

## Determining Factors of Home-based SME Malaysian Brand Purchase Intention: A Conceptual Paper

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To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v14-i5/21620>

DOI:10.6007/IJARBSS/v14-i5/21620

**Published Date:** 13 May 2024

### Abstract

Small and medium-sized enterprises (SMEs) are pivotal in stimulating economic growth within a nation and serve as a significant catalyst in enhancing employment opportunities. Due to its importance, SMEs in Malaysia should prioritise the aspect of brand sustainability particularly in facing intense global competition in order to survive in the fierce marketplace. Failure to comprehend the elements of customer purchase intention has resulted in the cessation of operations for numerous home-based SME brands. Therefore, this study investigates the factors influencing customer purchase intention in the context of home-based SME brands from the aspects of quality, price, trust, and convenience. Lastly, the study develops a preliminary conceptual framework on the factors influencing customer purchase intention in the context of SMEs in Malaysia.

**Keywords:** Quality, Price, Trust, Convenience and Purchase Intention

### Introduction

Home-based food and beverage products have gained significant popularity as a viable alternative during the COVID-19 pandemic. In ensuring the economic survivability of home-based SMEs post-pandemic, the Malaysian government had implemented several initiatives with a particular focus on facilitating the operations of SMEs using the most recent national budget. For instance, a sum of RM40 million had been designated for the ongoing operations of the Shop Malaysia Online initiative, which specifically enables small traders, including home-based F&B businesses, to sell their products on the Internet. During the pandemic, the sale of home-based food products via the online medium had shown significant growth (Osaili et al., 2022).

Home-based food entrepreneurs produce and sell their food from home. There are two types of home-based businesses: those that produce home-based foods majorly from their

residential home, and those that operate majorly at their clients' premises or outdoor sites (Reuschke & Domecka, 2018). According to Noor *et al* (2021), a home-based SME business should improve its business skills and embed a new marketing strategy (such as online marketing) to remain sustainable in the long-term.

The components of brand management are crucial in ensuring the survivability of SME home-based food brands, i.e., through the establishment of effective brand positioning, the identification and strategizing of branding marketing initiatives, evaluation of brand performance, and attainment of brand equity (Rokhim *et al.*, 2021). Furthermore, the dynamic capabilities of SME brands are predicated upon product quality, technological adoption, and innovation-based competitive advantage (Nimfa *et al.*, 2021). Yusof *et al.* (2024) named price, texture, taste, appearance including delivery service, as well as packaging conditions and free gifts as the key elements of SME home-based food brands. Other than that, customers are also particular about the cleanliness and appearance of stalls or vendors, which would lead to the development of customer trust (Nordhagen *et al.*, 2022). Zalani and Zulkifly (2022) mentioned that the factors of convenience, price, and health significantly influence food purchase intention in their survey of 191 consumers. Therefore, this current study proposes a conceptual framework that would serve fruitful insights on the factors influencing consumers' buying behaviour of home-based food brands in Malaysia.

## **Literature Review**

### **Quality**

Product and service quality are the two elements that must be taken into account to attain high levels of customer satisfaction and profitability. According to Hidayat *et al* (2020), excellent food and service quality will lead to high customer satisfaction in the context of the food service industry. This is consistent with the findings of Rajput and Gahfoor (2020) which revealed that customer revisit intention is significantly associated with food quality, food service quality, customer satisfaction, and the quality of the physical environment.

In addition, customer purchase intention of food via online food market is also influenced by high quality products and brand value (Soo Cha & Han Lee, 2021). According to Solunoglu (2020), food quality has a positive and strong influence on brand image, customer satisfaction, and customer recommendation among restaurant patrons in Izmir. Another study revealed that perceived food quality significantly mediates the relationship between environmental consciousness and food purchase intention among organic food consumers in Guangdong, China (Wang *et al.*, 2020).

### **Price**

Price and food quality are important factors increasing customer satisfaction (Wicaksana *et al.*, 2021). Aryani *et al* (2022) revealed that price and delivery time significantly influence customer purchase intention of online food delivery services. This finding is consistent with that of Cakici *et al* (2019) which indicate that price justice as well as customer satisfaction positively impact customers' revisit intention to restaurants in Turkey, and that revisit intention positively impacts customer loyalty.

### **Trust**

Customer trust prompts a positive attitude towards enhancing purchase intention (Ngo *et al.*, 2023). Moreover, trust related to food safety has been found to significantly moderate the

relationship between buying intention, safety concern, health consciousness, and nutritional content (Alam *et al.*, 2022). The study of Ratasuk and Gajesanand (2022) revealed that customer trust partially mediates the association between perceived food safety and customer repurchase intention among customers of online food delivery in Bangkok, Thailand.

**Convenience**

The study of Kamboj *et al* (2023) found that convenience, availability as well as health benefits significantly impact consumers’ choice of organic food in India. This is consistent with the study of Chowdhury (2023) which revealed that convenience and service quality significantly influence the behavioural intention and attitude of customers of online food delivery in Bangladesh. Another previous study also found that convenience is a critical factor that positively influences customer satisfaction in the context of food delivery services in Surabaya, Indonesia (Maharani *et al.*, 2023).

**Methodology**

This study mainly assesses the role of quality, price, trust as well as convenience in influencing customers’ purchase intention of SME home-based food brands in Malaysia. The study is descriptive in nature, with the aim to explain the relationship between quality, price, trust, convenience, and consumers’ purchase intention. The structured questionnaire will be distributed to the respondents using the convenience sampling method to collect the needed empirical data. Further, several statistical tools will be used namely descriptive analysis, correlation, and multiple regression. The proposed conceptual framework are as follows:

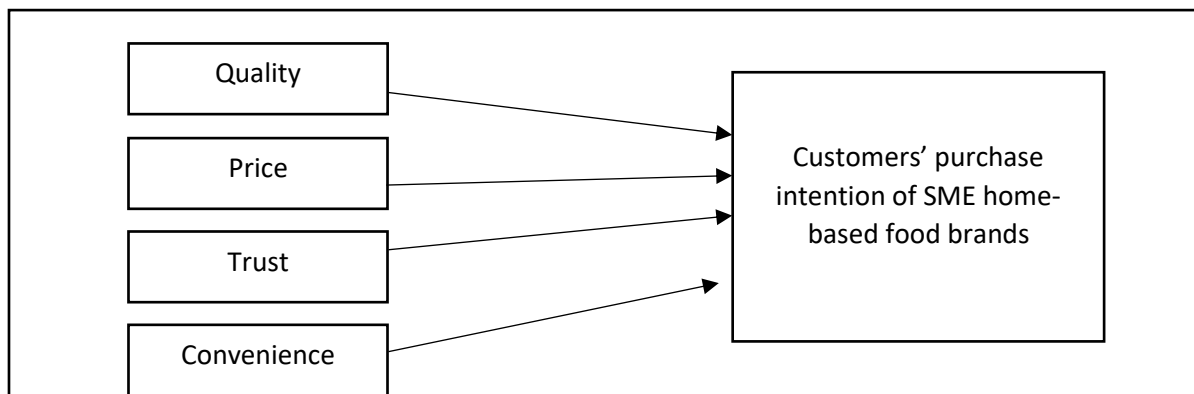


Figure 1. Proposed Framework

**Conclusion**

This study conceptually proposes the role of quality, price, trust, and convenience in influencing customers’ purchase intention of SME home-based food brands in Malaysia. It is hoped that the proposed framework will contribute to future studies on relevant topics, marketers, and business operators in understanding customers’ purchase intention. Furthermore, future researchers are recommended to conduct empirical studies on the proposed framework.

**Acknowledgements**

All authors are equally contributed to the conceptual and the design of the study.

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