

Malaysia Consumer Purchase Intention in Social Commerce: Unravelling the Moderating Impact of Hedonic Motivation

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DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Malaysia Sarawak. Except where due acknowledgements have been made, the work is that of the author alone. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature

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ABSTRACT

Social Commerce industry involves the use of social media platforms such as Facebook,

Tiktok, Instagram, etc. to market and sell products and services. To this, the purpose of this

research is to determine the relationship between Theory of Planned Behaviour (TPB) and

Technology Acceptance Model (TAM) elements towards consumer purchase intention

with the moderating role of hedonic motivation. This hedonic motivation moderates the

relationship between the elements of TPB and TAM and consumer purchase intention. The

elements that have been included in TPB theory are such as attitude, subjective norm, and

perceived behavioural control while elements that have been included in the TAM model

are such as perceived ease of use and perceived usefulness. Adopting quantitative methods,

data collection was conducted on a sample of 500 respondents that been distributed

through survey of online to consumer or people that reached the survey that been shared.

For the statistical analysis of this study, software such as SPSS 26.0 and Smart PLS 3.0

were utilized. The findings revealed that five out of ten of the proposed hypotheses were

found to be supported for both direct and indirect relationship. The discoveries of the

current study contributed to the scholars and practitioners by equipping valuable

information supported evidence on the impact of hedonic motivation as moderating in

social commerce towards consumer purchase intention.

Keywords:

Social Commerce, TPB, TAM, Consumer Purchase Intention, Hedonic

Motivation

iii

Niat Pembelian Pengguna Malaysia dalam Perdagangan Sosial: Mendedahkan Kesan Penyederhanaan Motivasi Hedonik

ABSTRAK

Industri Perdagangan Sosial melibatkan penggunaan platform media sosial seperti Facebook, TikTok, Instagram, dan sebagainya untuk memasarkan dan menjual produk dan perkhidmatan. Tujuan penyelidikan ini adalah untuk menentukan hubungan antara Teori Tingkahlaku Terancang (TPB) dan Model Penerimaan Teknologi (TAM) terhadap niat pembelian pengguna dengan peranan pengantaraan motivasi hedonik. Motivasi hedonik ini menyederhanakan hubungan antara elemen TPB dan TAM dan niat membeli pengguna. Elemen yang dimasukkan dalam teori TPB adalah sikap, norma subjektif, dan kawalan tingkah laku yang dirasai, manakala elemen yang dimasukkan dalam model TAM adalah kelaziman penggunaan yang dirasai dan kegunaan yang dirasai. Dengan menggunakan kaedah kuantitatif, pengumpulan data dilakukan pada sampel 500 responden yang diedarkan melalui tinjauan dalam talian kepada pengguna atau individu yang mengakses tinjauan yang dikongsi. Untuk analisis statistik dalam kajian ini, perisian seperti SPSS 26.0 dan Smart PLS 3.0 digunakan. Hasil kajian mendapati bahawa lima daripada sepuluh hipotesis yang dicadangkan disokong untuk hubungan langsung dan tidak langsung. Penemuan kajian ini menyumbang kepada para ilmuwan dan praktisyen dengan memberikan maklumat berharga yang disokong oleh bukti mengenai peranan motivasi hedonik sebagai penyederhana dalam perdagangan sosial terhadap niat pembelian pengguna,

Kata kunci: Perdagangan Sosial, TPB, TAM, Niat Membeli Pengguna, Motivasi Hedonik.

TABLE OF CONTENTS

		Page
DECL	LARATION	i
ACKNOWLEDGEMENT		ii
ABSTRACT		iii
ABST	TRAK	iv
TABL	LE OF CONTENT	v
LIST	OF TABLES	xii
LIST	OF FIGURES	xiv
LIST	OF ABBREVIATIONS	xv
СНАР	PTER 1: INTRODUCTION	1
1.1	Chapter Introduction	1
1.2	Background of the Study	1
1.3	Malaysia Scenario	6
1.4	Problem Statement	10
1.5	Research Objective	15
1.5.1	General Objective	15
1.5.2	Specific Objectives	15
1.6	Research Questions	17
1.7	Significant of the Research	18

1.8	Scope of the Research	20
1.9	Definition of the Key Terms	21
1.10	Organization of the Statements	22
1.11	Chapter Summary	23
СНАР	TER 2: LITERATURE REVIEW	24
2.1	Chapter Introduction	24
2.2	Review of Literature	25
2.2.1	Purchase Intention	25
2.2.2	Perceived Ease of Use	28
2.2.3	Perceived Usefulness	29
2.2.4	Attitude	32
2.2.5	Subjective Norm	34
2.2.6	Perceived Behavioral Control	37
2.2.7	Hedonic Motivation	39
2.3	Review of Relevant Theoretical Model	42
2.3.1	Technology Acceptance Model (TAM)	42
2.3.2	Theory of Planned Behavior (TPB)	44
2.4	Proposed Theoretical Framework	45
2.5	Hypothesis Development	47
2.5.1	The Moderating Roles of Hedonic Motivation in Social Commerce affect	

	Perceived Ease of Use and Purchase Intention	47
2.5.2	The Moderating Roles of Hedonic Motivation in Social Commerce affect	
	Perceived Usefulness and Purchase Intention	48
2.5.3	The Moderating Roles of Hedonic Motivation in Social Commerce affect	
	Attitude and Purchase Intention	50
2.5.4	The Moderating Roles of Hedonic Motivation in Social Commerce affect	
	Subjective Norm and Purchase Intention	51
2.5.5	The Moderating Roles of Hedonic Motivation in Social Commerce affect	
	Perceived Behavioral Control and Purchase Intention	53
2.6	Chapter Summary	57
CHAPTER 3: METHODOLOGY		58
3.1	Chapter Introduction	58
3.2	Research Design	58
3.3	Data Collection Method	60
3.3.1	Primary Data	60
3.3.2	Secondary Data	60
3.4	Sampling Design	60
3.4.1	Population Sampling	60
3.4.2	Sampling Size	61
3.4.3	Sampling	63
3 5	Research Instrument	63

3.6	Questionnaire Design	65
3.6.1	Perceived Ease of Use (PEOU) – Section C	66
3.6.2	Perceived Usefulness (PU) – Section D	67
3.6.3	Attitude (A) – Section E	67
3.6.4	Subjective Norm (SN) – Section F	68
3.6.5	Perceived Behavioral Control (PBC) – Section G	69
3.6.6	Hedonic Motivation (HM) – Section H	69
3.6.7	Consumer Purchase Intention (CPI) – Section I	70
3.7	Pilot Study	71
3.8	Statistical Analysis	72
3.8.1	Data Screening	72
3.8.2	Partial Least Squares (PLS)	74
3.9	Assessment of Measurement Model	75
3.9.1	Indicator Reliability	76
3.9.2	Internal Consistency Reliability	76
3.9.3	Convergent Validity	77
3.9.4	Discriminant Validity	78
3.10	Assessment of Structural Model	79
3.10.1	Coefficient of Determination (R^2)	79
3.10.2	Effect Size (f^2)	80

3.10.3	Predictive Relevance (Q^2)	80
3.11	Chapter Summary	82
CHAP	TER 4: DATA ANALYSIS AND RESULT	83
4.1	Chapter Introduction	83
4.2	Data Screening	84
4.3	Frequency Distribution	85
4.4	Descriptive Analysis	87
4.4.1	Demographic Profile	87
4.4.2	User Experience	89
4.4.3	Descriptive Statistics of each Variable	92
4.5	Assessment of Measurement Model	93
4.5.1	Indicator Reliability	98
4.5.2	Internal Consistency Reliability	98
4.5.3	Convergent Validity	99
4.5.4	Discriminant Validity	99
4.6	Assessment of Structural Model	101
4.6.1	Full Collinearity (VIF)	101
4.6.2	Coefficient of Determination (R^2)	102
4.6.3	Effect Size (f^2)	104
4.6.4	Predictive Relevance (0^2)	106

4.7	Hypothesis Testing	106
4.7.1	Direct Relationship	107
4.7.2	The Moderating Effect of Hedonic Motivation	109
4.8	Summary of Hypothesis Testing	112
4.9	Chapter Summary	113
СНАР	TER 5: DISCUSSION AND CONCLUSION	115
5.1	Chapter Introduction	115
5.2	Discussion	115
5.2.1	Perceived ease of use has a significant and positive influence on consumer purchase intention	116
5.2.2	Perceived usefulness has significant and positive influence on consumer purchase intention	117
5.2.3	Attitude has a significant and positive influence on consumer purchase intention	118
5.2.4	Subjective norm has a significant and positive influence on consumer purchase intention	119
5.2.5	Perceived behavioural control has a significant and positive influence on consumer purchase intention	120
5.2.6	Hedonic motivation has a significantly and positively moderate the relationship between perceived ease of use and consumer purchase	
	intention	121

5.2.7	Hedonic motivation has a significantly and positively moderate the	
	relationship between perceived usefulness and consumer purchase	
	intention	123
5.2.8	Hedonic motivation has a significantly and positively moderate the	
	relationship between attitudes and consumer purchase intention	124
5.2.9	Hedonic motivation has a significantly and positively moderate the	
	relationship between subjective norms and consumer purchase intention	125
5.2.10	Hedonic motivation has a significantly and positively moderate the	
	relationship between perceived behavioural controls and consumer	
	purchase intention	126
5.3	Theoretical Implications	128
5.4	Practical Implications	130
5.5	Limitation of Research	132
5.6	Recommendations for Future Research	133
5.7	Conclusion	134
REFERENCES		137
APPENDICES		167

LIST OF TABLES

		Page
Table 1.1	Definition of the Operational Terms	21
Table 2.1	Summary of Hypothesis	55
Table 3.1	Summary of Section Questionnaires	65
Table 3.2	Perceived Ease of Use (Section C)	66
Table 3.3	Perceived Usefulness (Section D)	67
Table 3.4	Attitude (Section E)	68
Table 3.5	Subjective Norm (Section F)	68
Table 3.6	Perceived Behavioral Control (Section G)	69
Table 3.7	Hedonic Motivation (Section H)	70
Table 3.8	Consumer Purchase Intention (Section I)	70
Table 3.9	Reliability Result of Pilot Study	72
Table 3.10	Summary of Validity Guidelines to Assess Measurement Model and	
	Structural Model	81
Table 4.1	Details of Questionnaires	86
Table 4.2	Frequency Distribution of Survey Responses	86
Table 4.3	Demographic Profile of Respondents	87
Table 4.4	User Experience	89
Table 4.5	Main Variables Summary of Mean and Standard Deviation	93

Table 4.6	Deleted Items and Description	95
Table 4.7	Summary of Construct Reliability and Validity	97
Table 4.8	Discriminant Validity of Constructs	100
Table 4.9	Inner VIF Values	101
Table 4.10	Effect Size Table	105
Table 4.11	Summary of Path Coefficients and Hypothesis Testing for Direct	
	Relationship	107
Table 4.12	Summary of Path Coefficients and Hypothesis Testing for	
	Moderating Effect	110
Table 4.13	Summary of Hypothesis	112

LIST OF FIGURES

		Page
Figure 1.1	Sales via Social Media Platforms 2022	3
Figure 1.2	US Retail Social Commerce Sales, 2019-2025 billion and % change	4
Figure 2.1	Theoretical Framework for Researcher	46
Figure 3.1	Priori Power Analysis	63
Figure 4.1	Research Model	94
Figure 4.2	Finalized Research Model	96
Figure 4.3	Coefficient of Determination	103

LST OF ABBREVIATIONS

ATD Attitude

AVE Average Variance Extracted

CR Composite Reliability

CFA Confirmatory Factor Analysis

CPB Consumer Purchase Behaviour

CA Cronbach's Alpha

FC Full Collinearity

HM Hedonic Motivation

PLS-SEM Partial Least Square - Structural Equation Model

PBC Perceived Behavioural Control

PEOU Perceived Ease of Use

PU Perceived Usefulness

RO Research Objective

RQ Research Question

SPSS Statistical Package for Social Science

SN Subjective Norm

TAM Technology Acceptance Model

TPB Theory of Planned Behaviour

CHAPTER 1

INTRODUCTION

1.1 Chapter Introduction

Nowadays, the technological advancement results in increasing of using social media as their partner during Movement Control Order (MCO) and for shopping platform. Hence, researcher decided to conduct a study of Malaysia consumer purchase intention in online social commerce. The chapter provides an overview study to examine factors that influencing the users of using social commerce platform that bring impact to their times. Next, this part in this chapter would be the background of the research, problem statement, research objectives, and research questions, significant of the research, scope of the research, limitation of the study, definition of the operational terms and organization of every chapter.

1.2 Background of the Study

The online shopping industry, also known as e-commerce, refers to the buying and selling of goods and services over the internet. It has been rapidly growing in recent years, with more and more consumers turning to online shopping for convenience, accessibility, and often better prices. According to a recent report by eMarketer, global e-commerce sales are expected to reach \$5.4 trillion by 2022, up from \$3.5 trillion in 2019 (eMarketer, 2021). This growth is attributed to several factors, including the rise of mobile commerce, the increasing use of social media as a shopping platform, and the COVID-19 pandemic, which has accelerated the shift to online shopping. In addition to traditional online retailers such as Amazon and Walmart, the online shopping industry also includes newer platforms such as social commerce, subscription-based services, and direct-to-consumer brands.

These platforms offer unique shopping experiences and are driving innovation in the industry.

According to Dollarhide (2022), social commerce is a type of e-commerce that uses social networking websites such as Facebook, Instagram, and Twitter as a means to promote and sell products and services. The success of social commerce campaigns is determined by the level of consumer engagement with the company's marketing through likes, shares, and re-tweets. Social commerce professionals use various marketing tactics, such as personalized buyer options, large graphics, videos, user-submitted photos, celebrity endorsements, and promotions or giveaways to encourage users to share the product on their feeds. Social commerce also promotes social shopping tools like forums and communities, where buyers and sellers share their online shopping experiences and compare notes. Besides, Kay (2022) also mentioned that his type of business exchanges might be utilized to purchase practically any item or administration possible, including books, music, airplane tickets, and monetary administrations like stock money management and web based banking. Therefore, it is viewed as an exceptionally disruptive innovation (Bloomenthal, 2021).

In Global Social Media User 2019, since its inception in the late 1990s, social media has had a profound impact on our personal and professional lives, changing the way we communicate, stay connected, and share information. There were 3.534 billion active social media users throughout the world in July 2019, signifying a 46% penetration rate. According to the Influencer Marketing Hub by Geyser, 2022 had mentioned on his written that social commerce has grown dramatically over the last few years, but it's particularly strong in China. Much of its success and growth in this country can be linked to the popular Chinese messaging app, WeChat, which encourages the activity.

According to Mclachlan and Gur (2022), "social commerce" enables businesses to sell their products or services directly through social media platforms. The reason for the success of "social commerce" is the convenience it offers for making online purchases within social media platforms. This approach has been effective in driving sales in the industry. People often find new things they enjoy when surfing the web. Statista projects that by 2022, worldwide sales made possible by means of social media would amount to \$992 billion, according to information made public online. Its fame isn't going away any time soon, and experts think it will be worth roughly \$3 trillion by 2026.

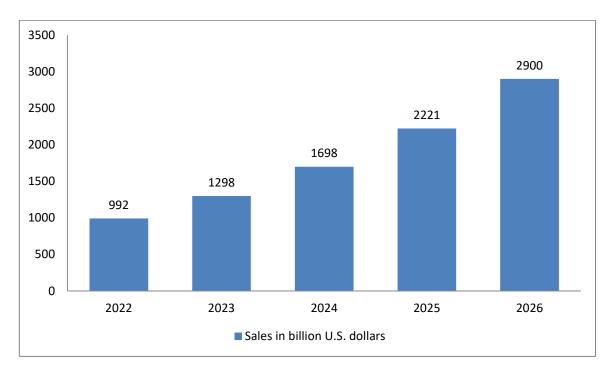


Figure 1.1: Sales via Social Media Platforms 2022

The average daily time spent on social media is 2 hours and 27 minutes, according to the Digital 2022 Global Overview Report. To put this in context, social media accounts for more than a third of the time that internet users aged 16 to 64 spend online. It's not even on the same platform. According to the survey, 7.5 social media sites are accessed each month. Moreover, social commerce sales in the United States are predicted to reach \$45.74

billion in 2022, with more than half of the country's adults making a purchase on social media. Individuals who had not made such a purchase did so for a number of reasons, including preferring to deal directly with a shop (44%), distrusting platforms with payment information (43%), and being unclear whether the items shown were authentic (33%).

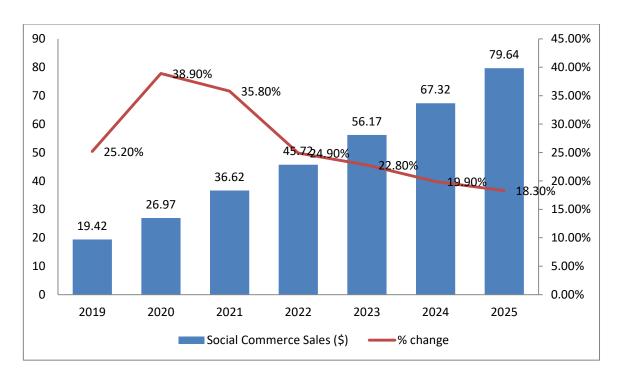


Figure 1.2: US Retail Social Commerce Sales, 2019-2025 billion and % change

According to Statista 2022, Facebook was the first social network to surpass one billion registered accounts, and it now has over 2.89 billion monthly active users. Facebook (main platform), WhatsApp, Facebook Courier, and Instagram are the company's four most prominent web-based entertainment platforms, and each has more than one billion monthly active users. In the preceding-to-last quarter of 2021, Facebook had more over 3.58 billion monthly core Family items. Social commerce might fill a hole when customers go online without knowing what they're searching for or even with the purpose to purchase. With social media channels, brands and businesses want to facilitate product discovery among customers.

On this study, hedonic customers like shopping because they find the experience enjoyable. It is not about achieving the tangible goal or finishing the experimental. The empirical findings revealed that hedonic motivation and social media have a significant impact on consumer purchase intention. Hence, social media has transformed e-commerce and provided a much-needed boost to numerous firms. With the present global economic crisis, the retail scene is certain to shift much more. The efficacy of social media marketing has been shown even before COVID-19. Now more than ever, firms that wish to continue in business should be using this technique since the web is isolating customers from the real purchasing experience.

One relevant study found that hedonic motivation plays a significant role in shaping consumers' attitudes and purchase intentions in the context of social commerce. The study found that consumers are more likely to engage in social commerce when they perceive it to be a fun and enjoyable experience, and when they are motivated by social interaction and self-expression. Additionally, the study found that hedonic motivation mediates the relationship between attitude and purchase intention, suggesting that consumers' enjoyment of the social commerce experience is a key driver of their likelihood to purchase. Studies have shown that hedonic motivation plays a significant role in influencing consumer purchase intention in social commerce. For example, Zhang et al. (2017) found that hedonic motivation had a positive effect on consumers' attitude towards social commerce, which in turn influenced their purchase intention. Similarly, Huang et al. (2020) found that the hedonic value of social media interactions positively influenced consumers' purchase intention in social commerce.

One reason why hedonic motivation may be particularly relevant in social commerce is because it is a social activity. Consumers may be motivated not only by the

products themselves, but also by the social interactions and experiences that come with them. For example, consumers may enjoy sharing their purchases with friends on social media, or participating in online communities centered on a particular brand or product. Overall, the role of hedonic motivation in social commerce is an important area of research that can help us better understand the factors that influence consumer behavior in this context. By understanding how consumers are motivated by social and emotional factors, businesses can develop more effective marketing strategies and create more engaging and enjoyable online shopping experiences for their customers.

1.3 Malaysia Scenario

The surge in online transactions in Malaysia, notably during the various lockdowns from 2020 to 2022, has been remarkable. According to the Digital Malaysia report in 2022, a staggering 81% of internet users in the country have engaged in at least one online transaction. This upward trend is expected to continue, fuelled by the addition of three million new digital consumers between the onset of the pandemic in 2020 and the first quarter of 2021. These compelling statistics have heightened the interest of enterprises in delving into the research of consumer purchasing intentions, a crucial aspect for achieving business objectives in the evolving digital landscape.

Social commerce, an amalgamation of social media and e-commerce, has emerged as a dynamic platform that integrates social interactions and commercial activities, creating a unique space for consumers to explore, evaluate, and engage in purchasing decisions (Wang & Zhang, 2012). This transformative phenomenon has not only reshaped the traditional e-commerce landscape but has also opened new avenues for businesses to connect with consumers in a more personalized and interactive manner (Hajli, 2014). In

this point of views, this trend is reinforced by the insights of V Anitha and AR Krishnan (2022), who posit that consumers are increasingly favouring online channels for product acquisition due to their perceived ease and utility. Purchase intention, a concept encapsulating a consumer's attitude toward a specific buying activity and their willingness to pay for it, involves the transmission of information between sellers and prospective purchasers to influence their decisions. Furthermore, it is characterized as a set of marketing methods aimed at providing additional value to a company's goods or services, surpassing the regular supply, to achieve specific sales and marketing goals within a strategic framework (Harshini, 2015). This involves employing various marketing tactics to enhance the value of a product or customer support beyond the standard offering, commonly known as Intention to Purchase strategies (Abdulellah et al., 2018). Such strategies are often short-term and designed to boost sales or persuade customers to make purchases within a specific timeframe by providing added benefits (Hanaysha, 2016).

The landscape of e-commerce in Malaysia is rapidly evolving, with a projected market value of RM 170 billion (US\$ 42 billion) by 2025, fuelled significantly by the growth of social commerce. Social commerce, a dynamic intersection of social media and e-commerce, has witnessed remarkable growth in Malaysia, with a compound annual growth rate of 51% from 2015 to 2019. This growth is attributed to the country's high internet and social media penetration rates, standing at 80% and 69%, respectively, as of 2021 according to Statista (2021).

Besides that, In Malaysia, as per Global Information Partnership (IDC) Asia Pacific, online business produced deals income of US\$ 15 million out of 1998, which was supposed to develop to US\$ 46 million in no less than a year and to US\$ 1.57 billion by 2003, owing generally to the nation's steadily developing number of PCs and network