ATTITUDE AND SUBJECTIVE NORM TOWARD FACEBOOK PURCHASE INTENTION

See Xin Hui

Bachelor of Business Administration with Honours (Marketing)
2014
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SEE XIN HUI

This project is submitted in partial fulfilment of the requirements for the degree
of Bachelor of Business Administration with Honours (Marketing)

Faculty of Economics and Business
UNIVERSITI MALAYSIA SARAWAK
2014
Statement of Originality

The work described in this Final Year Project, entitled

"ATTITUDE AND SUBJECTIVE NORM TOWARD FACEBOOK PURCHASE INTENTION"

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(Date submitted)

(See Xin Hui)

34120
ABSTRAK

SIKAP DAN NORMA SUBJECTIF TERHADAP HASRAT UNTUK BELI PRODUK DI FACEBOOK

Oleh

See Xin Hui

ABSTRACT

ATTITUDE AND SUBJECTIVE NORM TOWARD FACEBOOK PURCHASE INTENTION

By

See Xin Hui

This study is aim to assess undergraduate attitudes and subjective norm toward purchase intention toward intention to purchase product sold on Facebook. This study is conducted through semi-structured interview and semi-administered questionnaire among Universiti undergraduates. All data were analyzed by using Mean, Pearson Correlation Analysis and Simple Linear Regression. Findings found out that subjective norm had strongest relationship toward intention to purchase Facebook product. Besides that, all variables in this study shown positive affect to independent variable and all hypotheses are accepted. There are some limitations in this study which are scope of study, demographic factors and others. Future research should study on larger scope of study and among different generations. Managers should establish referral marketing program which encourage individual introduce product to someone else. Result of this study has cancel the original idea of TRA that attitude is strongest predictor because this study shown subjective norm is strongest predictor toward intention to purchase Facebook product. This research is generated information on salient beliefs and referents that influence individual attitude and subjective norm toward online shopping at Facebook. Besides that, it is also shows how Malaysian react to purchase Facebook product compared to others culture context.
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# TABLE OF CONTENT

List of Tables  xi
List of Figures   xii

## CHAPTER ONE: INTRODUCTION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Background of Study</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Theoretical Framework</td>
<td>4</td>
</tr>
<tr>
<td>1.4 Problem Statement</td>
<td>6</td>
</tr>
<tr>
<td>1.5 Objectives of Study</td>
<td>7</td>
</tr>
<tr>
<td>1.5.1 General Objective</td>
<td>7</td>
</tr>
<tr>
<td>1.5.2 Specific Objective</td>
<td>7</td>
</tr>
<tr>
<td>1.6 Significance of Study</td>
<td>8</td>
</tr>
<tr>
<td>1.7 Scope of Study</td>
<td>9</td>
</tr>
<tr>
<td>1.8 Conclusion</td>
<td>9</td>
</tr>
</tbody>
</table>

## CHAPTER TWO: LITERATURE REVIEW

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Introduction</td>
<td>10</td>
</tr>
<tr>
<td>2.2 Internet</td>
<td>10</td>
</tr>
<tr>
<td>2.3 Social Media</td>
<td>11</td>
</tr>
<tr>
<td>2.3.1 Facebook</td>
<td>13</td>
</tr>
<tr>
<td>2.4 Online Shopping</td>
<td>14</td>
</tr>
<tr>
<td>2.4.1 Online Shopping on Social Media</td>
<td>17</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>2.4.2</td>
<td>Online Shopping on Facebook</td>
</tr>
<tr>
<td>2.5</td>
<td>Theoretical Background</td>
</tr>
<tr>
<td>2.6</td>
<td>Summary</td>
</tr>
</tbody>
</table>

**CHAPTER THREE: METHODOLOGY**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Introduction</td>
<td>25</td>
</tr>
<tr>
<td>3.2</td>
<td>Research Design</td>
<td>25</td>
</tr>
<tr>
<td>3.3</td>
<td>Phase One: Interview</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>3.3.1 Population</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>3.3.3 Sampling</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>3.3.3 Data Collection</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>3.3.4 Data Analysis</td>
<td>28</td>
</tr>
<tr>
<td>3.4</td>
<td>Conceptual Framework</td>
<td>29</td>
</tr>
<tr>
<td>3.5</td>
<td>Phase Two: Questionnaire</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3.5.1 Population</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3.5.2 Sampling</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>3.5.3 Data Collection</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>3.5.4 Research Instrument</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>3.5.5 Measurement Scales</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>3.5.5.1 Attitudes</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>3.5.5.2 Subjective Norm</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>3.5.5.3 Behavioural Intention</td>
<td>35</td>
</tr>
<tr>
<td>3.6</td>
<td>Hypotheses</td>
<td>36</td>
</tr>
</tbody>
</table>
CHAPTER FOUR: RESEARCH FINDINGS

4.1 Introduction

4.2 Frequency Distribution

4.3 Reliability Test

4.4 Mean

4.5 Pearson’s Correlation Coefficient

4.6 Simple Linear Regression

4.7 Findings of Hypothesis Finding

4.8 Conclusion

CHAPTER FIVE: DISCUSSIONS AND CONCLUSION

5.1 Introduction

5.2 Discussion of Hypothesis Testing and Findings

5.2.1 Findings for Beliefs and Evaluation toward Attitude

5.2.2 Findings for Normative Belief and Motivation to Comply toward Subjective Norm
5.2.3 Findings for Attitudes and Subjective Norm toward Purchase Intention

5.3 Managerial Implication

5.4 Theoretical Implication

5.5 Limitation of the Research

5.6 Recommendations for Future Study

5.7 Conclusion

REFERENCES

APPENDIX
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Respondents’ Profile and Data on Purchase Product on Facebook</td>
<td>41</td>
</tr>
<tr>
<td>2</td>
<td>Reliability Test</td>
<td>43</td>
</tr>
<tr>
<td>3</td>
<td>Mean And Standard Deviation for Belief, Evaluation, Attitude, Normative Belief, Motivation to Comply, Subjective Norm and Intention</td>
<td>43</td>
</tr>
<tr>
<td>4</td>
<td>Pearson Correlation between Each Variable</td>
<td>44</td>
</tr>
<tr>
<td>5</td>
<td>Simple Linear Regression Of Respondents’ Belief toward Attitude</td>
<td>45</td>
</tr>
<tr>
<td>6</td>
<td>Simple Linear Regression of Respondents’ Evaluation toward Attitude</td>
<td>45</td>
</tr>
<tr>
<td>7</td>
<td>Simple Linear Regression of Respondents’ Normative Belief toward Subjective Norm</td>
<td>46</td>
</tr>
<tr>
<td>8</td>
<td>Simple Linear Regression of Respondents’ Motivation to Comply toward Subjective Norm</td>
<td>46</td>
</tr>
<tr>
<td>9</td>
<td>Simple Linear Regression of Respondents’ Attitude toward Purchase Intention</td>
<td>46</td>
</tr>
<tr>
<td>10</td>
<td>Simple Linear Regression of Respondents’ Subjective Norm toward Purchase Intention</td>
<td>47</td>
</tr>
<tr>
<td>11</td>
<td>Summary of Hypothesis’s Testing</td>
<td>48</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 1: Theory of Reasoned Action 5
Figure 2: Conceptual Framework 26
Figure 3: Relationship between Components of Theory of Reasoned Action in Facebook Purchase Intention 47
CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter will explain about background of this study, problem statement, general objective, significance of study, theoretical framework and scope of study.

1.2 Background of Study

Internet was introduced in 1969 by Bolt Beranek and Newman (Cohen-Almagor, 2011). Number of internet users show significant increment when internet was officially introduced at 1990 (Cohen-Almagor, 2011). Over past 12 years, increment of total 566.4% internet users in the world (Internet World Stats, 2012b). Implementation of internet in Malaysia begins in 1995 Paynter & Lim, 2001). As stated by world stats (2012a), there were 17,723,000 internet users which are about 60.7% of Malaysian by 30 June 2012. Internet has widespread due to high penetration in the society. Internet has become an essential among Malaysian daily life. On average, Malaysian spending about 16 hours on internet in one day and Malaysian age between 15 to 24 years old had the highest percentage compared to other age group among online population (comScore, 2013).
Internet has changed the people living style and business form (Damanpour & Damanpour, 2001). One of the new marketing channels to conduct business is over Internet and it is called as e-commerce (Damanpour & Damanpour, 2001). Initial of e-commerce was happened at year of 1994 with first transaction through Internet (Zakon, 2011). Marketers should examine the potential of this market as online shopping is a new trend. Online shopping has transform behavior of customers especially their way to purchase products. They can directly purchase products through Internet by different online payment methods. Different barriers can be reduced through online shopping such as geographical areas, lack of time and insufficient variety of product. Therefore, there is increasing of number of customers decided to shop over internet to avoid from troubles in physical stores (More Malaysians opt, 2013). Besides that, consumers tend to purchase online for diversity products including electronic, flight ticket, apparel and others. On the other hand, consumers are changing their shopping habits especially new generation (Alam, Bakar, Ismail, & Ahsan, 2008).

Besides that, Malaysian most likely to spent their time on social networking. Social media is the major activity (32.3 %) conducted by Malaysian when online (comScore, 2013). Besides that, social media is become one of the new channel compared with traditional marketing. Social media was begun by The Well (1985), Theglobe.com (1994), Geocities (1994) and Tripod.com (1995) (Wegner, 2010). Social media lets people communicate with others, share their experience and information related to products, issues and themselves (Edward, 2011). Popular social networking included Facebook, Twitter, LinkedIn and other websites.
Facebook is one of the popular social networking in Malaysia. This social networking was founded on 2004 by Mark Zuckerberg with his university roommates (Facebook Inc, 2013). There are significantly increase of Facebook users year by year. Facebook had 1.06 billion monthly active users on 31 December 2012 (Facebook Inc, 2013). There were 13,589,520 Facebook subscribers on December 2012 in Malaysia (Internet World Stats, 2012a). Subscribers are allowed upload photo, update status, and interact with friends on Facebook. They can surf Facebook by using their smartphones and laptop. Facebook apps ranking as top of smartphone apps in Southeast Asia included Malaysia (Nielsen Reveals Top 10, 2013).

Besides that, Facebook also want to make it become one of the economic engines (Facebook Inc, 2013). It helps online shopping becomes well integrated within Facebook. There were over 50 million Pages created at 31 December 2012 (Facebook Inc, 2013). People can create Pages to display their products on Facebook. Pages can use to gain new customers and build stronger relationship with customers. It also allows seller interact with customers by using messages. Apart from Pages, Facebook also provide online advertising after two months that Facebook established (Fiegerman, 2013). Facebook stated that “we’ll help you reach the right ones” by advertising (Facebook, n.d.). It allow companies or Pages owner promote their pages to their target market.

Furthermore, consumer’s personal attitudes have been known that it can influence the consumer decision making and purchase intention (Wu, 2003). Therefore, this study is intent to examine the salient belief and referents toward
products sold on Facebook among undergraduate students. Besides that, the rapid growing of Facebook and online shopping make it is important to discover relationship of attitude and subjective norm toward products sold on Facebook.

1.3 Theoretical Framework

Theory of Reasoned Action (TRA) model used to defines the relationship between belief, attitudes, subjective norm, intention and behaviour. Theory of Reasoned Action was announced by Fishbein and Azjen at 1975 (Fishbein & Ajzen, 1975). This theory believed that people’s actual behaviour and intention are due to “belief, norms and the expectation of significant others” (Rehman et.al., 2003).

Attitude is refers to people’s personal act of behaviour (Fishbein & Ajzen, 1975). Ajzen and Fishbein state that attitude is determined by beliefs about the effect of acting the behavioural and evaluation of expected result (as cited in Rehman et.al., 2003). Subjective norm is anticipated by normative beliefs and modified by motivation to comply with comment of referents (Thompson, Haziris, & Alekos, 1994). Normative beliefs are about people worry with the probability that their important referent would agree or disagree of their behaviour (Ajzen & Madden, 1986). Fishbein and Manfredo said stronger intention leads to greater probability that people to try and perform actual behaviour (as cited in Rehman et.al., 2003). TRA supposed people have the degree of volitional control toward their interest and it will decide by intention (Godin, 1994). Besides that, this theory has verified and suitable
in understanding the decision making process underlying exercise behaviour (Godin, 1994, p. 1392).

TRA is adopting on this study as theoretical framework. Figure 1 shows the component and relationship between Theory of Reasoned Action. This study is focus on intention to purchase products on Facebook rather than actual behaviour. However, Ajzen and Fishbein’s study stated that attitude toward the intention will influence behaviour at the last (as cited in Jackson, Chow, & Leitch, 1997).

![Theoretical Framework of Theory of Reasoned Action]

Figure 1: Theoretical Framework of Theory of Reasoned Action.

Source: Thompson et al. (1994)
1.4 Problem Statement

Rapid growth of social networking and online shopping bring out great potential to marketers. Malaysia online shopping is expected grow rapidly due to positive signs of growth are obvious (Hassan & Ali, 2012). The potential of online shopping is understandable. However, Malaysia seems still behind in e-commerce compared with other Asia pacific countries (Hassan & Ali, 2012). Some companies wish to catch up with E-business but they doing it without recognize customers’ attitudes by careful strategy (Damanpour & Damanpour, 2001).

Internet is accompanied young generation since childhood (Velarde, 2012). Young generation who have higher education level are the main buyers that always purchase online products (Vrechopoulos, Siomkos & Doukindis, 2001). Young generation such as undergraduate students in Universiti Malaysia Sarawak can be used to understand their attitude toward products sold on Facebook. Young generation are potential customers and could influence the marketing strategies by corporation. In addition, when customers believe that online shopping is well-suited with their needs, they express positive attitude toward online shopping (Velarde, 2012).

There is similar research done in Malaysia such as Kedah, Penang and Selangor which generally focused on online shopping (Al-Swidi, Behjati & Shahzad, 2012; Syuhailly Osman, Yin-Fah & Hooi-Choo, 2010; Yulihasri, Islam & Daud, 2011). However, this study will focus on Facebook due to its potential of growth in
future. Little is known about undergraduate students’ purchase intention toward online products sold on Facebook. Marketers must understand the reason of actually drives and motivates undergraduate students and gain competitive advantage. This is due to is attitude in field of online shopping is different compared with traditional shopping. Therefore, it is important to identify salient belief and referents and their relationship of attitudes and subjective norm regarding purchase on Facebook.

1.5 Research Objectives

Understanding customers’ attitude is very important to allow marketer develop better marketing strategy. Objectives of research were divided to general and specific objective.

1.5.1 General Objective

Purpose of this study is to assess undergraduate students’ attitudes and subjective norm toward purchase intention on product sold on Facebook.

1.5.2 Specific Objectives

1. Explore the salient belief and referents toward product sold on Facebook
2. To access the relationship of beliefs toward attitude.
3. To access the relationship of evaluation toward attitude.
4. To access the relationship of normative beliefs toward subjective norm.
5. To access the relationship of motivation to comply toward subjective norm.

6. To assess the relationship of attitude toward purchase intention toward products sold on Facebook.

7. To assess the relationship of subjective norm toward purchase intention towards products sold on Facebook.

1.6 Significance of Research

This study was conducted to discover the salient belief and referents toward online product sold on Facebook. Apart from this, this study wants to investigate efficacy of the theory of reasoned action as a predictor of online product sold on Facebook. Online purchase/Internet marketing might become an important medium to communicate with customer and use to promote online advertising. Consequently, the result of this study may help companies to get better understanding toward customers' attitude regarding online products sold on Facebook. Therefore, marketers can assimilate the results of this study and create better marketing strategies to attract rate of online purchase product.

Exploring belief and referents of customer to shop online is fundamental for companies to be competitive. This is due to consumer behaviour may vary during different periods of e-commerce acceptance (Velarde, 2012).
1.7 Scope of Study

This study conducted to determine whether the salient belief and referents will influence purchase intention toward product sold on Facebook. The population of UNIMAS is large which is contained with different races, gender and birthplace. Therefore, this study will identify the difference of attitude among undergraduate students in Universiti Malaysia Sarawak excluding Faculty of Medicine and Health Sciences.

1.8 Conclusion

In a nutshell, this chapter was introduced about the evolution of internet. Internet has successfully influence customers’ attitudes. Internet influence began to filter into customers’ daily life. Hence, it reminded marketer to pay attention to general trend of Internet. Researcher decided to explore salient beliefs and subjective norm and examined relationship between each components of TRA except behaviour toward purchase Facebook product.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discussed findings of previous researches related to this research. The Theory of Reasoned Action (TRA) is also discussed in this chapter in relation to the study.

2.2 Internet

The history of Internet was started at 1969 (Cohen-Almagor, 2011). It called as ARPANET at beginning and it originally use for sharing information and expanded its function toward transmission of communication. The study stated first personal message that sent through ARPANET was in 1973 by Lenny Kleinrock. Electronic messages occupied most of traffic of APRANET. Due to its convenient and efficiency, it became popular business tool to send the messages. The study stated project of APRANET was formally end during 1990. At the same time, rapid growth of the Internet leads it into an international network. Internet becomes universal activities among mankind (Cohen-Almagor, 2011).

First Internet service provider for Malaysia was JARING during 1990 and soon after was TMnet at 1996 (Salman, Choy, Mahmud & Latif, 2013). Researchers