



UNIVERSITI  
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MARA

**TITLE: RESEARCH ON FACTORS OF ONLINE  
BUYING DECISION TOWARDS THE HERBAL  
SUPPLEMENT PRODUCTS IN MALAYSIA**

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**Title: research on factors of online buying decision towards the herbal supplement products in Malaysia**

**Introduction**

**Background of study**

Pharmaceutical industry is the fastest growing segment in Herbal Supplements application market due to the consumer's reliability in the quality and effectiveness of herbal supplements. Retail store segment dominated the distribution channel market segment owing to rise in disposable income and favorable investment for infrastructure. Multi Herbs in product segment is the fastest growing market because of the need for multifunctional medications. Soy and specialty herbs are expected to grow lucratively. North America and Europe accounted for the largest market share with significant growth because of consumer awareness and product availability. In countries such as France, Germany and UK herbal supplements are sold in drugstores. Asia Pacific is witnessed to be the fastest growing market owing to huge consumer especially woman. (Gaithersburg, 2017)

Electronic retailing over the internet or online shopping first started in 1994 (Chua et al., 2006). This new concept of retailing has captured the interest of many retailers and merchants because of the recognition that online shopping will is considered as an alternative channel alongside traditional offline retail channels such as physical retail stores (Chua et al., 2006).

**Background of company**

Naturemedics Laboratories basically is a company that provides the herbal medicine and healthy supplements as well as cosmetics products. This company sells their products through online and also actual store. This company officially starts to run their business in September 2015 and located at Terengganu. This company basically wants to apply science into the traditional medicine as through research, the products produce can be more significant with scientific details.

### **Problem statement**

As we can see nowadays, the people start to purchase for supplements products for their healthy life. According to (Gaithersburg, 2017) Statistics MRC, the Global Herbal Supplements market is accounted for \$49.1 billion in 2016 and is expected to reach \$86.7 billion by 2022 growing at a CAGR of 9.9% from 2016 to 2022. Various health benefits of herbal supplements, increasing use of functional foods and consumer awareness for preventive healthcare measures will drive the market growth. Demand for dietary supplements among women and acquisition of small nutraceutical companies by pharmaceutical manufacturers will provide plenty opportunity to grow. However, regarding to the statement, the company of NatureMedics Laboratories shows the poor performance with having less profit compared to its competitors such as Jamu Ratu Malaya, Pamoga and also D'Herbs. The people barely know about their products compared to the competitors which already establish in the market.

### **Research objective**

Ro1: to investigate which is the most effective factor to attract online buyers.

Ro2: to identify the weakness of doing online selling towards the consumer behavior.

Ro3: to identify factor of online repurchasing towards the healthy supplements products.

### **Research Question**

RQ1: what are the most effective factors that attract online buyers?

RQ2: what are the weaknesses of doing online selling?

RQ3: what are the factors that affect online repurchasing towards healthy supplements products?

## **SIGNIFICANT OF THE STUDY**

The significance of the study are the researcher wants to find out the relationship between the quality orientation, brand orientation, impulse purchase orientation, prior purchase orientation, and online trust that can be intention to purchase herbal medicine and health supplement towards the residence in Malaysia. Besides, this study also resulted on what are the most influence or familiar brands that commonly customers use to buy. The study is also useful in providing reliable information on factors affecting purchase intention among consumers in Malaysia whereby pharmaceutical firms and marketers could have better understanding on the influencing factors which will help them to compete better in Malaysian marketplace.

## **SCOPE AND LIMITATION OF STUDY**

### **SCOPE OF STUDY**

The researcher decides to do a research on factors influencing online purchase intention of supplement and health product around Kuala Terengganu. The suitable respondents are customers from the company of NatureMedics laboratories and who are primarily buy and uses medicine and supplements. Thus, we conducting this survey through the residents that staying in Kuala Terengganu. The average of ages is from 18 years old and above and the genders are male and female. They are predicted to give more reliable answers since they are the direct users of health and supplement product.

### **LIMITATION OF STUDY**

The study has several limitations. First, the questionnaires were collected and answered by working adults who knows and basically purchase through online medium in Kuala Terengganu. The online purchase intention of other consumers from the other states in Malaysia remained unknown and might be investigated in the future as the influencing factors might be varied in other locations. Second, the adoption of convenience sampling technique may limit the representativeness of the intended population. Consequently, the respondents

## CHAPTER 2

### LITERATURE REVIEW

#### INTRODUCTION

This chapter provides a review of literature on the factors influencing consumer online purchase intention of health and supplements products in Terengganu. In this chapter we will divide into several sections which are including overview of health and beauty industry and also factors that influencing consumer online purchase intention towards the health and supplements products at Terengganu. In this section we will discuss on the literature review of the past journal which is including quality orientation, brand orientation, impulse purchase orientation, prior purchase orientation, and online trust. After all the discussion on the literature review, we will explain on the hypothesis of each independent variables and dependent variable between the factors that influence consumer online purchase intention of health and supplements in Terengganu.

#### OVERVIEW

##### CONSUMER ONLINE PURCHASE INTENTION OF HERBAL SUPPLEMENTS

Purchase intention is a decision plan to buy a particular product or brand created through a choice or decision process (American Marketing Association, 2016). The purchase intention can come from various ways including internal and external factors depends on how the consumer intention of purchasing the products or services themselves. The factors of online purchase intention can come from quality orientation, brand orientation, impulse purchase orientation, prior purchase orientation, and online trust. Since it is very important for marketing professionals (the producers and the marketers) and the beauty and health industry manufacturers to understand and satisfy the needs and wants of their target consumers via online medium, it is therefore imperative to know the needs and wants of their targeted consumers by examining their purchase intention of towards the herbal supplements. (Teoh Khar Chin, Siti Haslina Md Harizan, 2017).