CONSUMER PURCHASE DECISION IN THE MALAYSIAN RETAIL MARKET: A STUDY OF RM2 STORES

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ABSTRACT

This study aimed to investigate factors that influence consumer purchase decision in Malaysian single-priced stores, which are also popularly known as RM2 stores. The study considered six factors that could affect purchase decision in RM2 stores, namely, corporate social responsibility (CSR), sales promotion, social media marketing, perceived value, store environment, and service quality. A quantitative research methodology was employed through a survey using
questionnaires administered to 550 customers of the RM2 stores. The data gathered was then analysed through SPSS method to calculate the validity and reliability of the measurement items and to verify the impact of six independent variables on purchase decision. Based on the results, CSR, sales promotion, perceived value, and service quality had significant positive effects on purchase decision, while social media marketing and store environment proved to be insignificant. Among all the factors, perceived value had the strongest influence on purchase decision. The findings are important in assisting RM2 store retailers to understand the factors that affect consumer purchase decision which could help in improving sales. This study complements the current literature and addresses existing research gaps with regard to the linkages between factors that influence consumer purchase decision in Malaysian single-priced stores.

**Keywords**: Corporate social responsibility, sales promotion, perceived value, social media marketing, store environment, RM2 stores, service quality.

**INTRODUCTION**

The current COVID-19 pandemic has caused uncertainties that led to volatility in the global economy, with one of the hardest-hit industries being the retail industry. In Malaysia, the retail industry has recently recorded its poorest growth rate in 33 years. In what was deemed as the poorest quarterly result in the Malaysian retail industry history (Kamel, 2020), retail sales indicated a negative growth rate of 30.9 percent in the second quarter of 2020 against the same quarter of 2019. The industry is anticipated to encounter more challenges when the current financial assistance initiatives by the government such as loan moratorium and other cash aid programmes end. The challenging environment has led to many business closures. Consequently, to survive in this industry, retail managers must be able to understand and predict consumer behaviour and preferences that influence purchase decision. For example, some retailers are committed to establishing favourable images through their brand names for marketplace sustainability (Hanaysha, 2018; Shamsher, 2015).

Despite the gloomy scene in the overall Malaysian retail industry, a particular category of retail stores has been seeing growing demand.
This category is the single-priced stores, or more commonly known as RM2 stores, which have been increasingly popular among consumers. Interestingly, despite the bleak outlook on retail industry growth, sales of the single-priced stores have been projected to increase positively (Ganesan, 2020). Popular stores in this category include RM2.1 Eco Shop, Ninso, Super Jimat, Zon Jimat, NT Shop, Setia, Mr Save, Cheap2shop, and Mr Dollar, as shown in Table 1. The largest and oldest store in the Malaysian market is Eco-Shop with 150 stores as of November 2020. The study aimed to explore factors that could influence consumer purchase decision in these RM2 stores.

Table 1

Operational Summary of RM2 Stores in Malaysia

<table>
<thead>
<tr>
<th>Brand</th>
<th>Price Point (RM)</th>
<th>Number of Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-Shop</td>
<td>2.10</td>
<td>158</td>
</tr>
<tr>
<td>NT Shop</td>
<td>2.10</td>
<td>47</td>
</tr>
<tr>
<td>Zon Jimat</td>
<td>2.00</td>
<td>55</td>
</tr>
<tr>
<td>Setia</td>
<td>2.10</td>
<td>13</td>
</tr>
<tr>
<td>Mr Save Mart</td>
<td>2.00</td>
<td>8</td>
</tr>
<tr>
<td>Ninso</td>
<td>2.10</td>
<td>44</td>
</tr>
<tr>
<td>Mr Dollar</td>
<td>2.00 &amp; 5.00</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Ganesan (2020).

Retail managers must understand consumers’ personalities, likes, and tastes to form consumer purchase decision and maintain a competitive advantage. The process to understand consumer behaviour is complicated as many factors can influence their purchase decision. In cases where the main priority is to meet their needs, consumers tend to spend little time deciding whether to purchase low or high-value products (Hanaysha, 2018). This has encouraged marketing managers to plan a good marketing strategy to encourage consumers in purchasing their products.

Previous studies found that CSR (Uhlig et al., 2020) and social media marketing (Hasan & Sohail, 2020) play important roles in influencing consumer purchase decision. Other researchers considered store environment (Hanaysha, 2018), sales promotion (Agbi et al., 2019), perceived value (Chaphiray & Indriyanti, 2020), and service quality (Choudhury, 2013) as crucial factors in purchase decision and
intention. For service quality, in particular, there have been many studies that linked service quality to purchase decision and intention (Anggita & Ali, 2017; Choudhury, 2013; Dapas et al., 2019; Patel et al., 2020).

Furthermore, numerous scholars (Khatib, 2016; Yogesh & Yesha, 2014) reported that active social media presence plays a vital role in purchasing decision. Remarkably, it would be beneficial to understand the implications of social media presence for RM2 stores as some of the retailers do not have social media platforms. Moving forward, they still lack the latest literature that unravels the impact of CSR and social media marketing in consumer purchasing decision especially within the Malaysian retail setting (Hanaysha, 2018). In general, more studies could be conducted to provide ample evidence of factors that influence Malaysian consumer purchasing decision at single-priced stores.

A study by Hanaysha (2018) emphasized on the importance of CSR, social media marketing, store environment, sales promotion, and perceived value in purchase decision. Prior to his findings, the researcher recommended unravelling service quality and store environment which contribute towards purchase decision within the Malaysian retail industry. Hence, incorporating service quality (Choudhury, 2013) could amplify the novelty of this study. In relation to this, despite the low number of respondents (100 respondents), a study by Helmi et al. (2019) found that factors such as price, quality, and attitude influenced consumers at a RM2 store in Penang, Malaysia. Therefore, this study aims to contribute towards a larger sampling size, and hence will benefit the findings. This study attempts to examine factors which include CSR, social media marketing, store environment, sales promotion, perceived value, and service quality towards consumer purchasing decision at RM2 stores in Malaysia.

This study has six objectives. The first one is to examine the relationship between CSR and consumer purchase decision in RM2 stores. The second objective is to examine the relationship between social media marketing and consumer purchase decision in RM2 stores. The third objective is to examine the relationship between store environment and consumer purchase decision in RM2 stores. The fourth objective is to examine the relationship between sales
promotion and consumer purchase decision in RM2 stores. The fifth objective is to examine the relationship between perceived value and consumer purchase decision in RM2 stores, and the last objective is to examine the relationship between service quality and consumer purchase decision in RM2 stores.

LITERATURE REVIEW

Purchase Decision

Purchase decision denotes an evaluation stage over a series of preferences by a consumer before making a purchase. Consumer preference towards a brand is formed (Albari & Safitri, 2018) at this stage. According to Kotler and Armstrong (2014), purchase decision is a stage where a buyer decides to buy a product. This process begins once the consumer has an eagerness to fulfil a need. The decision involves a desired brand, purchase quantity, model, place or location of purchasing, amount of money, time to buy, and method of payment (Hanaysha, 2018). The past purchase experience is one of the internal sources of information that a consumer depends on before deciding. In addition, various factors influence consumer decision, such as previous purchasing history, marketing campaigns, and non-commercial facts.

In other words, marketers need to understand the factors that lead to selection of choices with regard to the consumer’s assessment process. With the current pandemic scenario, consumers are price sensitive and looking for more deals, and less branded products. Understanding consumers enables consumers to make decisions. This decision cues may influence brands in retail marketing strategy and disseminating product information to different channels.

Corporate Social Responsibility

The recent trend shows that many companies embark on CSR activities as a strategy to differentiate them from their competitors (Rodrigues & Borges, 2015). By implementing CSR practices, a company can contribute back to the community while creating a good reputation and enhancing its brand image (Dincer & Dincer, 2017; Pradhan, 2018),
influencing consumer purchase decision (Parung, 2019; Rodrigues & Borges, 2015; Tak & Suriati, 2019; Thomas & Nor Suziwana, 2019; Tinker et al., 2017) and enhancing company profitability (Dincer & Dincer, 2017). A company’s CSR practice is one of the indicators that can influence consumer purchase decision towards the company’s product(s) or services (Rodrigues & Borges, 2015).

Rodrigues and Borges (2015) surveyed the influence of CSR practices on consumer purchase decision of a clothing brand in Portugal. The study discussed CSR based on recycling, communication, non-discrimination, and ecological dimensions. The results indicated a positive influence of the company’s CSR practices related to the environment, such as recycling, and on the consumers’ final decision to purchase the products offered by the company. The finding was supported by Pradhan (2018), who found that consumers preferred to purchase from a company that implemented CSR as its products were deemed environmentally friendly. In such cases, consumers considered their purchases as an indirect contribution to society (Pradhan, 2018) that benefitted the public, the environment, and human rights (Dodd & Supa, 2011).

Parung (2019) indicated that consumers were willing to purchase from companies that emphasized CSR even though the price was higher, as it made them feel safer and assured. Thomas and Nor Suziwana (2019) reported that CSR had a positive effect on consumer buying behaviour. In the study, one of the CSR elements, economic responsibility, contributed the highest impact on purchase decision. This indicated that a company should focus on reducing operation costs or participate in research and development activities to offer reasonable and competitive products and services that could influence consumer purchase decision.

The aforementioned studies showed that to influence consumers and become a successful brand, a company should produce a quality product(s) and consider involving itself in CSR activities that could benefit the public. In contrast, a study by Saleem and Gopinath (2015) showed that environmental and ecological related CSR practices such as recycling activities had no significant influence on consumer trust, brand loyalty, and willingness to pay for a higher price. On the other hand, consumer-related CSR practices, which refer to initiatives that
concern consumers’ rights and needs, had a significant influence. A study by Shabib and Ganguli (2017) on purchase decision of cosmetic products indicated that consumers were not willing to pay more even though the companies had good CSR practices. Instead, the decision to purchase was mainly influenced by the consumers’ needs and the products’ benefits. The results also indicated that most of the consumers were not aware and had limited knowledge of CSR practices.

It is also suggested that organizations could reap more profit if consumers acknowledged that a particular brand is being socially responsible to society. Despite contradicting findings from Shabib and Ganguli (2017) and Parung (2019), it is relevant to investigate if CSR has an impact on the purchasing decision of Malaysian consumers. The first hypothesis ($H_1$) is as follows:

$H_1$: Corporate social responsibility has a positive effect on purchase decision in RM2 stores.

**Social Media Marketing**

The explosive growth of immersive digital technology has affected almost every aspect of young consumers’ daily lives over the last two decades (Duffett, 2017). In 2015, the number of users on the Internet exceeded four billion, resulting in a new interactive revolution (Internet World Stats, 2020). Social media platforms play an important role in users’ everyday lives as they enable peer connections through various networks, which encourage communication especially between peer groups (Ismail, 2017). Social media marketing has the advantage of marketing campaigns for brand management (Laroche et al., 2013) and building brand reputation (Ngai et al., 2015).

A study by Prasad et al. (2019) found that the use of social media had a significant direct effect on the purpose of purchasing. Hutter et al. (2013) found that social media practices impacted a brand’s image and influenced the purchasing decision process. Yogesh and Yesha (2014) surveyed the impact of social media on the purchasing decision process of users in Mumbai. The outcome showed that social media consumers were likely to purchase a product after reading about its positive feedback. Thus, generating positive feedback on social media could boost sales. This finding was in line with the results by
Khatib (2016), who showed that social media had a direct impact at every stage of consumer decision-making, including knowledge acquisition, purchasing behaviour, contact and assessment after purchase, including the users’ general attitude and attitude formation. Balakrishnan et al. (2014) identified that social media, electronic word of mouth, numerous internet contacts, and online ads help create a positive brand image and the purchase intent of consumers. Consumers are highly influenced by social media content as they are convenient, mobile friendly, provide constant promotional offers and strong brand presence. In a nutshell, effective marketing programmes via social media platforms will benefit consumer’s selection choices in the purchasing decision process. Therefore, this leads to the second hypothesis ($H_2$):

$$H_2 : \text{Social media marketing has a positive effect on purchase decision in RM2 stores.}$$

**Store Environment**

Many previous studies have indicated that the store environment is an important element and factor in influencing buying decision. Different consumers have different feelings and views about store environment, which can influence their perception (Keaveney & Hunt, 1992). This paper attempts to reinterpret the conceptualization of store environment and purchase decision which involve stimulus, organism, response, and alignment with the environment, by using a psychological approach that includes the understanding of the role of emotions in consumption experiences while entering the store (Russell & Mehrabian, 1974). Consequently, this study is an extension of related thoughts and explores the relationship of such factors of store environment towards purchase decision.

From the marketing perspective, there are limited studies that address the role of physical surroundings in the context of consumption. Although managers regularly plan, change, build and control an organization’s physical settings, they do not understand the impact of specific design on the ultimate users of the facility (Bitner, 1992; Muhammad et al., 2014). According to Bitner (1992), retailers will design a store based on what consumers perceive and experience from the store. The physical environment will influence consumer behaviour while the physical attributes of the retail atmosphere
characterize a retail situation. In both aspects, there is considerable literature that shows that consumers react to different types of stimuli in a retail environment (Bellenger et al., 1982; Wakefield & Baker, 1998). Other than verbal stimuli, visual and sensory stimuli contribute to an appealing experience that make shoppers feel the store’s atmosphere (Helmefalk & Hulten, 2017). The established stimulus-organism-response (S-O-R) model proposes that different stimuli affect consumers’ emotional states. An individual evaluates a store based on the approach or avoidance that they receive, which influences their emotional stimuli.

Past research findings showed that shoppers responded to different types of stimuli which proved that there was a significant relationship between store environment and shopping behaviour (Turley & Milliman, 2000). Previous research on retail stores divided stimuli into categories based on signals, ambient conditions, spatial layout, and functionality, as well as the exterior, interior, architecture, decoration, and image of the purchasing location (Barros et al., 2019; Bitner, 1992; Booms & Bitner, 1982; Darian et al., 2001; Muhammad et al., 2014; Yusof et al., 2012). A study using categories based on factors such as ambience, design, and social setting was conducted by Gorbovaja (2015). These included the background sound of the store, lighting, colour, material, style, architecture, and texture. Nowadays, with technology such as social media dominating business communication, trendy consumers prefer stores with unique designs that can create viral attention on social media platforms. Such designs can evoke emotional responses of the shopper, such as creating an influence on having an #OOTD (outfit of the day) through signals and stimuli that are portrayed. This creates a new experience between the consumer and the store and shows that multi-sensory congruent cues affect the shopper’s perceptions, emotions, and actual behaviour (Meyers-Levy & Zhu, 2007). Leveraging on store environment will help retailers as the in-store ambience directly impacts the purchasing decision of impulse buyers and consumers. Likewise, creating an appealing store environment within the RM2 store can stimulate consumer’s selection assessment and decision-making, in turn increasing store revenue. Thus, the third hypothesis (H₃) is as follows:

H₃ : The store environment has a positive effect on purchase decision in RM2 stores.
Sales Promotion

One of the most effective promotional mix techniques in marketing is sales promotion. Short-term rewards are used to promote consumer purchases, reseller support, and sales efforts. The objective is to create promotions that can automatically boost brand engagement. A good sales promotion can retain consumers and create a strong relationship between them and the organization (Ndubisi et al., 2006; Rachmawati et al., 2019). As a result, sales promotion has a high capacity to add value and boost future sales. Besides, it acts as a tool to motivate and support sales personnel in their roles. Under the strategic marketing approach, a variety of marketing strategies can be deployed to add extra value beyond the standard offering to achieve particular sales and marketing targets (Brassington & Pettitt, 2000, pp. 642–685). Although this added benefit appears to be temporary, short-term sales promotion could evolve into a long-term promotion programme with lasting benefits for the company.

Previous studies indicated that sales promotion creates a direct relationship with consumer purchase behaviour (Blattberg & Neslin, 1990; Hanaysha, 2018; Rachmawati et al., 2019). As the marketplace is becoming more challenging, businesses need to be creative in developing new sales promotion that is the most appropriate and able to reach out to intended consumers. For ‘zero cost’ sales promotion with a significant impact, social media is the best platform to use. Based on the above discussion, Malaysian consumers tend to be price sensitive and are highly aware of promotional activities as they are usually on the lookout for the best deals. The rewarding sales promotion will not only attract new consumers and brand switching but will also help maintain existing consumers to be loyal to the brand. Thus, the fourth hypothesis ($H_4$) is as follows:

$H_4$: Sales promotion has a positive effect on purchase decision in RM2 stores.

Perceived Value

In order to understand consumer buying behaviour (Kang et al., 2016) and purchase decision (Chae et al., 2020), it is essential to analyze perceived value. Although the concept of perceived value is well established in marketing literature, there is no clear agreement on its formal definition (Caber et al., 2020) and there are many aspects of
the concept in which further research could be attempted (Medeiros et al., 2016). Zeithaml (1988) defined perceived value as the assessment of a consumer’s value for a specific product, while Sweeney and Soutar (2001) stated that perceived value is the functional value for the quality, price, social, as well as emotional values of a product. It is essential to understand the perceived value in multidimensional aspects encompassing the overall assessment of the product instead of only focusing on consumers’ interests and risk relationships with the product.

Gallarza et al. (2011) stated two pertinent perspectives of perceived value from the view of consumer behaviour, namely, the economic and psychological perspectives. Both perspectives reflect consumers’ willingness to pay, what they consider, and the emphasis they place on cognitive and affective issues that influence buying decisions and brand selection. Consumers’ perceived value can be enhanced through providing variety and constant updates of the products by retailers. Understanding consumers’ perceived value could help retailers to understand how product offerings relate to purchase decision (Williams et al., 2020). Retailers should also include the personal preferences of consumers in their marketing mix, including online marketing strategies, to enhance consumers’ perceived value and loyalty to the business.

It is important to meet evolving consumer requirements to win market share and remain relevant in the retail industry. Hasan et al. (2018) concurred that perceived value includes overall satisfaction, purchase outcomes, commitment, and trust of the product, which are goals that consumers expect to achieve when making a purchase. This is consistent with the study by Konuk (2018), which found that perceived value enhances consumer purchase decision. In summary, the purchase decision is an outcome of the consumer’s perceived value (Kim & Jin, 2001) and consumers prefer to purchase from retailers who provide the best value (Ponte et al., 2015). Consumers find it very appealing when brands have higher perceived value, as consumers develop a sense of trust and satisfaction. Indeed, it would be interesting to understand the perceived value of Malaysian consumers on RM2 stores as people have a negative perception of cheap products. The fifth hypothesis (H₅) is as follows:

H₅: Perceived value has a positive effect on purchase decision in RM2 stores.
Service Quality

In the business environment, service quality is an important component as it measures whether the delivered service meets consumer expectations and beliefs (Alharthey, 2019). Service quality is the quality as perceived by consumers who use the service (Lahindah et al., 2018). When evaluating quality, consumers would compare the service that they expect to receive with what they had received. Rising expectations from consumers make it increasingly more difficult for retailers to compete and stay afloat (Hossain & Leo, 2009).

Rahmani-Nejad et al. (2014) stated that service quality is crucial for consumers’ trust and satisfaction besides helping them to make informed decisions (Patel et al., 2020). Good quality service creates a positive impression and relationship with consumers and leads to consumer loyalty (Waseem, 2016). Multiple studies have suggested that the main factors in service quality that significantly affect consumer satisfaction are personal interaction and reliability. Although it is widely accepted that product conception, pricing, placement, and promotion are the basic competitive strategies in grocery retailing, good service quality is the main focus to win the competition (Cameran et al., 2010). This finding is consistent with findings by Tjiptono and Chandra (2011) and Haro et al. (2019), which highlighted that quality becomes a significant component of the overall characteristics and quality of a product or service as it affects the ability to meet consumers’ needs. Perceivably, service quality is an integration of the production and marketing functions of a firm and aligns the two functions with consumers’ needs (Ahmad & Zhang, 2020).

According to Alharthey (2019), service quality can be taken as a tool to measure consumers’ needs, demands, as well as observations about services provided by a store. Consequently, this can help retailers to identify any problems and issues in providing high service quality and to improve the efficiency and performance of their stores. In short, it can be concluded that the quality of service depends on a close relationship between the provider and the receiver (Ahmad & Zhang, 2020). Service quality known as SERVQUAL is widely known and provides a basic structure of underlying service quality. Based on the findings mentioned, high service quality may influence the consumer’s assessment in decision-making. Thus, it is essential to understand the
elements of service quality that affects the behaviour of Malaysian consumers in RM2 stores. The sixth and the last hypothesis (H6) is as follows:

H6: Service quality has a positive effect on purchase decision in RM2 stores.

METHODOLOGY

The use of a quantitative approach to conduct this study was the best way to include as many respondents as possible and to collect a higher number of responses. Besides that, this approach is suitable when the target group consists of a large number of respondents and completing a questionnaire does not require specific abilities (Hanaysha, 2018). In addition, a cover letter contained in a questionnaire booklet explaining the objective of the study and assuring confidentiality of answers to respondents was given to reduce sampling errors and response bias.

There is no certain rule for determining sample size. However, some studies support a rule of thumb when using a sample size. There should be at least 10 observations per variable in the regression analysis. Since there were six independent variables employed in this study, the minimum sample size was 60. Likewise, past research offered recommendations for a minimal sample size required for such studies (Memon et al., 2020). Exploratory factor analysis, for example, cannot be performed on a sample with fewer than 50 observations (i.e. subject to other factors), whereas simple regression analysis requires at least 50 samples, and, in most cases, 100 samples are required (Hair et al., 2018).

In this study, the data was collected using a survey method whereby questionnaires were administered to 550 respondents in Malaysia between October 2020 and November 2020. A total of 500 questionnaires were returned, however only 449 were usable for further analysis. The items in the questionnaires were adapted from previous studies and developed using a variety of construct measurement items. The build measurement scales were adapted and modified from Hanaysha (2018) and Choudhury (2013). All items were analysed using the five-point Likert scale ranging from “1=strongly disagree” to “5=strongly agree”. Details of the constructs are available in Table 2.
Table 2

Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>329</td>
<td>73.3</td>
</tr>
<tr>
<td>Female</td>
<td>120</td>
<td>26.7</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 18 years old</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>19 – 30 years old</td>
<td>335</td>
<td>74.6</td>
</tr>
<tr>
<td>31 – 40 years old</td>
<td>85</td>
<td>18.9</td>
</tr>
<tr>
<td>41– 50 years old</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>&gt; 50 years old</td>
<td>6</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Educational background</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>12</td>
<td>2.7</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>56</td>
<td>12.5</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>170</td>
<td>37.9</td>
</tr>
<tr>
<td>Diploma</td>
<td>134</td>
<td>29.8</td>
</tr>
<tr>
<td>STPM</td>
<td>28</td>
<td>6.2</td>
</tr>
<tr>
<td>SPM</td>
<td>40</td>
<td>8.9</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>281</td>
<td>62.6</td>
</tr>
<tr>
<td>Employed (Private sector)</td>
<td>73</td>
<td>16.3</td>
</tr>
<tr>
<td>Employed (Public sector)</td>
<td>51</td>
<td>11.4</td>
</tr>
<tr>
<td>Self-employed</td>
<td>24</td>
<td>5.3</td>
</tr>
<tr>
<td>Unable to work</td>
<td>4</td>
<td>0.9</td>
</tr>
<tr>
<td>Others</td>
<td>16</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; RM1000 per month</td>
<td>291</td>
<td>64.8</td>
</tr>
<tr>
<td>RM1001 – RM2000</td>
<td>33</td>
<td>7.3</td>
</tr>
<tr>
<td>RM2001 – RM3000</td>
<td>30</td>
<td>6.7</td>
</tr>
<tr>
<td>RM3001 – RM4000</td>
<td>26</td>
<td>5.8</td>
</tr>
<tr>
<td>RM4001 – RM5000</td>
<td>11</td>
<td>2.4</td>
</tr>
<tr>
<td>RM5001 – RM6000</td>
<td>22</td>
<td>4.9</td>
</tr>
<tr>
<td>RM6001 – RM7000</td>
<td>10</td>
<td>2.2</td>
</tr>
<tr>
<td>&gt; RM7001 per month</td>
<td>26</td>
<td>5.8</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central region (Selangor, Kuala Lumpur, Negeri Sembilan, Putrajaya)</td>
<td>201</td>
<td>44.8</td>
</tr>
<tr>
<td>East Coast (Pahang, Terengganu &amp; Kelantan)</td>
<td>61</td>
<td>13.6</td>
</tr>
<tr>
<td>East Malaysia (Sarawak &amp; Sabah)</td>
<td>8</td>
<td>1.8</td>
</tr>
<tr>
<td>Northern region (Perlis, Kedah, Penang &amp; Perak)</td>
<td>45</td>
<td>10</td>
</tr>
<tr>
<td>Southern region (Melaka, Johor)</td>
<td>128</td>
<td>28.5</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Residential area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural area</td>
<td>53</td>
<td>11.8</td>
</tr>
<tr>
<td>Suburban</td>
<td>147</td>
<td>32.7</td>
</tr>
<tr>
<td>Town</td>
<td>249</td>
<td>55.5</td>
</tr>
</tbody>
</table>
Figure 1 shows the proposed research framework. The research framework was adopted and adapted from Hanaysha (2018) and Choudhury (2013) and moulded to fit the Malaysian retail industry setting. These constructs were measured using items developed by Hanaysha (2018) where purchase decision was measured by a five-item scale; five items were employed to measure social media marketing; corporate social responsibility was measured by a three-item scale, a three-item scale was also used to assess sales promotion; store environment was measured using a four-item scale and a four-item scale was also used to measure perceived-value.

Finally, service quality was assessed using a total of eight items taken from Choudhury (2013). Example of items for each construct can be found in the appendix section. This study aimed to examine the predictors of purchase decision in the retail industry particularly from a category of stores termed as single-priced stores, or popularly known as RM2 stores.

**Figure 1**

*Research Framework*

![Diagram of the research framework showing the relationships between CSR, Social Media Marketing, Store Environment, Sales Promotion, Perceived Value, and Service Quality and the Purchase Decision.]

**RESULTS**

**Analysis of Results**

Table 2 shows details of the respondents’ demographic profiles. Out of the 449 respondents, 73.3 percent were men and 26.7 percent were women. The respondents’ profiles showed that most of them (74.6%) were in the age range of 19–30 years old. In terms of educational
background, 170 participants or 37.9 percent had a bachelor’s degree, which was the largest group. 64.8 percent of the respondents reported a monthly income of less than RM1000, which was rather expected as 62.6 percent or 281 of the respondents were students. The profile also revealed that most of the respondents (44.8 percent or 201) were from the central region (Selangor, Kuala Lumpur, Negeri Sembilan, and Putrajaya). Reliability tests for all constructs were performed based on Cronbach’s alpha values. The results in Table 3 shows that Cronbach’s alpha values for all items exceeded the 0.50 cut-off point and that the reliability requirements were met. A multiple regression analysis was applied to test the hypotheses: \( H_1, H_2, H_3, H_4, H_5, \) and \( H_6, \) which represented CSR, social media marketing, store environment, sales promotion, perceived value, and service quality, respectively.

Table 4 shows the summary of the multiple regression model with the six factors as predictors, with an R value of 0.743, an R square value of 0.553, and an adjusted R square value of 0.546. Thus, the results showed that the six factors contributed 54.6 percent to the variation in purchase decision.

### Table 3

**Reliability Test of the Measurement Items**

<table>
<thead>
<tr>
<th></th>
<th>No. of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media marketing</td>
<td>5</td>
<td>0.923</td>
</tr>
<tr>
<td>CSR</td>
<td>3</td>
<td>0.728</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>3</td>
<td>0.535</td>
</tr>
<tr>
<td>Store environment</td>
<td>4</td>
<td>0.803</td>
</tr>
<tr>
<td>Perceived value</td>
<td>4</td>
<td>0.778</td>
</tr>
<tr>
<td>Service quality</td>
<td>8</td>
<td>0.890</td>
</tr>
<tr>
<td>Purchase decision</td>
<td>5</td>
<td>0.923</td>
</tr>
<tr>
<td>Total</td>
<td>32 items</td>
<td></td>
</tr>
</tbody>
</table>

### Table 4

**Regression Summary Among Variables**

<table>
<thead>
<tr>
<th></th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.743*</td>
<td>0.553</td>
<td>0.546</td>
<td>0.53181</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Service quality, social media marketing, sales promotion, CSR, store environment, perceived value.
Results of Hypotheses Testing

Based on the $\beta$, $t$, and $p$-values for each variable in Table 5, it was deduced that the hypotheses: $H_1$, $H_4$, $H_5$ and $H_6$ were supported: CSR ($\beta = 0.134; t = 3.25; p < 0.05$), sales promotion ($\beta = 0.145; t = 3.6, p < 0.05$), perceived value ($\beta = 0.399; t = 8.060; p < 0.05$), and service quality ($\beta = 0.273; t = 5.361; p < 0.05$). The hypotheses, $H_2$ and $H_3$ for social media marketing and store environment, respectively, were rejected as $p > 0.05$.

The significance of CSR is in line with the study by Uhlig et al. (2020) in Brazil, which found that companies with a good emphasis on CSR tend to easily establish a relationship with their consumers. Another study on Nigerian consumers’ behaviour found that consumers’ awareness of socially responsible practices largely influenced their purchasing decisions (Potluri et al., 2020). On sales promotion, the current result is consistent with research conducted by Yusuf and Sunarsi (2020), who found that promotion and price concurrently have a significant effect on purchase decision.

Similarly, a study conducted by Gorji and Siami (2020) indicated that sales promotion displays were vital towards affecting purchase and repurchase intentions. In terms of perceived value, the findings agreed with the work of de Morais Watanabe et al. (2020) on perceived value, trust, and purchase intention among Brazilian consumers in the organic food market. Similarly, the work of Cuong (2020) on the impact of brand reputation and perceived value on consumer loyalty and purchase intention in the Vietnamese fashion industry also reported that perceived value had a positive impact on purchase intention. The results on service quality concurred with the study conducted by Anggita and Ali (2017) and Dapas et al. (2019) that reported service quality as a significant factor in purchase decision.

It was found that social media marketing had an insignificant effect on purchase decision. Although the result was rather unexpected, the findings are in line with the work of Hanaysha (2018), which reported an insignificant impact of social media marketing due to the lack of marketing activities among the stores in the study. Hence, results of the current study could indicate the lack of social media
marketing initiatives among selected RM2 stores. Lastly, similar to the unexpected findings on social media marketing, store environment was also found to have an insignificant effect on purchase decision. This could be explained by the fact that the majority of the customers who shop at the RM2 stores are more concerned about the low price of products rather than the store environment.

**Table 5**

*Results of Hypotheses Testing*

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig. (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td>-0.243</td>
<td>0.808</td>
</tr>
<tr>
<td>CSR ($H_1$)</td>
<td></td>
<td>0.134</td>
<td>3.250</td>
</tr>
<tr>
<td>Social media marketing ($H_2$)</td>
<td></td>
<td>-0.035</td>
<td>-0.949</td>
</tr>
<tr>
<td>Store environment ($H_3$)</td>
<td></td>
<td>-0.061</td>
<td>-1.331</td>
</tr>
<tr>
<td>Sales promotion ($H_4$)</td>
<td></td>
<td>0.145</td>
<td>3.600</td>
</tr>
<tr>
<td>Perceived value ($H_5$)</td>
<td></td>
<td>0.399</td>
<td>8.060</td>
</tr>
<tr>
<td>Service quality ($H_6$)</td>
<td></td>
<td>0.273</td>
<td>5.361</td>
</tr>
</tbody>
</table>

Dependent variable: Purchase decision.

**DISCUSSIONS AND IMPLICATIONS**

This study aimed to investigate the impact of CSR, social media marketing, store environment, sales promotion, perceived value, and service quality on consumer purchase decision in single-priced stores, which are also known as RM2 stores. The findings revealed that CSR, sales promotion, perceived value, and service quality had significant impact on purchase decision. On the other hand, social media marketing and store environment were found to have insignificant impact. Interestingly, among the variables it was found that perceived value and service quality were the two strongest variables that could influence purchase decision, followed by sales promotion and CSR.

These findings indicate that RM2 retailers should continue to focus on seeking the best way to convey their products’ value to consumers in order to influence their purchase decision. In addition, such retailers need to communicate to consumers that even though their products are
at a low price, the product quality is on par with those offered at other stores. As it is difficult to gain and retain consumers, RM2 retailers should continue to improve their service quality. This study showed that consumers are looking for retailers that are more concerned about suitable store location, being responsive, providing courteous and prompt service at convenient operating hours, and understand consumers’ specific needs. RM2 stores should invest in providing employee training programmes that enhance employees’ knowledge of service excellence and culture. This could help improve consumer satisfaction and retention.

Surprisingly, the results revealed that social media marketing and store environment had insignificant impact on purchase decision in RM2 stores. Despite these findings, RM2 retailers are recommended to engage with consumers on social media such as Instagram, YouTube, TikTok, and Facebook. This is important as these social media platforms are used by many around the world and that most consumers nowadays are well-versed in such platforms. The store environment is another factor that should not be neglected as it could help a brand to distinguish itself from competitors and contribute towards creating a preferred consumer’s choice. Furthermore, RM2 stores should consider strengthening the online shopping platform. This is because online shopping has become more popular, and most consumers believe that it is more accessible and convenient because they can shop from the comfort of their own homes. Besides that, with a single click, it delivers detailed information on a product (Bhatti & Rehman, 2019).

LIMITATIONS, DIRECTIONS FOR FUTURE RESEARCH, AND CONCLUSION

There are certain limitations to this study as it was confined to RM2 stores and solely engaged consumers. Hence, future research could broaden the scope by gathering data from different parts of the country including RM2 store employees to have a better understanding of the key issues in the retail sector in particular, RM2 stores. In addition, the information was acquired by way of a survey with structured questions. Thus, further studies could use other research approaches for
example, interviews or focus groups to corroborate research findings. Moreover, the sample size used in this study may be insufficient to adequately represent the population. Thus, a larger sample size could be used in future and conducted in various industries. Lastly, as this study only looked at six independent variables, future research could look at other elements that influence consumer purchase decision such as economic factors (personal income and family income) and personal factors (age and lifestyle). In conclusion, this study has valuable practical implications for RM2 store operators and managers which could assist them in achieving and maintaining a competitive advantage in the retail sector.

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REFERENCES


Laroche, M., Habibi, M. R., & Richard, M. O. (2013). To be or not to be in social media: How brand loyalty is affected by social


APPENDIX

Examples of Constructs/Concepts

Social media marketing
The social media marketing for this store’s brand is frequently seen. The social media advertisements for this store’s brand are very attractive. This store’s brand offers extensive advertisements on social media.

Corporate social responsibility
This store is committed to improving the welfare of the communities in which it operates. This store’s brand is concerned with environmental protection. This store’s brand is concerned with customers’ benefits.

Sales promotion
This store frequently offers price deals. Seasonal promotions are available in this store. Price deals for this store are attractive.

Store environment
This store is always clean. The atmosphere and decorations in this store encourage me to revisit it. The quality of the air conditioning in this store makes me feel comfortable.

Perceived value
This store offers products and services that are good value for money. This store provides excellent value to its customers. The products and services of this store are very reliable.

Service quality
This store has a convenient location. This store’s physical facilities are visually appealing. Employees of this store provide prompt service.

Purchase decision
I feel good about my decision to purchase products from this store’s brand. I will recommend this store’s brand to other people. I intend to purchase products from this store’s brand in the future.