FACTORS INFLUENCING CONSUMER PURCHASE INTENTION: A STUDY OF BOOKSTORES IN KURDISTAN REGION OF IRAQ

BY

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INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

2020

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A thesis submitted in fulfilment of the requirement for the degree of Master of Science in Marketing

Kulliyyah of Management and Economics Science
International Islamic University Malaysia

NOVEMBER 2020

ABSTRACT

Due to the weakness of the banking system infrastructure, there is no online bookstore or E-commerce business in Kurdistan. Many customers complaint about the problem of parking facility, most of the bookstore locations have not enough parking space nearby for the customers to be able to visit the bookstores and spend quite enough time to search for books and buying them. So, the researcher has decided to study the impact of social media marketing on customer purchase intention toward bookstores in Kurdistan region. This study is conducted in four provinces of Kurdistan region of Iraq (Erbil, sulaimaniyah, Dihok, Halabja). The sample of the study consists of 300 respondents of which 231 are males, and 69 are females. The instrument of the study is adapted from previous established studies. The first part of the survey was designed to investigate respondents' demographics, whereas, the second part focused on the independent and dependent variables of the study. Technology Acceptance Model (TAM) is the baseline theoretical model to support the conceptual model of the study. The study represented the five variables, three of which are presented as TAM model variables, namely, perceived usefulness, perceived ease of use, and attitude, along with the native variable social media marketing and their impact on customer purchase intention. The results showed that all the independent variables significantly influenced customer purchase intention toward bookstores in Kurdistan. The findings of the study implied valuable contribution in two aspects. Theoretically, the study findings showed evidence for the establishment of TAM. In terms of managerial implication, the study provided practical recommendation for the practitioners. The research findings come to validate SMM as a potential promotional strategy for bookstores in the region. The results have shown that book readers are significantly influenced by social media marketing. Having social media pages is crucial for the bookstores in the region to facilitate customers in purchasing books. So, bookstore marketers need to include social media marketing to their promotional strategy and improve social media marketing skills which can give advantage for the bookstores

مُلخَّص البحث

بسبب ضعف البنية التحتية للنظام المصرفي ، لا توجد مكتبة على الإنترنت أو تجارة إلكترونية في كردستان. (MERI, 2016)(Jaffar, 2016)، من ناحية أخرى ، يشتكي العديد من العملاء من مشكلة موقف السيارات ، فمعظم مواقع المكتبات لا تحتوي على أماكن إيقاف سيارات كافية في الجوار حتى يتمكن العملاء من زيارة المكتبات وقضاء بعض الوقت للبحث عن الكتب واشترائها. ونتيجة لذلك ، قرر الباحث دراسة تأثير صفحات التواصل الاجتماعي الخاصة بالمكتبات التي تدفع العميل لشراء كتب بطريقة بديلة للمكتبات. أجرى الباحث الدراسة في أربع محافظات داخل إقليم كردستان العراق (أربيل ، السليمانية ، دهوك ، حلبجة). تكونت عينة الدراسة من ٣٠٠ مبحوث منهم ٢٣١ ذكور و ٦٩ إناث. عادة ، تم استخلاص الردود من عينة ملائمة. كان الجزء الأول من الاستطلاع عبارة عن قائمة مراجعة ذاتية التطوير للتحقق من التركيبة السكانية الديموغرافية للمستجيبين. تم اقتباس الجزء الثاني من أبحاث سابقة لقياس تأثير المتغيرات المستقلة على نية الشراء لدى المستهلك تجاه المكتبات. في هذه الدراسة ، دعم الباحث حجته من خلال تكييف النموذج النظري TAM لدعم النموذج المفاهيمي ، والذي أيده العديد من الباحثين الآخرين. تمثل أداة الدراسة المتغيرات الخمسة ، اثنان منها مقدمان كمتغيرات نموذج TAM وهي الفائدة المتصورة ، وسهولة الاستخدام و السلوك ، إلى جانب المتغير الأصلي SMM وتأثيرها على قرار شراء العملاء المستهدفين. أظهرت نتائج الدراسة أن جميع المتغيرات المستقلة أثرت بشكل كبير على رغبة العميل في الشراء من المكتبات في كردستان. تضمنت نتائج الدراسة مساهمة قيمة في جوانب مختلفة. من الناحية النظرية ، أظهرت نتائج الدراسة أدلة قاطعة على إنشاء TAM كانت نتائج الدراسة متوافقة بشكل كبير مع نتائج الدراسات السابقة من حيث التضمين الإداري. أكدت نتائج أنSMM استراتيجية ترويجية محتملة النجاح للمكتبات في المنطقة. أظهرت النتائج أن قراء الكتب يتأثرون بشكل كبير بالتسويق عبر وسائل التواصل الاجتماعي. يعد وجود صفحات على وسائل التواصل الاجتماعي أمرًا بالغ الأهمية للمكتبات في المنطقة لتسهيل شراء الكتب للعملاء. لذلك ، يحتاج مسوقو المكتبات إلى تضمين التسويق عبر وسائل التواصل الاجتماعي في إستراتيجيتهم الترويجية ، وتحسين مهارات التسويق عبر وسائل التواصل الاجتماعي التي يمكن أن تعطي ميزة للمكتبات.
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APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a dissertation for the degree of Master of Science in Marketing.

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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Algej Abdullah Faeq Mohammed

Signature…………………..   Date……………………….

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ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF TABLES

x

LIST OF FIGURES

xi

CHAPTER ONE

INTRODUCTION

1.1 THE BACKGROUND OF THE STUDY

Social media marketing can be defined as using the social media platforms with the purpose of marketing the products and services to the customers (Kenneth E.Clow, 2018). Attitude refers to the feeling of customers toward purchasing products (Ruiz-Molina & Gil-Saura, 2008). The perceived usefulness can be defined as Customers perceived that they can enhance their performance by using certain information technologies, and Perceived ease of use can be defined as Customers use certain technologies because they believe that it is easy to use and free from exertion (Davis, 1989). Customer purchase intention can be defined as a tendency of individuals toward buying a product or taking any action (Kim & Chung, 2011).

In the past, the traditional media was used by marketers such as newspaper, magazine, television, and radio and so on to promote the products. The traditional media was unable to customize the message to specific customers and the cost of ads in the old media was too much. So, the marketers were looking to an efficient media to communicate with the audience. Consequently, with the development of advanced technology and the internet, marketers have found social media as an effective and efficient tool to reach customers (Fridolf & Arnautovic, 2013). It is important to mention that the internet is different from social media, social media is a virtual platform that connects everybody around the world and where people can share information to one another. However, social media cannot function or perform without the internet, and social media is a part of the internet.

So, Yankova & Ozuem, (2014) stated that it became a trend among marketers to use social media to communicate with their clients. Going back to the modern history of social media, the first invention that introduces social media to the market was a blog in 1991. After that, some other social media platforms were created such as LinkedIn and Myspace in the year 2000. Then the social media booms with the emergence of YouTube in 2005. Facebook and Twitter come out in 2006 and they are widely used around the world until today. Next, the American social media platform for sharing video and photo was launched in 2010. Finally, the latest social media platforms are the American messaging app known as Snapchat in 2011, followed by China's video-sharing platform Tik-Tok in 2016. So, all of them are still common and used until today 2020 (Gao, Tang, & Liu, 2012) (Appel, Grewal, Hadi, & Stephen, 2020) (Boon-Long & Wongsurawat, 2015) (Edosomwan, Prakasan, Kouame, Watson, & Seymour, 2011).

Furthermore, nowadays there are thousands of social media sites and it is expected that more advanced social media platforms will be available in the next decades. The number of people who are using the internet is almost 4.5 billion and there are approximately 3.8 billion active users of social media in 2020(Kemp, 2020). As a result, the number of using traditional media has been dramatically reduced among companies (Othman, 2020).

It is observed by Ridley, (2020) that social media is also a convenient platform for those who are interested in reading and buying books where they can discuss share opinion and comment on any books and bookstores which will affect the bookstore's brand either positively and negatively. In addition, social media is helpful for publishers to reach customers who like to read books and individualized the message to them. On the other hand, it has made the work easier for readers where they can conveniently get brief information wherever they are about the books and request the bookstore to have

them instead of going to the bookstore and search physically for the books (Yang, 2009). Not only that, the social media can provide an instant insight on the customer's behavior and intention which is useful for marketers to analyze the data and make a better marketing campaign (Fridolf & Arnautovic, 2013).

So, it can be seen that the marketers have no choice but, to change the way the marketing strategies, because the way customers shop has transformed (Wang & Kim, 2017). Therefore, with the benefits and the features that have been provided by social media, there will be a big opportunity for bookstores to increase their sales and expand their market share.

The publishing, writing and reading books play a significant role in any society and it is an indicator of developed society (Yang, 2009). The new description for the bookstore would be the place where customers not only can buy books, but they can experience drinking coffee, meeting friends, studying, and participating in the cultural program and so on at the same time. However, this description cannot match with the Iraqi Kurdistan bookstores, where can be considered as just a place to buy books and get back home which is the old description for the bookstore (Laing, 2014) (Lee et al., 2012) (Yang, 2009), The bookstore owner may not have enough space or they may think that it just creates traffics instead of profit (Horvath, 1996). But, the bookstore supposed to be considered as a business and cultural place wherever it is (Laing, 2014).

In addition, Berisha & Gardens, (2017) stated that the chain bookstore can generate more traffics than an independent bookstore and fortunately, most of the bookstores in the Iraqi Kurdistan are conveniently located in the chain bookstore in the city Centre. In addition, it is notable that with the emergence of the internet, the book's market has changed and Kurdistan is not exceptional. Furthermore, there is a new trend in the bookstore market such as E-book, online reading and online bookstore which has

a great impact on the physical bookstores. However, the physical bookstore in the Kurdistan region / Iraq has remained as it is with a bit change, which is utilizing the internet for marketing via social media and, spreading electronic books in the social media at the same time which has a negative effect on physical bookstore's profit in general (Snihur, 2018) (Chu, Guo, & Lai, 2012) (Chu, Guo, & Lai, 2012). Moreover (Chu et al., 2012) stated that E-book is the future.

Furthermore, the number of online bookstores and people who buy online books increasing year by year in the world (Chu et al., 2012). However, due to the weakness of banking system infrastructure, there is no online bookstore or E-commerce in Kurdistan, so because of that buying books from the physical bookstore is still popular in the region (Middle East Research Institute (MERI), 2016).

The ministry of culture in KRG (Kurdistan regional government) reported that there are almost 50 bookstores in the whole Kurdistan and 3000 new book titles are printed every year. In addition, the number of readers is approximately 122,000 out of 5.000.0000 population and the number of authors is estimated to be 150 (Bazgr, 2019).

It is noticeable that in 1992, the Kurdish people in Iraq establish their own government and since that time people are able to study in their own language and Kurdish bookstores have grown year by year. In addition, people are really interested in reading books and also the government is concerned about the books and bookstore industry. This is because it is one of the considerable factors in developing any society and for that, there is an international book fair annually in the capital of Kurdistan which is Erbil. Therefore, the bookstores are trying to develop year by year and adapt to the new technology like social media web 2.0 to make better marketing plans and strengthen the economy of the region.

According to DIGITAL IN IRAQ, (2020), the number of people who are using the internet is approximately 29 million in Iraq, and among this number 21 million of them are using social media in 2020.

In the study of (Khorsheed & Othman, 2020) the participants were asked "do you use social media", so, all of them stated that they use social media 100%.

Table 1.1 The number of hours that people spend on social media per day in Kurdistan region of Iraq.

The number of hours per day	The percentage of people
1 to 3 hour	54.7%
Less than 1 hour	23.4%
4 to 7 hours	15.6%
More than 7 hours	6.3%

Reference : (Khorsheed & Othman, 2020)

Table 1.1 shows the number of hours that people spend on social media per day in Kurdistan region of Iraq in the study of (Khorsheed & Othman, 2020). It can be extracted from the statistical data and the study above that, the high number of people in the Kurdistan region are using social media and they spend so much time on it per day. Which can be a great opportunity for the bookstores in the region to reach the customers through social media platforms and promote the books to them.

Among the social media platforms, Facebook has the highest number of users which is 55.04% in whole Iraq ("Social media stats in Iraq," 2020). Meanwhile, in a study by (Khorsheed & Othman, 2020) the participants were asked which social media site do you use the most, 78.1% of them stated that they are using Facebook. So,

according to these statistics, it can be said that Facebook is the most popular platform in Iraq in general and Kurdistan region specifically. Therefore, Facebook can be considered as the most effective platform to reach customers in the region.

Hence, due to the lack of research on the impact of social media marketing on the bookstores, this research will be a starting point to see more study on the bookstores and it can be said that bookstore is one of the major business for any society that dreams to develop (Hovinga, 2019).

1.2 STATEMENT OF THE PROBLEM

With the emergence of social media and advanced internet technology, most of the companies today have transformed from traditional media to digital media particularly social media platforms (Yankova & Ozuem, 2014). This is because, companies are able to market the products with less cost, time and effort. On the other hand, customers can search, review, and create contents on the company's product and services anywhere and anytime (Fridolf & Arnautovic, 2013). In another word, social media is a convenient place for those who aim to make marketing and those who look to buy or search about the products (Motameni & Nordstrom, 2014). Here are the problems that the researcher has addressed in this research:

Due to the weakness of the banking system infrastructure, there is no online bookstore or E-commerce business for the customers to buy books online in Kurdistan (Middle East Research Institute (MERI), 2016) (Jaffar, 2016). On the other hand, according to the personnel research of the researcher that has been done on the customers in his bookstore (family business) and the other bookstores in the region, many of them complain about the problem of the parking facility, most of the bookstore locations have no enough parking space nearby for the customers to be able to visit the

bookstores and spend quite enough time to search for books. So, due to this problem, the alternative choice for the customers, in this case, most probably would be searching for the books on the particular bookstore sites on social media, reserve it, and then pick it up and pay at the bookstore, or allow the bookstore to deliver to them and pay once the customer receives the book. Therefore, this study will discover the probability of the customer intention to purchase books through social media bookstore pages in Kurdistan.

Apart from that, there are so many studies that have been done on the impact on attitude, perceived usefulness, and perceived ease of use on customer purchase intention in other industries and different types of retailers in other parts of the world(Wong, Lo, & Ramayah, 2014)(Wilson, 2019) (Delafrooz, Paim, Haron, & Sidin, 2009) (Orapin, 2009) (Fishbein & Ajzen, n.d.) (Perea Y Monsuwé et al., 2004). However, there is no specific research that has been done on the impact of these variables on customer purchase intention in Kurdistan bookstores.

Hence, the problem statements that have mentioned above are going to be addressed empirically through the hypotheses and questionnaire of this research.

1.3 RESEARCH OBJECTIVE

The research objective is created to indicate what the research is exactly looking to accomplish (Catterall, 2000). So, the objectives of the study are divided into two parts, namely: General objective and specific objectives.

1.3.1 General objective

The general objective of this study is to investigate the impact of social media marketing on customer purchase intention in the bookstore in Kurdistan.

1.3.2 Specific objectives

The aim of this research is to accomplish the following objectives:

1. To examine the impact of social media marketing on customer purchase intention in the bookstores in Kurdistan.

2. To investigate the impact of perceived usefulness on customer purchase intention in the bookstores in Kurdistan.

3. To investigate the impact of perceived ease to use on customer purchase intention in the bookstores in Kurdistan.

4. To investigate the impact of attitude on customer purchase intention in the bookstores in Kurdistan.

1.4 RESEARCH QUESTION

1. What is the impact of social media marketing on customer purchase intention in the bookstores in Kurdistan?

2. What is the impact of perceived usefulness on customer purchase intention in the bookstores in Kurdistan?

3. What is the impact of perceived ease to use on customer purchase intention in the bookstores in Kurdistan?

4. What is the impact of attitude on customer purchase intention in the bookstores in Kurdistan?

1.5 THE SIGNIFICANCE OF THE STUDY

Social media marketing has become an integral method of integrated marketing communication and it transformed the way companies do marketing. So, this study is going to provide theoretical benefit through investigating the theory of TAM and TPB with one more additional factor (Social media marketing) and their impact on customer intention in the bookstores in Kurdistan.

So, the result of this study will provide support and strength to both theories TAM and TPB. Also, it is expanding the existing study of social media marketing which are considered as an academic contribution. Furthermore, according to the research's knowledge, it is seldom to see a study about social media marketing in the Kurdistan region / Iraq. Apart from that, there is no any specific research that has been done on the bookstores market in Kurdistan as well. Therefore, this research can make a great contribution to the literature in that region. In addition, the study can provide an empirical contribution by the following benefits:

Using traditional media such as TV. Radio, Magazine and so on, are too expensive for the bookstores in Kurdistan due to their limited budget. So, this study is important for the Kurdish bookstores to figure out about the importance and the impact of social media marketing on customer purchase intention in a cost-effective way and increase their profit. As a consequence, it may lead the Kurdish bookstore marketers to shift from using traditional media to social media for marketing the books.

Additionally, due to the lack of parking facility in the bookstores on one hand and not having online bookstore on the other hand in Kurdistan, it is important for potential customers in Kurdistan to find out about the importance of social media to search and buy books from the bookstores. Apart from that, it is also important for those customers who feel unconvinced and shy to ask about and buy certain books face to

face in the physical bookstores, they can complete their book purchase decision with the particular bookstore sites or pages on the social media more conveniently.

Finally, the result of this study will be a recommendation for the bookstore marketers in Kurdistan to better understand their customers on social media, discover the most significant factors that affect customer purchase intention on social media, and how to use social media effectively to market their books.

In general, it is noticeable that there is a lack of research on the bookstore industry so, this research will be a great contribution to the bookstore business. Therefore, the result of this research can be used by the academicians in the future to further expand the study on bookstores.

1.6 THE SCOPE OF THE STUDY

The study is going to measure the impact of social media marketing on purchase intention along with using the theory of TAM. So, the study will examine the impact of independent variables (perceived usefulness, perceived ease to use, customer attitude, and social media marketing) on the dependent variable (customer purchase intention). In addition, the study will be conducted on customers who are interested in reading and buying books and have social media account in the four provinces of Kurdistan region/Iraq which are Erbil, Sulaimany, Duhok and Halabja.

1.7 DEFINITION OF TERMS

Here are the definitions of key terms in order to understand the framework of the research.

1.7.1 Social media

Abu-Rumman & Alhadid (2014) defined social media as a tool for communication that has the feature of web 2.0 in which people can interact, share, and make content.

1.7.1.1 Social media marketing

Social media marketing refers to employing social media platforms with the purpose of marketing goods and services (Kenneth E.Clow, 2018).

1.7.2 Perceived usefulness

Customers perceive that they can enhance their performance by using certain technologies (Davis, 1989b)

1.7.3 Perceived ease to use

Customers use certain technologies because they believe that it is easy to use and free from exertion (Davis, 1989).

1.7.4 Attitude

It is a feeling of customers toward a company, product or a brand and understanding it can help the company to change the customer purchase intention. (Ruiz-Molina & Gil-Saura, 2008).

1.7.5 Purchase intention

Can be defined as a tendency of individuals toward buying a product or taking any other actions (Kim & Chung, 2011).

1.8 ORGANIZATION OF CHAPTERS

The present research is divided into five chapters consisting of the idea, methods, and the findings of the research. In the first chapter, the background of the study, Statement of the problem, the study objectives and research questions are explained. Apart from that, the scope and the significance of the study is provided along with the definition of key terms.

The second chapter will be devoted to the literature review, where the researcher provides a review of different scholars about social media marketing and purchase intention. Elaboration on the TPB & TAM model and its theoretical support for the conceptual framework for measuring the impact of SMM on customer purchase intention toward bookstores will be provided as well.

The third chapter will be dedicated to research methodology. The research design, sampling and all the measurement and instruments, data analysis, exploratory factor analysis, regression analysis are going to be demonstrated in this chapter.

The findings of the study are going to be demonstrated in chapter four. The first part will be dedicated to analyze respondent's demographics profile, while in the second part analysis about the attitude, perceived usefulness, perceived ease of use, SMM, and the impact on customer purchase intention toward bookstores will be provided. The last part will be on analysis about testing the hypothesis.

The last chapter is devoted to the study findings in the form of discussions, implications, limitation and recommendation for future research, and end the study with the conclusion.