



**The Factors That Influence Consumer Purchasing Intention on Parcel Insurance**

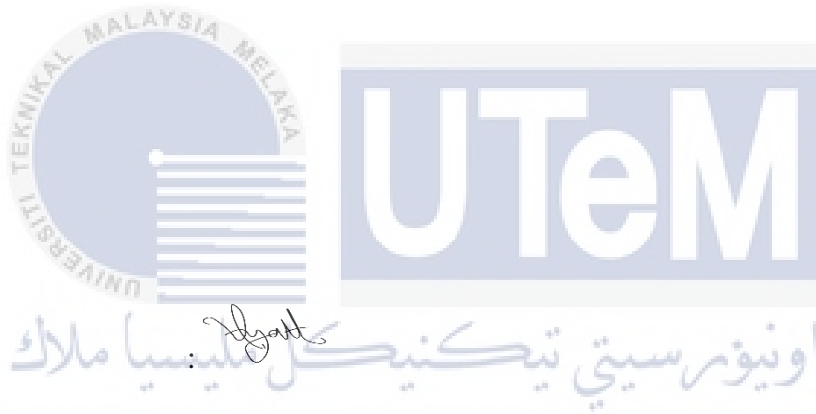
**Coverage in Malacca**



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“I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management (Supply Chain Management and Logistic).”



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Coverage in Malacca**

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UNIVERSITI TEKNIKAL MALAYSIA MELAKA  
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JANUARY 2023

## DECLARATION OF ORIGINAL WORK

“I hereby declare that this report is the result of my own, except certain explanations and passage where every of it is cited with source clearly.”

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## DEDICATION

I would like to give thanks to my family members who give full support for my education, beloved supervisor, DR. Nurhayati Binti Kamaruddin and panel, Datin DR. Suraya Binti Ahmad who encourage me and guided me with their knowledge throughout this research and course mates who have shared their experience in order to help me complete this research.



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## ABSTRACT

Nowadays, logistics services are common around us. Every logistics service has certain risks during the journey. Parcel insurance coverage is a product used to manage risk in logistics services. Therefore, this research aimed to examine the factors influence consumer purchasing intention on parcel insurance coverage. This research explored the effects of attitude, subjective norms, and perceived behavioral control on the consumer purchasing intention of the parcel insurance coverage. This quantitative study collected the data from 106 respondents through Google Form shared on social media. Statistical Packages for Social Sciences (S.P.S.S) had been used to analyze the data. The results from the analysis showed that attitude, subjective norms and perceived behavioral control had a significant impact on consumer purchasing intention on parcel insurance coverage with a positive impact. Finally, this study should help relevant practitioners explore parcel insurance trends and identify clear target audiences in order to provide recommendations on how to maximize consumer awareness and positive attitudes toward parcel insurance coverage.

.Keyword: Attitude, subjective norms, perceived behavioral control, consumer purchasing intention, parcel insurance coverage.

## ABSTRAK

*Pada masa kini, perkhidmatan logistik adalah perkara biasa di sekeliling kita. Setiap perkhidmatan logistik mempunyai risiko tertentu semasa perjalanan. Perlindungan insurans bungkusan ialah produk yang digunakan untuk menguruskan risiko dalam perkhidmatan logistik. Oleh itu, kajian ini bertujuan untuk mengkaji faktor-faktor yang mempengaruhi niat membeli pengguna terhadap perlindungan insurans bungkusan. Penyelidikan ini meneroka kesan sikap, norma subjektif, dan persepsi kawalan tingkah laku terhadap niat membeli pengguna bagi perlindungan insurans bungkusan. Kajian kuantitatif ini mengumpul data daripada 105 responden melalui Borang Google yang dikongsi di media sosial. Statistical Packages for Social Sciences (SPSS) telah digunakan untuk menganalisis data. Keputusan terhasil daripada analisis menunjukkan bahawa sikap, norma subjektif dan kawalan tingkah laku yang dirasakan mempunyai kesan yang signifikan terhadap niat membeli pengguna terhadap perlindungan insurans bungkusan dengan kesan positif. Akhir sekali, kajian ini harus membantu pengamal yang berkaitan menerokai trend insurans bungkusan dan mengenal pasti khalayak sasaran yang jelas untuk memberikan cadangan tentang cara memaksimumkan kesedaran pengguna dan sikap positif terhadap perlindungan insurans bungkusan.*

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*Kata kunci: Sikap, norma subjektif, kawalan tingkah laku yang dirasakan, niat membeli pengguna, perlindungan insurans bungkusan.*



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## CHAPTER 1

### INTRODUCTION

In the chapter 1, the background of the research on The Factors That Influence Consumer Purchasing Intention on Parcel Insurance Coverage in Malacca will come up. This chapter also include the problem statement that can used to facilitate our in-depth examination and thinking about the content of our research, research questions and research objectives that will answer through the research, importance of the study, scopes and limitations, and significance of the study.

#### 1.1 Background Introduction

With the renewal of the times, online shopping has entered people's lives in a very short time. Compared with the traditional shopping mode, online shopping can be more convenient to buy items at lower prices. According to the survey, 76% of the population aged 16 to 74 in the EU used the Internet almost every day during 2015 and about 53% shopped online. Unfortunately, as buying patterns have shifted and the new concerns have followed. Thus, include privacy issues of personal information, quality issues of products, accidents in shipping, etc. (Nebojša Vasić, Milorad Kilibarda, Tanja Kaurin, 2018). Online shopping in Malaysia has shown a positive trend since 2016, with the growth value of e-commerce increasing to RM85.8 billion in 2017 from RM75 billion in 2016. In addition, the e-commerce market is still on the rise in 2017, contributing 6.3% with the increase in gross domestic product (GDP). The online shopping trend is growing for a variety of different reasons including convenience, ease of access, lower price, more choice, more product information and payment convenience. In addition to this, this is also due to the proliferation of smartphones and the increasing convenience of online payments with technology (Malaysian Communications and Multimedia Commission, 2018).

People buy various products online. According to the report, 68.7% of consumers prefer to buy clothing and accessories from e-commerce. 56.1% of shoppers also purchased gadgets, sports-related goods and home appliances through online shopping. 43.7% of shoppers also order groceries, medicines and online food through online shopping (Malaysian Communications and Multimedia Commission, 2018). The

survey also found that to buy cars and auto parts with (89.4%), computer software including paid apps with (85.6%), computer equipment with (81.4%) and expense for online games (81.3%). At the same time, women are more likely to buy cosmetics (64.7%), children's products (51.2%) and fashion apparel (47.5%) (Malaysian Communications and Multimedia Commission, 2018). The findings show that transportation has a strong impact on online customer satisfaction. Customers expect products to be well packaged, to match the quantity, quality and specification as ordered, and to deliver at the right time and place. The basic requirements of online customers for online shopping are reliable and safe shipping services in the shortest possible time. When consumers are more inclined to shop online, they need items to be delivered to their destination safely and quickly, otherwise it will lead to customer dissatisfaction and loss of customer confidence and loyalty to online shopping (Nebojša Vasić, Milorad Kilibarda, Tanja Kaurin, 2018).

Ensuring that the product is delivered to the customer intact is critical to shipping services. During transportation, various environmental factors can lead to some problems. Damaged products can lead to increased costs and dissatisfied customers. In transit, in addition to man-made accidents, there are situations that lead to damage to goods that are considered uncontrollable (Stefan Reidy, 2020). With the advancement of technology, people will rely more and more on online shopping, so in order to let people use logistics services with more confidence, the insurance coverage of the parcel should be paid more attention.

## **1.2 Problem Statement**

With the popularity of online shopping, the number of users who use online shopping is increasing, and the increase in online shoppers also means that people are more and more dependent on the logistics industry. However, the accidents that will occur in logistics on the way of transportation are unpredictable. Every year there are more than a thousand complaints about various claims for damage to goods (Stefan Reidy, 2020). The UK P&I Club lists the types of cargo damage including physical damage, wet damage, contamination damage, referrer related damages and infestation damage (Stefan Reidy, 2020).

The survey shows that during the "circuit breaker" period, some logistics companies encountered a surge in online orders. This leads to delays in delivery times

and even cases where packages get lost in transit. Some delays have even dragged on for as long as three weeks, according to responses from some customers who encountered problems. For some customers, this means that their purchases were misplaced and could not be found. In addition to this, as the demand for shipping services continues to increase, more and more packages are delayed, lost or damaged in transit (Lena Loke, 2020).

Furthermore, fulfillment and delivery services are one of the services that online shoppers care about. Shipping methods, logistics companies, and shipping costs can all influence a shopper's desire to buy. For example, the survey found that 12.0% of shoppers decide to abandon their carts because of unexpected shipping costs. Some people are willing to choose a longer shipping service with lower price while some shoppers are willing to pay a higher price in order to receive the goods in a short time (Malaysian Communications and Multimedia Commission, 2018). Through the survey, 23.8% of people have had the experience of returning goods. Of these, 54.2% returned it for a full refund, while 52.5% requested a replacement. Thus cause the reasons for returns include receipt of faulty product, damaged or defective product and receipt of the wrong item. In addition, 58.3% of people said they would encounter many problems during the return process, including taking a long time to receive refunds or replacements and needing to pay for return shipping (Malaysian Communications and Multimedia Commission, 2018).

All the way of transporting goods has certain risks. Cargo insurance is an insurance that allows consumers to use logistics services with more confidence (Wouter Marees, 2019).

### **1.3 Research Questions**

This research aims to answer the following research questions:

1. What are the factors influencing of consumer on purchase insurance coverage for parcel?
2. What is the most effective factor for consumers to buy package insurance?

### **1.4 Research Objectives**

The objective of the study was to identify the factors that influence consumer purchasing intention on parcel insurance coverage in Malacca. Based on the research questions above, the objectives of this research are:

1. To examine the factors influence consumer purchasing intention on parcel insurance coverage in Malacca.
2. To evaluate the factors influence consumer purchasing intention on parcel insurance coverage in Malacca.

### **1.5 Importance of the Study**

This research aims to determine the factors that influence consumer purchasing intention on parcel insurance coverage in Malacca. For the research, the responses from online shoppers will be collected. This research will help logistics companies understand customer concerns and insurance coverage needs then provide corresponding services. Logistics companies can be more attractive to customers by finding and providing the insurance coverage that consumers want. The insurance coverage required by the consumer also allows the logistics company to understand the customer's concerns and find ways to address or reduce them. Customer trust is one of the hallmarks of any successful company. It is expected that the results of the study will be used to enable logistics companies to identify common problems encountered by their customers and to provide them with the required parcel insurance.

### **1.6 Scope and Limitations**

The scope of this research to the factors that influence consumer purchasing intention on parcel insurance coverage in Malacca. Respondents were targeted at Internet users aged 18-60. The study will focus on Malacca.

Some unavoidable constraints are encountered in the process of conducting this research such as time constraints, location constraints, honesty and awareness of the respondents. Since of limited time, researchers need to complete data collection and analysis in a short time. Apart from this, the honesty and understanding of the respondents is also a limitation in conducting the research. The researchers didn't know if they understood and answered honestly about the factors they bought package insurance. In addition, not everyone is willing to accept the questionnaire, which may lead to the inaccuracy of the data.

### **1.7 Significant of the Study**

The study is expected to make logistics and insurers aware of what insurance coverage of parcels consumers need. Logistics companies can also learn about customers' concerns about logistics and improve them, so as to gain more trust from customers and more loyal customers. In addition, understanding the customer's biggest concerns about the parcel on the road can also allow logistics and insurance companies to customize the most suitable plan for customers so that customers are not afraid of what they will lose. If the customer's demand for cargo insurance is not high, logistics companies can also consider reducing investment in this area.

### **1.8 Key Concepts**

#### **1.8.1 Insurance Coverage**

Shipping insurance is a precautionary measure to ensure that the product can reach the customer safely. With shipping insurance, the insurance company or courier company will bear the unexpected risk of the customer's package being stolen, damaged, lost, etc. (Mariluz Sampalo, 2022). Transportation insurance will provide financial protection against all risks of physical loss or damage to the goods due to various reasons during transportation. (Deutsche Post AG, 2021). All shipments of packages are subject to the General Conditions of Carriage 2002 (within the Netherlands) or the CMR Convention (cross-border shipments), which imposes a limit on compensation for all packages damaged or lost in transit. Customers who purchase shipping insurance can keep the value of the goods in transit with greater security and gain protection against damage or loss. Despite the best efforts of shipping companies on the way, accidents sometimes occur. The shipping insurance

policy will pay the replacement value of the lost or damaged goods and the cost of shipping. (DHL Parcel, 2020)

### **1.8.2 Consumer Purchase Intention**

Purchase intention is the probability that a customer chooses to buy a product under a specific situation. (Lim Phui Guan, Dayang Hasliza Mohd Yusuf, and Mohd Rosli Abdul Ghani, 2020). Through purchase intention, customers' purchase behavior can be predicted based on the customer's behavioral propensity for goods or services. Accidents are omnipresent, and no one can avoid all risks, so buying insurance is one of the ways for people to minimize their losses when the accident comes. There are many factors that influence a customer's willingness to purchase insurance, including product quality, company reputation, service quality and perceived risk capabilities. A customer's intention to purchase insurance will vary based on various factors. Customers buy high-value, low-risk insurance company products. Customers also pay attention to whether the company has a good reputation when purchasing a product. At the same time, the customer's purchase intention will also be affected by whether the company's service is good. (Adinoto Nursiana, Fongnawati Budhijono, Muhammad Fuad, 2021)

### **1.8.3 Attitude**

Attitude is one of an individual, is a psychological tendency to evaluate entities with varying degrees of preference (Maiyaki & Ayuba, 2015, cited in Jonathan Ooi Wei Keat et al., 2019). According to Business Dictionary, attitude refers to an individual's feeling that respond positive or negative towards an idea, object or person. Attitude also affects an individual's behavioral choices. According to research, attitude is one of an individual is a psychological tendency to evaluate entities with varying degrees of preference (Maiyaki & Ayuba, 2015, cited in Jonathan Ooi Wei Keat et al., 2019). Therefore, we can observe people's attitudes to understand their intentions and behaviors (Phau & Teah, 2009, cited in Jonathan Ooi Wei Keat et al., 2019).

#### **1.8.4 Subjective Norms**

Subjective norms refer to an individual's "perceived social intangible pressure to perform or not to perform behavior" (Hsu et al., 2017; Norman & Conner, 2005, cited in Abdullah Al Mamun et al, 2021). Subjective norms are predictors that may influence consumers' behavioral intentions to purchase health insurance (Abdullah Al Mamun et al, 2021). The social invisible pressure gold includes whether to support, like or dislike a specific behavior or decision made by an individual (Song Chen et al, 2019). Therefore, whether an individual is willing to take a specific behavior will be influenced by important people around him, such as parents, elders, teachers, professors, classmates, friends and social environment (Song Chen et al, 2019).

#### **1.8.5 Factor Influencing on Perceived Behavior Control**

Perceived behavioral control refers to "perceived ease of execution of behavior" (Hsu et al., 2017, cited in Abdullah Al Mamun et al, 2021). Required skills and talents, availability or lack of time, money and other resources, others' cooperation, and more are controlling elements that affect perceived behavioral control (Icek Ajzen, 2020). This means that future challenges are less for the people who have more opportunities and resources. The impression of future behavioral control is more stable (Cai Lixu, 2018).



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter 2 will present a literature review of the study. Its purpose is to provide relevant information and knowledge from research conducted by others. The consumer purchasing intention on insurance and the factors influencing consumers will be discussed as independent variable and dependent variables in the literature review. The factors influencing consumers will be discussed as dependent variables such as attitude, subject norm and perceived behavioral that affecting consumer purchasing intention on insurance.

#### **2.2 Insurance Coverage for Parcel**

Transport insurance is coverage provided by a policy issued by a major global insurance company regulated by the Financial Conduct Authority. This insurance applies to shipments under a single waybill. Transportation insurance will provide financial protection against all risks of physical loss or damage to the goods due to various reasons during transportation. (Deutsche Post AG, 2021).

All shipments of packages are subject to the General Conditions of Carriage 2002 (within the Netherlands) or the CMR Convention (cross-border shipments), which imposes a limit on compensation for all packages damaged or lost in transit. Customers who purchase shipping insurance can keep the value of the goods in transit with greater security and gain protection against damage or loss. Despite the best efforts of shipping companies on the way, accidents sometimes occur. The shipping insurance policy will pay the replacement value of the lost or damaged goods and the cost of shipping. (DHL Parcel, 2020)

Whenever something goes wrong with a package, shipping insurance becomes the most important and concerned service. It will provide compensation to those affected customers. Shipping insurance is a precautionary measure to ensure that the product can reach the customer safely. With shipping insurance, the insurance company or courier company will bear the unexpected risk of the customer's package being stolen,

damaged, lost, etc. This means customers don't have to worry about the condition of their packages. In addition to this, transportation insurance has other advantages, which is to prevent additional expenses. Transportation insurance will compensate the customer for the loss when there is any problem with the package, and will not affect the customer's interests. A reassuring buying experience will effectively increase customer satisfaction, and a good customer experience with transportation services will also foster high loyalty in the long run.. Transportation insurance is a meaningful insurance that will take transportation services to the next level. (Mariluz Sampalo, 2022)

According to DHL Express (2017), when the package is very important to you and you want to get the package to its destination as safely as possible, the main use of shipping insurance is here.

Cargo insurance can help shippers cover losses should something go wrong with the cargo or the goods in transit. On March 1, 2022, for example, Volkswagen's \$155 million luxury sedan sank in the Atlantic Ocean. Without cargo insurance, Volkswagen would be hit hard. If you do not purchase transportation insurance, the customer needs to consider two risks, that is, the economic loss caused by the goods and the extra cost of repurchasing the goods. These are all potential risks that may be encountered without purchasing insurance. (Point To Point, 2022)

Transportation insurance is a fee-based service that allows customers to choose purchase or not. This service will ensure that any loss of value of the goods during the shipping process will be borne by the company. After purchasing shipping insurance, the goods will be fully covered until the goods are delivered to the destination. DHL will provide standard liability insurance if the DHL customer has not opted for Aumag shipping insurance. Standard liability insurance is that DHL will be responsible for a percentage of the value of the goods in the event of loss or damage from receipt of the goods by DHL until the goods arrive at the destination. (DHL, 2020)

Any incidents that occur during the transport procedure are covered by cargo insurance. The policy covers the entire value of the cargo and it is unrestricted by the carrier's standard terms and conditions. (Bring, 2018)

### 2.3 Consumer Purchasing Intention on Insurance

According to research from Lim Phui Guan, Dayang Hasliza Mohd Yusuf, and Mohd Rosli Abdul Ghani (2020), purchase intention is the probability that a customer chooses to buy a product under a specific situation. Through purchase intention, customers' purchase behavior can be predicted based on the customer's behavioral propensity for goods or services. The number of people buying insurance in Malaysia is only 60% of that in other countries. This means that most people in Malaysia are not conscious of being prepared for unexpected disasters. Accidents are omnipresent, and no one can avoid all risks, so buying insurance is one of the ways for people to minimize their losses when the accident comes. Only 54 to 56 per cent of people in Malaysia have insurance, compared to neighbouring Singapore, where up to 80 per cent of people have insurance. This means that many Malaysians have low awareness of risk management. Through research, it is found that more than 60% of the people who have purchased insurance are women, nearly 60% of Chinese (59.4%) and nearly 60% of people aged 20 to 29 (59.7%). Almost 70% of them have a degree of at least diploma and work in private companies and have a salary of more than RM2000. The study also found that the factors influencing customers' willingness to buy insurance are price, product features, schooling and distribution channels in order.

Everyone faces different risks at every moment in life, and purchasing insurance is one of the ways to reduce the losses caused by these risks. A customer's purchase intent is a customer's preference for purchasing a service or product. There are many factors that influence a customer's willingness to purchase insurance, including product quality, company reputation, service quality and perceived risk capabilities. A customer's intention to purchase insurance will vary based on various factors. Customers buy high-value, low-risk insurance company products. Customers also pay attention to whether the company has a good reputation when purchasing a product. At the same time, the customer's purchase intention will also be affected by whether the company's service is good. (Adinoto Nursiana, Fongnawati Budhijono, Muhammad Fuad, 2021)

A customer's purchase intention represents what the customer will buy in the future. Intention to buy can be influenced by many factors and hidden motivations. Research also shows that customers' purchase intentions vary based on their knowledge

of insurance products. There are also consumers whose purchase intentions suffer because of a lack of confidence in insurance companies. The purchase intention of most consumers will also increase due to low price, easy access and experience. Product quality, price, service, product information, brand image, perceived risk, and product satisfaction have a large impact on consumers' purchase intention. Understanding consumer purchase intent is the key to attracting more customers. The convenience of insurance services has a great impact on consumers' willingness to purchase. The convenience of insurance services is mainly related to the types of insurance products, business hours, claims settlement, deposit premiums, and quick response (Mohammed Alam, 2017).

## **2.4 TPB Model behavior under consumer**

Icek Ajzen created the TPB in the purpose of predicting human behavior (Ajzen, 1991). The intention of individual is drawn to and influenced by the performance of human behavior. The behavioral value in which subject to the ease and importance toward others influences the performance of behavior.

Based on the theory, the intention is influenced by attitude, subjective norms, and perceived behavioral control. Attitude mentions to a person's conviction in a certain behavior, which may have either a positive or bad impact on their lives. The perceived societal pressure on an individual's behavior is mentioned to as the subjective norm. The term "perceived behavioral control" mentions to a person's sense of how difficult it is to do a specific behavior (Armitage & Conner, 2001). A better understanding of elements that effect insurance is one of the key benefits of using TPB.

### **2.4.1 Attitude**

The TBP model has been used by many researchers to assess the relationship between consumer attitudes and purchase intentions (Casidy et al., 2016, cited in Abdullah Al Mamun et al., 2021). The items used to measure attitudes in the TPB signify both instrumental and experiential elements of attitudes (Fishbein & Ajzen, 2005, cited in Abdullah Al Mamun et al., 2021).

Attitude is one of the major factors that influence consumers' purchasing intention. According to Business Dictionary, attitude refers to an individual's feeling that respond positive or negative towards an idea, object or person. Attitude also affects an individual's behavioral choices. According to research, attitude for an individual, is a psychological tendency to evaluate entities with varying degrees of preference (Maiyaki & Ayuba, 2015, cited in Jonathan Ooi Wei Keat et al., 2019). Therefore, we can observe people's attitudes to understand their intentions and behaviors (Phau & Teah, 2009, cited in Jonathan Ooi Wei Keat et al., 2019). Consumers' attitudes toward transportation insurance may influence consumers' intention to purchase transportation insurance. In addition to this, attitudes have a motivating quality to an individual's behavior, which means that an individual's attitude will lead them to choose the option that affects their attitude more (Arvola, Lahteenmaki & Tuorila, 1999, quoted in Aziz et al., 2019). Research has found that people's attitudes are also influenced by perceived benefits from specific products and services (Gautum and Kumar, 2012, cited in Jonathan Ooi Wei Keat et al., 2019). Given that attitude is an important predictor of consumers' willingness to purchase transportation insurance, this study proposes that consumer attitudes toward transportation insurance are related to consumers' intention to purchase transportation insurance.

#### **2.4.2 Subjective Norms**

According to TPB, subjective norms are predictors that may influence consumers' behavioral intentions purchasing health insurance (Abdullah Al Mamun et al, 2021). Subjective norms refer to an individual's "perceived social intangible pressure to perform or not to perform behavior" (Hsu et al., 2017; Norman & Conner, 2005, cited in Abdullah Al Mamun et al, 2021). The social invisible pressure gold includes whether to support, like or dislike a specific behavior or decision made by an individual (Song Chen et al, 2019). Therefore, whether an individual is willing to take a specific behavior will be influenced by important people around him, such as parents, elders, teachers, professors, classmates, friends and social environment (Song Chen et al, 2019). From subjective norms, both consumer intentions and actual behaviors can be accurately predicted (Ajzen, 1991, cited in Abdullah Al Mamun et al, 2021).

When consumers consume, they will inevitably feel pressure when they execute the behavior of purchasing goods or services. Subjective norms are predictors of intention and have been recognized in the social sciences (Bianchi et al., 2018; Cheng et al., 2006; Hsu et al., 2017, cited in Abdullah Al Mamun et al, 2021). When subjective norms purchase transportation insurance, the buyer's understanding of transportation insurance leads to relevant norms of transportation insurance on the purchasing behavior. Whether or not consumers agree to buy represents normative beliefs, and when consumers want to buy, they need to listen to their family's wishes before buying, which represents an incentive to comply. (Song Chen et al, 2019)

Given that subjective norms are an important predictor of consumers' willingness to purchase transportation insurance, this study proposes that subjective norms are related to consumers' intention to purchase transportation insurance.

#### **2.4.3 Perceived Behavioral Control**

Assuming that the attitudes are founded on observable behavioural beliefs and arbitrary norms are presumed to be based on accessible normative beliefs, perceived behavioral control is presumed to be based on accessible control beliefs (Icek Ajzen, 2020). Perceived behavioral control refers to “perceived ease of execution of behavior” (Hsu et al., 2017, cited in Abdullah Al Mamun et al, 2021). Perceived Behavioral Control refers to the barriers that reflect the individual's past experience and expectations. When the person believes that the chances and resources he possesses will make obstacles less likely to arise and hence increase his perceived ability to regulate his actions. Controlling factors that govern perceived behavioral control include required skills and talents, availability or lack of time, money and other resources, others' cooperation, and more (Icek Ajzen, 2020). This means that future challenges are less for the people who have more opportunities and resources. The impression of future behavioral control is more stable (Cai Lixu, 2018).

There is a study showed that perceived behavioral control is an important prerequisite for travelers to travel to vacation destinations (Bianchi et al., 2018). Perceived behavioral control is a fundamental function of one's belief in how others perceive the motivation to meet consumer expectations (Ajzen, 2002; Bianchi et al., 2018; Cheng et al., 2006). Thus, if one believes in perceived behavioral control

Behaviors that are conducive to the purchase of products/services, then they will inevitably feel social pressure to achieve their behavioral intentions (Bianchi et al., 2018). Given that perceived behavioral control is an important predictor of consumers' willingness to purchase transportation insurance, this study proposes that perceived behavioral control is related to consumers' intention to purchase transportation insurance.

## 2.5 Summary

In conclusion, the factors influencing consumer purchase intention on insurance coverage for parcel discussed in this chapter. The insurance coverage for parcel and the consumer intention on insurance have been discussed in this chapter also. The factors influencing consumer purchase intention have been discussed through the TPB model behavior under consumer that is attitude, subject norm and perceived behavioral control.





## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The chapter 3 is about the methodology for this research. First of this chapter is the research framework and research hypothesis. It will show the relationship between independent variables and the dependent variable and the hypothesis will create based on the research framework. Next, this chapter will explain how the research being conducted. The research design will show. Then the quantitative method will be used in this research. It can determine the relationships between the independent variable and dependent variable. Next, the sampling design include population, sampling method and sample size will be selected and identified. For this research, the primary data, secondary data and questionnaire are used for the data collection. At the last, in order to improve the consistency and accuracy of the research, the data analysis tool will be used to evaluate the relationship between the dependent and independent variables.

#### 3.2 Research Framework and research hypothesis

##### 3.2.1 Research Framework

The research directions of this study are shown in the Conceptual framework. This study addresses the effects of attitude, subjective norms and perceived behavioral control on consumers' purchase intention on insurance coverage for parcel. The conceptual framework is shown below:

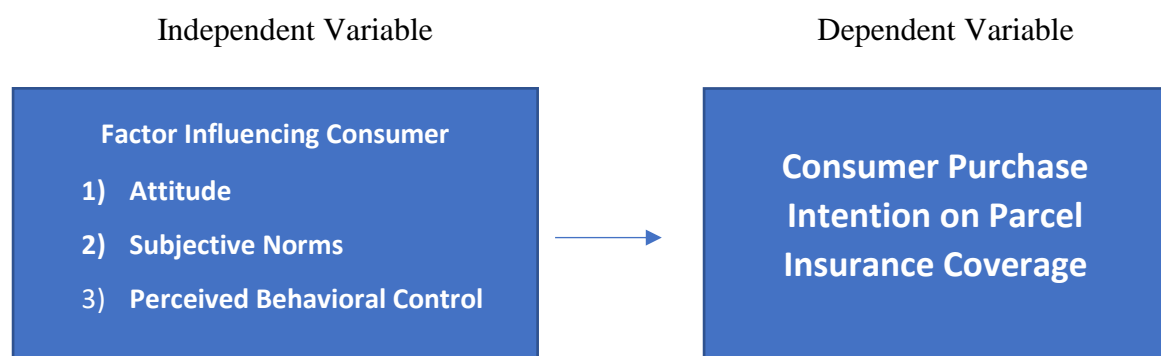


Figure 3.1: Conceptual Framework



### 3.2.2 Research Hypothesis

H1: There is a relationship between consumer purchase intention on parcel insurance coverage and attitude.

H2: There is a relationship between consumer purchase intention on parcel insurance coverage and subjective norms.

H3: There is a relationship between consumer purchase intention on parcel insurance coverage and perceived behavioral control.

H4: There is a relationship between consumer purchase intention on parcel insurance coverage and attitude, subjective norms and perceived behavioral control.

### 3.3 Research Design

The "procedures for collecting, analyzing, interpreting and reporting data in research studies" are known as research designs (Creswell & Plano Clark, 2007, cited in Tesfaye Boru, 2018). The general plan for linking the gap between the pertinent (and achievable) empirical research and the conceptual research challenges. In other words, the research design specifies the steps to be taken to gather the necessary data, the techniques that need to use, and how all of this will be used to address the research question. (Grey, 2014, cited in Tesfaye Boru, 2018).

In general, the study design process necessitates a great degree of decision-making in order to develop the best research framework. Quantitative and qualitative approaches are the two most used study designs. The quantitative technique will be used to determine the relationship between the dependent and independent variables in this study. After that, the relevance of research design aspects like validity and reliability will be discussed to ensure the study's accuracy.

#### 3.3.1 Quantitative Study

There are three types of research methodology including qualitative, quantitative and mixed. Quantitative methods have been used in carrying out this research. In quantitative research, phenomena are typically investigated systematically and empirically using mathematics and statistics, as well as the manipulation of numerical data. The essential connection between empirical observation and the

mathematical articulation of quantitative relations is provided by the process of estimation in quantitative research. Data are always chosen and examined in numerical form in quantitative research (Singh, 2006; Goertz & Mahoney, 2012).

Statistics is used in quantitative research are an important area of mathematics and is widely used when: (a) large amounts of quantitative data need to be analyzed and processed to validate hypotheses and test theories, (b) there is uncertainty related to theories under consideration, (c) research might be Use simple questions and short answers to effectively conduct surveys for research purposes and (d) the data obtained can be quantified and compared. Data processing for quantitative research is often carried out using specialized statistical tools. (Martin & Bridgmon, 2012; Singh, 2006).

Certain advantages of the quantitative research approach mentioned in the literature are: (a) the result is numerical (quantitative) and therefore research might not be influenced by personal feelings or opinions in considering and representing research and facts, (b) the quantitative approach simplifies the processing of a large amount of data, (c) quantitative research approaches allow easier comparison of data and (d) quantitative research enables the development of quantitative valuation indicators (Martin & Bridgmon, 2012; Black, 1999; Balnaves & Caputi, 2001).

Basic characteristics of quantitative research approaches related to specific research objectives are among others: (a) the association of research with experiments, (b) the investigation of phenomena; (c) the use of advanced tools of statistics, (d) the use of questionnaires (usually with closed questions), (e) the quantification of relations and features and (f) the collection, procession and presentation of quantitative data (Goertz & Mahoney, 2012; Newman, 1998; Singh, 2006).

### **3.3.2 Time Frame of Study**

Cross-sectional and longitudinal time horizon studies are the two types of time horizon studies. In a cross-sectional study, data are gathered from the population at a certain time; in a longitudinal study, data are gathered over an extended period of time from the same sample repeatedly. Due to time restrictions, a cross-sectional study will be undertaken in which information will only be gathered once at a specific period.

### 3.4 Data Collection Method

This is where the research data is collected and it can be grouped basin on statistics, observations and figures. The sources of the data are considered to be the platforms whereby secondary and primary data are collected.

#### 3.4.1 Primary Data

Primary data is considered as the information gathered by an investigator for a specific aim of the study. This is the first hand info as well as the initial sources of the data gathered. The collecting primary data strategies like surveys, interviews, or experiments. It is collected with the research project in mind, specifically from primary sources. Primary data do play a vital role in this research. Additionally, the research required the sources of data from the secondary data. The secondary data is information gathered from journals, books, notes and related articles. The gathered data is utilized in assessing the mental health contributing factors and in improving the constancy of the data that has been collected primarily to attain the goal as well as the objective of the research. However, primary data will be gathered via distributing the questionnaire to the inverters. The method of distributing the data is via the questionnaires online. Nonetheless, the respondents will be required to react to the questions that have been prepared of which this questionnaire have some of the statements that are used in measuring numerous independent variables for the research from a Likert-type scale.

#### 3.4.2 Secondary Data

In this case, the well-known approach is gathering the secondary data which will be utilized by the scholars. Researchers can obtain information that has previously been gathered by using secondary data. Primary data which is data that has been specifically gathered from its sources, is contrasted by the phrase. One could define secondary data as the information cited in earlier works of literature. To achieve the research's goal, it was crucial to use the secondary data to support the original data.

Secondary data are data sources that interpret, incorporate and draw conclusions based on works composed by others. The researcher analyze the info seized to the research topic via appraising news, articles and government publication from cyberspace. Secondary data are best for revealing background and historical

information about a theme or topic and broadening the understanding of a point by exposing to others' points of view, interpretations and conclusions. By using secondary data, most of the scholars may gather numerous info and gain knowledge over that. This is done by Google Scholar, Emerald Insight and Proquest to support the objective of the research.

### 3.4.3 Questionnaire

There are three sections in the questionnaire. Section A requires respondents to answer the question regarding demographic information just like age, gender, occupation, and income level. Meanwhile, Section B will allow the researcher to measure the awareness level of purchasing insurance coverage of the parcel. Section C will allow the researcher to measure the factors towards consumer purchase intention for insurance for parcel while Section D will allow the research to measure the consumer purchase intention. Subsequently, a structured questionnaire was developed for data collection to measure consumer purchase intention this study which, consists of around 20 items measured using a 5-point Likert scale. The scale displays, 1: 'Strongly disagree', 2: 'Disagree', 3. 'Neutral', 4. 'Agree', 5. 'Strongly Agree'.

### 3.5 Research Strategy

Saunders et al., (2009), defined research strategy is 'general plan of how the researchers will go about answering the research questions'. Research strategy provides overall course of the research including the method by which the research is conducted (Remenyi et al., 2013). In contrast, Bryman (2008) found that the strategy of the research as the basic intro to undertake the study. Saunders et al., (2009) state that suitable strategy for the research must be chosen basing on the questions of the research and aims the tendency of the prevailing info on the topic of the study, the duration and the resources available and the logical supporting the research. Based on the framework been developed, set the developed questionnaire to the respondents who been selected with 2month time. After that key in the data and analyze it. Yin (2003) prescribed that a specific research strategy must be chosen based on three 3 conditions; the sort of research question, the degree of control a researcher has over real behavioral occasions, and the degree of focus on modern or historical events. A few of the common research strategies utilized in commerce and management are instrumental theories, participative

inquiries and studies (Easterby-Smith et al., 2008; Collis and Hussey, 2009; Saunders et al., 2009).

The most advantage of questionnaire is using the quantitative data of which this is considered economical and it allows the investigators to gather a large volume of information from public as well as the respondents. Because of the limited cost and time the scholars can be able to collect the information rendering the risks of health of the personnel as well as the organization's productivity. According to Gilbert (2001), survey strategy may bring some advantage for instance reliability to do the study.

Empirical move toward investigation used by the scholars in this research. The strategy of surveying is normally related to empirical method of which this is the quantitative method. It is because of some of the respondents' issue of privacy when they have done the investigation using their addresses (email). Therefore, the codes of QR are offered to the respondents to access the Google Form. They scan through the code and can be able to access the forms easily via the use of smartphones.

### **3.6 Reliability and Validity**

#### **3.6.1 Reliability**

In accordance to Mohsen and Reg (2011), Cronbach Alpha has been developed by Llee Cronbach during the year 1951 in order to offer a tendency of the interior reliability of scale used in testing. This expresses the figure between 0-1. Cronbach's Alpha Index have been utilized in this research for the consistency experiment via using the most principle due to the grasp of the coefficient that it has. Cronbach's Alpha is used in finding the measurements of several variables used for the research in interior consistency. After measurement have been found, consistency of the measurements will be tested in the section that follows (data analysis section). Cronbach's coefficient alpha test 1-D by using the calculations. In case the outcome is near 1.0 this will suggest that it has the highest score and it will be grouped in multidimensional paradigm. But the outcome which is next to 0.1 is considered to be the lowest. For those Alpha Index under 0.6 are considered as poor consistency. For the sorts 0.6-0.7 are considered as acceptable level and 0.8 or above is considered at a best level.

### 3.6.2 Validity

Validity refers to how accurately a method measures what it is meant to measure. Validity illustrates the extent to which the information collected covers the true scope of the investigation (Ghauri and Gronhaug, 2005). Effectiveness generally means that I "measure what I want to measure" (Field, 2005). As such, the survey questions and statements were carefully designed to guide respondents in interpreting the data in the way the researchers expected. Instead, in addition to reliability, validity must also be considered when making decisions.

### 3.7 Pilot Test

A pilot test is mostly is used in guiding the plan of big scale analysis (Thabane et al., 2010). Eldridge et al. (2016) states that the purpose of pilot test is mostly emphasized in research, the progress assumed in development of an upcoming extensive test, venture, or the development. That is to say, this test facilitates to making the decision and therefore it serves as the small scale test or the observations set adopted to decide how and whether the dispatch a whole project (Collins English Dictionary, 2014). In accordance to Dikko (2016), the quiz within the pilot frame may enhance the comprehension of the queries in that the uncertainty of the clarifications in the study agreement would be averted. Pilot test may show the errors as well as the weakness of the questionnaires used. It can be used in modifying the questionnaires to ensure that the questionnaires are effective afore being spread to the respondents. It is because of the limited time, a minimum of ten respondents are selected.

### 3.8 Research Location

The researchers will conduct the study in Malacca, Malaysia. According to the Department of Statistics Malaysia (2021), Malacca has a population of 960.500 in 2020. The Department of Statistics Malaysia also predicts that Malacca's population will reach 1,150.800 by 2040. The target respondents are people aged 18+, who use freight services and have knowledge about freight.

### 3.9 Population and Sampling

#### 3.9.1 Population

The set or group of all the units to which the research's findings are to be applied is referred to as the population. According to the definition of population, all the units to which research findings can be applied are included in it. In other words, a population is a grouping of all the units that share the variable trait that is being studied and for which generalizations from the research can be made. In this study, the population size is the group of people who buy goods through e-commerce such as the Internet and send packages through logistics companies. Any individual who can meet the above characteristic requirements will be defined as a suitable respondent. Every respondent will be offered sufficient duration in order to complete the questionnaire and maximizing the possibility of the sampling in case there is occurrence of the errors. Since this research will be mainly conducted in Malacca, then the population of Malacca is considered to be the population for this research which is 0.96 million people (Department of Statistics Malaysia, 2021).

#### 3.9.2 Sampling Method

The process of selecting sample from population is called sampling. A method used to select a sample is called sampling method. Researcher can apply certain sampling method out of different methods according to the objective of research. Different sampling methods are categorized mainly in two groups as probability sampling method and non-probability sampling method. A sampling method, in which subjects are selected without any bias or prejudice and in which all the units of population have equal or predetermined and certain probability to be selected in a sample, is known as probability sampling method. In this method, units of the population have a fixed or same chance of being chosen for a sample. In this procedure, the participants are chosen without any bias or prejudice. Considering its unique qualities, it is regarded as the greatest means of choosing a sample.

The characteristics of probability sampling are as follows:

- 1) Subjects are selected in an objective and unbiased manner.
- 2) Each unit of population has certain probability to be selected in a sample.
- 3) Value of such probability is fixed before selecting the sample.



- 4) Researcher can select a sample by keeping in mind the size of the sample by applying suitable method of probability sampling.
- 5) Researcher's personal wish does not affect the selection of a certain subject.
- 6) Every subject is selected independently.
- 7) Selection of one subject does not affect the selection of another subject.
- 8) It increases the possibility of selecting such a sample that represents the population completely.
- 9) It is very helpful in determining sampling error. It means it makes easy to know the difference between statistics and parameter.
- 10) Confidence level of results can be determined properly.

The most appropriate for this study is simple random sampling. This has been selected since it is easy to identify the possibility of the sample.

### 3.9.3 Sample Size

According to the estimates from Department of Statistics Malaysia, the population Malaysia for the year 2021 is about 32.7million while in the year of 2020, it is estimated to reach 33 million. Thus, according to the table derived by Morgan, Sample size of 384 respondents are needed to complete the research. As a result, the questionnaire is given to 400 respondents to confirm that the results collected are sufficient and valid.

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*Table for Determining Sample Size from a Given Population*

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.  
*S* is sample size.

**Figure 3.2: Table for Determining Sample Size from a Given Population**

### 3.10 Data Analysis Tool

#### 3.10.1 Multiple Regression Analysis

Reason for using MRA is used in examining the relation among dependent and independent variables. MRA will assist the scholars in analyzing what independent variables have got the much impact of the other variables dependent. The one single independent variable using by the regression is called univariate regression analysis while more than one independent variable using by the regression is called multiple regression analysis (Buyukozturk, 2002). Burns and Bush (2006) mentioned that this suggest that several regressions have been utilized in forecasting which of the independent variables are investigating the reversion that consist of three contributing factors to consumer purchase intention which are attitude, subjective norm, and perceived behavioral control. After that, the several regression formulas proven in order to reveal the results of the finding related with the study independent variables in relation to the predictors. Below is the equation of multiple regression used.

Equation:  $Y = a + bX_1 + cX_2 + dX_3$

Where:

a = Constant/Other influences

b = Influence of X1 (Attitude)

c = Influence of X2 (Subjective Norms)

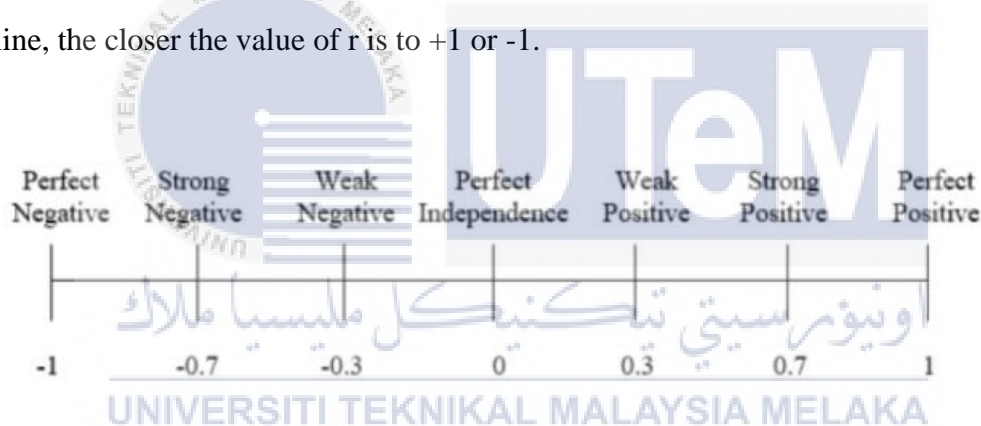
d = Influence of X3 (Perceived Behavior Control)

Y = Dependent Variable (Work productivity for employee)

X1, X2, X3, X4, X5 = Independent Variables

### 3.10.2 Pearson's Correlation Coefficient

Pearson's correlation coefficient is used to quantify the strength of the linear relationship between two numerical variables. The sample correlation coefficient,  $r$  can indicate a number from -1 to 1. The larger the variation in the data to the best fit line, if the closer the value of  $r$  is to zero. The smaller the variation in the data and the best fit line, the closer the value of  $r$  is to +1 or -1.



**Figure 3.3: Pearson's Correlations Coefficient**

Source: (Saunders, Lewis & Thornhill, 2016)

### 3.10.3 Descriptive Statistics

Descriptive analysis is used to describe the huge amount of data that have been collected into numeral values. Descriptive statistics of a set of data, i.e. mean, median, mode, standard deviation, and variance score are determined using the SPSS.

Descriptive statistics will simply a large amount of data in a sensible way and summarize or describe a set of quantitative data.

### **3.11 Statistical Package for the Social Sciences (SPSS)**

SPSS would be used in scaling the relation of the model proposed. This is centered on the assumption of the study. SPSS is the computer software used to arrange the data which is complex into ample pie chart/graphs and for to discover the questionnaire answers. Nonetheless, demographic part, the empirical stat was used to define the characteristics of the data in detail. It will presume the stricture summary concerning the measures as well as the test. In any case, MRA is a strategy for assessing the relation between the variables as well as analyzing which independent variables have the greatest impact on the other independent variables.

### **3.12 Summary**

In conclusion, the research framework and research hypothesis, research design, data collection method, research strategy, Reliability and validity, pilot test, research location, population and sampling, and data analysis tool have provided in this chapter. In this chapter, the research framework and research hypothesis for this research was create. The quantitative is selected for the research, and the collecting primary data strategies like surveys, interviews, or experiments, secondary data such as the information that has already been gathered and can be accessed by researchers and questionnaire chose as the data collection method. The questionnaire will access through the Google Form. For the reliability and validity, the pilot test used in modifying the questionnaires to ensure that the questionnaires are effective afore being spread to the respondents. The population in this study is the group of people who buy goods through e-commerce such as the Internet and send packages through logistics companies, and the simple random sampling is selected. The sample size will be based on the number of respondents. The data analysis tools used in this research are multiple regression analysis, Pearson's correlation coefficient and descriptive statistics.

## CHAPTER 4

### DATA ANALYSIS AND RESULTS

#### 4.1 Introduction

In the Chapter 4, the results of questionnaire from the respondent to the title which is the factors that influence consumer purchasing intention on parcel insurance coverage will be discuss. In this chapter, SPSS software will be use to analysis data of the questionnaire and interpret the results. The data will be analyzed by SPSS software and showed in the table form.

#### 4.2 Pilot Test

Eldridge et al. (2016) states that the purpose of pilot test is mostly emphasized in research, the progress assumed in development of an upcoming extensive test, venture, or the development. It means this test facilitates to making the decision and therefore it serves as the small scale test or the observations set adopted to decide how and whether the dispatch a whole project (Collins English Dictionary, 2014). Pilot test can ensure that the respondents understand the questions inside the questionnaires and complete the questionnaire. There is 30 respondents was chosen to perform the pilot test. Table 4.1 show the Cronbach's Alpha of the pilot test.

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.763	.789	27

**Table 4.1: Reliability Statistics**

(Source: SPSS Output)

From the Table 4.1, it show the result of Cronbach's Alpha was 0.763 and the Cronbach's Alpha Based on Standardized Items was 0.789. According to Saunders et al. (2016), it stated that the values of 0.70 or above indicate that the questions are being measured in the same scale. Since the value of Cronbach's Alpha was 0.763 which higher than 0.70, so it showed the questionnaire was reliable.

From the Table 4.2 below, it showed the Cronbach's Alpha Test of Reliability. The Cronbach's Alpha value of all of the variables is between 0.702 and 0.948, thus it means there are strong correlations for all items. The strong correlations for all items means the independent and dependent variables can be used in the actual survey questionnaire because of the reliability is valid.

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>	<b>Result</b>
Attitude	0.715	5	Good
Subjective Norms	0.875	5	Good
Perceived Behavioral Control	0.948	5	Excellent
Consumer Purchase Intention on Parcel Insurance Coverage	0.702	4	Acceptable

**Table 4.2 Cronbach's Alpha Test of Reliability**

(Source: SPSS Output)

### 4.3 Respondents Rate

	<b>Total</b>	<b>Percent (%)</b>
<b>Number of Questionnaires Distributed</b>	105	100.00
<b>Fully Response</b>	105	100.00
<b>Not Qualified</b>	0	0.00

**Table 4.3: Respondent Rate**

(Source: Develop From the Research)

The questionnaire was distributed through online and face to face from October to the end of November 2022. There were 105 respondents answered the questionnaire with 0 not qualified answer. This means the 105 respondents were completely answered the questionnaire. The 105 respondents answered the questionnaire by the online google survey form.

#### 4.3.1 Descriptive Statistics Analysis of Respondents Background

The descriptive statistics was used to illustrate through questionnaire and explain the fundamental characteristics of the research. The details of demographic from 105 respondents will define by the data analysis. The table, graph and overview calculation were used to evaluate, define, display and explain the data. Table 4.4 showed the summary of the demographic details of the respondents.

Demographic	Demographic details	Frequency	Percentage (%)
Gender	Male	58	54.7
	Female	48	45.3
Age	18-25 years old	50	47.2
	25-33 years old	28	26.4
	33-40 years old	8	7.5
	40 years old and above	20	18.9
Education Level	SPM	44	41.5
	Diploma	12	11.3
	Degree	32	30.2
	Master	7	6.6
	PHD	2	1.9
	Other	9	8.5
Ethnicity	Malay	34	32.1
	Chinese	64	60.4
	Indian	8	7.5
	Other	0	
Occupation Level	Government Sector	7	6.6
	Private Sector	36	34.0

	Self-employed	15	14.2
	Student	45	42.4
	Other	3	2.8
Income Level	RM 0	44	41.5
	RM 3000 and below	9	8.5
	RM 3000 - 5999	27	25.5
	RM 6000 – 8999	16	15.1
	RM 9000 and above	10	9.4
Knowledge of parcel insurance	Yes	81	76.4
	No	25	23.6
Experience of purchase parcel insurance	Yes	49	46.7
	No	57	53.8

**Table 4.4: Summary of the Demographic Details of the Respondents**

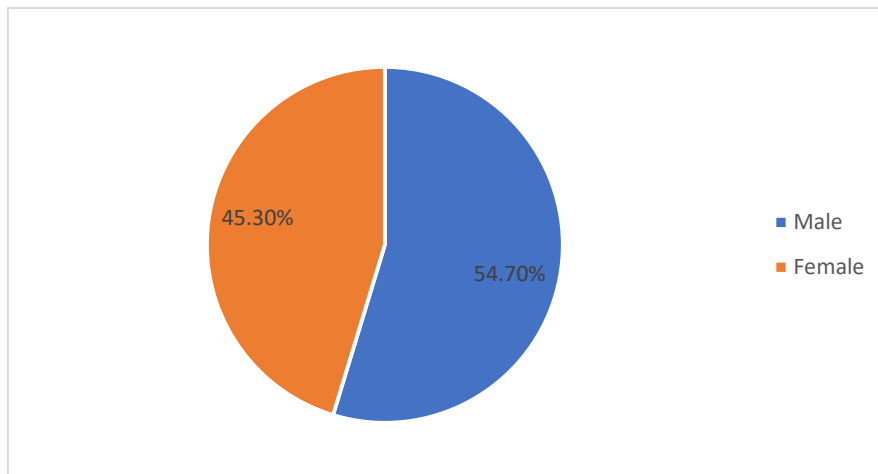
(Source: SPSS output)

#### 4.4 Descriptive Data Analysis

##### 4.4.1 Respondent Profile

The background of the respondents is important because it can affect the outcomes of the research. The background of the respondents that will affect the outcomes include gender, age, education Level, ethnicity, occupation level, income level, knowledge of parcel insurance, and experience of purchase parcel insurance.

##### 4.4.1.1 Gender



### Figure 4.1: Gender

The gender distribution of the respondents who answered the questionnaire had showed in the figure 4.1. It revealed that there are 58(54.7%) male respondents, and 48(45.3%) female respondents. According to the data analysis of this research, there were more male respondents than female respondents. However, researcher did not systematically choose the respondents' gender for this study; rather, it was distributed at random.

#### 4.4.1.2 Age

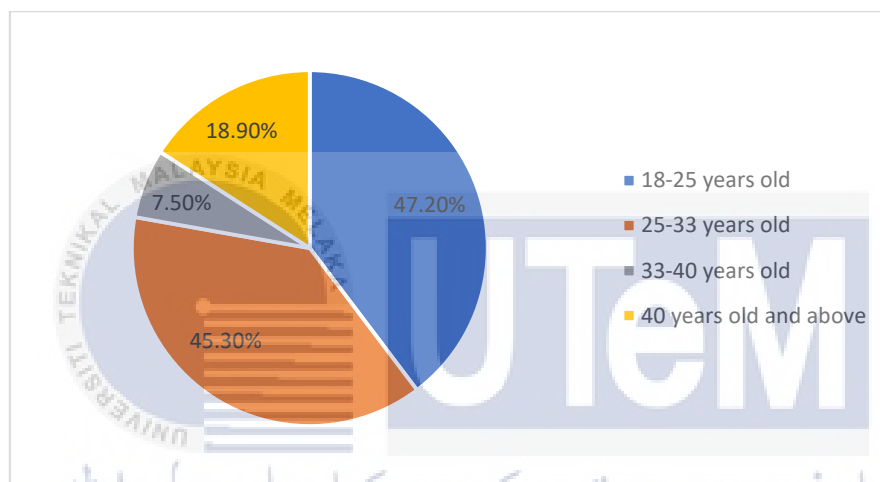
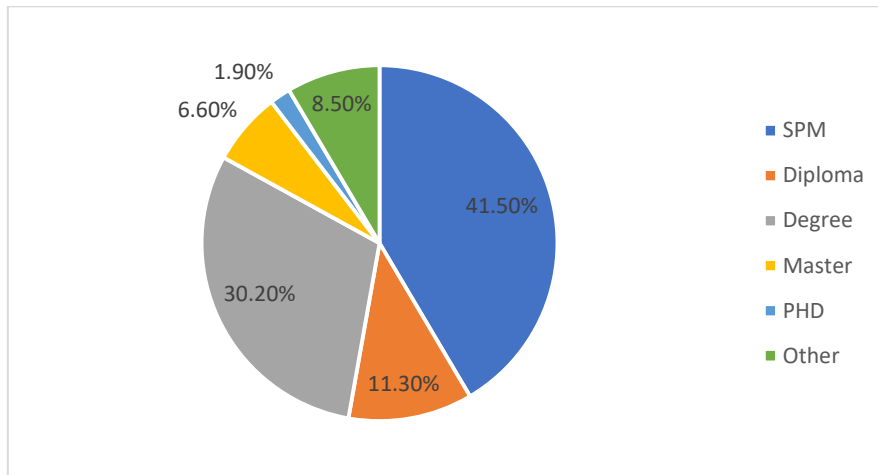


Figure 4.2: Age

Figure 4.2 showed the age range of 18-25 years old with 50 (47.2%) respondents is the group with the most of the respondents participate in this research. The least respondents were in the age range of 33-40 years old which has only 8 (7.5%) respondents only. The group of the age range 42 years old and above, there was 20 (1.9%) respondents. Furthermore, there are 28 (26.4%) respondents who is between 25 to 33 years old.



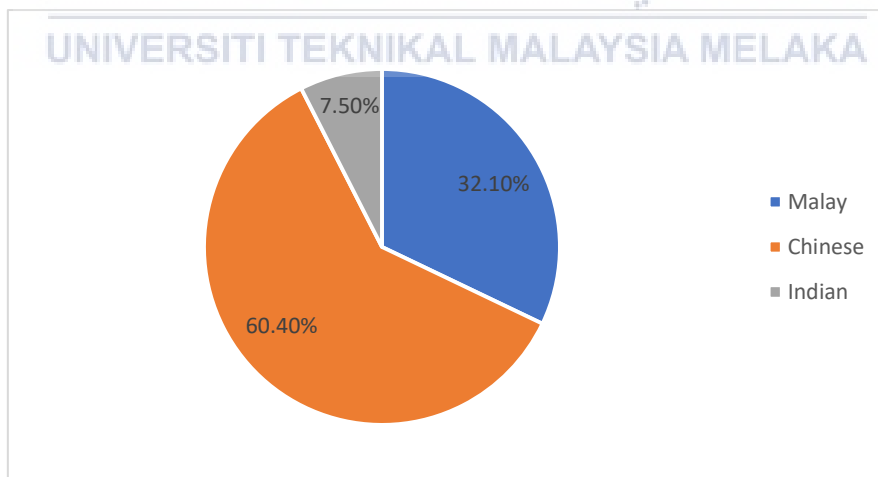
#### 4.4.1.3 Education Level



**Figure 4.3: Education Level**

From the figure 4.3 showed most of the respondent is 44(41.5%) in the SPM education but the least of respondents were in the PHD education level which 2 (1.9%) respondents is. Furthermore, the respondents in degree, diploma and master education level were 32 (30.2%), 12 (11.3%) and 7(6.6%). There was 9 (8.5%) respondents chose other for their education level.

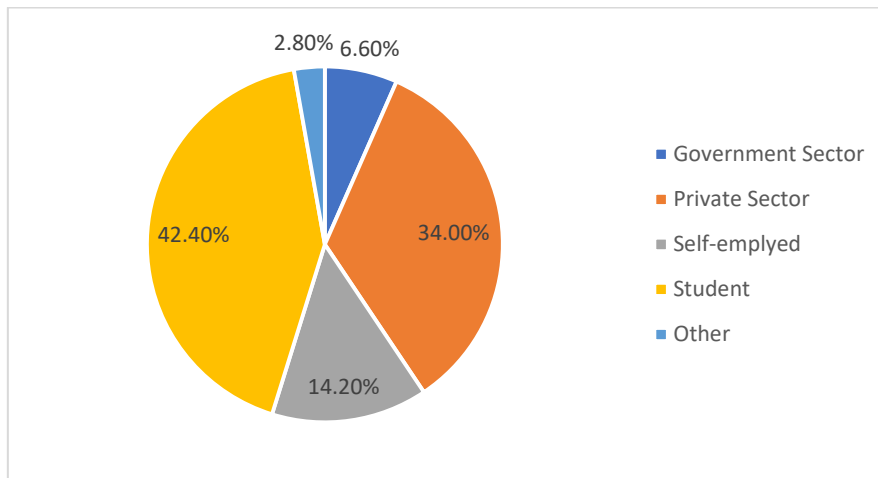
#### 4.4.1.4 Ethnicity



**Figure 4.4: Ethnicity**

Figure 4.4 shows that Chinese respondents accounted for the most in this study with 64 respondents (60.4%), followed by Malay respondents (34 respondents) with 32.1%. The lowest was only 8 (7.5%) Indian respondents.

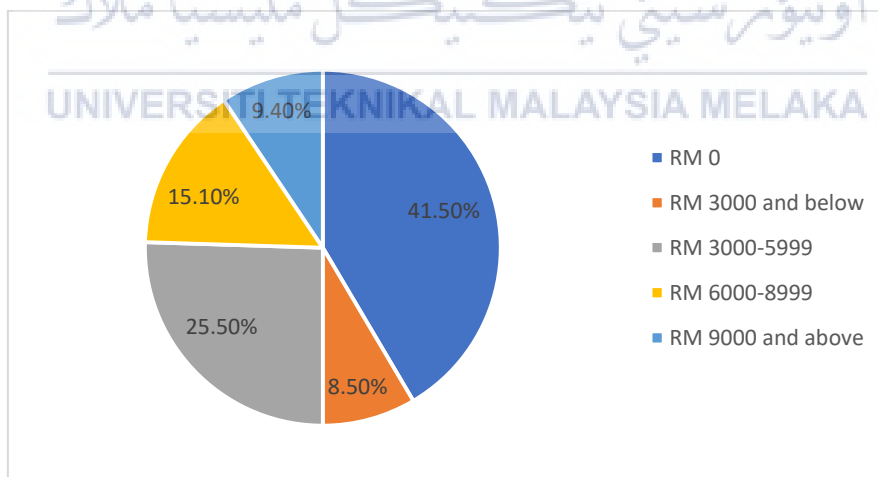
#### 4.4.1.5 Occupation Level



**Figure 4.5: Occupation Level**

Figure 4.5 shows that the majority of the respondents are students, followed by the employees from the private sector, and who is self-employed, with 45, 36, 15 respondents or 42.4%, 34.0%, 14.2%, respectively. There is only 7 (6.6%) respondents from the government sector and the minority of the respondents chose other with 3 (2.8%) respondents.

#### 4.4.1.6 Income Level

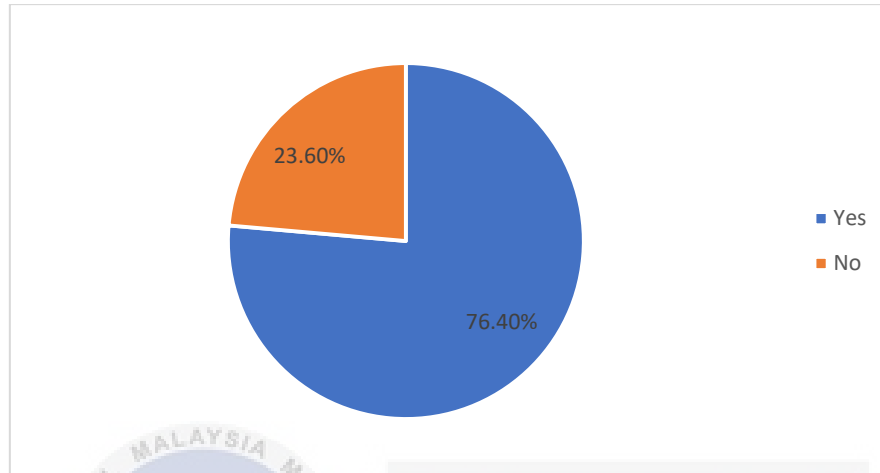


**Figure 4.6: Income Level**

Figure 4.6 show the income level of respondents who took part in the completion of the questionnaires. The highest is from the respondents who has no income (RM0) with frequency 44 (41.5%). The second highest is 27 (25.5%) respondents with income level from RM3000 to RM5999. The third highest are 16

(15.1%) respondents have the income level from RM6000 to RM8999. There are 10 (9.4%) respondents from the income level which is RM 9000 and above and only 9 (8.5%) respondents from the income level from RM 3000 and below.

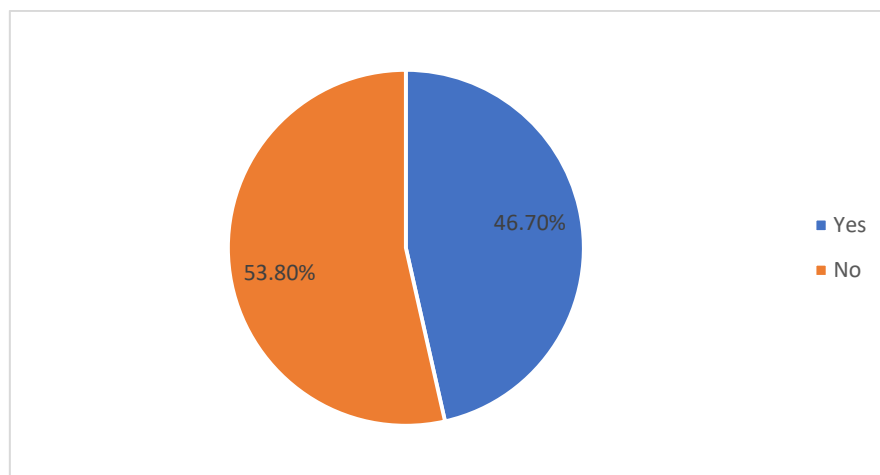
#### 4.4.1.7 Knowledge of Parcel Insurance



**Figure 4.7: Knowledge of Parcel Insurance**

The figure 4.7 showed that 81 (76.4%) respondents have the knowledge or know about the parcel insurance before. On the other hand, there are only 25(23.6%) respondents don't know anything about parcel insurance. The data analysis showed that the number of respondents who have the knowledge or know about the parcel insurance before more than the number of respondents who don't know anything about parcel insurance.

#### 4.4.1.8 Experience of purchase parcel insurance



**Figure 4.8: Experience of Purchase Parcel Insurance**

The figure 4.8 showed that 57 (53.8%) respondents never have the experience on purchase the parcel insurance. On the other hand, there are 49 (46.7%) respondents have the experience on purchase the parcel insurance. Although the number of respondents who have the knowledge or know about the parcel insurance before more than the number of respondents who don't know anything about parcel insurance, but the number of respondents who never have the experience on purchase the parcel insurance is more than the respondents who have the experience.

#### 4.4.2 Descriptive Statics of Attitude (IV 1)

	N	Minimu m	Maximu m	Mean	Std. Deviation
1. I think that buying parcel insurance is a good choice.	105	3.00	5.00	4.51	0.557
2. I think buying parcel insurance is valuable.	105	2.00	5.00	4.46	0.610
3. I think buying parcel insurance is a good idea.	105	3.00	5.00	4.51	0.574
4. I think buying parcel insurance should be compulsory.	105	2.00	5.00	4.32	0.700

5. I think buying parcel insurance is essential for everyone.	105	3.00	5.00	4.37	0.624
Overall				4.43	0.613
Valid N (list wise)	105				

**Table 4.5: Descriptive Statistics of Attitude**

(Source: SPSS Output)

Based on Table 4.5 above indicated that descriptive statistics of attitude among 105 respondents. The overall mean value of attitude is 4.43 and the standard deviation of 0.613. The table 4.5 showed that attitude are one of the factors that influence the consumer purchase intention on parcel insurance coverage. It showed from the table that the mean values of each problem are as similar as possible and that the standard deviations are also the same condition. The respondent answers the ranking questions from 1 (strongly disagree) to 5 (strongly agree).

Question 1 and 3 scored the highest mean with the value 4.51 because most of the respondents think that buying the parcel insurance is a good choice or a good idea. The purchasing of the parcel insurance can make them feel more safety.

The third and fourth highest mean value is question 2 and 5 with the value 4.46 and 4.37. It means the respondents were agree that the purchasing of the parcel insurance is valuable and it is possible to be essential for everyone. However, the lowest mean value is question 4 with the value 4.32 that showed respondent was disapprove buying parcel insurance should be compulsory. This is because the respondents believe that they have the right to choose whether to buy parcel insurance or not.

The range of the standard deviation of this five questions was about 0.557 to 0.700. The question 1 has the lowest value of standard deviation which means the data is more reliable, and the question 4 has the highest value which is 0.700.

#### 4.4.3 Descriptive Statics of Subjective Norms (IV 2)

<b>Descriptive Statistics</b>					
	N	Minimu m	Maximu m	Mean	Std. Deviation
1. My social groups think I should purchase parcel insurance.	105	2.00	5.00	4.33	0.689
2. People who influence my decision think that I should purchase parcel insurance.	105	1.00	5.00	4.40	0.702
3. People whose opinions are important to me thinks that I should purchase parcel insurance.	105	1.00	5.00	4.42	0.782
4. People who are close to me think that I should purchase parcel insurance.	105	1.00	5.00	4.47	0.708

5. People will feel more secure if I purchase parcel insurance.	105	1.00	5.00	4.50	0.695
Overall				4.42	0.715
Valid N (list wise)	105				

**Table 4.6: Descriptive Statics of Subjective Norms**

(Source: SPSS Output)

Based on Table 4.6 above indicated that descriptive statistics of subjective norms among 105 respondents. The overall mean value of attitude is 4.42 and the standard deviation of 0.715. The table 4.6 above showed the factors of subjective norms that influence consumer purchasing intention on parcel insurance coverage. From the table above, it showed the highest mean value is the question 5 with 4.50. This is because the respondents agree that they people around them like friends and family members will feel more secure if they purchase parcel insurance. Then the second and third highest mean value is the question 4 and 3 which is 4.47 and 4.42 due to the respondents think that the people who are close to them think that they should purchase parcel insurance and the people whose opinions are important to them also thinks that they should purchase parcel insurance. The suggestions from the people who are close to them and whose opinions are important to them will make them purchase the parcel insurance.

The fourth highest value mean value is the question 2 with 4.40 showed respondent agree that people who influence their decision think that they should purchase parcel insurance. Then, the lowest mean value is question 1 with 4.33 that respondents' social groups think they should purchase parcel insurance. This is because most of the social group think the parcel insurance is not necessary and the cost can be saved.

Question 3 showed the highest standard deviation was 0.782 and Question 1 with 0.689 was the next lowest standard deviation value. Question 4 had the highest

standard deviation value which meant that the findings were lower reliable. The next highest standard deviation was question 4 with 0.708. Question 2 with the value 0.702 was the third highest and it followed by question 5 with 0.695. Question 1 was the lowest value of standard deviation as the value 0.689 so question 1 were be more reliable compare to others.

#### 4.4.4 Descriptive Statics of Perceived Behavioral Control (IV 3)

	N	Minimu m	Maximu m	Mean	Std. Deviation
1. I have sufficient knowledge to purchase parcel insurance.	105	1.00	5.00	4.33	1.025
2. I can buy parcel insurance without any help from anyone.	105	1.00	5.00	4.38	0.984
3. I have resourceful source about parcel insurance purchasing.	105	1.00	5.00	4.35	1.009
4. I can buy parcel insurance reasonably well on my own.	105	1.00	5.00	4.36	1.011



5. I can handle any (money, time, information related) difficulties associated with my buying decision.	105	1.00	5.00	4.48	0.972
Overall				4.38	1.000
Valid N (list wise)	105				

**Table 4.7: Descriptive Statics of Perceived Behavioral Control**

(Source: SPSS Output)

Based on Table 4.7 above indicated that descriptive statistics of perceived behavioral control among 105 respondents. The overall mean value of attitude is 4.38 and the standard deviation of 1.000. The Table 4.7 above indicated the factor related with perceived behavioral control that influence consumer purchasing intention parcel insurance coverage. It revealed through the table above showed the highest mean value is question 5 with 4.48 due to respondents agree with that they can handle any difficulties like money, time, information related which associated with their buying decision. This is because all of the respondents are adults and the conditions for purchasing parcel insurance are relatively easy to meet.

The second highest mean value is question 2 with 4.38 and next by the question 4 with the mean value of 4.36. This 2 question showed that respondents are agree with they can buy parcel insurance without any help from anyone. They are fully capable of purchasing parcel insurance on their own. For the question 4, they also think that they can buy parcel insurance reasonably well on their own.

The fourth highest value of mean is 4.35 showed by question 3. This question contained is the respondents have resourceful source about parcel insurance purchasing. This proves that there are some of the respondents were not sure they have enough of resourceful source about parcel insurance purchasing compare with other questions.

The mean which is the lowest value is the question 1 with 4.33 as the respondents was disagree that they have sufficient knowledge to purchase parcel insurance. This is because the respondents think that there is many type of parcel insurance and difference policies in difference platform, they need more experience to gain more knowledge about parcel insurance coverage.

The highest value of standard deviation was question 1 as 1.025. Question 3 was the second highest value of standard deviation with 1.009 and question 4 was the third highest value of standard deviation with 1.011. The value of standard deviation for question 2 is 0.984 and it followed by question 5 which is the lowest value of standard deviation with the value of 0.972. It seen that question 5 was more reliable however the question 1 was less reliable.

#### 4.4.5 Consumer Purchase Intention on Parcel Insurance Coverage (DV)

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
1. The main purpose of insurance is to reduce the financial burden of risk faced by the consumer.	105	3.00	5.00	4.86	0.403
2. Insurance is the best risk management tool when the chance of loss is low and the loss severity is high.	105	3.00	5.00	4.53	0.589

3. Non-disclosure or misrepresentation of information relating to the subject matter insured may cause to reject the insurance claim.	105	3.00	5.00	4.71	0.514
4. Consumers are protected against insurance company bankruptcies by state funds that pay some of the claims of bankrupt insurers.	105	3.00	5.00	4.71	0.479
Overall				4.70	0.496
Valid N (list wise)	105				

**Table 4.8: Descriptive Statistics of Consumer Purchase Intention on Parcel Insurance Coverage**

(Source: SPSS Output)

Based on Table 4.8 above indicated that descriptive statistics of consumer purchasing intention on parcel insurance coverage among 105 respondents. The overall mean value of consumer purchasing intention on parcel insurance coverage is 4.70 and the standard deviation of 0.496.

For the question 1, most of the respondents as a mean of 4.86 has agreed on the statement “The main purpose of insurance is to reduce the financial burden of risk faced by the consumer”. The second highest statement that agreed by respondents is question 3 and 4 which are “Non-disclosure or misrepresentation of information relating to the subject matter insured may cause to reject the insurance claim” and “Consumers are protected against insurance company bankruptcies by state funds that pay some of the claims of bankrupt insurers” , whereas with a mean of 4.71. Followed by the statement agreed most is question 2, “Insurance is the best risk management tool when the chance of loss is low and the loss severity is high” with a mean of 4.53. This is because some of the respondents think there is other things else can replace the parcel insurance to become a good risk management tool too.

Questions 2 with the value 0.589 were the highest standard deviation. The question had the highest standard deviation mean the data was less reliable. Question 3 was the next highest standard deviation with a value of 0.514 and question 4 was the next highest with a value of 0.479. The standard deviation of the question 1 was the lowest and more reliable since the value of 0.403.

#### **4.5 Reliability Analysis**

In accordance to Mohsen and Reg (2011), Cronbach Alpha has been developed by Llee Cronbach during the year 1951 in order to offer a tendency of the interior reliability of scale used in testing. For those Alpha Index under 0.6 are considered as poor consistency. For the sorts 0.6-0.7 are considered as acceptable level and 0.8 or above is considered at a best level.

This research composed of 27 questions that used Likert scales to assess the level of agreement. The scale started from 1 which represent to Strongly Disagree, 2 which represent to Disagree, 3 which represent to Neutral, 4 which represent to agree and 5 which represent to Strongly Agree. The reliability test was completed for all questions. The result of the reliability was listed below

### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.763	.789	27

**Table 4.9: Reliability Test for Dependent Variable and Independent Variables**

(Source: SPSS Output)

For this research, the table 4.9 showed the reliability test for both dependent variable and independent variables. There were 19 independent variable questions and 8 dependent variable questions. On these questions the Cronbach Alpha was at 0.763. The result of those questions has been successful and consistent.

#### 4.6 Inferential Statistics

The application of inferential statistics can be used for the predictions that go beyond the direct data. With the inferential statistics, the data can be taken from samples and infer the idea of the population. Additionally, it can be used to assess the likelihood that the observed differences between groups are valid or may occur by chance in this research. Thus, the main purpose of inferential statistics in this study is to interpret the data.

#### 4.6.1 Pearson Correlation Coefficient Analysis

		IV1	IV2	IV3	DP4
IV1	Pearson Correlation	1	.296**	.391**	.421**
	Sig. (2-tailed)		.002	.000	.000
	N	105	105	105	105
IV2	Pearson Correlation	.296**	1	.370**	.392**
	Sig. (2-tailed)	.002		.000	.000
	N	105	105	105	105
IV3	Pearson Correlation	.391**	.370**	1	.440**
	Sig. (2-tailed)	.000	.000		.000
	N	105	105	105	105
DP4	Pearson Correlation	.421**	.392**	.440**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	105	105	105	105

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 4.10: Pearson's Correlation Coefficient Analysis**

(Source: SPSS Output)

#### Remarks:

IV1: Attitude, IV2: Subjective Norms, IV3: Perceived Behavioral Control, DV: Consumer Purchase Intention on Parcel Insurance Coverage

Pearson Coefficient (R)	Strength of Relationship
0.70-1.00	Very Strong Relationship
0.50-0.69	Strong Relationship
0.30-0.49	Moderate Relationship
0.10-0.29	Weak Relationship
0.01-0.09	No Relationship

**Table 4.11: Value of Pearson Coefficient (R) and the Strength of Relationship**

From the table 4.10 showed the correlations between the dependent variable and independent variables. The relationship between independent variables and dependent variables was defined using Pearson Correlation. The correlation of attitude, subjective norms, and perceived behavioral control were categorized as positive relation towards consumer purchasing intention on parcel insurance coverage as correlation value are 0.421, 0.392 and 0.440 respectively.

The first independent variable was attitude with the 0.421 correlation coefficient (r) value. The correlation between the subjective norms and consumer purchasing intention on parcel insurance coverage was 0.392. The correlation of third independent variable was perceived behavioral control with 0.440.

Based on the table 4.11 above, the relationship between the 3 independent variables and dependent variable were moderate relationship because the results showed that the correlation coefficient (r) value were lower than 0.5 but higher than 0.3. It showed that all the independent variables were associated with the dependent variable of the consumer purchasing intention on parcel insurance coverage.

#### 4.6.2 Multiple Regression Analysis

In order to test the hypotheses in this research, multiple regression analysis was conducted. Multiple regression analysis is an extension of linear regression for examining the relationship between two or above independent variables (Alistair, K.Hall, and A.Kzub 2002). There are 3 independent variables which are attitude, subjective norms and perceived behavioral control at the same time the dependent

variable is consumer purchasing intention on parcel insurance coverage. Therefore, the analysis results will show as tables below.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.555 <sup>a</sup>	.308	.287	.30712

a. Predictors: (Constant), Attitude, Subjective Norms, and Perceived Behavioral Control

**Table 4.12: Model Summary**

(Source: SPSS Output)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.235	3	1.412	14.968	.000 <sup>b</sup>
	Residual	9.526	101	.094		
	Total	13.762	104			

a. Dependent Variable: Consumer Purchase Intention on Parcel Insurance Coverage

b. Predictors: (Constant), Attitude, Subjective Norms, and Perceived Behavioral Control

**Table 4.13: ANOVA**

(Source: SPSS Output)

Table 4.12 and 4.13 above indicates the results of multiple regression from SPSS software which presented as a model summary and ANOVA. R is the measurement of quality for the dependent variable and R square is the variance's proportion which can be found in the dependent variable. Table 4.12 indicates the value of R is 0.555 while the R square is 0.308 which is 30.8%. This situation indicates that 30.80 of variance



affected consumer purchasing intention on parcel insurance coverage can be determined by the variance of attitude, subjective norms and perceived behavioral control. It can be explained that  $100\% - 30.8\% = 69.2\%$  is caused by other factors affecting customer purchasing intention on parcel insurance coverage. The adjusted R square value is 0.287, which is shown as 28.7% of the variance of dependent variable and which is the consumer purchasing intention on parcel insurance coverage can be demonstrated by the 3 independent variables which are attitude, subjective norms and perceived behavioral control.

Based on Table 4.13 ANOVA, the overall results show that F-test value is 14.968 with a significant level of 0.000. A p-value is smaller than 0.05 ( $p < 0.05$ ), a significant relationship was presented between of attitude, subjective norms and perceived behavioral control toward consumer purchasing intention on parcel insurance coverage.

		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.661	.350		7.609	.000
	IV1	.221	.079	.254	2.784	.006
	IV2	.138	.056	.221	2.444	.016
	IV3	.103	.038	.259	2.753	.007

a. Dependent Variable: Consumer Purchase Intention on Parcel Insurance Coverage

**Remarks:** IV1: Attitude, IV2: Subjective Norms, IV3: Perceived Behavioral Control

**Table 4.14: Coefficients<sup>a</sup>**

(Source: SPSS Output)

According to table 4.14, there are 3 independent variables including attitude, subjective norms a perceived behavioral control. Each of the independent variables provides a contribution which is used to determine the cause attributes toward the consumer purchasing intention on parcel insurance coverage. First, the strongest

predictor is attitude, Beta =0.221, t (105) =2.784, p<0.05 (0.006). This is because the unstandardized beta, Beta of attitude has the highest influence of positive relationship with the cause attributes towards the consumer purchasing intention on parcel insurance coverage.

Then, the second strongest predictor is subjective norms, Beta =0.138, t (105) = 2.444, p<0.05 (0.016). This is because the unstandardized beta, Beta of subjective norms is the second highest positive value compared to other independent variables and it also has the second highest influence of positive relationship with the cause attributes towards the consumer purchasing intention on parcel insurance coverage.

Last but not least, the lowest predictor is perceived behavioral control, Beta =0.103, t (105) = 2.75, p<0.05 (0.007). This is because the unstandardized beta, Beta of perceived behavioral control is the lowest positive value compared to other independent variables. Thus, perceived behavioral control also has the lowest influence the positive relationship with the cause attributes towards the consumer purchasing intention on parcel insurance coverage.

From the result above, although each of the independent variables has different value and rank of influence towards the dependent variable, each of them has developed different contribution and provide a significant prediction towards the consumer purchasing intention on parcel insurance coverage. Based on the following multiple regression equation, the relationship between the dependent variable and the 3 different independent variables can be determined. The multiple regression of this study are:

$$Y = a + bX_1 + cX_2 + dX_3$$

$$Y = 2.66 + 0.22X_1 + 0.14X_2 + 0.10X_3$$

Where:

a	Constant/Other influences
b	Influence of X <sub>1</sub> (Attitude)
c	Influence of X <sub>2</sub> (Subjective Norms)

d	Influence of X <sub>3</sub> (Perceived Behavioral Control)
Y	Dependent Variable (Consumer Purchase Intention on Parcel Insurance Coverage)
X <sub>1</sub> , X <sub>2</sub> , X <sub>3</sub>	Independent Variables

**Table 4.15: Equation of Multiple Regression Analysis**

Source: (Saunders, Lewis & Thornhill, 2016)

In conclusion, the regression equation is established to predict the cause attributes towards consumer purchasing intention on parcel insurance coverage is: Consumer Purchasing Intention on Parcel Insurance Coverage. = 2.66 + 0.22 (Attitude) + 0.14 (Subjective Norms) + 0.10 (Perceived Behavioral Control). Thus, the regression equation is established to show how the variables are associated with each other.

#### 4.7 Summary

The overall finding of this study through the SPSS source showed that the factors that influence consumer purchasing intention on parcel insurance coverage. The data obtained in this chapter had been analyzed using pilot test to test the reliability, descriptive statistics, and inferential statistics. In this chapter, the results of the data that had been analyzed ensure there is relationship between the independent variables and dependent variables.

## CHAPTER 5

### DISCUSSION AND CONCLUSION

#### 5.1 Introduction

The chapter 5 addresses the data analysis that shown in chapter 4. Therefore, the discussion on hypothesis will be show in this chapter. Following this, a discussion of the research objective was discussed. Next, the implications of this research are discussed. This follows with some recommendations for further research. Finally, followed by the conclusion of the thesis.

#### 5.2 Discussion on Hypothesis

Model	Significant figures
Attitude (IV1)	0.006
Subjective Norms (IV2)	0.016
Perceived Behavioral Control (IV3)	0.007
Average	0.010

a. Dependent Variable: Consumer Purchase Intention on Parcel Insurance Coverage

**Table 5.1 Coefficients<sup>a</sup>**

(Source: SPSS Output)

Hypothesis 1 is testing the relationship between consumer purchase intention on parcel insurance coverage and attitude.

H<sub>0</sub>: There is no significant relationship between consumer purchase intention on parcel insurance coverage and attitude.

H<sub>1</sub>: There is a significant relationship between consumer purchase intention on parcel insurance coverage and attitude.

Based on table 5.1, the attitude is a significant relationship with consumer purchase intention on parcel insurance coverage. This is because the attitude has significant value is 0.006 which is below 0.05 significant level. Thus, the hypothesis ( $H_1$ ) is accepted.

**Hypothesis 2** is testing the relationship between consumer purchase intention on parcel insurance coverage and subjective norms.

$H_0$ : There is no significant relationship between consumer purchase intention on parcel insurance coverage and subjective norms.

$H_1$ : There is a significant relationship between consumer purchase intention on parcel insurance coverage and subjective norms.

Based on table 5.1, the subjective norms is a significant relationship with consumer purchase intention on parcel insurance coverage. This is because the subjective norms has significant value is 0.016 which is below 0.05 significant level. Thus, the hypothesis ( $H_1$ ) is accepted.

**Hypothesis 3** is testing the relationship between consumer purchase intention on parcel insurance coverage and perceived behavioral control.

$H_0$ : There is no significant relationship between consumer purchase intention on parcel insurance coverage and perceived behavioral control.

$H_1$ : There is a significant relationship between consumer purchase intention on parcel insurance coverage and perceived behavioral control.

Based on table 5.1, the perceived behavioral control is a significant relationship with consumer purchase intention on parcel insurance coverage. This is because the perceived behavioral control has significant value is 0.007 which is below 0.05 significant level. Thus, the hypothesis ( $H_1$ ) is accepted.

**Hypothesis 4** is testing the relationship between consumer purchase intention on parcel insurance coverage and attitude, subjective norms and perceived behavioral control.

H<sub>0</sub>: There is no significant relationship between consumer purchase intention on parcel insurance coverage and attitude, subjective norms and perceived behavioral control.

H<sub>1</sub>: There is a significant relationship between consumer purchase intention on parcel insurance coverage and attitude, subjective norms and perceived behavioral control.

Based on table 5.1, the attitude, subjective norms and perceived behavioral control are significant relationship with consumer purchase intention on parcel insurance coverage. This is because the average of the significant value is 0.010 which is below 0.05 significant level. Thus, the hypothesis (H<sub>1</sub>) is accepted.

Hypotheses	Sig.	Result
H1: There is a relationship between consumer purchase intention on parcel insurance coverage and attitude.	0.006	Accepted
H2: There is a relationship between consumer purchase intention on parcel insurance coverage and subjective norms.	0.016	Accepted
H3: There is a relationship between consumer purchase intention on parcel insurance coverage and perceived behavioral control.	0.007	Accepted

H4: There is a relationship between consumer purchase intention on parcel insurance coverage and attitude, subjective norms and perceived behavioral control.	0.010	Accepted
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**Table 5.2: Hypothesis Testing**

(Source: SPSS output)

To conclude, table 4.21 above indicated that H1, H2, H3 and H4 is accepted. This research stated that is a significant relationship between the factors attribute variables and consumer purchase intention on parcel insurance coverage. This is because all the variables have significant value is below 0.05 significant level.

### 5.3 Discussion of Objective

**Objective 1: To examine the factors influence consumer purchasing intention on parcel insurance coverage.**

For the first research objective, researcher had find out examine the factors influence consumer purchasing intention on parcel insurance coverage from chapter two. Researcher had explained the relationship between dependent variable which is consumer purchasing intention and independent variables which is the factors that influence the consumers. The independent variable such as attitude, subjective norms, and perceived behavioral control was seen as the determinants from the previous research. The researcher examines the different factors mentioned which affecting the consumer purchasing intention through several of literature review.

**Objective 2: To evaluate the factors influence consumer purchasing intention on parcel insurance coverage.**

For the second research objective, the researcher had used SPSS software to prove the results of the explanatory factor. There are three independent variables which were the factors that affect the consumer purchasing intention on parcel insurance coverage. Through the hypothesis testing, all of the factors that affected as they were significant with the consumer purchasing intention on parcel insurance coverage. The factors that been accepted were attitude, subjective norms, and perceived behavioral control.

The table 5.1 was showed the significant value of attitude, subjective norms, and perceived behavioral control were  $0.006 < 0.05$ ,  $0.016 < 0.05$ , and  $0.001 < 0.05$ . Thus, the multiple regression analysis can be assumed that attitude, subjective norms, and perceived behavioral control had the significance relationship with the consumer purchasing intention on parcel insurance coverage.

From the result of Hypothesis 1, it showed there is a significant relationship between consumer purchase intention on parcel insurance coverage and attitude. It means the attitude was able to affect the consumer purchasing intention on parcel insurance coverage. The p-value of attitude was 0.006 and it is lower than 0.05 according by the multiple regression analysis result in Chapter 4. From the result, it showed the attitude have a significant relationship with consumer purchasing intention on parcel insurance coverage.

According to Albarracín D. et al.(2001), attitude refers the inner feeling of somebody that can show about the person like or dislike something. It is a degree to show someone has the ositive or negative evaluation on the behavior (Norlina Mohamed Noor et al., 2020). According to Kardes, Cronley, and Cline (2010), attitude is a factor that determines someone's behavior (Norlina Mohamed Noor et al., 2020). There is also has a future argue that the variable information can be used to determine the attitude to any object or issue by people (Kardes, Cronley, and Cline, 2010 cited in Norlina Mohamed Noor et al., 2020). Furthermore, Tania Driver (2018) stated that the attitude is leading by the understanding of the consumers on the insurance, the negative attitude created when the consumers are poor understand on insurance. Moreover, Fishbein and Ajzen (1975) stated there is a positive direct link between attitude and behavior (Sampath Sanjeewa Weedige et al., 2019). These theory supports the attitude



will affects to the consumer purchasing intention. The more active the attitude of the consumers on purchase parcel insurance coverage, the higher the behavioral willingness to purchase parcel insurance coverage.

In conclusion, the significant value was less than 0.05 so the null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis ( $H_1$ ) was accepted. There is a significant relationship between attitude and consumer purchasing intention on parcel insurance coverage.

From the result of Hypothesis 2, it showed there is a significant relationship between consumer purchase intention on parcel insurance coverage and subjective norms. It means the subjective norms was able to affect the consumer purchasing intention on parcel insurance coverage. The p-value of attitude was 0.016 and it is lower than 0.05 according by the multiple regression analysis result in Chapter 4. From the result, it showed the subjective norms have a significant relationship with consumer purchasing intention on parcel insurance coverage.

Bianchi et al. (2018) found that subjective norm as an integral predictor of consumer intentions. The intention can be predicted with high precision from subjective norm, wherein the intent turns into the consumers' actual behavior. (Ajzen, 1991, cited in Abdullah Al Mamun et al, 2021). When consumers consume, they will inevitably feel pressure when they execute the behavior of purchasing goods or services. Subjective norms are predictors of intention and have been recognized in the social sciences (Bianchi et al., 2018; Cheng et al., 2006; Hsu et al., 2017, cited in Abdullah Al Mamun et al, 2021). Consumer purchases of insurance products and services are influenced by family, friends, relatives, colleagues, and others considered significant. Others' perceptions of subjective norms can encourage potential consumers to purchase insurance. Therefore, when more people realize the importance of parcel insurance, the number of consumers will increase continuously.

In conclusion, the significant value was less than 0.05 so the null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis ( $H_1$ ) was accepted. There is a significant relationship between subjective norms and consumer purchasing intention on parcel insurance coverage.

From the result of Hypothesis 3, it showed there is a significant relationship between consumer purchase intention on parcel insurance coverage and perceived behavioral control. It means the perceived behavioral control was able to affect the consumer purchasing intention on parcel insurance coverage. The p-value of perceived behavioral control was 0.007 and it is lower than 0.05 according by the multiple regression analysis result in Chapter 4. From the result, it showed the perceived behavioral control have a significant relationship with consumer purchasing intention on parcel insurance coverage.

Perceived behavioral control refers to “perceived ease of execution of behavior” (Hsu et al., 2017, cited in Abdullah Al Mamun et al, 2021). So when consumers have more knowledge about parcel insurance coverage or other resources and in There is no barrier to purchasing parcel insurance coverage, the more likely they are to purchase parcel insurance coverage. Controlling factors that governed perceived behavioral control include required skills and abilities, availability or lack of time, money and other resources, cooperation of others, and more (Icek Ajzen, 2020).

In conclusion, the significant value was less than 0.05 so the null hypothesis ( $H_0$ ) was rejected and the alternative hypothesis ( $H_1$ ) was accepted. There is a significant relationship between perceived behavioral control and consumer purchasing intention on parcel insurance coverage.

#### **5.4 Implications of Study**

This study demonstrated some of new insights into consumer purchasing intention on parcel insurance coverage, such as how the independent variables affect dependent variables. The findings of this research are analysed to achieve the research objective that can examine and explore the relationship between the factors and consumer purchasing intention on parcel insurance coverage. Thus, this research can contribute some implication for the consumer and the company that provide parcel insurance. In this research, the SPSS software had been used to analyze the data such as pilot test, Descriptive Statistics, Correlations and Multiple Regression Analysis (MRA) for the purpose of analyzing the relationship of independent variables and dependent variable. In conclusion, the respondents figured out the factors which are

attitude, subjective norms and perceived behavioral control will affect the consumer purchasing intention on parcel insurance coverage.

Firstly, the factors that most affect the consumer purchasing intention on parcel insurance coverage was perceived behavioral control. The result of Standardized Coefficient (Beta) showed the highest value is 0.259. The result showed that the most of respondents agreed that perceived behavioral control can affect the consumer purchasing intention on parcel insurance coverage. According to Icek Ajzen (2020), controlling factors that govern perceived behavioral control include required skills and abilities, availability or lack of time, money and other resources, cooperation of others, and more. When the individual thinks that the more resources and opportunities he has, the less the expected obstacles, the stronger the perceived behavioral control of behavior. It means if consumers believe that purchasing parcel insurance coverage is beneficial to them and it can be done easily, they will feel the social pressure to achieve their intention to purchase the insurance. For beneficiaries like insurance companies, how to make more people understand parcel insurance clearly and provide parcel insurance that suits consumers according to their situation is an important issue that needs to be considered. In addition, the easier it is to buy parcel insurance, the higher the possibility of consumers buying it.

The second highest factors was attitude that affect the consumer purchasing intention on parcel insurance coverage. The Standardized Coefficients (Beta) results showed the second highest value was 0.254. This result was showed that the respondents agreed that attitude can affect the consumer purchasing intention on parcel insurance coverage. According to Business Dictionary, attitude refers to an individual's feeling that respond positive or negative towards an idea, object or person. Thus, attitude can affects an individual's behavioral choices. According to the reseach, we can observe people's attitudes to understand their intentions and behaviors (Phau & Teah, 2009, cited in Jonathan Ooi Wei Keat et al., 2019). It means that if the consumers' attitude towards purchasing parcel insurance is optimistic, their willingness to purchase will increase. For beneficiaries like insurance companies, they need to try their best to change consumers' attitudes towards parcel insurance through publicity. They need to make it clear to consumers about the benefits and importance of purchasing parcel insurance.

Lastly, the third highest factors was subjective norms that affect the consumer purchasing intention on parcel insurance coverage. The Standardized Coefficients (Beta) results showed the second highest value was 0.221. This result was showed that the respondents agreed that subjective can affect the consumer purchasing intention on parcel insurance coverage. Subjective norms refer to an individual's "perceived social intangible pressure to perform or not to perform behavior" (Hsu et al., 2017; Norman & Conner, 2005, cited in Abdullah Al Mamun et al, 2021). The social invisible pressure includes whether to support, like or dislike a specific behavior or decision made by an individual (Song Chen et al, 2019). Therefore, whether an individual is willing to take a specific behavior will be influenced by important people around him, such as parents, elders, teachers, professors, classmates, friends and social environment (Song Chen et al, 2019). The respondents think that the advices and suggestions from the people around them were effect on their decision making when purchasing the parcel insurance. The people around them with the knowledge and information of the parcel insurance can help them to do the decision of purchase the parcel insurance or not. Therefore, subjective norms is one of the factors that can affect the consumer purchasing intention on parcel insurance coverage.

In conclusion, the insurance companies should take the action to publicize the information and importance about the parcel insurance as well as they can because the people who understand the benefits and importance of parcel insurance will also recommend people around them to buy.

### **5.5 Limitations of Study**

There are some limitations in the research of conduct. These include time constraints, location constraints, and many uncontrollable factors for respondents. First of all, the researcher only has one month from October to November to collect questionnaire. Due to the limited time, there is no way to find more respondents for the questionnaire. Secondly, the researcher mainly focused on Malacca for this research. In addition, due to time constraints, the researcher can only use Google Form to distribute the questionnaire. The research sent the questionnaire online through various online media, which cause the identities of the respondents unable to be verified. The

researcher also couldn't judge whether the respondents answered the questionnaire honestly.

### **5.6 Recommendations for Future Research**

There are a few advice and solution that the researcher recommended to conduct similar research for future researchers. First of all is about solve the limitation that had been showed in the previous section. For the future researchers, the questionnaire can set the more time for the questionnaire distribution and collection. Then the future researchers have enough of time to collect more questionnaire and the data will be more accurate. Within the enough of time, the future researchers is encouraged to add more people for the larger sample with distribute and collect the questionnaire from different states. For the future researchers, the credibility and honestly of the respondents also should be explore to get a higher reliability results.

Lastly, the coefficient of determination (R Square) is 0.308. This discussed that the consumer purchasing intention on parcel insurance coverage is 30.8% influenced by the attitude, subjective norms, and perceived behavioral control. The rest ( $100\% - 30.8\% = 69.2\%$ ) was explained by other factors. Therefore, the future researcher can explore more factors that can affect the consumer purchasing intention on parcel insurance coverage.

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### **5.7 Conclusion**

In conclusion, this study explores the factors influence consumer purchasing intention on parcel insurance coverage. The research associated the relationship between TPB components and consumer purchasing intention on parcel insurance coverage. In this study the TPB model which included attitude, subjective norm, and perceived behavioral control are used to explore the relationship with consumer purchasing intention on parcel insurance coverage. Studies have shown that the consumer purchasing intention on parcel insurance coverage is related to attitude, subjective norm, and perceived behavioral control.

Although parcel insurance is used by many businessmen, it has been ignored by most people. With the development of the Internet, the role of parcel insurance in this era will only become more and more important. More and more people will need this service to ensure that the parcel will not have an accident or minimize the loss during

the parcel's journey. If parcel insurance does not exist, accidents that occur on average every year will cause a lot of losses, causing the transportation company to be distrusted, and consumers will not be able to enjoy the service with peace of mind. Through the questionnaire survey, although more than half of the respondents think they have a certain understanding of parcel insurance, only less than half of the respondents have ever purchased parcel insurance. There are various reasons for this, such as seldom using the delivery service or the items sent are not expensive, so consumers will not choose to buy parcel insurance. In addition, since most consumers in Malaysia do not have a high level of awareness of parcel insurance, transportation companies and insurance companies need to widely promote parcel insurance to more people, so that everyone can enjoy this service, and it will also help solve the social problem.

The study also found that most respondents agreed that parcel insurance is a good service. They think that parcel insurance is important at certain times. However, they think everyone should not be forced to buy parcel insurance because not everyone needs it and parcel insurance cause the cost of sending parcel increase. Providers of parcel insurance can meet the needs of different groups by providing different packages.

Unknown risks have the potential to plunge people into economic crisis after bearing a huge financial burden. Making consumers more aware of risk management tools and the value of insurance can lead to better understanding and trust in insurance products and services. There are significant differences in insurance knowledge level, trust belief and insurance attitude between the two groups who buy insurance and those who do not. A well-developed information and advice program can improve consumer bias towards insurance, while also refocusing consumers on the purpose of the service.

Although this study has many shortcomings. However, the limitations of our study could serve as future research directions for other studies in this area.

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## APPENDIX A

Gantt Chart of Final Year Project (FYP) 1

WEEK/ ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
FYP talk									M I D								
Search for FYP topic																	
Meeting with supervisor																	
Topic discussion																	
Title confirmation									S E M E S T E R								
RO & RQ Construction																	
Submission Chapter 1																	
Submission Chapter 2																	
Submission Chapter 3									B R E A K								
First draft of FYP 1																	
Submission of FYP 1																	
Presentation 1																	
Revised of FYP 1																	

## APPENDIX B

Gantt Chart of Final Year Project (FYP) 2

WEEK/ ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Create Questionnaire									M I D  S E M E S T E R  B R E A K								
Distribute Questionnaire																	
Collect Questionnaire																	
Analysis Data																	
Submission Chapter 4																	
Submission Chapter 5																	
Proposal Correction																	
Slide Preparation																	
Submission of FYP 2																	
Presentation 2																	

## APPENDIX C

### Questionnaire



#### Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

Technology Campus, 75450 Ayer Keroh, Melaka

#### The Factors That Influence Consumer Purchasing Intention on Parcel Insurance Coverage in Malacca

Hello and greeting to all respondents, I am Lim Bo Kai, a final year student at Universiti Teknikal Malaysia Melaka (UTeM) studying in Bachelor of Technology Management (Supply Chain Management and Logistics) with Honors (BTMS).

This is a Final Year Project (FYP) research about The Factors That Influence Consumer Purchasing Intention on Parcel Insurance Coverage in Malacca. There is 27 questions for the survey. I would like to invite you to participate in this survey. This survey will take around 8 minutes to be completed. Your participation will greatly contribute to the outcome of the study, and I sincerely appreciate your cooperation and time that has been spent on completing this questionnaire. All the responses to this questionnaire will be used for the purpose of this study and will be strictly regulated.

Thank you very much and wish you a wonderful day.

Salam sejahtera kepada semua responden, nenasaya ialah Lim Bo Kai, seorang pelajar tahun akhir di Universiti Teknikal Malaysia Melaka (UTeM) dalam pengajian Sarjana Muda Pengurusan Teknologi (Pengurusan Rantaian Bekalan dan Logistik) dengan Kepujian (BTMS).

Kajian ini adalah kajian Projek Tahun Akhir (FYP) tentang Faktor-Faktor Yang Mempengaruhi Niat Pembelian Pengguna terhadap Perlindungan Insurans Bungkusan di Melaka. Kajian ini mengandungi 27 soalan. Saya ingin menjemput anda untuk mengambil bahagian dalam tinjauan ini. Tinjauan ini akan mengambil masa sekitar 8 minit untuk disiapkan. Penyertaan anda akan sangat menyumbang kepada hasil kajian ini, saya amat menghargai kerjasama dan masa anda yang telah diluangkan untuk menyiapkan soal selidik ini. Semua jawapan kepada soal selidik ini akan digunakan untuk tujuan kajian ini dan akan dikawal selia dengan ketat.

Terima kasih.

### Section A: Demographic Information of Respondent

The questions in this section list some related information about your profiling.

Please **tick** (✓) the **appropriate answer** in the box provided.

**A. Gender:** 1. Male  2. Female

**B. Age group:** 1. 18 - 25  2. 26 - 33

3. 33 - 40  4. Above 40

### C. Education level:

1. SPM  2. Diploma

3. Degree  4. Master

5. PHD  6. Other

**D. Ethnicity:**

1. Malay  2. Chinese   
 3. Indian  4. Other

**E. Occupation Level:**

1. Government sector  2. Private sector   
 3. Self-employed  4. Student   
 5. Other

**F. Income level:**

1. RM 0  2. Less than RM3000   
 2. RM 3000- 5999  3. RM 6000-8999   
 4. RM9000 and above

**G. Did you know about parcel insurance coverage before?**

1. Yes  2. No

**H. Have you purchased in any parcel insurance coverage?**

1. Yes  2. No



**SECTION B: The Factors That Influence Consumer Purchasing Intention on Parcel Insurance Coverage**

1	2	3	4	5
<b>Strongly Degree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>

**Part 1: Attitude**

	<b>Item</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I think that buying parcel insurance is a good choice.					
2	I think buying parcel insurance is valuable.					
3	I think buying parcel insurance is a good idea.					
4	I think buying parcel insurance should be compulsory.					
5	I think buying parcel insurance is essential for everyone.					

**Part 2: Subjective Norms**

	<b>Item</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	My social groups think I should purchase parcel insurance.					
2	People who influence my decision think that I should purchase parcel insurance.					

3	People whose opinions are important to me thinks that I should purchase parcel insurance.					
4	People who are close to me think that I should purchase parcel insurance.					
5	People will feel more secure if I purchase parcel insurance.					

### Part 3: Perceived Behavioral Control

	Item	1	2	3	4	5
1	I have sufficient knowledge to purchase parcel insurance.					
2	I can buy parcel insurance without any help from anyone.					
3	I have resourceful source about parcel insurance purchasing.					
4	I can buy parcel insurance reasonably well on my own.					
5	I can handle any (money, time, information related) difficulties associated with my buying decision.					

### SECTION C: Parcel Insurance Coverage

	<b>Item</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	1. The main purpose of insurance is to reduce the financial burden of risk faced by the consumer.					
2	Insurance is the best risk management tool when the chance of loss is low and the loss severity is high.					
3	Non-disclosure or misrepresentation of information relating to the subject matter insured may cause to reject the insurance claim.					
4	Consumers are protected against insurance company bankruptcies by state funds that pay some of the claims of bankrupt insurers.					