



**THE IMPACT OF SOCIAL MEDIA MARKETING ON
CUSTOMER PURCHASE INTENTION: A STUDY OF
THE HOSPITALITY INDUSTRY IN MALAYSIA**

BY

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**A dissertation submitted in fulfilment of the requirement for
the degree of Master of Science (Marketing)**

**Kulliyyah of Economics and Management Sciences
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ABSTRACT

There are various platforms provided by the social media networks such as Facebook, YouTube, LinkedIn, Instagram and Twitter to the marketing of products and services for the hospitality industry. Hospitality industry can use social media to engage customers and clients in dialogue and recognize their needs. Through these social media platforms, customers engage on social media, in order to interact with individuals through online communities, to create content and to connect with different users. This study examines the factors that influence the planned behavior towards customers' intention to purchase the hospitality industry products and services in Malaysia. Primary data was collected by distributing a self-administrated questionnaire in Klang Valley, Malaysia of which 295 were valid for analysis. SPSS was utilized to analyze the collected data and conclude the constructs' reliability, exploratory factor analysis (EFA) and multiple regression analysis were also performed and determined that attitude, subjective norm, perceived behavioral control, and social media marketing significantly and positively influence customers' intention to purchase the hospitality industry products and services in Malaysia.

ملخص البحث

هناك العديد من المنصات التي توفرها شبكات التواصل الاجتماعي مثل Facebook و YouTube و LinkedIn و Instagram و Twitter لتسويق المنتجات والخدمات لصناعة الضيافة. يمكن لصناعة الضيافة استخدام وسائل التواصل الاجتماعي لإشراك العملاء والعملاء في الحوار والاعتراف باحتياجاتهم. من خلال منصات التواصل الاجتماعي هذه، يخرط العملاء في وسائل التواصل الاجتماعي، من أجل التفاعل مع الأفراد من خلال المجتمعات عبر الإنترنت، لإنشاء المحتوى والتواصل مع مختلف المستخدمين. تبحث هذه الدراسة في العوامل التي تؤثر على السلوك المخطط تجاه رغبة العملاء في شراء منتجات وخدمات صناعة الضيافة في ماليزيا. وقد تم جمع البيانات الأولية من خلال توزيع استبيان ذاتية الإدارة في منطقة كلانج، ماليزيا، وكانت 295 منها صالحة للتحليل. وتم استخدام SPSS لتحليل البيانات التي تم جمعها واستنتاج مؤثوقية البنى وتحليل العوامل الاستكشافية (EFA) وتحليل الانحدار المتعدد، كما تم إجراء وتحديد أن الموقف والمعيار الذاتي والسيطرة السلوكية المتصورة وتسويق وسائل التواصل الاجتماعي تؤثر بشكل كبير وإيجابي على رغبة العملاء لشراء منتجات وخدمات صناعة الضيافة في ماليزيا.

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 (Marketing).

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DECLARATION

I hereby declare that this dissertation is the result of my own investigation, 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.

Ervis Metalla

Signature.....

Date

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TABLE OF CONTENTS

Abstract.....	ii
Abstract in Arabic.....	iii
Approval page.....	iv
Declaration.....	v
Copyright.....	vi
Acknowledgment.....	vii
List of Tables.....	xi
List of Figures.....	xii
List of Abbreviations.....	xiii

CHAPTER ONE: INTRODUCTION.....1

1.1 Introduction.....	1
1.2 Background of the Study.....	4
1.3 Statement of the Problem.....	7
1.4 Research Objective.....	9
1.4.1 General Objectives.....	9
1.4.2 Specific Objectives	9
1.5 Research Questions.....	10
1.6 Significance of the Study.....	10
1.7 Scope of the Study.....	12
1.8 Definition of Key Terms.....	12
1.8.1 Purchase Intention.....	12
1.8.2 Attitude.....	12
1.8.3 Subjective Norm.....	12
1.8.4 Perceived Behavioral Control.....	13
1.8.5 Social Media Marketing.....	13
1.9 Organization of the Chapters.....	13
1.10 Chapter Summary.....	15

CHAPTER TWO: LITERATURE REVIEW.....16

2.1 Introduction.....	16
2.2 Purchase Intention.....	16
2.3 Attitude.....	21
2.4 Subjective Norm.....	26
2.5 Perceived Behavioral Control.....	29

2.6 Social Media Marketing.....	33
2.7 Gap in The Literature.....	38
2.8 Theoretical Underpinning.....	39
2.8.1 Theory of Planned Behavior (TPB).....	39
2.9 Hypotheses Development.....	41
2.10 Summary of the Hypotheses.....	43
2.11 Proposed Research Model.....	44
2.12 Chapter Summary.....	45
CHAPTER THREE: RESEARCH METHODOLOGY.....	46
3.1 Introduction.....	46
3.2 Research Design.....	46
3.3 Measuring Instruments.....	47
3.4 Population.....	47
3.5 Data Collection.....	47
3.6 Development of the Questionnaire.....	49
3.7 Instrument Design.....	49
3.8 The Sampling.....	54
3.8.1 Sampling Design.....	54
3.8.2 Sample Size.....	55
3.9 Data Analysis.....	56
3.9.1 Data Preparation.....	57
3.9.1.1 Missing Data.....	57
3.9.2 Descriptive Analysis.....	58
3.9.3 Exploratory Factory Analysis.....	58
3.9.3.1 Reliability and Validity.....	59
3.9.4 Multiple Regression.....	60
3.10 Chapter Summary.....	62
CHAPTER FOUR: DISCUSSION OF DATA ANALYSIS AND RESULTS.....	63
4.1 introduction.....	63
4.2 Descriptive Analysis.....	63
4.2.1 Demographic Profile of Respondents.....	63
4.2.2 Descriptive Analysis.....	67
4.3 Reliability Analysis.....	73
4.4 Exploratory Factory Analysis (EFA).....	74
4.5 Multiple Regression Analysis.....	77
4.6 Testing Hypothesis.....	80
4.7 Chapter Summary.....	83
CHAPTER FIVE: DISCUSSION AND CONCLUSION.....	84
5.1 Introduction.....	84
5.2 Discussion.....	84

5.3 Research Question.....85
5.4 Summary of Findings.....88
5.5 Theoretical Implication.....88
5.6 Managerial Implication.....89
5.7 Methodological implication.....90
5.8 Limitations of the Study.....90
5.9 Recommendation and Directions for Future Research.....91
5.10 Conclusion.....92

REFERENCES.....93

APPENDIX A: QUESTIONNAIRE.....103

LIST OF TABLES

Table 3.1	Sections of the questionnaire	48
Table 3.2	The scales used in the questionnaires	50
Table 4.1	Frequency of Gender	63
Table 4.2	Frequency of Age	63
Table 4.3	Frequency of Marital Status	63
Table 4.4	Frequency of Nationality	64
Table 4.5	Frequency of Monthly Income	65
Table 4.6	Frequency of Educational Level	65
Table 4.7	Descriptive Statistics: Purchase Intention	67
Table 4.8	Descriptive Statistics: Attitude	68
Table 4.9	Descriptive Statistics: Subjective Norm	69
Table 4.10	Descriptive Statistics: Perceived Behavioral Control	70
Table 4.11	Descriptive Statistics: Social Media Marketing	71
Table 4.12	Reliability Analysis	72
Table 4.13	KMO and Bartlett's Test	73
Table 4.14	Rotated Component Matrix	74
Table 4.15	Total Variance Explained, Exploratory Factor Analysis	75
Table 4.16	Model Summary	76
Table 4.17	ANOVA	77
Table 4.18	Results of the Hypothesis Testing	78
Table 4.19	Summary of the Hypothesis Testing	82

LIST OF FIGURES

Figure 1.1	Asia Pacific Regional Tourism Trends	4
Figure 1.2	Total Tourist Arrivals by Months	4
Figure 1.3	Tourist Arrivals & Receipts to Malaysia by Year	5
Figure 2.1	Decision Making Process	17
Figure 2.2	Theory of Planned Behavior (Ajzen, 2015)	38
Figure 2.3	Proposed Framework of the Research	43

LIST OF ABBREVIATIONS

GDP	Gross Domestic Product
SPSS	Statistical Package for Social Science
TPB	Theory of Planned Behavior
SN	Subjective Norm
PBC	Perceived Behavioral Control
SMM	Social Media Marketing
KMO	The Kaiser-Mayer-Olkin
MRA	Multiple Regression Analysis
EFA	Exploratory Factor Analysis

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Social media platforms are changing the way people communicate. The developing of the new technology allows one with unlimited amount of things the individual can do on the internet these days. Currently, new technology advancement has empowered individuals to collaborate with one another in a virtual domain and has totally transformed the use of the web benefit. Whereby, the individuals are increasingly connected to one another, and yet bringing down the geographical boundaries, which essentially isolated people in general. With the evolution of social media platforms such as, Twitter, Facebook, LinkedIn, Instagram and YouTube, we have the opportunity for exceptional access to the visitor (Jiao et al., 2015).

Meanwhile, at the present time with the development of internet, social media platforms have turned out to be vital correspondence channels and furthermore virtual networks have risen. Since social media is so available to anyone with an internet connection, it should be a platform that can be recommended to the hospitality industry to increase their brand awareness and facilitate direct feedback from their customers. A business that understands the advantage of social media is well aware that social media is essential in developing new business in the current competitive and online driven marketplace (Siddiqui & Singh, 2016). Besides, the hospitality industry is a key driver of socio-economic progress through the creation of jobs and enterprises, infrastructure development and revenues earned.

Hence, hospitality industry in Malaysia has encountered a remarkable development and has the support of the government authorities. Also, the hospitality industry is perceived as one of the main industries in providing the foreign exchange profits and creating jobs. This marks that, the hospitality industry in Malaysia has experienced remarkable progress and development (Giap et al., 2016). Hence, a business that understands the advantage of social media is well aware that social media is essential in developing new business in the current competitive and online driven marketplace. Whereby, the web commonly is a social place whereby human beings have the opportunity to interact with one to another through the created new forums for particular users (Khan, 2019). Commonly, social media channels have an abundant impression towards the customers whether as a group or individual towards their purchase intentions. Thus far, the increasing number of customers or users involvement into social media have given a prospect to marketers to support them to communicate with customers in an improved environment (Akhtar et al., 2016).

At the present time customers appear to believe more into the reviews of the users. As the social media has turned into an essential hotspot. Whereby the marketing is an important aspect for any company involved in business. Also, it is imperative for marketing managers to continuously find a solution to appeal, keep new and current customers. Therefore, social media platforms have turned to become an important tool in terms of the effective distribution of the information, between customers and organizations (Neti, 2011). However, social media contributes to the virtual networking platforms. Whereby, it enables the individuals to express their opinions and allows exchanging ideas regarding a particular matter. For that reason, this states that internet offers capable results for

marketers nowadays. Besides, by using the social media incentives to promote the business to another level is very useful at the present time. As for the outcome an organization that keen to use to the social media will probably make associations with individuals. At the present time, social networking platforms in general have turned to make it simple for customers to post item reviews and connect with other similar invested people in their networks. (Altaf, 2014). Moreover, the customers approach various types of information and experiences that have been encouraged by other clients' data and suggestions. In addition, the perspective of the networking of people through social media outlets make available shared beliefs, and as well moving forward to a constructive impact on trust. With the growth of social media platforms, these channels are promising in terms of developing the marketing strategies for organizations. Through the trust building approach and influencing the customers' intention to purchase the hospitality industry products and services online (Hajli, 2013).

Furthermore, social network is the ideal platform for communication that applies perfectly with marketing in the virtual world. As the online conversation appears to be the dominating channel of communication that impacts the purchase intention of customers, whereby the social network sites turned to become a vital source of information to users. Besides, the improvements in the internet at the present time have made new frameworks accessible to conduct business, social media for example online networks being a decent model (Florez *et al.*, 2017).

1.2 BACKGROUND OF THE STUDY

According to Market Report (2018), Asia Pacific destinations have reached to make up half of the world wide's top ten most visited urban areas. Besides, this region had the most elevated guest spending among its best ten cities. As well the global guest spend towards the region shows the region's solid developing popularity. Therefore, the industry strategy is the approach whereby the hotels position, grow, and continue in the hospitality industry. As per below is stated the figure that marks the international tourists arrivals in Asia Pacific. Which have grown up to 25 million in 1950 and by 2030 the world's overall international tourist arrivals are estimated to reach up to 1.8 billion.

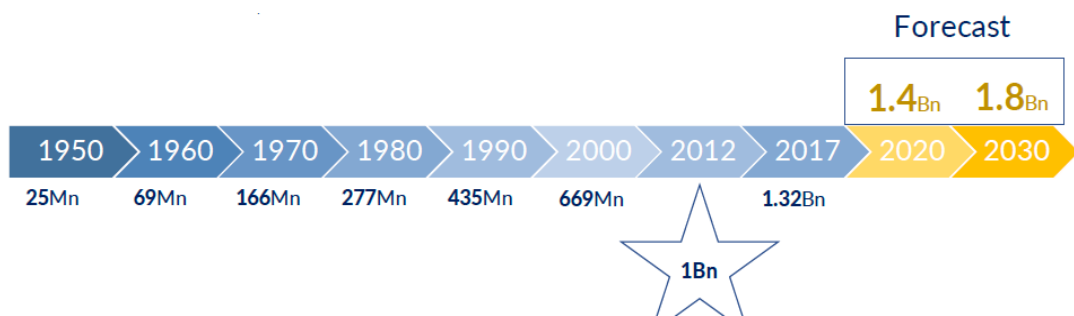


Figure 1.1 Asia Pacific Regional Tourism Trends (Market Report Asia Pacific, 2018)



Figure 1.2 Total Tourist Arrivals by Months (Market Report Asia Pacific, 2018)

Tourist Arrivals & Receipts to Malaysia by Year		
YEAR	ARRIVALS	RECEIPTS (RM)
2018	25.83 Million	84.1 Billion
2017	25.95 Million	82.1 Billion
2016	26.76 Million	82.1 Billion
2015	25.72 Million	69.1 Billion
2014	27.44 Million	72.0 Billion
2013	25.72 Million	65.4 Billion
2012	25.03 Million	60.6 Billion
2011	24.71 Million	58.3 Billion
2010	24.58 Million	56.5 Billion

Figure 1.3 Tourist Arrivals & Receipts to Malaysia by Year (Market Report Asia Pacific, 2018)

Moreover, to highlight that Malaysian hospitality industry is growing quickly consistent from time to time with the number of visitors annually. As a result, this is realized due to the increasing facts of numerous hotels build and hotel rooms services presented in Malaysia. Due to the increase number of international tourists' arrivals in Malaysia, leads the hospitality industry to enhance the products and services gradually. Also, this results that, the world's branded hotels are mainly located in Kuala Lumpur, due to the visitors' attractions. Hence, to mention few hotels such as, Four Seasons, Mandarin Oriental,

Westin, Marriot, Pullman, Intercontinental, Double Tree, Shangri-La, Hilton, Grand Hyatt and many more (Kara, 2017).

However, there are several channels provided by the social media platforms such as, Twitter, YouTube, Facebook, LinkedIn, Instagram, and many more towards the marketing of particular products and services for the hospitality industry. In regard, to the hospitality industry in Asia and especially in Malaysia this business can market itself into the social media platforms and networking. Due to the development of technology, this prospects hospitality industry to use social media platforms to draw in customers in conversation and identify their needs. Therefore, with the availability of the networking sites it enables the hospitality industry to interact with its customers in advance, during the stay, and after the holiday experience (Lim, 2010). The social media has a significant effort upon the customer purchase intention towards hospitality industry products and services. Furthermore, it is very important for the industry to maintain the quality towards products and services in order to provide suitable services to satisfy the demands of the customers in general (Kapiki, 2012).

To conclude, the hospitality industry is a dynamic environment in a steady condition of development. Through the innovation, the hospitality industry is changing at an extraordinary pace. To remain competitive the providers' of products and services must adjust to and actualize new innovations to guarantee travelers satisfaction with the help of social media platforms. The hospitality industry in Malaysia is in the developing process, whereby the service sector is the key driver towards the growth (Abdullah et al., 2010).

1.3 STATEMENT OF THE PROBLEM

The hospitality industry has a huge potential market in Malaysia because of the development of the global hospitality industry. Therefore, hospitality industry tends to be very customer-centric by reaching out to its guests and providing a personalized experience. In traditional marketing, our lives are saturated by print media, radio and television. The downside of traditional marketing is the high cost and it is a one-way communication. Social media platforms encourage customer engagement, as it promotes two-way traffic. But yet, the online travel agencies such as, Trivago, Expedia, Traveloka, Booking.com, Agoda, and Airbnb are one of their marketing tactics as well to purchase products and services. As the social media allows for a faster response and a low cost investment than is typically achieved with traditional marketing (Fauser et al., 2011).

Besides, the advancement of technology empowers customers and organizations to team up on the internet. This has risen via social media outlets, which empower customers to create content and have social interactions online by the means of social platforms. Online people group offer a chance to businesses to have an improved customer relationship management framework whereby the organizations can improve their products and services. Thus far, towards the social media platforms, customers are able to go through the social interactions with members of a particular community and create a credible source of trust (Hajli, 2013).

Furthermore, the fundamentals of marketing through social media are to work in the forecasting of the brand. By rising customers' knowledge, and to expand the quantity of visits to the organization's site. Also, with the help of the new technologies internet is capable to provide an opportunity to any individual around the globe to become a

publisher, yet to distribute the message worldwide at practically no expense. Due to this prospect the organizations understood that the internet and social media outlets are a vital field of publicizing and being able to promote products and services at large globally. Due to the way that social media platforms have turned into a power to be figured marks to be undeniable (Chaudhry, 2014).

As a result, social media outlets have created awesome gathering of people to express openly their feelings and thoughts towards a particular product or service. Also, the social media outlets play an important role towards the customers' interest as it helps them to compare prices, quality and services before attempting to complete a purchase order. Besides, the key business components of social media outlets enable customers to assess products, make suggestions to networks and to the colleagues by sharing any ongoing business encounter via social media outlets. Hence, in regard to the researcher's knowledge. There are lack of studies conducted specifically on the impact of social media on customer purchase intention, in the hospitality industry in Malaysia by using the theory of planned behavior (TPB) model.

In addition, customers play a vital role towards the social media platforms as their behavior is mainly influenced by different factors. This research merely proposes a model in order to underwrite to the topic and to identify innovative solutions for the specific problems associated to the customer purchase intention (Alenezi et al., 2017).

1.4 RESEARCH OBJECTIVE

The objectives of the current study are divided into general and specific objectives as follows:

1.4.1 General Objectives

The primary purpose of this study is to identify the factors that influence the customers' intention to purchase the hospitality industry products and services in Malaysia. Besides, the research evaluated a comprehensive framework and at the same time measured the impact of different variables on customer purchase intention.

1.4.2 Specific Objectives

The specific objectives of this study are stated as per below:

1. To study the impact of attitude on customer intention to purchase the hospitality products and services.
2. To study the impact of subjective norm on customer intention to purchase the hospitality products and services.
3. To study the impact of perceived behavioral control on customer intention to purchase the hospitality products and services.
4. To study the impact of social media marketing on customer intention to purchase the hospitality products and services.

1.5 RESEARCH QUESTIONS

This research addresses the following research questions to investigate the above research problem. Therefore, the questions are formulated as follows:

1. What are the main factors that have an impact on customer purchase intention?
2. What is the impact of attitude on customer purchase intention?
3. What is the impact of subjective norm on customer purchase intention?
4. What is the impact of perceived behavioral control on customer purchase intention?
5. What is the impact of social media marketing on customer purchase intention?

1.6 SIGNIFICANCE OF THE STUDY

The current study is imperative as it produces supportive results about the factors influencing market products by using the theory of planned behavior to examine the independent variables towards the intention to purchase the hospitality industry products and services.

Theoretically, this study examines the applicability of the theory of planned behavior for the Malaysian market; specifically, for the hospitality industry.

Besides, this research in general will benefit the customers to know the impact that social media has on the purchase intentions. Also, the study will extend the form of knowledge on customer purchase intention and make available a new sight of social media concept in developing countries (i.e. in Malaysia).

Moreover, this study will support marketers in determining the particular factors that are the most influential ones with respect to the customer purchase intention. Correspondingly, it will assist the managers in furthering an understanding on how they can impact on the particular purchase intention and which factors will provide a support towards it. Yet, this study will also enlighten the nature and significance in regards to the relationship between several factors as follows: (attitude, subjective norm, perceived behavioral control, and social media marketing). Besides, through accomplishing these aims, particular researchers will have the ability to realize how they can impact exact target audience. It will contribute to the customers at large in the sense that customers will know the conceivable effects the social media usage has on their customer purchase intention. Additionally, the findings of this study are essential to provide in-depth information that help marketers to better understanding of their customers' needs, and thus, to satisfy these needs and flourish the industry (Kotler, 2015).

Furthermore, this research will facilitate the customers towards social media benefits through the social networking sites and will commonly be relevant in assisting customers to understand the diversity of social media. As a result, marketers may use the results of this study in designing marketing strategies aiming for increasing the efficiency and effectiveness of the hospitality industry in Malaysia.