



**FACULTY OF TECHNOLOGY MANAGEMENT AND
TECHNOPRENEURSHIP**

**A STUDY OF FACTORS INFLUENCE CUSTOMER'S
PURCHASE INTENTION IN ONLINE SPECIALTY GOODS**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA
NURUL NATASYA AIN BINTI NAZRI**

**BACHELOR OF TECHNOLOGY MANAGEMENT (HIGH TECH
MARKETING) WITH HONOURS (BTMM)**

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A STUDY OF FACTORS INFLUENCE CUSTOMER'S PURCHASE INTENTION
IN ONLINE SPECIALTY GOODS



NURUL NATASYA AIN BINTI NAZRI

**Report submitted in fulfilment of the requirement for the degree of Bachelor
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UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2023

DECLARATION

I hereby declare that this thesis project of title “A Study Of Factors Influence Customer’s Purchase Intention In Online Specialty Goods”. The work on this project is my own work except for quotations and summaries which have been duly acknowledged. This research paper has not been accepted for any degree and is not concurrently submitted for award of other degree.



Signature :



Name : NURUL NATASYA AIN BINTI NAZRI
نور ناطسيا اين بنتي نازري

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

Date : 27 JANUARY 2023

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 Honours

Signature :  : 

Supervisor Name: DR. ISMA ADDI BIN JUMBRI

Date : 06 FEBRUARY 2023 

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

Signature : 

Panel Name : ASSOCIATE PROFESSOR TS. DR. CHEW BOON CHEONG

Date : 06 FEBRUARY 2023

DEDICATION

I would like to dedication my gratitude to my dear parents, who have supported me through my journey during this study, both monetarily and spiritually.

Mr. Nazri bin Kasran

Mrs. Noreha binti Munajat

Big thanks to my supervisor and panel for guiding me through my research study.

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Associate Professor Ts. Dr. Chew Boon Cheong (Panel)

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ABSTRACT

The purpose of this study is to report on research that has been carried out with the objective of determining the elements that influence customer's intentions to make a decision to purchase online specialty goods. In particular, this study is looking at the factors that influence customer's purchase intentions. A survey related to the investigation was sent using a quantitative method to a total of 155 students at Universiti Teknikal Malaysia Melaka (UTeM) who will be randomly selected. As a result of this data, it can be concluded that there is a good and positive relationship between store image, service quality, and electronic word of mouth (E-WOM). As a result, elements such as the image of the store, the quality of the service it provides, and E-WOM may have a great influence on customers' purchase intentions. The findings of this study are limited due to the short period of time and the fact that they only consider a limited number of behaviors related to the decision to purchase a particular product. Therefore, the conclusions drawn from this study are not as robust as they might be. Apart from that, only UTeM students are eligible to participate in this study as respondents. Accordingly, research will be conducted in a short period of time to resolve the research gap in customers' purchase intention decisions for online specialty goods in Malacca. Research needs have been identified.

Keywords: *influence, customer's purchase intention, online specialty goods*

ABSTRAK

Tujuan kajian ini adalah untuk melaporkan kajian yang telah dijalankan dengan objektif untuk menentukan elemen-elemen yang mempengaruhi niat pelanggan untuk membuat keputusan membeli barangan mewah dalam talian. Secara khususnya, kajian ini melihat faktor-faktor yang mempengaruhi niat membeli pelanggan. Tinjauan berkaitan siasatan telah dihantar menggunakan kaedah kuantitatif kepada seramai 155 pelajar Universiti Teknikal Malaysia Melaka (UTeM) yang akan dipilih secara rawak. Hasil daripada data ini, dapat disimpulkan bahawa terdapat hubungan yang baik dan positif antara imej kedai, kualiti perkhidmatan, dan elektronik dari mulut ke mulut (E-WOM). Hasilnya, elemen seperti imej kedai, kualiti perkhidmatan yang disediakan dan E-WOM mungkin mempunyai pengaruh yang besar terhadap niat membeli pelanggan. Dapatan kajian ini terhad kerana tempoh masa yang singkat dan hakikat mereka hanya mempertimbangkan bilangan tingkah laku yang terhad yang berkaitan dengan keputusan untuk membeli produk tertentu. Oleh itu, kesimpulan yang dibuat daripada kajian ini tidaklah seteguh yang mungkin. Selain itu, hanya pelajar UTeM sahaja yang layak menyertai kajian ini sebagai responden. Sehubungan dengan itu, penyelidikan akan dijalankan dalam tempoh yang singkat untuk menyelesaikan jurang penyelidikan dalam keputusan niat membeli pelanggan untuk barangan mewah dalam talian di Melaka. Keperluan penyelidikan telah dikenalpasti.

Kata Kunci: *mempengaruhi, niat membeli pelanggan, barangan mewah dalam talian*

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter discusses the history of the study, research problems, research questions, research objectives, scope, limitations, and importance. The researcher decided to study of factors influence customer's purchase intention in online specialty goods among Universiti Teknikal Malaysia Melaka (UTeM) students in Melaka to complete a Bachelor's Degree Dissertation (PSM Bachelor's Project) at the Faculty of Technology Management & Technopreneurship (FPTT).

1.2 BACKGROUND OF STUDY

Internet use has become pervasive in our daily lives. As a result of the internet's widespread use, people can communicate with one another across the globe. Additionally, people use the internet to make purchases online. Meanwhile, Internet shopping has become increasingly popular as a method of purchasing products and services in the Internet age.

Specialty goods are a subcategory of fast-moving consumer products, which may be roughly categorized as convenience goods, shopping goods, and specialty goods. This categorization is based mostly on the purchase intentions of customers (Kim & Lennon, 2017). This approach is predicated on the notion that both convenience and speciality items are bought according to a set schedule. When purchasing a convenience commodity, the most accessible brand is often selected, however when purchasing a specialist item, just one brand is targeted. The consumer selects the convenience store for the selection of convenience goods, and the consumer

will also visit the most convenient store for the purchase of shopping items. Likewise, shoppers choose their preferred brand from convenience shops.

Technology has impacted the way we live throughout history. Many aspects of human existence have been significantly and rapidly impacted by technology. Technology has provided incredible tools and resources, placing the most valuable knowledge at the fingertips of everyone. We have sufficient technology in our pockets to get access to global knowledge as well as real-time information on global events (DJ Wardynski, 2019).

While technological advancements are altering the modern consumer-marketer relationship, they are also presenting a plethora of fresh options for both parties. Businesses now have to work much harder to listen to, respond to, and engage with their customers in order to adequately address their concerns because of the internet and the web. Customers now have access to brands around the clock and can have an Amazon package delivered to their doorstep in as little as 48 hours with just a few clicks of a mouse (Osman, 2017).

Consumer attitudes have shifted considerably over the previous decade, and today's consumers desire a comfortable lifestyle, where they prefer to stay at home and surf the internet. Undoubtedly, doing business online has become one of the most popular activities in the modern era of the internet. Companies must first understand the many elements that impact buyers' desire to buy online to make online purchasing operations more effective.

Consumers want and expect businesses to provide them with a consistent and personalised service experience in addition to tailored messaging from the firms they patronize. The fundamental change that has occurred in the behavior of consumers is that they are progressively turning away from anything that they consider to be marketing. As people get more familiar with computers, they become more irritated by content and conversations that they do not desire or that are not relevant to them. As an alternative, people base their purchasing decisions on the suggestions of friends, influencers, experts, and other users; ratings; testimonials; website reviews; a Google search on the brand; and so on (Singh, 2017).

1.3 PROBLEM STATEMENT

The rise in the number of people using the internet all across the globe. In general, marketers may prefer to reach potential customers at their homes, workplaces, or shopping places to convey information about their products. However, in the current marketing environment, marketers reach customers, or more accurately information, as the number of internet users is increasing significantly from day to day. The internet is becoming an increasingly important factor in customers' decision-making processes, and this trend is accelerating day by day. Because of this, e-commerce is becoming more prevalent than it ever has been before. To be more precise, when it comes to making shopping choices, modern customers prefer to obtain additional information from the mobile Internet and social media (Professor K. Shankaraiah, 2022).

People's ways of life are evolving in response to advances in technological progress, which have brought about these changes. The buying patterns of consumers have been redefined as a result of changes in both family composition and lifestyle. They like making purchases online as a method nowadays. Even if it has already reached the vast majority of people, there are still some customers who prefer traditional shopping owing to a lack of security, the inability to feel and touch the items, and the delivery of the incorrect product, among other concerns. (Dr.N.Rameshkumar, 2018).

As a consequence of advancements in technology, logistics, payments, and trust, as well as expanded internet and mobile access and rising customer demand for convenience, a worldwide online shopping arena worth US\$1.9 trillion has emerged. Millions of people no longer 'go' shopping in this arena, but rather literally 'are' shopping at all times and in all locations (KPMG, 2017).

However, whether this company was able to persuade more clients to buy their products through such marketing at Covid-19 remains to be seen. As a result, it is critical to comprehend client views of various adverts on digital platforms, as well as their purchase behavior during and after the closing of the Movement Control Order (MCO).

Lastly, lack of research on specialty goods. This is because these have three categories of consumer products have typically been approached and treated in the same manner across the majority of the basic marketing literature. It would be helpful to have definitions that are more specific in order to differentiate between these three categories, since there are not many obvious differences between them (Richard H. Holton, 2022).



1.4 RESEARCH QUESTIONS

1. What are the factors affecting customer's purchase intention in online specialty goods among UTeM students?
2. Is there any significant relationship between factors influence customer's purchase intention in online specialty goods among UTeM students?
3. What the most significant factors influence customer's purchase intention in online specialty goods among UTeM students?

1.5 RESEARCH OBJECTIVES

1. To analyze the factors affecting customer's purchase intention in online specialty goods among UTeM students.
2. To investigate the relationship between factors influence customer's purchase intention in online specialty goods among UTeM students.
3. To identify the most significant factors influence customer's purchase intention in online specialty goods among UTeM students.

1.6 SCOPE AND LIMITATION

1.6.1 SCOPE OF RESEARCH

The suggestion from the study is based on the responses given by the consumers in a specific area. This study will be helpful in getting an insight into the factors influence customer's purchase intention in online specialty goods.

1.6.2 LIMITATION OF RESEARCH

This study has several limitations that need to be addressed. The survey solely looks at Melaka as a whole to see how satisfied customers are with online specialty goods. Every study is plagued with flaws and limits. Time, expense, and other resources, a truly comprehensive investigation, are constrained by time, cost, and other resources. It was challenging to explore numerous topics in depth because this study was undertaken for such a short period.

It is necessary to research online shoppers' purchasing experiences and customer satisfaction. Furthermore, a sample size of 30 respondents was picked for the goal of performing pilot research to locate respondents who purchased online specialty goods. Respondents were drawn from various online buyers who had bought stuff from the website.

1.7 SIGNIFICANT OF THE STUDY

A new generation of customers has emerged as a result of technological advancements, increased competition, and cutting-edge digital marketing trends, and they want higher levels of convenience, value, and variety. Because of this tendency, firms and marketers will have to overcome certain obstacles but also take advantage of some promising openings. This study sheds important light on how customers behave in the digital age, as well as how businesses may use digital marketing to keep their competitive edge.

Despite the fact that there have been many recent activities in the consumer behavior literature or psychology related to digital and social media marketing, and that many significant contributions to knowledge have been made, the study of specialty goods and its factors on influence customers' purchase intention in specialty goods is still in its infancy for researchers and undergraduate students. This is the case despite the fact that there have been many important contributions to knowledge. There is certainly room for more observations, particularly taking into account the rapid-fire nature of digital circumstances. Our comprehension of fundamental occurrences will be deepened as a result of this study, and innovative occurrences and concepts will be investigated in fields that need a robust theoretical basis.

Government is a crucial economic engine, and internet markets have changed the economic environment in developed nations over time. Digitally enabled businesses in developed countries are now more profitable than conventional or brick-and-mortar businesses. A critical understanding of these developments is especially important for governments because it lays the groundwork for regulations that will foster an enabling business environment, generate economic growth and prosperity through the use of digital marketing as a value driver, and protect consumer interest.

1.8 SUMMARY

This chapter summarizes the entire research project. In this context, current research explores the present level of knowledge about specialty goods, focusing on the research questions and objectives of the themes discussed in Chapter 1. The analysis was carried out according to the study's objectives, scope, and restrictions. This information will be utilized in the future chapter.



CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

A secondary assessment of the data for digital marketing, as well as associated aspects that influence the acceptability of digital marketing by consumers in decision making, will be reviewed in this chapter. Additionally, the theories that are employed will be examined. This chapter starts out with a concise introduction that covers a variety of topics, such as definitions, the history of the topic, the many sorts of it, as well as its pros and downsides. In the next part, we will talk about the elements that influence purchase choices and have contributed to the suggested study framework and the testing of hypotheses.

2.2 Specialty Goods

Products that are considered to be "specialty goods" are distinguished from other products available on the market by a number of distinguishing characteristics and brand identifiers that set them apart from the competition; these distinguishing characteristics and identifiers are ones that a sizeable number of consumers are willing to pay a premium for. Some examples of objects that are considered to be high-fashion include certain brands of upmarket consumer goods, luxury vehicles, professional photographic equipment, and high-fashion garments.

Convenience goods, shopping goods, and specialty goods are the three primary categories under which fast-moving consumer products fall. Specialty goods are a kind of fast-moving consumer goods. This categorization is accomplished mostly

on the basis of the plans that consumers have for their future purchases (Kim & Lennon, 2019). The concept that facilities and specialized objects are both acquired with a planned pattern in mind forms the foundation of the system that is based on that definition. In most cases, when people buy convenience items, they choose for the most easily available brand.

On the other hand, when people buy speciality goods, they tend to focus on a single brand in particular. Customers will go to a convenience store more often than any other kind of business to purchase shopping supplies, and customers will pick a convenience store while looking for a place to shop at. In a similar vein, customers shop at convenience shops to purchase their preferred brands (Wang, Li, Barnes, & Ahn, 2019). As a result, retail department stores have emerged as the most significant establishments for customers to shop at in order to purchase a wide variety of products under one roof.

Previous research studies have shown that a variety of elements, including ads, brand names, brand logos, celebrity endorsements, place of origin, and product packaging, may impact the purchase interest of consumers. In the name of research, brand name, brand logo, packaging, and place of origin are all chosen to investigate their influence on purchase frequency (Chung, Stoel, Xu, & Ren, 2021).

According to the findings of Hartmann (2021), a positive relationship exists between product packaging and the consumers' intentions to make a purchase, and it has also been confirmed that a positive relationship exists between product packaging and consumers' interest in making a purchase (Sirgy, 2019). As a result, taking into account the facts presented above is an effort to identify the elements that influence the purchase interest of consumers in Malaysia about certain items.

Another goal is to make it easier for decision makers to make and execute choices that might affect the buying interests of consumers (Jin Ma, Littrell, & Niehm, 2021). The results of this research assist marketing managers in developing strategies that have the potential to serve as the impetus behind their goods. The fact that customers purchase a company's wares is of critical significance to the success of the