UNIVERSITI TEKNIKAL MALAYSIA MELAKA

IMPACT OF SOCIAL MEDIA ON CONSUMERS' PURCHASING BEHAVIOUR IN MALAYSIAN RESTAURANTS

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APPROVAL

I hereby declare that I have read this thesis research and in my opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technology Management (High Tech Marketing) with Honors.

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IMPACT OF SOCIAL MEDIA ON CONSUMERS' PURCHASING BEHAVIOUR IN MALAYSIAN RESTAURANTS

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This Report is Submitted to Fulfill Part of the Bachelor of Technology Management

(High- Tech Marketing)

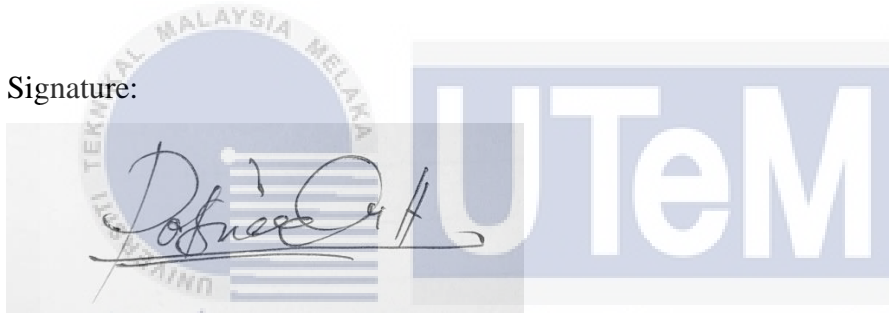**Faculty of Technology Management and Technopreneurship**

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2023

DECLARATION

I hereby declare that this undergraduate research project is the result of my own research, and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal. No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university,or other institutes of learning. Equal contribution has been made by researcher in completing the research projects.

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Date: 30th January 2023

Date: 30th JANUARY 2023

DEDICATION

Researcher would like to contribute UTeM to give him the chance to carry out the work. Next, the researcher must devote to his esteemed overseer, Dr. Sitinor Wardatulaina binti Mohd Yusof provides him with encouragement, direction, and helpful feedback, and gives him the impetus to do this research article. Ultimately, as disagreements arise in this study article, the participant must devote himself to the collaboration, inspiration, encouragement and understanding towards each other.

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Finally, researcher should finally like to express my gratitude to my classmate and family who have always been helping me out of difficulties and supporting without a word of complaint. Researcher would also like to express his thanks to them for sharing their knowledge pearls with him during this work, thus the study being able to achieve efficiently and effectively. Perhaps notably, the writer gained a large variety of information and developed expertise from this work.

ABSTRACT

The dynamic advancement of technology has shaped Malaysia's food and beverage industry over the years. Consumers today seek easily accessible information because of the industry's massive shift. As a result, various platforms, primarily social media, have influenced consumers' pre-purchase opinions. Nonetheless, only a few studies have been conducted in Malaysia, focusing on consumer purchasing behavior, specifically in the Malaysian restaurants industry. As a result, this study investigates the effects of social media on consumer purchasing behavior in Malaysian restaurants. As a result, this study has incorporated recently proposed factors such as E-WOM, social media and online community marketing, increased information accessibility, and an online ordering system to stimulate consumers' purchasing behavior in Malaysia. Version 28.0 of the Statistical Package in Social Science (SPSS) was used to conduct reliability analysis, descriptive analysis, correlation coefficient analysis and multiple regression analysis study. Some of the organizational ramifications are included in this work. Furthermore, certain study flaws have been identified. As a result, suggestions for future research have been made. Future researchers will thus discover new avenues for future research to address this problem.

Keywords: *Malaysia, Technology, Consumer Purchasing Behavior, Restaurant Sector, Social Media, Digital Marketing.*

ABSTRAK

Kemajuan teknologi yang dinamik telah membentuk industri makanan dan minuman Malaysia selama ini. Pengguna hari ini mencari maklumat yang mudah diakses hasil daripada peralihan besar-besaran industri. Akibatnya, pelbagai platform, terutamanya media sosial, telah mempengaruhi pendapat pra-pembelian pengguna. Namun begitu, hanya beberapa kajian telah dijalankan di Malaysia, memfokuskan kepada gelagat pembelian pengguna, khususnya dalam industri restoran Malaysia. Hasilnya, kajian ini menyiasat kesan media sosial terhadap gelagat pembelian pengguna di restoran Malaysia. Hasilnya, kajian ini telah memasukkan faktor-faktor yang dicadangkan baru-baru ini seperti E-WOM, media sosial dan pemasaran komuniti dalam talian, peningkatan kebolehcapaian maklumat, dan sistem pesanan dalam talian untuk merangsang gelagat pembelian pengguna di Malaysia. Versi 28.0 dari Statistical Package in Social Science (SPSS) digunakan untuk menjalankan analisis kebolehpercayaan, analisis deskriptif, analisis pekali korelasi dan kajian analisis regresi berganda.Beberapa kesan organisasi dimasukkan dalam kerja ini. Tambahan pula, kelemahan kajian tertentu telah dikenalpasti. Hasilnya, cadangan untuk kajian akan datang telah dibuat. Oleh itu, penyelidik akan datang akan menemui jalan baru untuk penyelidikan masa depan untuk menangani masalah ini.

Kata kunci: Malaysia, Teknologi, Tingkah Laku Pembelian Pengguna, Sektor Restoran,Media Sosial, Pemasaran Digital.

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LIST OF ABBREVIATIONS

UTeM	Universiti Teknikal Malaysia Melaka
IV	Independent variable
DV	Dependent variable
E-WOM	Electronic word of mouth
WOM	Word of mouth
SPSS	Statistical Package in Social Science
Std.Deviation	Standard Deviation
ANOVA	Analysis of variance

LIST OF APPENDICES
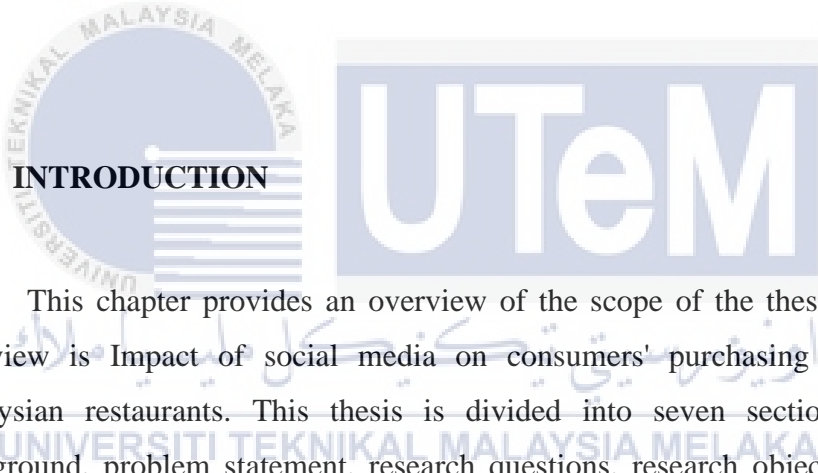
CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter provides an overview of the scope of the thesis. The topic overview is Impact of social media on consumers' purchasing behavior in Malaysian restaurants. This thesis is divided into seven sections: research background, problem statement, research questions, research objectives, scope, limitations of the research, and significance and contribution of the study. In this thesis will focus on impact of social media on consumers'purchasing behavior and the result of use social media. In this chapter, the research objective is to explore the effect of social media on consumers' purchasing behavior in the context of restaurant in Malaysia, to investigate the impact of social media towards consumers' purchasing behavior being practiced by restaurant within industries in Malaysia. And to examine the most impacted of social media towards consumers' purchasing behavior restaurant in Malaysia. Similarities in consumer behavior, but with different motives, were also discovered. Next, significant of study will be conducted to explain on the timeline and implications. Summary will be explored this chapter where it summarizes the result and the findings. Later, researcher need to identify the impact of performance after they use socialmedia.

1.2 BACKGROUND OF STUDY

The internet or social media, which allows people to collaborate and share knowledge instantly, has been the most significant technological advancement in the last 30 years. Technological advancements have resulted in significant changes in how businesses interact with their partners and customers (Siamagka et al., 2015). Social media provides organizations with collaborative tools that change the way they collaborate (Galati et al., 2019). Businesses are increasingly using social media as a communication channel, a phenomenon that is changing how businesses operate and interact with their customers and suppliers (Pekkala & Van Zoonen, 2021).

Furthermore, social media is required for effective marketing because it creates a perceived favorable image, which results in perceived customer value (Hanaysha, 2016). Mhlanga and Tichaawa (2017), on the other hand, stated that the impact of social media on customers' experiences may vary depending on their gender, age, food and beverage, service, and atmosphere. The purpose of this chapter is to provide an overview of the scope of the thesis.

Based on figure 1. With a penetration rate of 94%, YouTube has the most users, followed by Facebook at 89% and Instagram at 75%. YouTube has the highest penetration in Malaysia when compared to other social media sites, and according to Google, Malaysia's potential YouTube ad reach is 23.4 million people. Malaysians spend approximately 3 hours per day on social media (Statista, 2021).

Figure 1: Top 10 social media users in Malaysia of January 2021

(Source: Statista2021)

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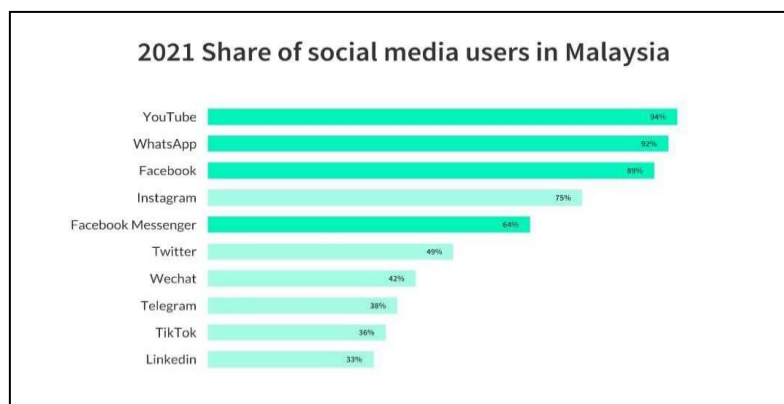Consumer purchasing behavior refers to how individuals, groups, or organizations choose, purchase, and use products, services, ideas, and experiences to meet their needs and desires. It is a dynamic and complex process. The way consumers behave, and think is rapidly and continuously changing because of globalization and technological advancement, (Fitore Jashari, 2017). People nowadays are very concerned about how others perceive them, a phenomenon known as social identity. That is why social media content inspires new consumer requirements. Every photo, video, comment, review, and other content posted on social media that consumers see serves as a stimulus (incentive) to recognize a new need. People nowadays are very concerned about how others perceive them, a phenomenon known as social identity. That is why social media content inspires new consumer requirements. Every photo, video, comment, review, and other content posted on social media that consumers see serves as a stimulus (incentive) to recognize a new need. (Jok Trinidad, 2017).

Furthermore, consumers are continually on the lookout for information via word-of-mouth marketing or social networking sites that can provide them with pre-purchase recommendations before making a purchase (Constantinides & Fountain, 2008; Mauri & Minazzi, 2013; Zhang et al., 2017). Rethinking one's marketing strategy can make or break a restaurant's brand. Although digital marketing has advantages, risks are frequently involved, particularly so when majority of food and beverage vendors attempt to turn uncertainty into an advantage for them (Mori et al., 2005).

Similarly, restaurateurs must understand why and how customers use social media in order to improve customer experiences and leverage the power of social media to their advantage (Lee, Xiong, & Hu, 2012). According to Leung, Law, Van Hoof, and Buhalis (2013), social media provides unique solutions to the "problem" of the intangibility of restaurant experiences. According to Papasolomou and Melanthiou (2012), restaurant services cannot be evaluated prior to consumption; thus, purchasing intangible restaurant services carries a relatively high risk, so customers rely heavily on the interpersonal influence of social media.

According to Kumar, J., Konar, R., Balasubramanian, K. (2020), before visiting a restaurant or placing an order online, consumers consider the

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recommendations of friends. Furthermore, restaurants that use multiple channels for marketing cause confusion due to outdated information or a complete lack of information. It will eventually lead to conflicting opinions when it comes to selecting a restaurant. It cannot be denied that consumers pay attention to the opinions of others even when they do not visit the promotional channels used by restaurants. As a result, restaurant marketing strategies should cater to customers from all walks of life. Restaurants should also highlight a product's distinguishing features and improve the online ordering experience to increase consumer purchasing intentions.

1.3   PROBLEM STATEMENT

Social media has evolved its function over time and has been demonstrated to be a distinct and critical marketing tool in determining the success of any product/service/business (Eid et al., 2019; Wamba et al., 2019). One of the main reasons social media marketing is so effective is that brands can hyper-target ideal clients based on exact demographics. Showing ads to the right individuals is a critical part of the marketing process and must be taken seriously to avoid wasted ad spend. (Jonathan Durante.2021). However, many businesses fail to account for a shortage of funds as well as their capacity to market and generate sales (Chan, 2016). Due to these issues, researcher interested to do more study and investigate about this research.

Mostly restaurants in Malaysia are more interested in using advertising media such as television than social media. Many organizations, for example, have traditionally relied on mass media advertising through television, newspapers, radio, magazines, yellow pages, outdoor spaces, the internet, fliers, billboards, and posters (Armstrong & Kotler, 2013). Organizations are increasingly favoring personal communications with customers due to the limitations of some of the above media types, such as the high cost of television advertisements, the fleeting nature of radio presentations, and the increasing clutter of the internet (Kotler & Keller, 2012). Food service companies are looking for the most effective way to promote their services in order to attract and retain customers. As a result, it is hoped that food service organizations, like large businesses, will be able to access various and effective means of promoting their offerings in order to increase customer perceived value and continued patronage.

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After being identified there are various problems that occur related to the impact ofsocial media on consumer purchasing behavior in Malaysian Restaurants, that's why the researcher is interested in doing research on this topic.

Furthermore, many businesses fail to account for a shortage of funds as well as their capacity to market and generate sales (Chan, 2016). Although social media contexts can have a favorable influence on the proclivity to use these technologies (Pentina et al., 2012). Moreover, it is defined by the unplanned behaviors of the entrepreneur involved, who are unaware of the associated benefits (Michaelidou et al., 2011; Meske & Stieglitz, 2013; Wamba & Carter, 2014).

In the Malaysian context, Zulhan et al. (2013) reported that a number of restaurants are having difficulty attracting customers. Service issues, specifically customer wait times for meals to be served, are one of the contributing factors (Zulhan, Mohd Salehuddin, Rahmat, & Shahariah, 2009). Furthermore, Fraser, Mohd Salehuddin, and Zulhan (2008) claimed that service problems in some Malaysian restaurants were caused by poor service quality and ineffective communication with customers. Despite focusing solely on profit generation, Malaysian full-service restaurants are advised to pay attention to verbal cues (communication aspect) and satisfactory compensation strategies in order to promote customer re-patronage intentions (Zulhan et al., 2013).As we can see that, to pick social media for restaurants businesses, it is vital to understand the influence of social media on sales of restaurants businesses and discover how the social media plan impacts the sales of company owner also on consumer behavior.

1.4 RESEARCH QUESTION

The research question is meant to be addressed by a study or research project. This question frequently refers to an issue or problem addressed in the study's conclusion via data analysis and interpretation. The research questions are started below:

1. How does social media effect on consumers' purchasing behavior in the context of the restaurants in Malaysia?

2. What is the impact of social media towards on consumers' purchasing behavior being practiced by restaurants within the industries in Malaysia?

3. What are the most impacted of social media towards on consumers' purchasing behavior in restaurants?

1.5 RESEARCH OBJECTIVE

The research objective is concisely described what the research is attempting to accomplish and summaries the accomplishments that a researcher hopes to achieve through the project and provide guidance for the research. There are 3 research questions are started below:

1. To explore the effect of social media on consumers' purchasing behavior in the context of restaurants in Malaysia.

2. To investigate the impact of social media towards consumer's purchasing behavior being practiced by restaurants within industries in Malaysia.

3. To examine the most impacted of social media towards consumers' purchasing behavior in restaurants in Malaysia.

1.6 SCOPE OF RESEARCH

The focus of this analysis to identify the impact of social media on consumer's purchasing behavior in restaurant in Malaysia. The study's population will include owner restaurants who are staying in Malaysia. The researcher also will collect information from all Malaysians, regardless of which state they live in, for this study. The researcher has chosen multiple social media platform that been used by owner restaurants in Malaysia. This study also aims to explore the effect of social media on consumers' purchasing behavior in the context of restaurants in Malaysia, to investigate the impact of social media towards consumers' purchasing behavior being practiced by restaurants within industries in Malaysia and to examine the most impacted of social media towards consumers' purchasing behavior in restaurants in Malaysia.