The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.
THE INFLUENCE OF SOCIAL MEDIA ON ONLINE CONSUMER PURCHASE INTENTION

NG SHIRLY

MASTER OF SCIENCE (MANAGEMENT)
UNIVERSITI UTARA MALAYSIA
JUNE 2017
THE INFLUENCE OF SOCIAL MEDIA ON ONLINE CONSUMER PURCHASE INTENTION

By

NG SHIRLY

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia
in Partial Fulfillment of the Requirement for the Master of Science (Management)
PERAKUAN KERJA KERTAS PENYELIDIKAN
(Certification of Research Paper)

Saya, mengaku bertandatangan, memperakukan bahawa
(I, the undersigned, certified that)
NG SHIRLY (818863)

Calon untuk Ijazah Sarjana
(Candidate for the degree of)
MASTER OF SCIENCE (MANAGEMENT)

telah mengemukakan kertas penyelidikan yang bertajuk
(has presented his/her research paper of the following title)

THE INFLUENCE OF SOCIAL MEDIA ON ONLINE CONSUMER PURCHASE INTENTION

Seperti yang tercatat di muka surat tajuk dan kulit kertas penyelidikan
(as it appears on the title page and front cover of the research paper)

Bahawa kertas penyelidikan tersebut boleh diterima daripada segi bentuk serta kandungan dan meliputi bidang ilmu
dengan memuaskan.
(that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered
by the research paper).

Nama Penyelia Pertama
(Name of 1st Supervisor):

DR. NORZIEIRIANI BT. AHMAD

Tanda tangan
(Signature):

Tarak
(Date):

15 JUN 2017
PERMISSION TO USE

In presenting this dissertation in partial fulfillment of the requirements for the degree of Master from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this dissertation in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my dissertation. It is understood that any copying or publication or use of this dissertation part of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my dissertation.

Request for permission to copy or to make other use of materials in this dissertation in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business Management
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
ABSTRACT

Social media have generated a huge buzz in today’s world. Internationally, Internet users now spend more than four and a half hours per week on social networking sites, the more time they spend on email. They cause a paradigm shift in how people interact and connect with each other and how they express and share ideas, and even on how they engage with products, brands and organizations. It is only popular among younger generations not so done middle and the older generation who get touched by the wave of social media. Initially, social media were used for the purpose of socializing where user able to connect with their friends and relatives. Later on, it developed widely as the tool of professional marketing to increase brand awareness among consumers which relatively cost effective. The world of digital communication creates many ways to promote the brand awareness and with the help of social media, it becomes the fastest way to reach consumer’s knowledge since consumer are almost always online and participating varieties of online activities. In additional, social media has become a dominant online platform of consumer knowledge of their online shopping activities. The purpose of this study to examine the influences of social media network on consumers’ purchasing decision through available social commerce in Malaysia.
ABSTRAK

Media sosial telah menjana buzz besar dalam dunia hari ini. Di peringkat antarabangsa, pengguna Internet kini membelanjakan lebih daripada empat setengah jam seminggu di laman rangkaian sosial, lebih banyak masa yang mereka belanjakan untuk e-mel. Ia menyebabkan satu anjakan paradigma dalam cara pengguna berinteraksi dan berhubung dengan satu sama lain dan bagaimana mereka meluahkan dan berkongsi idea-idea, dan juga bagaimana mereka melibatkan diri dengan produk, jenama dan organisasi. Ia hanya popular di kalangan generasi muda tidak berbuat demikian pertengahan dan generasi tua yang tersambar oleh gelombang media sosial. Pada mulanya, media sosial digunakan untuk tujuan bersosial di mana pengguna dapat berhubung dengan rakan-rakan dan saudara-mara mereka. Kemudian, ia berkembang secara meluas sebagai alat pemasaran profesional untuk meningkatkan kesedaran jenama di kalangan pengguna yang agak kos efektif. Dunia komunikasi digital mencipta banyak cara untuk meningkatkan kesedaran jenama dan dengan bantuan media sosial, ia menjadi cara yang paling cepat untuk mencapai pengetahuan pengguna sejak pengguna hampir selalu dalam talian dan jenis yang menyertai aktiviti dalam talian. Dalam tambahan, media sosial telah menjadi platform dalam talian dominan pengetahuan pengguna aktiviti membeli-belah dalam talian mereka. Tujuan kajian ini untuk meneliti pengaruh rangkaian media sosial pada keputusan pembelian pengguna melalui perdagangan sosial yang terdapat di Malaysia.
ACKNOWLEDGEMENT

Firstly, I would like to express my special thanks and deepest appreciation to my supervisor, Dr. Norzieirani Ahmad for her valuable contribution to the completion of this task. Her patience and thorough study of the draft and positive suggestion she gave, helped me to complete this study on time. I am greatly indebted to her for the great support and guidance.

Secondly, I would like to thank the respondents who participated in this study. Without their support, this study would not have been possible to complete.

Finally, I would like to extend my gratitude to my family for their unconditional support and motivation along the journey of completing this study. And I am thankful to my friends and colleagues who have directly and indirectly involved in this study, appreciate those encouragements and moral support.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>PERMISSION TO USE</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>II</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td>III</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>IV</td>
</tr>
<tr>
<td>TABLE OF CONTENT</td>
<td>V</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>VIII</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>IX</td>
</tr>
</tbody>
</table>

## CHAPTER 1

**INTRODUCTION**

1.0 INTRODUCTION 1

1.1 BACKGROUND OF STUDY 1

1.2 PROBLEM STATEMENT 4

1.3 RESEARCH OBJECTIVE 8

1.4 RESEARCH QUESTIONS 9

1.5 SIGNIFICANCE OF STUDY 10

1.6 CONSTRUCTION OF THE STUDY 11

## CHAPTER 2

**LITERATURE REVIEW**

2.0 INTRODUCTION 12

2.1 DEFINITION OF SOCIAL MEDIA 12

2.2 THE CLASSIFICATION OF SOCIAL MEDIA 14

2.2.1 Social Networking Sites (SNSs) 14

2.2.2 Blogs 15

2.2.3 Wikis 15

2.2.4 Podcasts 16

2.2.5 Microblogs 16

2.3 THE CHARACTERISTIC OF SOCIAL MEDIA 17

2.3.1 Online Community 17

2.3.2 Connectedness 18
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.3 Openness</td>
<td>18</td>
</tr>
<tr>
<td>2.3.4 Accessibility</td>
<td>19</td>
</tr>
<tr>
<td>2.3.5 Participation</td>
<td>19</td>
</tr>
<tr>
<td>2.4 CONSUMER ONLINE PURCHASE INTENTION</td>
<td>20</td>
</tr>
<tr>
<td>2.4.1 Online Consumer Purchase Intention</td>
<td>21</td>
</tr>
<tr>
<td>2.4.2 Current Study on Online Purchase Intention</td>
<td>23</td>
</tr>
<tr>
<td>2.5 THEORETICAL FRAMEWORK</td>
<td>25</td>
</tr>
<tr>
<td>2.6 HYPOTHESES DEVELOPMENT</td>
<td>26</td>
</tr>
<tr>
<td>2.7 CHAPTER SUMMARY</td>
<td>28</td>
</tr>
<tr>
<td>CHAPTER 3 METHODOLOGY</td>
<td>30</td>
</tr>
<tr>
<td>3.0 INTRODUCTION</td>
<td>30</td>
</tr>
<tr>
<td>3.1 RESEARCH DESIGN</td>
<td>30</td>
</tr>
<tr>
<td>3.2 UNIT OF ANALYSIS</td>
<td>31</td>
</tr>
<tr>
<td>3.3 POPULATION AND SAMPLE SIZE</td>
<td>31</td>
</tr>
<tr>
<td>3.4 SAMPLING TECHNIQUE</td>
<td>32</td>
</tr>
<tr>
<td>3.5 RESEARCH INSTRUMENTS/ MEASUREMENT</td>
<td>33</td>
</tr>
<tr>
<td>3.6 DATA COLLECTION PROCEDURES</td>
<td>37</td>
</tr>
<tr>
<td>3.7 DATA ANALYSIS TECHNIQUE</td>
<td>37</td>
</tr>
<tr>
<td>3.7.1 Descriptive Analysis</td>
<td>38</td>
</tr>
<tr>
<td>3.7.2 Reliability Analysis</td>
<td>38</td>
</tr>
<tr>
<td>3.7.3 Pearson Correlation Coefficient</td>
<td>39</td>
</tr>
<tr>
<td>3.7.4 Regression Analysis</td>
<td>39</td>
</tr>
<tr>
<td>3.8 CHAPTER SUMMARY</td>
<td>40</td>
</tr>
<tr>
<td>CHAPTER 4 DATA ANALYSIS AND FINDINGS</td>
<td>41</td>
</tr>
<tr>
<td>4.0 INTRODUCTION</td>
<td>41</td>
</tr>
<tr>
<td>4.1 RESPONSE RATE</td>
<td>41</td>
</tr>
<tr>
<td>4.2 DEMOGRAPHIC PROFILE OF RESPONDENTS</td>
<td>42</td>
</tr>
<tr>
<td>4.3 DESCRIPTIVE ANALYSIS</td>
<td>44</td>
</tr>
<tr>
<td>4.4 RELIABILITY ANALYSIS (Cronbach’s Alpha)</td>
<td>45</td>
</tr>
<tr>
<td>4.5 CORRELATION ANALYSIS</td>
<td>47</td>
</tr>
</tbody>
</table>
4.6 MULTIPLE REGRESSION ANALYSIS 48
4.7 HYPOTHESES SUMMARY 52
4.8 CHAPTER SUMMARY 52

CHAPTER 5 53
DISCUSSION AND CONCLUSION 53
5.0 INTRODUCTION 53
5.1 DISCUSSION OF THE FINDINGS 53
5.2 LIMITATION OF THE RESEARCH 55
5.3 RECOMMENDATION FOR FUTURE RESEARCH 56
5.4 CONCLUSION 57

REFERENCES 58
APPENDIX: Questionnaire 64


**LIST OF TABLES**

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 3.1</td>
<td>Determining sample size for a given population.</td>
<td>32</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Independent Variable and Dependent Variable Measurement</td>
<td>34</td>
</tr>
<tr>
<td>Table 3.3</td>
<td>Interpretation of Strength of Correlation Coefficient</td>
<td>39</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Response rate</td>
<td>42</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Demographic profile of respondents</td>
<td>43</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Mean scores and standard deviation for the study variables</td>
<td>45</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Reliability statistic for each variables with different outputs.</td>
<td>46</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>Correlation among Independent Variables and Dependent Variables.</td>
<td>48</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Summary of Multiple Regression Analysis</td>
<td>49</td>
</tr>
<tr>
<td>Table 4.7</td>
<td>Coefficient</td>
<td>50</td>
</tr>
<tr>
<td>Table 4.8</td>
<td>Hypotheses summary</td>
<td>52</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 1.1: Digital Advertising Spending in Malaysia 2014 – 2020 2
Figure 1.2: Malaysia: Post purchase online activities (2015) 5
Figure 2.1: Research Framework 25
CHAPTER 1
INTRODUCTION

1.0 INTRODUCTION

This chapter aims to highlight some important issue about this study. Firstly, it provides an overview of the research background, problem statement, research objective, research questions, and significance of the study and the organization of this study.

1.1 BACKGROUND OF STUDY

The second generation of Internet-based application (Web 2.0) is “a term widely used to refer to Internet services that foster collaboration and information sharing”. (Gallaugher, 2009) Social media, another axiom word that came along with, is an evolution based on the Web 2.0 where it not only encourages user generated contents, but also extends the focus to the user b that The most identical changes is that social media: (a) eliminate spatial and time constraints that were inherent in traditional methods of communications; (b) online tools that allow for multiple sharing of multimedia content ; and (c) employ ease to use interfaces to enable for sharing and connection purpose. (Fotis, 2015). Social media sites are a great platform to spread information to the public and gaining feedback while keeping up to date interaction which each ends. It is the ideal medium for marketing products and services. Social media provides greater values to the business firms such as magnify brand awareness (de Vries, Gensler & Leeflang, 2012), aiding word –of – mouth communication (Chen et al, 2011), sales boom up (Agnihotri et al, 2012), dissemination of information in business context (Lu, Hsiao 2010) and creating social support for consumers (Ali, 2011: Ballantine & Stephenson, 2011).
The contents of the thesis is for internal user only
REFERENCES


BERNAMA, (2016) Online, mobile shopping the new trend for Malaysians.


Gallaugher, J. M. (2009). Peer Production, Social Media, and Web 2.0. URL:


Kerjcie & Morgan, 1970. Sample size Determination using Krejcie and Morgan Table.  


Lee, R Malaysian are leading the world in social media and mobile (2016).

http://www.soyacincau.com/2016/05/05/malaysians-are-leading-the-world-in-social-media-and-mobile/


Lum, Ka Kay, Malaysia’s e-commerce ‘penetration’ to double in 2016: iPay88.

https://www.digitalnewsasia.com/malaysias-ecommerce-penetration-double-2016-ipay88

M.S. Faqih, K. (2013). Exploring the influence of perceived risk and internet self-efficacy


APPENDIX: Questionnaire

Dear respondent,

I am a student of School of Business Management, UUM carrying out a research in partial fulfilment for the award of MSc Management on the topic “The influence of social media on online consumer purchase intention in Malaysia”.

It will be highly appreciated if you could spare out some time to fill this questionnaire. Please note that there are no right or wrong answers; only your personal opinion and thought matters. All information and responses provided will be treated with utmost confidentiality and used strictly for academic research purposes.

Thank you for your kind response

Ng Shirly (818863)
MSc Management Candidate
School of Business Management, UUM College of Business
Email: ngshirly_1009@yahoo.com
### Part 1. Demographic information

**Gender**
- Male
- Female

**Marital Status**
- Single
- Married
- Divorced

**Age**
- 20-29
- 30-39
- 40-49
- 50 and above

**Ethnic Group**
- Malay
- Chinese
- Indian
- Others

**Education**
- Below Diploma
- Diploma
- Bachelor Degree
- Master Degree
- Post Doctorate
- Other

**Employment**
- Employed
- Unemployed
- Student
- Other

**Monthly Income**
- Below 1000
- MYR1001 - MYR3000
- MYR3001 - MYR5000
- Above MYR5001
### Part 2. Measurement of variables

Please rate the following statements on a scale 1-5 with 1 being Strongly Disagree and 5 being Strong Agree.

<table>
<thead>
<tr>
<th>Likert Scale</th>
<th>1 - Strongly disagree</th>
<th>2 - Disagree</th>
<th>3 - Neutral</th>
<th>4 - Agree</th>
<th>5 - Strongly agree</th>
</tr>
</thead>
</table>

#### Online Community

1. I feel I can share common interests and ideas with others
   
   | 1 | 2 | 3 | 4 | 5 |

2. I feel I can find and interact with people like me
   
   | 1 | 2 | 3 | 4 | 5 |

3. I often share emotions and communicate my feelings with friends on social media platforms.
   
   | 1 | 2 | 3 | 4 | 5 |

4. I like to be part of the community or interest groups on social media platforms.
   
   | 1 | 2 | 3 | 4 | 5 |

#### Connectedness

5. I often use the same social media identity to log on different social media platforms.
   
   | 1 | 2 | 3 | 4 | 5 |

6. I often share contents from other social media platforms and post it in one social media platform through links.
   
   | 1 | 2 | 3 | 4 | 5 |

7. I can edit and communicate information on the social media platform in the form of text, sound, picture, video etc.
   
   | 1 | 2 | 3 | 4 | 5 |

8. I feel social media affords a two way or multiple communication channels.
   
   | 1 | 2 | 3 | 4 | 5 |

#### Openness

9. I can use the social media platform for free.
   
   | 1 | 2 | 3 | 4 | 5 |

10. I can join the social media platform freely.
    
    | 1 | 2 | 3 | 4 | 5 |

11. I can get information and publish posts on social media platform freely
    
    | 1 | 2 | 3 | 4 | 5 |

12. I can freely exchange ideas with other users on social media platform
    
    | 1 | 2 | 3 | 4 | 5 |

#### Accessibility

13. I do not need to know special and advanced skills to use social media platforms.
    
    | 1 | 2 | 3 | 4 | 5 |

14. I feel easy to join the groups and communities that I am interested in.
    
    | 1 | 2 | 3 | 4 | 5 |

15. I feel social media can easily accessible and require minimal or no cost to use
    
    | 1 | 2 | 3 | 4 | 5 |

16. I feel social media content remains accessible for a long time, because of the nature of medium
    
    | 1 | 2 | 3 | 4 | 5 |
### Participation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.</td>
<td>I often search product and service information through social media platforms</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>22.</td>
<td>I often make comments or share experience with my friends about the products and services I have used before through social media platforms</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>23.</td>
<td>I often start a discussion topic about products and services on social media platforms</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>24.</td>
<td>I often participate in the discussion about products and services proposed by my friends on social media platforms.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### Purchase Intention

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.</td>
<td>Using social media platforms help me make decisions better before purchasing goods and services</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>26.</td>
<td>Using social media platforms increases my interest in buying products and services.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>27.</td>
<td>If I find out that the utility of the products or services is larger than personal devotions in terms of money, time and energy, I will consider buying this products or services.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>28.</td>
<td>I am very likely to buy products or services recommended by my friends on social media platforms.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>