

THE DETERMINANTS OF TRAVEL PACKAGE PURCHASE DECISION AT
THE MATTA FAIR

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THE MATTA FAIR

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This thesis is submitted in partial fulfilment of the requirements for the award of
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APPROVAL

I/ We hereby declare that I/ we have read this dissertation/report and in my opinion,
this dissertation/report is adequate in terms of scope and quality as a partial
fulfilment of the requirements for the award of Bachelor of Technopreneurship with
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DECLARATION OF ORIGINAL WORK

I hereby declared that this report entitled
**“THE DETERMINANTS OF TRAVEL PACKAGE PURCHASE DECISION
AT THE MATTA FAIR”**
is the result of my own research except as cited in the references. The report has not
been accepted for any degree and is not concurrently submitted in the candidature of
any other degree.

SIGNATURE :

NAME :

DATE :

DEDICATION

I would like to dedicate the appreciation to my family members who supported me in term of spiritual and financial, beloved supervisor En. Mukhiffun Bin Mukapit and panel Pn. Ratna Binti Masrom who guided me throughout this research and course mates that assisted me through the journey of research.

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Next, I am very thankful to the researchers for having previously conducted the similar study and published it online. The theory and knowledge given was useful as a reference in this final year project although the research topic of the study was different. Therefore, it allows researcher to complete the research on the basis of the data provided from the resources provided.

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ABSTRACT

The customer purchase decision is a pillar for an organization to be successful and sustain in the marketplace of their products or services. Being conducted without the intention of customers would be challenging for the organizations. This is because customers are the most valuable people that make an organization improve their products or services performance day by day. Thus, this study aims to identify and analyse the determinants of travel package purchase decision at the MATTA Fair. The conceptual model was proposed based on the Theory of Planned Behaviour (TPB) which consist the determinants such as attitudes, subjective norm and normative beliefs, perceived behavioural control and personal behavioural intention. The data was collected using a questionnaire survey of 385 participants at the MATTA Fair. The result of this study showed that attitude, subjective norm and normative beliefs and personal behavioural intention are strongly significant towards customer purchase decision on travel packages at the MATTA Fair except for perceived behavioural control. Therefore, this study will hopefully provide a number of theoretical and practical guidelines on how organizations can effectively strategize and implement the determinants of customer purchase decision on travel package through the MATTA Fair platforms. In summary, these findings provide a comprehensive understanding of customers' purchase decision and extend the application scope of buyer behaviour theory.

Keywords: Customer purchase decision, Theory of Planned Behaviour (TPB), Determinants of Customer Behaviour, Tourism industry, MATTA Fair.

ABSTRAK

Keputusan pembelian pelanggan adalah tunggak bagi organisasi untuk berjaya dalam mengekalkan produk atau perkhidmatan mereka di pasaran. Organisasi akan hadapi cabaran apabila kajian ini dijalankan tanpa niat pelanggan. Ini kerana pelanggan memainkan peranan penting yang membuat organisasi meningkatkan prestasi produk atau perkhidmatan hari demi hari. Oleh itu, kajian ini bertujuan untuk mengenal pasti dan menganalisis penentu keputusan pembelian pakej pelancongan di Pameran MATTA. Model konseptual telah dicadangkan berdasarkan Teori Tingkah Laku Dirancang (TPB) yang terdiri daripada penentu seperti sikap, norma subjektif dan kepercayaan normative dan kawalan tingkah laku yang dianggap dan niat perilaku peribadi. Data dikumpul menggunakan soal selidik, sebanyak 385 peserta yang diedarkan di Pameran MATTA. Keputusan kajian ini menunjukkan bahawa sikap, norma subjektif dan kepercayaan normatif dan niat tingkah laku peribadi amat cenderung terhadap keputusan pembelian pelanggan mengenai pakej perjalanan di Pameran MATTA kecuali kawalan tingkah laku oleh pelanggan. Oleh itu, kajian ini diharapkan akan menyediakan beberapa garis panduan teori dan praktikal mengenai bagaimana organisasi dapat menyusun strategi yang strategik dan melaksanakan penentu keputusan pembelian pelanggan mengenai pakej perjalanan menerusi platform Pameran MATTA. Secara keseluruhan, penemuan ini memberikan pemahaman yang komprehensif mengenai keputusan pembelian pelanggan dan memperluaskan skop aplikasi teori tingkah laku pembeli.

Kata Kunci: Keputusan Pembelian Pelanggan, Teori Perancangan yang Dirancang (TPB), Penentu Kelakuan Pelanggan, Industri Pelancongan, Pameran MATTA.

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LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
GDP	Gross Domestic Product
WITC	World Tourism and Travel Council
MTPB	Malaysia Tourism Promotion Board
MATTA	Malaysian Association of Tour and Travel Agents
T&T	Travel and Tourism
TPB	Theory of Planned Behaviour
PWTC	Putra World Trade Centre
CER	Corporate Environmental Responsibility
CSR	Corporate Social Responsibility
MAH	Malaysian Association of Hotels
PIKOM	The National ICT Association of Malaysia
MOTAC	Ministry of Tourism, Arts and Culture
FATA	Federal of ASEAN Travel Associations
ECTAA	European Travel Agents' and Tour Operators' Associations
CLIA	Cruise Lines International Association
WTA	World Travel Alliance
SST	Sales and Service Tax
TRA	Theory of Reasoned Action
MLR	Multiple Linear Regression

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter discusses the overview of the study that includes the background, scope, and problem statement of the study. The background gives an insight into what triggers the researchers to go into this research and the scope would be explained about the focus of this research and ways to obtain the data to address the relative study. All data that would be provided are crucial for the researcher to get a better result in this project that aligns with the target objectives.

The purpose of this research is to figure out the determinants of customer purchase decision of travel package during the Malaysian Association of Tour and Travel Agents (MATTA) Fair. The aim of this study is to analyse which of the critical factors are influenced and give big impacts on the customer purchase decision during MATTA Fair. MATTA Fair is an event or a place which provides a good platform for customers who love travel to get better deals for holiday destinations. Basically, this event is focusing on travel agencies for people who are interested to travel either in a local country or international country. In this study also, the information that will be provided could be the critical success factors that contribute to the customer purchase decision during MATTA Fair. Other than that, every section in this chapter will cover all the introduction of this project by the researcher which consists of several sections.

1.2 BACKGROUND OF THE STUDY

Nowadays, there are many people out there who would prefer to go to an event that can give benefits to them. Therefore, the critical factors in purchasing travel packages would be analysing through customer purchase decisions during the MATTA Fair. It also will contribute to the determinant of why people join the MATTA Fair rather than online booking or walk-in. From this study, the researcher will find out which is the most significant factor that contributes to the customer purchase decision on tourism products during MATTA Fair.

Besides that, the contribution of the tourism industry to the economic development of the host country is massive to the organizations which influenced the development of event organizations (Azam et al., 2018). The development of the tourism sector in the host country would make a significant contribution to the Gross Domestic Product (GDP), which is primarily based on the spending of tourists in those countries. It will contribute to almost 40% of GDP in developing economies through the tourism industry, as Ashley et.al (2007) said. Apart from that, over 70% of GDP contributed to very small island economies. Nevertheless, with reference to more advanced and diversified economies, tourism accounts for 2% - 12% of GDP share. In addition, nearly 1.2 billion tourists travelled internationally in 2015, according to the latest World Tourism and Travel Council (WTTC) report. Therefore, the overall dominant means of generating income for the nation have been shown its ability to be in the industry where Malaysia is the top 10 tourism destinations (The Star Online, 2019).

The MATTA Fair March 2019 hosted by the Malaysian Association of Tour and Travel Agents (MATTA) which is the representative body of the country's national umbrella for the travel industry as a whole. The MATTA Fair held at the Putra World Trade Centre (PWTC) in Kuala Lumpur on 15 – 17 March 2019, attracted approximately 113, 685 visitors with an estimated total sales value of RM 220 million compared to 93,084 visitors and RM 210 million sales at the previous MATTA Fair in September 2018.

The MATTA President Datuk Tan Kok Liang said that the MATTA Fair has confirmed to strengthen its position as Malaysia's No. 1 largest consumer's travels Fair with the highest number of visitors in the history of MATTA Fair since 1991. The results of the three-day Fair marks a 22% rise in visitors compared to the previous Fair in September 2018. According to the MATTA Fairs' visitor numbers over the years, consumers are more engaged with the MATTA Fair experiences buying holiday packages at the Fair instead of doing it online. The MATTA Fair is popular as visitor takes pleasure in finding the very best bargains personally and compares holiday packages with personal 'face-to-face' service by travel consultants.

The goal of MATTA is to promote the interests of the Malaysian travel and tour industry. MATTA works closely with the Ministry of Tourism and Culture and Malaysia Tourism Promotion Board (MTPB) that help organise fairs, seminars, conventions and workshops, both to raise public awareness of the tourism industry and to benefit its members based on it (Tan, 2019). The Malaysian Association of Tour and Travel Agents (MATTA) reiterate that consumers are watchful about "cheap travel packages" offered especially online by travel agencies. MATTA President Datuk Tan Kok Liang commented on a media report about a travel package scam involving RM810, 000 and affecting about 120 travellers.

The contribution of customers in purchasing travel package at the MATTA Fair would be analysed through the research framework which has been constructed by the researcher. These are the factors that contribute to the customer purchase decision such as attitude, subjective norm and normative belief, perceived behavioural control and personal behavioural intention. The research framework is come out from the theory of reasoned action which will support this research. Based on the research framework, the researcher also tends to find out the problem occurs by the customers to acquire the best result of this report.

According to Ajzen et al., (2018), attitude is the key to understanding human behaviour towards products or services that are driven by social attitudes. Subjective norms is a person who are close with that will be given opinion which would have an effect on the decision making of products or services, while normative belief is based on personal experience or information from acquaintances about the products or services. Meanwhile, the understanding of a person's ease of performing the

behaviour in decision-making is viewed as behavioural control. Lastly, personal behavioural intention is a person's awareness of taking decisions or planning to make an effort to perform specific behaviours.

For instance, wide ranges of knowledge about this research are needed to find out the main determinants that influenced the customer purchase decision of travel package. The researcher also knows what exactly this research proposes and need to better understand all the information about this project to dissolve the matters and achieve the targeted objectives.

1.3 PROBLEM STATEMENT

In the midst of the development of the tourism industry, people who join the MATTA Fair typically have their own intent where they want to learn more about the destination, packages offers and other information regarding the travel agencies (Jr, 2016). Based on this website, it has also been reported that MATTA Fair's visitor breakdown is approximately around 90% for Malaysians and 10% for foreigners. Customers also have their own target when attending this event which is finding for special deals from travel agents and airlines provide discounts that are only available during the event. This is where the researcher aims to examine and describe the determinants of the travel package purchase decision at the MATTA Fair for better understanding of customers' behaviours. Therefore, the researcher can find the outcome of these research objectives on the basis of the critical factors that would have been stated in this project.

According to Sohail et al., (2015), there are some issues related to the measurements of customer purchasing intention faced by the organizations. Demographic is one of the issues that the organization needs to overcome when it has affected the decision to purchase by the customer. This is because, each customer has their own preferences, and some of them may choose the most beneficial travel packages before making a purchase decision. Other than that, the different economic conditions will have forced organizations to make an efficient operation by selecting

the right commodity for the right market rather than relying on a high return market. Therefore, these issues will impact on the development of organization in approaching customers to purchase the products or services.

In March, the MATTA Fair had record-breaking RM200 million in revenue and attracting the largest number of visitors at 113,120 throughout its three-day affair (NurBaiti, 2016). Malaysians had a tough economic during MATTA President Datuk Hamzah Rahmat administration, which revealed that the customer outcome was outrageous. This means that consumers are attending the event, even though they are faced with economic difficulties and still support the continuous development of MATTA Fair.

In addition, Chew & Azaze, (2018) said that the changes in consumers' preferences and consumption patterns will affect the customer's attitude because of the technology advances in marketing products or services on the marketplace. There are some travel agencies that provide brochures with black and white colour or less information of packages to the customers that affect customer behaviour. This is where the marketers of organizations need to strategize their marketing or advertisement designs to create incentives for customers and change their attitudes in accepting the products or services.

Song & Li (2019) said that the global tourism industry should deliver sustainable development that is relevant to the country's development. The significant decline in the ecosystem's self-healing capacity will result in tourism's irreversible and outdated awareness of environmental protection being damaged to the environment. Consequently, any evaluation of the tourism industry should contain the negative impacts on the environment along with other determinants.

According to Azam et al., (2018), regardless of Travel and Tourism (T&T) industry's tremendous contribution to economic progress, maintaining a positive outlook for expansion and growth remains an uphill task for the industry. Malaysia's tourism industry has been facing a difficulties phase for the past three years, with fewer tourists coming to the country (The Star Online, 2019). These situations have been proven by the Data Portal of Tourism Malaysia, where tourist arrivals declined from 26.76 million in 2016 to 25.95 million in 2017 and fell steadily to 25.83 million

last year (My Tourism Data, 2018). Therefore, these situations arisen because of the shortage of immigration checkpoints and customs facilities for foreigners who traveling by car to Malaysia and this has contributed to delays in their entry to Malaysia (The Star Online, 2019).

Besides that, the tourism industry is able to generate income for the country due to an increase in the number of tourists every year in Malaysia. Based on past research, there is some issue regarding the attitudes and perceptions of residents towards the development of tourism industry (Asyraf et al., 2017). This means that, residents are not aware of the benefits of the tourism industry, which can increase the reputation of the country at international level. Therefore, it also influenced visitors' satisfaction with the perceptions of the Malaysian tourism industry and improved people's quality of life.

The research conducted in this study is based on the Theory of Planned Behaviour (TPB) which measures the attitude, subjective norm and normative beliefs, perceived behavioural control and personal behavioural intention with the customer purchase decision (Ajzen, 2002). All variables will be evaluated genuinely in the further chapter in order to know the significant value of the independent variables related with the dependent variable.

The researcher was analysed the critical success factors of customer purchase decision at the MATTA Fair. All issues that have been stated would be evaluated and take an action in solving the problems without making any mistakes by the researcher. Therefore, the researcher would achieve the targeted goals and objectives that have been stated in the study.

1.4 RESEARCH QUESTIONS

The researcher has come out with research questions that make it easier for them in identifying which critical factors are influenced by the customer purchase decision during MATTA Fair. This study has been focused on the research questions that have been developed by the researcher such as:-

- 1) What are the determinants that significant toward customer purchase decision of travel package at the MATTA Fair?
- 2) What is the relationship between determinants and customer purchase decision on travel package at the MATTA Fair?
- 3) Which of the determinants are strongly related to customer purchase decision on travel package at the MATTA Fair?

1.5 RESEARCH OBJECTIVES

Based on the research questions that have been stated above, the researcher has come out with the research objectives to achieve their target in this project. This research objective is basically the main success factor that can be measured by the researcher based on the result itself. The objectives of this study are:-

- 1) To determine the significant determinants of customer purchase decision on travel package at the MATTA Fair.
- 2) To examine the relationship of determinants and customer purchase decision on travel package at the MATTA Fair.
- 3) To determine which of the determinants that strongly related to customer purchase decision on travel package at the MATTA Fair.

1.6 SCOPE OF STUDY

The focus of this study is to examine the determinants of the customer purchase decision of travel package at the MATTA Fair. There are four determinants of customer behaviour which is attitude, subjective norm and normative beliefs, perceived behavioural control and personal behavioural intention. Besides that, the researcher also aims to analyse the most significant factors that related to customer purchase decision at the MATTA Fair. The target sample of the survey group focuses on people who visit and purchase travel packages at the MATTA Fair in the specific geographic area of Kuala Lumpur and Negeri Sembilan. A set of the questionnaire will be constructed to conduct this study in provide a better result of this research in order to achieved the targeted objectives.

1.7 LIMITATION OF STUDY

There are four limitations of this research which is people's attitudes are different based on each other's preference in purchasing the travel package agencies at the MATTA Fair. This will lead to the difficulty for the researcher in analyse and find the best outcome of this study. Besides that, opinion and decisions of others are not usually influenced by people in making purchase decision. This is not because of trust, but they want the physical approval by making decisions and purchase themselves. However, people are more concerned on what they are purchase and want to know more about the travel package that they will purchase.

Other than that, people ease to perform the purchase decision at the MATTA Fair should be considered by the organization in order to provide appropriate and comfortable place for those who visit the event. This is because, there are some people who enjoy purchase on the online platform rather than going to an event that will lead them to crowd and traffic jammed. Therefore, it will also make it more difficult for the researcher to reach the respondents and would have an impact on the quality of the findings itself. Lastly, there are some people who do not intend to make a purchase decision on travel package agencies at the MATTA Fair. This is