will also give implications to knowledge and practical contribution as well as company to map their strategy on targeting young adult. Limitations and future research also proposed for the future research.

ABSTRAK

Media sosial kini telah menjadi sebahagian daripada kehidupan dan masyarakat kita, di mana media sosial telah berubah selari dengan cara kerja masyarakat, sama ada berkongsi idea, komunikasi berita, atau ketersediaan produk atau perkhidmatan. Perniagaan di seluruh dunia kini dapat menguatkan mesej jenama mereka kepada khalayak yang lebih luas daripada yang pernah mereka impikan sebelum mencapai kejayaan yang mereka hanya inginkan. Sebaliknya, daya beli milenium tidak lama lagi akan melebihi setiap generasi lain, namun faktor utama yang mempengaruhi keputusan pembelian mereka kadang-kadang misteri kepada peniaga. Oleh itu, kajian ini adalah untuk mengenal pasti pemboleh ubah faedah media sosial dan tingkah laku pembelian, menentukan hubungan antara faedah media sosial dan tingkah laku pembelian serta menganalisis hubungan penting antara faedah media sosial dan tingkah laku pembelian. Metodologi yang digunakan untuk penyelidikan adalah kuantitatif. Penyelidik telah memilih sebanyak 375 peserta untuk menjadi responden soal selidik. Multiple Regression dan Pearson Correlation Analysis digunakan untuk menganalisis pembolehubah. Data yang dikumpulkan dianalisis dengan menggunakan perisian Statistic Package for Social Science (SPSS). Penemuan penyelidikan menunjukkan bahawa semua pembolehubah bebas iaitu maklumat, keperibadian dan faedah kewangan mempunyai hubungan penting yang signifikan dengan keperibadian mempunyai sumbangan terbesar berbanding dengan maklumat dan faedah kewangan. Kajian ini juga akan memberikan implikasi kepada pengetahuan dan sumbangan praktikal serta kepada syarikat untuk memetakan strategi mereka untuk menargetkan dewasa muda. Batasan dan penyelidikan masa depan juga dicadangkan untuk penyelidikan masa depan.

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LIST OF ABBREVIATIONS

MCMC: Malaysian Communication and Multimedia Corporation

UTeM: Universiti Teknikal Malaysia Melaka

SMM: Social Media Marketing

CHAPTER 1

INTRODUCTION

1.1 Background of Study

In the current modern societies, social media are commonly used in order to connect people together throughout the world using the Internet. According to Kaplan and Haenlein (2010), they defined social media as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content. Social media is also named consumer-generated media and refers to user-generated content. Since social media are widely used now, hence, the expanded use of information technologies and social media are going to be the trends in the future (Rust, Moorman, & Bhalla, 2010).

Social media will be able on permitting consumers to share their experiences and valuable information. Looking on a business perspective, it goes without saying that social media has offered a large variety of new opportunities for companies to promote their brand, products and services. Therefore, social media has been used by companies and business nowadays by using the social media to reach customers to market and sell product or services.

Generally, according to StarBiz (2018), those who born between 1980 and 2000, millennials make up 25% of the world's total population. Their immense volume gives them the power to decide whether a trend lives or dies, spread information at the speed of light, and change how your brand is perceived by the public. Millennials are quick to adopt the newest trends and products, sellers can attract their attention to do so through social media as they love to connect and be connected with, especially by businesses like that are through digital conversation.

It is also an important point marked when the Web 2.0 existed in the history of social media. According to Dagiene and Kurilovas (2010), Web 2.0 is technologies that support information and knowledge sharing which are also often called social networking or social computing. Web 2.0 sites introduced us to dynamic content, user-generated content, and what we now call social media such as Instagram, Facebook and Twitter. These kinds of platform are dominated by people age from 20 to 34 years old which makes the profitable customer segment to market to our UTeM Students. On the other hand, Social media has an astonishing benefit towards the purchasing behavior of UTeM students purchasing behavior.

It is mentioned in New Straits Times (2016) that Malaysian digital consumers are spending an average of almost 14 hours a day on digital devices with 87 per cent of them on the Internet and to be specific, the highest users for social media are young adult aged between 17 to 34 as explained by Mahadi (2013). This shows that Companies or Businesses will be easy to target those who uses internet frequently to sell their product specifically for students. According to Chun (2014) business can easily reach their customer due to the advance of social media and it is also had become a trend which grows rapidly among the businesses. Malaysian Communication and Multimedia Corporation (MCMC) Online Shopping survey, young adult between 20 to 39 years old were the primary age cohort for online shoppers, where they made up three-quarter of online shoppers' distribution. This concludes that, young adult including students did contribute a lot in online shopping based on the MCMC survey for the internet users in 2017.

1.2 Social Media usage among UTeM Students

The Malaysian government continues to invest heavily in computing and Internet resources in the belief that the Internet can improve the academic performance of students, offer e-learning for undergraduates, and provide the flexibility of distance learning for adult students. Besides for academic purposes, there a lot more of things that can be done with internet, such as using the social media. While social media is common for people nowadays especially the young people, social media can be used as a platform of online shopping and advertising products as well as services. In Malaysia, internet access is relatively easy, fast, and affordable. Therefore, it is easy for students to have access with the internet. WiFi hotspots are provided around UTeM campus where student will be able to get instant connection to the net. The location that have access to internet include the are around main campus, city campus and industry campus.

According to Mazzini Muda *et al* (2016) the researchers investigated that online purchase behavior of Gen Y in Malaysia and identify the factors drive the behavior. They found that Gen Y in Malaysia buys mostly from online retailers operating via Social Media such as Facebook and Instagram while according to Sani (2017), the top three most used Social Media platforms among students in Malaysian public and private universities based on a recent survey carried out by Monash University Malaysia and University of Malaya (UM) are Facebook, WhatsApp and Instagram. This means that students in UTeM will mostly dealing with buying things from their online retailers in their favorite Social Media Platform which is either Facebook, Instagram or WhatsApp.

According to Fard (2016), persons and trades are acquiring benefits from Social Media which act as a platform to offer goods and services or being in contact with their acquaintances or clients. For example, Facebook is a novel shape of e-commerce in the twenty-first century as it delivers novel worth of facilities to web operators to express themselves and network with others (Laudon & Traver, 2015). By employing Facebook, enterprises and persons can upload the picture of their goods or amenities with a full account of it, and customers can buy the goods that they want by only commenting on the

comment inbox. This is the way where buyer and sellers use Facebook to lead their e-commerce.

Enterprises and persons can apply the same thing with Instagram by uploading the picture of their product and communicate with their buyers through comments or personal message in Instagram. In the other hand, WhatsApp can be used as a communication tool between seller and buyer regarding the product to offer information and making deals. Sellers can put their WhatsApp number on their Facebook or Instagram profile for customers to reach the sellers for more information.

Since these three platforms are the top social media that had been used by students, sellers should focus on these platforms to penetrate UTeM students' market. The e-commerce change via Social Media has also caused countless chances for Malaysians. Not only that the students can buy from Social Media but also, they have the chance to sell in that platform. Therefore, sellers can do small business through these top Social Media platform to sell product among the UTeM students while the buyers among students can easily deal with the sellers that belongs in the same University with them.

1.3 Problem Statement

Malaysian Communication and Multimedia Corporation (MCMC) Online Shopping survey mentioned that young adult between 20 to 39 years old were the primary age cohort for online shoppers. Thus, this make student as a good target market for Social Media to focus on. This is supported by Barton *et al* (2014) where people now 18 to 34 years old will be critical to companies across product and service categories. With the growth and associated advantages of social media, online shopping is currently experiencing what can be described as a boom. According to ExpatGo (2018), the online shopping experience has improved tremendously over the years with the addition of certified reviews, the ability to report a bad merchant and fake goods, as well as more secure payment

methods. People in Malaysia are shopping online so much more now because of the convenience and availability of better deals online. Thus, this will ease the buying process among students which result in them to be involved more in Online Shopping especially through social media. According to the Visa Consumer Payment Attitudes survey, Online Shopping are higher among our Young Adult, with 82 per cent of our Young Adult shopping online at least once a month.

Even though they are said to be the good target consumers, the benefits of social media on purchasing behavior is still sketchy among our students specifically in UTeM which shopping online on social media is not the main factor that drives them to buy something Online. According to Tan *et al* (2017), there is still insufficient research specifically study on the consumer purchase intention in social media which is also supported by Akar and Topcu (2011), mentioning that studies on both social media and marketing with social media are quite new and few. There are academic studies regarding social media but most of the articles are comprised of newspaper and magazine articles, Wikipedia writings, and blogs with limited topics related to social media (Akar & Topcu, 2011; Kim, Jeong, & Lee, 2010).

In a nutshell, the problem identified is that the student in UTeM view social Media as something that can influence their purchasing behavior has not been adequately measured. Therefore, this study will focus on the benefit of social media on purchasing behavior among UTeM students. In the other hand, the study would also be beneficial as Malaysian entrepreneurs may use these findings to better market and introduce their goods and services to the student segment.

1.4 Research Question

i.   What are the variables of the social media benefits on purchasing behavior?

ii.   Is there any correlation between benefits of social media and purchasing behavior?

iii.   Is there any relationship between social media and consumer's decision on making online purchases?

1.5 Research Objectives

1. To identify the variables of benefits of social media and purchasing behavior.

2. To determine the correlation between benefits of social media and purchasing behavior.

3. To analyze the significance relationship between benefits of social media and purchasing behavior

1.6 Scope of Study

This study only focuses on the role that is played by social media on its benefits on UTeM students purchasing behavior where the scope of this study is limited to UTeM students that are using social media. It will also access each and every single objective that are mentioned. Since using social media is common among students, it is possible to determine the benefits of social media on the students purchasing behavior. The target

students for this study included all faculties that are in City Campus, Industrial Campus and Main Campus. The respondents that will be chosen for this research are the Students in UTeM. Therefore, this study will help to uncover the benefits of Social Media on UTeM students Purchasing Behavior.

1.7 Limitations of Study

This study had been prepared carefully yet researcher was aware of the capabilities and shortcomings. Firstly, the study is limited due to the study is conducted specifically for UTeM students only. The location that had been chosen will be all the faculties that are in UTeM. There are several limitations that had been identified to conduct this research which is time, cost and respondent outliers. Secondly, time limit, where the study is conducted within twenty-four weeks only and was carried out on the small size of population in UTeM who uses social media. The time is not enough to obtain data in a short period of time. Therefore, if the study is conducted in a longer period of time, the collection of data will be eased.

1.8 Importance of Study

This study aims in providing a clear understanding of the relationship between social media benefits and the UTeM students' purchasing behavior. This study can help companies and small businesses who would like to target on young consumers that are on Social Media specifically for UTeM students on mapping their strategy on social media marketing. Besides that, this study will help on understanding more about consumers purchasing behavior by applying the Theory of Planned Behavior (TPB) in this study. Finally, future research can be guided using this study to investigate further regarding the social media and purchasing behavior.

1.9 Summary

As a conclusion, this chapter had given insight on the introduction as well as foundation of a brief overview for this study. This chapter had offered an outline study for the impact of social media towards young adult purchasing behavior among UTeM students that consist the background of study, problem statement, research questions, research objectives, scope of study, limitations and importance of study. To have a clear insight regarding the impact of social media towards young adult purchasing behavior, a review of the literature and proposed theoretical framework will be introduce in Chapter 2.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The previous chapter discussed about background of study and this chapter will provide the background information needs to study on the social media benefits towards purchasing behavior towards students in UTeM. Some of the precise definition of terms will also be explain in this chapter. Other than that, this chapter will provide the literature review of the independent variables which is the information, personalization and monetary benefits. The major part that will be covered under this chapter is discussion about the entire factor that are stated in previous chapter. Hence, this chapter will give an insight of the social media benefits towards purchasing behavior among students in UTeM.

2.2 Social Media

Social media has becoming the crucial tool for business to benefit from as it is growing at warp speed. With more and more people joining social media sites and using it in their daily life, the social media industry is bound to become bigger in the coming years. Social media are defined as the development of new platforms, features, and uses that build on users' participation in the form of user-generated content, decentralization and rich user experience (O'Reilly, 2007). The definition on that year was merely labeling social media as a new thing. Subsequently, according to Carton (2009), the researcher defined social media as technology that are developed that eased our communications. On that time, the new platform had a significant benefit, which is making it easy for us to interact with each other using technology. As time goes by, Nations (2010) argued that, the social media is actually, hard to define and if the social media is merely an instrument that gives a two-way street communication. In the current time, Manning (2014), had a more constructed definition of social media which the researcher defined it as the term often used to refer to new forms of media that involve interactive participation.

There are two ages that are involved based on the Manning (2014) where the researcher explained, the first age would be the broadcast ages which is the initial concept of media before. Broadcast age is a mediated communication between individuals typically happened on a much smaller level, which is usually via personal letters, telephone calls, or sometimes on a slightly larger scale through means such as photocopied family newsletters. The researcher stated that, the media were almost exclusively centralized where one entity such as a radio or television station, newspaper company, or a movie production studio will distribute messages to many people. Usually, the feedback to media outlets was often indirect, delayed, and impersonal. While the second age, which is our current age is the interactive ages. With the rise of digital and mobile technologies, interaction on a large scale, it made it easier for individuals than ever before; where a new media age was born whereas interactivity was placed at the center of new media functions. Therefore, one individual could now speak to many, and instant feedback was a possibility.

On the other hand, the low cost and accessibility that are offered by the new technology had also given us a lot of options for media consumption than ever before. Instead of only a few news outlets, users now are able to seek information from different sources and to communicate with others via message forums about the information posted where according to Manning (2014), at the core of this ongoing revolution is social media. Meanwhile, DeNardis (2014) suggested that social media is characterized by the affordances of user generated content and the users' ability to select and articulate network connections with other users. Whereas, LaRose *et al* (2014) adds that social media is tied with information exchanges and the researchers would define social media as the communication channels that are used to form or maintain social relationships through the creation and exchange of electronic interpersonal communication.

In terms of classifications, researchers have created classifications that define social media in terms of different types of communication technologies (i.e. Kaplan & Haenlein 2010; Krishnamurthy & Dou 2008; Shao 2009). For example, Kaplan and Haenlein (2010) classify social media in terms of blogs, social networking sites, virtual social worlds, collaborative projects, content communities, and virtual game worlds. Alternatively, Beer (2008) offers the categories of wikis, folksonomies, mashups, and social networking sites as distinct types of applications that fit within the broader framework of Web 2.0. Other scholars focus on definitions of singular social media types. Ellison and Boyd (2013) specifically distinguish social network sites as communication platforms that offer users unique profiles, public connections, and the ability to create and consume user-generated content (and do consider Twitter and Youtube social network sites). Blogs, another type of social media technology, developed a unique form that included distinct entries in reverse chronological order (Siles, 2011), whereas microblogging, a phenomenon largely driven by Twitter, founded in 2006, focuses on much shorter live updates of one's life, opinions, or reactions to current events or other media (Honeycutt & Herring 2009; Dijck, 2011).