FACTOR INFLUENCING CUSTOMER INTENTION TO USE THE SELF-CHECKOUT TECHNOLOGY AT WATSON DURING THE ENDEMIC OF COVID-19

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APPROVAL

'I hereby declared that this dissertation/report is adequate in terms of scope and quality. This dissertation/report fulfil the requirements for the award of Bachelor of Technology Management (High Technology Marketing) with Honours and will submitted to the Universiti Teknikal Malaysia Melaka.'

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DEDICATION

Firstly, i want to say thank you for my family for gives me support to do this research. Thank you for supporting me financially and mentally. I also want to say thank you to my supervisor, Dr. Nurulizwa for guiding me from the beginning until the end of this research.

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ABSTRACT

In Malaysia, the Watson firm recently released their new self-checkout technology. Customers of Watson no longer need to engage with the cashier or employees at the Watson shop, unless they have a question about the self-checkout kiosks, which they can accomplish by asking the Watson personnel. The Watson company's recent introduction of a self-checkout system has proven to be extremely beneficial, particularly during the Covid-19 outbreak. During the Covid-19 endemic, this study looked into the characteristics that influenced customer intentions to utilise self-checkout. The findings of this study will be able to demonstrate why customers at Watson use self-checkout technology. Performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, and habit are the six independent variables used in this study to assess the relationship between customer intention to use self-checkout technology at Watson during the Covid-19 endemic. Secondary data was used to complete the literature evaluation, and the proposed study framework was the product of other researchers' contributions after a thorough review of the literature. In this investigation, the UTAUT2 model was used. The basic data was acquired using the probability sampling methodology – stratified random sample method via questionnaire-based survey – on 200 respondents. The Statistical Package for the Social Sciences (SPSS) version 26 is used to analyse the collected data. The results show that the six independent variables have a strong link with the dependent variable.

Keywords – *self-checkout technology adoption, Covid-19 Endemic, UTAUT2*

ABSTRAK

Syarikat Watson baru-baru ini telah menghasilkan teknologi daftar keluar sendiri baharu mereka di Malaysia. Teknologi ini membuatkan pelanggan Watson tidak perlu berinteraksi dengan juruwang atau kakitangan di kedai Watson kecuali pengguna perlu bertanyakan sesuatu kepada kakitangan di Watson tentang kiosk daftar keluar sendiri. Mesin daftar keluar sendiri yang diperkenalkan oleh syarikat Watson baru-baru ini memberi banyak manfaat terutamanya semasa endemik Covid-19. Kajian ini bertujuan untuk menyiasat faktor-faktor yang mempengaruhi niat pelanggan untuk menggunakan daftar keluar sendiri semasa endemik Covid-19. Hasil kajian ini juga akan dapat menunjukkan sebab mengapa pengguna menggunakan teknologi daftar keluar sendiri di Watson. Dalam kajian ini, terdapat enam pembolehubah tidak bersandar iaitu jangkaan prestasi, jangkaan usaha, pengaruh sosial, keadaan memudahkan, motivasi hedonik, dan tabiat untuk mengukur hubungan terhadap niat pelanggan untuk menggunakan teknologi daftar keluar sendiri di Watson semasa endemik Covid-19. Data sekunder digunakan untuk melengkapkan kajian literatur, manakala rangka kerja kajian yang dicadangkan adalah hasil yang disumbangkan oleh penyelidik lain selepas meneliti tinjauan literatur terperinci. Model UTAUT2 telah diterima pakai dalam kajian ini. Data primer dikumpul sebanyak 200 responden dengan menggunakan teknik persampelan kebarangkalian – kaedah persampelan rawak berstrata melalui tinjauan berasaskan soal selidik. Data yang dikumpul dianalisis menggunakan Pakej Statistik daripada Sains Sosial (SPSS) versi 26. Dapatan kajian menunjukkan enam pembolehubah tidak bersandar mempunyai hubungan yang signifikan terhadap pembolehubah bersandar.

Kata kunci – penggunaan teknologi pembayaran sendiri, Endemik Covid-19, UTAUT2
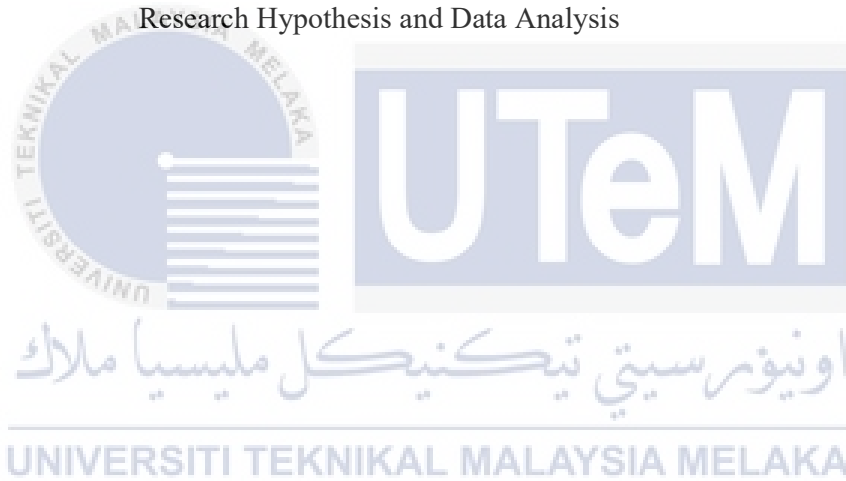
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ABBREVIATION	MEANING
UTAUT 2	Unified Theory of Acceptance and Use of Technology 2
IV	Independent Variable
DV	Dependent Variable
SPSS	Statistical Package For Social Science

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FACTOR INFLUENCING CUSTOMER INTENTION TO USE THE SELF-CHECKOUT AT WATSON DURING THE ENDEMIC OF COVID-19

CHAPTER 1: INTRODUCTION

1.1 Research Background

In 1977, the University of Illinois in Urbana-Champaign created the first self-service kiosk. It was created by Murray Lappe, a medical student there. The Plato Hotline was a device he created that helped students at that university and visitors to the campus locate movies, directories, maps, classes, bus schedules, and extracurricular events. Because they have sophisticated robotics and high-tech connectivity, kiosks today are more advanced. The kiosk today also having an advanced mechanical internals. Today, there is a lot of retail business that use this kind of technology and one of the retail business or company that have applied this technology on their business is Watson. Watson recently has produce their self-checkout out. In 2016, self-checkout kiosk was used at the Watson in China. The self-checkout kiosks was entered in Watson in China which help them to achieve their goals that is 'transcending the boundary of electronic service and realizing new shopping experience'.

Just like the other technology, the self-checkout at Watson in Malaysia also having the pros and cons. The kiosk of self-checkout that has been recently developed at Malaysia is a fast machine and help its company to reduce the staffing cost. People don't have to wait for the long line to pay for their goods especially during the peak sales time. This kind of technology also help the company of Watson to reduce their staffing cost as this kiosk do not need staff to operate. Customers can check out their goods by themselves. This technology also help people to having their own privacy. Sometimes, people are need a privacy for certain goods that they are buying like a condom or pads. It must be awkward if people see them to buy that things that will make people around judge them. With the help of this technology, it was helping them to keep their privacy. Another benefit of using this kind of technology is that it is

round-the-clock convenience where consumers are no longer limited to the traditional business hour because the self-checkout of Watson are providing a 24/7 service. However this kiosk of Watson self-checkout are also having bad side which it has a potential to have a theft and it makes people not having an interaction between human. Even though this technology has a shoplifting technology but there are still a risk for a theft. This machine of self-checkout are makes people does not have an interaction between human, it just between them and the machine. The kiosks machine of self-checkout at Watson have some procedure that a customers need to follow. The first one is to scan. In this stage, users or customers are need to scan the items that they want to buy one-by-one using the barcode reader that has been provided in that kiosk. Users then bag their goods after they scan it and lastly, they make a payment for the goods. In this phase, the shopper are guided with the images on the touch screen and also the voice prompt through the process.

A lot of people doing shopping at the store of Watson. A lot of them are facing a challenges to do their shopping on that store for some reason. Some people who need to buy something that is very privacy are facing the challenges to pay it at the traditional counter. Not all the things that we buy from the Watson we want people to see it. For an example, if someone want to buy pad or condom, it is hard for them to pay it at the counter as there is so many people there in the line. A family planning is a part of a married life. But some people will always judge somebody else for what they are buying from a store. As a woman, a pads is a part of their life. A woman and a pads cannot be separate (Hannah Chia, 2019). It is very important for their menstruation phase. Sometimes some women ask their husband or boyfriend to buy pads for them. Some of the boys are hard to do that because of the people around stares at them and judge. Not only that, some people who need a product for their hair loss or other also need a privacy. Sometimes they want to solve something problem on their self. They do not want people around to know it. There is a lot of things or goods that someone do not want people to see it. Another example of goods or things that some women do not want people to see it is like the care product for their intimate area.

A lot of people are facing this challenges while they are doing a shopping at the store of Watson. The development of the machine of self-checkout at Watson recently was helping a lot of consumer. By using the machine kiosk of self-checkout

at Watson, people no need to make an interaction with other human or people around. This avoid them to turn their face red for holding or buying products from Watson store that should be privacy. They just need to scan their things at the kiosk machine of self-checkout and pay it and after that they can go back to their home without the concern of people judgement about what they are buying from the Watson store. Other than that, some people are need to save their time because they are still need to do a lot of work other than shopping at the Watson. Some people are need to be hurry to pay for their things that they want to buy from the Watson because they have a lot of work to do at their Workplace. The Watson store is not always having a less customer. There will be a time where there are so many people in it especially during the peak of promotion. A people with a busy life like they need to hurry up to do their work at office or home facing a challenges when there is a lot of people in that store. They need to wait for the long line and it consume too much time. The development of the self-checkout at the Watson in Malaysia was helping a lot of people who having a busy life.

The researcher has a few objectives or things in mind. The researcher wants to discover exactly what criteria persuade customers to use the self-checkout system at Watson because the title of this study is the factors influencing customer intentions to use it. There may be so many reason that influencing people to use the machine that the researcher did not know. There was a research done by the student from the University of The Hong Kong Polytechnic University. He was doing a research about the factors that influencing people to use the checkout-free stores. There is also the external factors of why people are using the checkout-free at the store which is perceived enjoyment, anxiety, and traditional consumption habit. These influencing elements can be related to the study that the researcher is now working on. The purpose of this study is to determine precisely what motivates shoppers at Malaysia's Watson to utilise the self-checkout kiosk. Knowing the goal is crucial because more and more individuals today are using self-checkout kiosks on a daily basis.

This research paper are focusing on the factor that influencing customer intentions to use the self-checkout kiosk at the Watson. There must be a lot of reason of why people are tend to use the self-service machine at the Watson. People are having their own reason for doing something, so in this research, the researcher are want to know the exact reason of why people nowadays are want to use the self-

checkout at the Watson store. There is a counter where customer can pay their things there but some of them are still want to use the self-checkout kiosk at the Watson. So this research is about knowing the real reason of why people want to use that kiosk because they must have their own reason.

Figure 1.1 Watson Self-checkout

1.2 Problem Statement

Coronavirus illness 2019 (COVID-19), which was brought on by the SARS-CoV-2 virus, occurred in 2019. In December 2019, Wuhan is where it was found. The illness was highly contagious and spread fast around the globe. The first instances of Covid-19 were discovered in Malaysia on January 25, 2020. In Singapore, the afflicted person had previously had close contact with three Chinese nationals. On January 24, 2020, the three people left for Malaysia through Singapore. Following that, the number of Malaysians who had contracted the sickness increased. So that, on 18 March 2020 the first MCO 1.0 was announced by the government in order to avoid the disease to be spread to a more people in Malaysia. The MCO was start at 18 March until 3 Mei 2020. But it is all not end like that. As the government see that the total cases of the Covid-19 are increase, they has announced the MCO 2.0 and 3.0. The MCO was done for a long time and gives a lot of impact to the Malaysian people.

During the post-pandemic of Covid-19, there are a lot of people who using the machine of self-checkout kiosks. There are a lot of reason of why people are using the self-checkout machine but the real intention or reason of why people are using that machine kiosks is still not be answered. There is no yet a study about the intention of why people are using the self-checkout kiosks at Watson. So that, this study is about know the real intention of using the self-checkout kiosks at Watson.

Malaysia has launched the self-checkout at Watson which gives a lot of benefits. With this kiosks, the percent of the infection of the Covid-19 may decrease. This is because people are no need to interact with the cashier or other people as the kiosks of self-checkout can be done by their own. Other than that, customer are no need to stand near with the other customer while waiting for the line to pay.

1.3 Research Question

This research aims to explore the following question:-

RQ1: What is the factor that influencing customer intentions to use the self-checkout kiosk?

RQ2: What is the relationship between the performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, and habit with the factors influencing customer intention to use self-checkout?

RQ3: What is the most significant factors that influencing customer intention to use the self-checkout kiosks?

1.4 Research Objectives

This research objectives are made according to the research question:-

i) To identify the factors that influencing customer intention to use the self-checkout kiosks.

ii) To identify the relationship between the performance expectancy, effort expectancy, social influence, facilitating condition, hedonic motivation, and habit with the factors influencing customer intention to use self-checkout kiosks.

iii) To measure the most significant factors that influencing customer intention to use the self-checkout kiosks.

1.5 Scope of Study

This study examines the factors that affect Watson customers' propensity to use self-checkout technology. All respondents who have ever made a purchase at a Watson store in Malaysia will be the study's target respondents. The questionnaire for this study will be disseminated randomly to the target respondents via an internet survey, such as Google Form, in order to satisfy the study's objectives because it will be carried out using a quantitative method. Watson's self-checkout during the Covid-19 endemic: Factors Affecting Customer Intent to Use It is a study that draws on secondary materials including journals, books, and articles. For this study, all of these sources will be used as references. Finally, the findings of this study will reveal the most important element impacting customer intention to use self-checkout during the Covid-19 endemic.

1.6 Limitation of Study

The researcher never used the self-checkout machine kiosks at Watson, which is a disadvantage of this study. This is due to the fact that the Watson self-checkout machine can only be found in a specific location in Malaysia. Aside from that, the researcher may encounter challenges in obtaining 200 respondents for this study.

1.7 Significance of Study

Through this study, the researchers are learning more about the variables that affect consumers' intentions to adopt self-checkout kiosk technology during the Covid-19 crisis. The purpose of this study is to identify the most important variables affecting the utilisation of self-checkout technology at Watson during the Covid-19 outbreak. The results of this study will enable consumers to use the self-checkout technology, which is a new innovation.

1.8 Summary

Self-checkout technology is summarised in the first chapter. The background information for the study is focused on self-checkout technologies in this chapter. The issue statement, research questions and objectives, scope, restrictions, and significance of the study are all covered in this chapter. The next chapter will discuss the literature review.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

A literature review discusses published information on a certain subject and, on occasion, information from a specific time period in that subject. A literature review's objective is to give readers background information on the subject of the study. At the beginning of this chapter, a summary of Watson Malaysia and the Covid-19 patterns that occurred there will be provided. The researcher will also discuss self-checkout technology in this chapter, including its description, benefits, and drawbacks. The Unified Theory of Acceptance and Use of Technology 2, which will contribute to a conceptual framework related to the study and the discussion of the prior study, will be used to determine the factors impacting customer intentions to use the self-checkout at Watson during the Covid-19 pandemic (UTAUT 2).

2.1 Introduction of Self Service Technology (SST)

Self Service Technology (SST) can be defined as the technology that enabled consumer or customer to enjoy a service without having a direct interaction with an employee or any service provider. According to Andreas (2021), Self Service Technology is the same of what they are sounds like which is the technology that allow a customer to complete or manage their transaction or gathering information activity without the involvement or assistance from the employee.

Self Service Technology can be divided into four types which is telephone or interactive devices, online or internet, interactive kiosks, and PIS innovative system. In telephone or interactive devices, there is a phone banking, flight information, order status which is for the customer service. There is also a phone banking and prescription refills which is for the transaction activity and information phones for the self-help purpose. For the online or internet, there is a packaging tracking and account information which is for the customer service and the online purchases and paying

bills for the transactions activity. There is also an information searches and distance learning for the self-help activity. In the interactive Kiosks, there is an

ATMs and hotel checkout for the customer service and pay at the pump and car rental for the transaction activity. Other than that, there is also a blood pressure, feedback, and tourist information for the self-help. For the PIS innovative system, there is a loyalty schemes which is for the customer service and the PDA self-scanner that is for the transactions activity. Not only that, there is also information kiosk which has the purpose of self-help.

According to Andreas (2021), an omnichannel capabilities is one of the thing that makes a good self-service tool. Omnichannel can be defined as the sales approach that is used to streamline a customer's ecommerce shopping experience whether it is on the mobile devices, computer, or even in the actual store. The State of Commerce Experience (2021) has stated that almost 44 percent of the B2C buyers and 58 percent of the B2B buyers has said that they are often and always doing an online research about the product they want to buy whether before or after going to the store.

2.2 Watson in Malaysia

In 1841, Watson was established in Hong Kong. Watson is the largest in health and beauty retailer in Asia and Europe. Watson's company are having more than 15,200 stores in 25 markets. Every year, Watson are having more than three billion customer and member shop with a twelve retail brands both in stores and also online. In Hongkong, the Watson group are operate more than 600 stores under their four retail brands which is Watsons, PARKnSHOP, FORTRESS, and Watson's Wine. Not only that, Watson has also manufacture and distribute their high quality drinking water that is brand Watsons Water and also the juice drinks, Mr.Juicy and Sunkist.

In Malaysia, Watson Malaysia now operates over 500 Watson stores throughout the country. Every month, Watson Malaysia serves over 400 million customers. Watson Malaysia has maintained its high standards in the areas of health, wellness, and beauty, as well as providing tailored health advice and counselling. Watson Malaysia also offers beauty and personal care products in addition to their