INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

The Effectiveness of Facebook Marketing in Influencing the Consumers' Purchase Intention

Author : Chuah Chong Sheng

Student No : I06003852

Supervisor : Leong Swee Shyong

Ethics Number : INBS 313

Submission Date : 17th August 2011

Final Word Count : 14, 130 words

Faculty of Business, Communications and Law

MBA Project Submission Extension Request Form

To apply for an extension to your project work you must first gain the support of your supervisor by asking them to sign this form after you have completed it, to indicate their approval. It should then be submitted, together with relevant supporting documentation (e.g. medical certificate, employer letter), to the HOP or RE: Business Post-Graduate Studies Research Ethics Committee for a counter signature.

Applications without supporting evidence will normally be refused.

· **Applications made after the date of submission will normally be refused.**

Student Name:	**Chuah Chong Sheng**
Student No	**I06003852**
Programme Code:	**MGT 7999**
Dissertation	
Supervisor:	**Yalini Easvaralingam**

Reasons for request:

Since last year, I have faced a lot of problems in my study. This is mainly caused by my family problems that distracted me badly both spiritually and emotionally. In fact, I am forced to fly home (to Kuala Terengganu) most of the time to solve the family problems and to keep my mother companion. It is really a very stressful experience to handle both my studies and family matters at the same time.

For this, I hereby would like to appeal for an extension of 1 semester for my MBA project, due to my emotional instability at this moment. I am very sorry for the inconvenience incurred.

Lastly, I sincerely hope that my request will be approved and I look forward to hearing from you. Thank you.

Signed: _(signature)_
(Student)

Date: 4/3/11

Signed: _(signature)_
(Supervisor)

Date 4/3/11

Signed:
(Coordinator)

Date:

Approval granted: YES / NO   Date for submission:

Fee Payable   YES / NO

Students: Insert a copy behind the title page of both copies of your dissertation on submission.
Supervisors: Please keep a copy for your records.

Welcome **CHONG SHENG CHUAH**
Logout

Home

Make a booking

Manage my booking

My bookings

Below are your list of bookings.

Booking number [＿＿＿＿＿＿＿] **Search** **View All**

Completed bookings

Depart date	Origin	Destination	Booking nc
Monday, 21 February 2011	KUL	TGG	T33SKY
Tuesday, 8 February 2011	TGG	KUL	UZRDTR
Tuesday, 18 January 2011	KUL	TGG	Q3GPQI
Monday, 10 January 2011	TGG	KUL	CDB37R
Friday, 17 December 2010	KUL	TGG	B7K77T
Friday, 19 November 2010	KUL	TGG	C1D7SL
Thursday, 28 October 2010	KUL	TGG	EEJTSB
Thursday, 7 October 2010	KUL	TGG	K84L9T
Friday, 16 July 2010	KUL	TGG	PBSBDH
Thursday, 1 July 2010	KUL	TGG	RB91BD
Wednesday, 2 June 2010	TGG	KUL	G9UTCG
Thursday, 27 May 2010	KUL	TGG	R9CFLF
Monday, 24 May 2010	TGG	KUL	G9Y9DE
Friday, 21 May 2010	KUL	TGG	C9MCDG

ABSTRACT

The aim of this study was the examination of an integrated model that extended the Theory of Planned Behavior (TPB) with an additional factor, trust, by investigating Malaysian Net Generations' intention to shop online in Facebook. Based on a sample of 300 net generations, the study found that all the independent variables significantly influenced their intention to shop online in Facebook. The results also showed that trust can enhances the predictive utility of the TPB for the intention of engaging in shopping online in Facebook, along with the three variables (attitude, subjective norm and perceived behavioral control) of the TPB. The findings illustrated that trust factor is the most influential predictor variable of intention to shop online in Facebook, followed by attitude, perceived behavioral control and subjective norm.

ACKNOWLEDGEMENTS

I would like to express my sincere and tremendous appreciation to my MBA project advisor: Mr. Alex Leong, for all the support in giving valuable guidance, insightful comments and direction to me throughout the course of this project development. He has made me an incredible contribution by going beyond the job of an advisor. His great guidance, inspiration and support were not only intelligently but also were emotionally invaluable. Besides, my special thanks go to Ms. Yalini for her comprehensive and practical advice on data analysis.

Heartily thanks must also be passed to my family, friends and classmates who have given me tender support and encouragement during this long journey. There are many more special people in my life, which I also want to extend my thanks to each of them for giving me strength and determination to complete this study despite my busy schedule.

Sincerely,

Chuah Chong Sheng

DECLARATION

"I hereby declare that this research project is of my own effort except for those summaries and information of which the sources are clearly specified"

17th August 2011   Chuah Chong Sheng

TABLE OF CONTENTS

5   CONCLUSION AND RECOMMENDATIONS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1

INTRODUCTION

1.0   Chapter Summary

This chapter begins with a background of the research topic. It then describes the development, implications and trends of social network sites, followed by most leading social network sites, *Facebook* and *Facebook* marketing. Consequently, the research problem, research questions, research objectives, research assumptions, significance of the research and limitations are identified and explained. Lastly, an outline of each chapter is showed at the end of this chapter.

1.1   Background

It is no surprise that the Internet is moving at a fast pace. The appearance of the Internet has enabled organizations to remain competitive by providing consumers a convenient, faster and cheaper way to make purchase. The Internet has offered opportunity to everyone because of its ability to make viable the conduct of business in cyberspace and connect people globally without geographical limitations. Consumers can order products and services virtually anywhere, 24 hours a day, 7 days a week without concerning about store hours, time zones or traffic jams. Thus, it is verified that purchasing through the Internet is one of the most rapidly growing methods of shopping (Lee et al, 2010). With the high population of Internet usage, many companies thus started to switch their marketing effort to advertise through the Internet. Nikesh Arora, president of global sales and business development at Google, stated that advertising through newspaper and TV channels were gradually regressed because of the Internet

(Hindustan Times, 2009). This is because most of the websites on World Wide Web from news media to email accounts to online entertainment are free to the users to advertise their products or services.

The use of the Internet as shopping or purchasing product has been growing at an impressive rate throughout the last decade as more than 627 million global shoppers have purchased through the Internet (Nielsen Company, 2008). According to global survey which was conducted by the Nielsen Company in 2008, figure 1-1 showed that 86% of the world's online population purchased through the Internet, which increased 40% from two years ago. Besides, most Internet users are regular online shoppers and they made online purchases at least once a month.

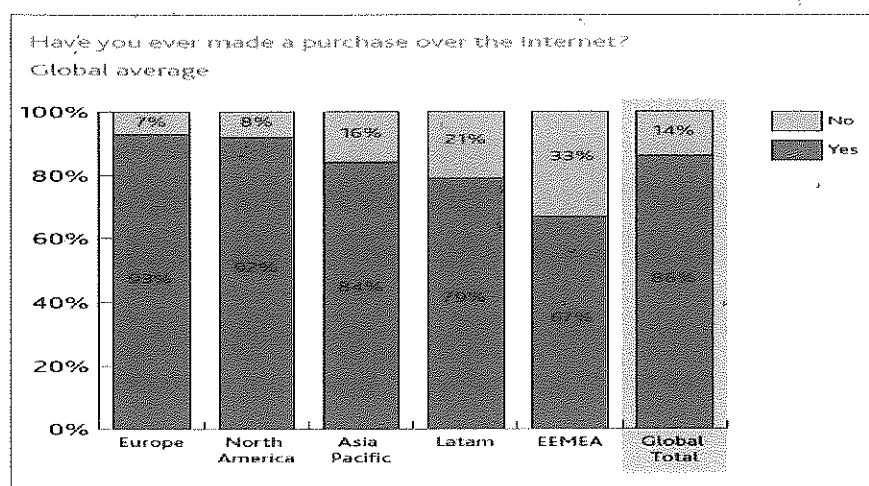Figure 1-1: Statistical data of online shoppers purchase through the Internet

Source: Nielsen Company, 2008

The Malaysian Communication and Multimedia Corporation (MCMC) had done a mid-2005 survey and found that only 9.3% of Internet users shopped online during the preceding three months. Airline tickets were the most popular items (43.8%) among the online shoppers in Malaysia followed by books (15.6%) and music

(6.8%). Amounts spent on these items were small with 57.7% of the transactions worth less than RM500. Subsequently, a research done by Nielsen Company in 2007 has found that 39% of Malaysians purchased through online and 70% of the Internet users in Malaysia made purchase online at some point in the past. Thus, online travel remains the favorite e-commerce activity for Malaysians with 55% of them purchased airline tickets while 41% of them made hotel or tour reservations online.

According to New Straits Times (2011), Ambareesh Murty, country manager of eBay Malaysia, stated that online shopping trend in Malaysia is perceived to be healthy, driven by the high broadband penetration rate in Malaysia. Prime Minister Datuk Seri Najib Tun Razak agreed with the statement above and stated that the online shopping trend had increased to 50% in 2009. Moreover, Visa e-Commerce Consumer Monitor had done a survey in 2010 by interviewing 3,516 Internet users in six growing e-commerce markets, namely China, India, Indonesia, Malaysia, Taiwan and Thailand. The result showed that Malaysia is ranked in third position in online shopping with the average of US$2,006 spent over the past 12 months, behind Taiwan and China at US$4,041 and US$2,557 respectively (New Straits Times, 2011). Therefore, the online shopping in Malaysia is getting popular.

As the Internet is becoming more and more famous in the world, it started to make big impact on people's daily life. Some entrepreneurs suggested that the idea of advertising through social network sites was prospective in becoming the perfect media for companies (ECnow, 2003). There are many companies started to switch their marketing effort by using social network sites to advertise products and services in recent years instead of using traditional online marketing, for example, Johnson and Johnson and McDonald's (Wong et al, 2011). Therefore, the next section will discuss briefly about definition of social network sites and the impact of marketing through social network sites.

1.1.1 Social Network Sites

Social Network Sites (SNSs) can be defined as web-based services which enable individuals to (1) create a public or semi-public profile within a bounded system, (2) communicate a list of other users with whom they share a connection, and (3) view and traverse their list of connection of these connections may vary from site to site (Boyd and Ellison, 2008).

The first recognizable SNS, SixDegrees.com, was launched in 1997 which allowed users to create profiles, list their friends and surf the friends lists. From 1997 to 2001, several SNSs were launched such as AsianAvenue, BlackPlanet, Ryze and others. More and more SNSs were launched from 2001 to 2006 such as Friendster, MySpace, *Facebook* and Twitter which became well-known in the world nowadays. Figure 1-2 showed the detailed timeline of SNSs from 1997 to 2006 (Boyd and Ellison, 2008).

According to In-Stat market analyst, there were more than 10 billion social networking accounts in 2010 and nearly 4.5 billion of these are active (Silicon, 2011). The Nielsen Company (2010) indicated that the average time spent per global web user on SNSs is approximately five and half hours per month, with rise more than two hours compared with last year. Among the SNSs, *Facebook* is the leading SNS and accounts for nearly six hours (5:52:00) per person with the average user logging in more than 19 times per month.