# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the study

The organic food market in Malaysia has reached new heights, with retail sales in 2011 totalling more than RM 5 billion; this represents a significant increase from RM 1 billion just ten years earlier (The Malaysian Food Industry, 2012). Underlying this increased level of sales is the Malaysian consumer, whose increased demand for organic food is responsible for propelling rapid expansion in the organic food market. Malaysian consumer, once buying mainly organic fruits and vegetables, has signalled to retailers and downstream suppliers a strong interest in a wide range of organic products, including milk, eggs, packaged products, and other manufactured goods (Abdul Rahman Hasan, 2011). Researchers have not yet reached a plausible explanation for the higher level of organic food sales in Malaysia, and at the same time, it is not readily apparent what kinds of consumers are responsible for the industry growth. From a practical perspective, retailers and others in the organic industry can increase profits by marketing their products more effectively, particularly if the marketing is based on knowledge of the socioeconomic characteristics of organic food consumers.

The literature's current uncertainty regarding the organic food consumer is not for lack of trying. Empirical researchers in both the US and Europe have tackled many questions related to the consumption of organic food products in their respective regions, including assessing consumer valuation of organic food and developing a statistical "profile" of a typical organic food consumer. Researchers have attacked the problems from several directions, including developing and analysing data collected via stated preference surveys to assess the influence of demographic attributes on the probability of buying or willingness to pay for organic products. Others have applied revealed preference models to explain

organic purchase behaviour. Researchers, for example, have used supermarket scanner data to gain insight into demographics of organic consumers, price premiums for organic food, demand for organic goods etc.

## 1.2 Problem Statement

Since Regulation on organic food production of agricultural products was enacted, organic food farming has rapidly grown in Malaysia. Organic production is a production system that combines best environmental practices, a high level of biodiversity, the preservation of natural resources, and the application of high-animal welfare standards, thus providing specific higher quality products that would be able to respond to certain consumers' demand (Malaysian Organic Scheme, 2007). In particular, consumers highly concerned on health and safety of food product and on friendlier with the environment production systems would be more willing to buy organic products. Therefore, the demand for organically produce in Malaysia showed a remarkable growth in all ASEAN member states in recent years. However, the future development of the organic market in Malaysia is still facing some shortcomings, pointed out by the Malaysian Agricultural Research and Development Institute, (MARDI). This Action concludes that consumers are not well informed on the rules of organic production, limiting their recognition of what an organic food product is. Thus, it proposes to define more explicitly the principles applicable to organic production in order to contribute to market transparency and to consumer confidence. However, there is substantial empirical evidence of previous studies on consumers and organic foods where organic food products are perceived by consumers as less damaging to the environment and healthier than conventional grown foods (Marieke, Jos & Ruth, 2010). This might indicate that consumers have their own perception on what an organic food product is regardless of the formal definition. Therefore, evaluating the future perspective of the demand for organic food products in order to identify the factors that explain the consumers' decision-making process for organically produced foods would be very useful.

This is the aim of the paper, to investigate the factors that explain the consumers' decision-making process for organically produced foods in Malaysia. Malaysia has been chosen because it is one of the countries with the highest number of farms and the largest cultivated area devoted to organic production in the ASEAN and where the lack of knowledge and recognition about organic food product is especially high (Malaysian Organic Scheme, 2007).

## 1.3 Research Questions

The main foundation of a research question is solely based on the background of the study and its problem statement; however it is also important to keep in mind the purpose of the study and its aim. Therefore, based on the above elements the below research questions are formed:

a) How do demographic factors such as age, education, occupation, income, and education level influence the buyer behaviour in Malaysia purchasing organic brands?

b) How does personal value have an effect on the consumers when purchasing organic food products?

c) How does social recognition have an effect on the consumers when purchasing organic food products?

d) How does cost have an effect on the consumers when purchasing organic food products?

e) How does peer influence have an effect on the consumers when purchasing organic food products?

## 1.4 Research Objectives

In order to fully understand the buyer behaviour, which is also the dependent variable, of the consumers in Malaysia, Ajzen's behavioural intention model is used to study how a consumer's attitude toward organic food products can influence the consumer's purchasing intention (Ajzen, 1991). In order to accomplish the outcome of this research it is important to first counter the below objectives:

a) To investigate the relationship between buyer behaviour and personal value.

b) To investigate the relationship between buyer behaviour and social recognition.

c) To investigate the relationship between buyer behaviour and perceived control behaviour.

d) To investigate the consumers' attitude toward purchasing organic products.

## 1.5 Hypotheses

Hypothesis 1: There is a significant relationship between buyer behaviour and personal value.

Hypothesis 2: There is a significant relationship between between buyer behaviour and social recognition.

Hypothesis 3: There is a significant relationship between buyer behaviour and perceived control behaviour.

Hypothesis 4: There is a significant relationship in consumers' attitude toward purchasing organic products.

## 1.6 Significance of the study

In Asia, several empirical studies on organic foods and consumers have been conducted. Some of them focused on analysing willingness to pay for organic foods; customer's satisfaction with organic foods; and consumers' store perception with regard to organic foods. The rest of papers have studied preferences regarding organic food attributes, and consumers' attitudes towards organic foods, which are more closely related to the aim of this paper. However, the Malaysia organic food market shows significant difference among regional areas. Most organic consumption takes place in the cities and in the northern parts of Malaysia where the highest average income levels are found while production is concentrated in the South (Malaysian Organic Scheme, 2007). To fill this lack of evidence on consumers' decision-making process for organic food products in the Central of Malaysia, this study is focused on consumers in the Central Region of Malaysia.

Consumers make organic food purchase decision under asymmetric information due to the lack of information about organic food production. Thus, they cannot clearly differentiate the unique attributes of organic from conventionally grown alternatives. It might negatively influence the development of organic food demand.

Then, information on which factors explain the consumers' decision-making process for organically produced foods in this region, in particular, the intention to purchase organic food products, as a precursor of the final decision, would be very useful. Findings will provide more evidence on consumers' underlying motivations to buy organic food to the current evidence in Malaysia. In addition, this information will help local policy makers to establish appropriate market strategies for the development of the future demand for these products.

## 1.7 Research Organization

This research report is divided into 5 main chapters that contribute equally to the outcome of the research. A brief description of each chapter is stated below:

Chapter 1: Introduction

This is the first section of the report that is basically an introduction to the research, which provides an outline of the study as well as explains the research background. It also attempts to highlight the key areas, which form the main basis of the report such as the problem statement, the aim of the research, the study scope and the research objectives.

Chapter 2: Literature Review

This is the second section of the report that covers the critical points of the study including substantive findings as well as theoretical and methodological contributions to support the aim and purpose of the study. The literature in this section is gathered by means of secondary sources such as books, internet and journals. The main purpose of this section is to provide context and present arguments supporting the research objectives and questions in order to draw a valid conclusion based on theoretical framework.

Chapter 3: Research Methodology

This is the third section of the report providing information regarding the research method and data collection method used for the study. This section covers the information regarding the primary data gathered during the research, which is by means of survey questionnaires, and it also includes the details regarding the formation of the research plan, which is the research design, research framework, hypothesis, sampling, sampling technique and the description of methods used for analysing primary data.

Chapter 4: Findings and Data Analysis

This is the fourth and the most important section of this research as all the results and key findings are presented and analysed in this section. It provides an analytical presentation of the data gathered by means of quantitative research method. This section also comprises of data analysis, coefficient test and reliability test, which contribute significantly to the outcome of this study.

Chapter 5: Conclusion and Recommendation

This is the final section of the report that restates the key points of the research. It provides a perfect closure to the research report by giving justification for the findings and the outcome of the research. This final chapter of the report gives a comprehensive view of the study and effectively counters the research questions with support of the research findings. This chapter also gives recommendation for future study and offers an insight on limitations of the study.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

To understand how the term or the idea of "organic foods" affects a consumer's buying behaviour, it firstly, requires many areas of the literature to be examined such as an analysis of the many definitions of the term "organic foods".

Secondly, the consumer behaviour theories such as personal value, social recognition and demographics are analysed to assess their influence on the consumer's organic food consumption and the purchase intention.

Lastly, a research framework is built with the help of the literature review through which research hypotheses are developed for the purpose of carrying out a survey in the next chapter of this research report.

## 2.2 Organic Foods

Organic food products have become popular in the last few years throughout the world. In order to explore the organic market, organic first needs to be differentiated from natural. The term "organic" is rooted in "bio" from Malaysian "bios" meaning life or way of living while there is no clear definition and standard regarding "natural food" (Siti & Nurita, 2010). Natural product consumers are somehow seen as – and not always – vegetarians or even vegans. According to Agriculture Canada, organic is seen as a "segment" of the natural food industry. Second, organic products and natural products are usually sold together. These products are commonly viewed as encouraging a healthier lifestyle described by the acronym Lifestyles of Health and Sustainability (LOHAS). Natural health and personal care are indeed focus points for both types of products. Lastly, the major

focus is on the production process per se. In this regard, Green Earth Organics provides a clear definition of what an organic food product is; hence, "organic foods are minimally processed to maintain the integrity of the food without artificial ingredients, preservatives or irradiation". Studies dealing with the concept of environmentally friendly products represent a mature research field covering different aspects of the marketing process namely, consumer behaviour, marketing mix, and marketing strategies. It is clear that organic food purchases preclude an environmental dimension. It is also interesting to shed the light on similarities and differences between green products and organic food products. The issue of psychographic and personal variables in consumer behaviour dealing with environmental or green products has been dealt with by many researchers (Siti & Nurita, 2010). Hence, some of the variables that might shape the buying behaviour of organic food products are:

a) Perceived consumer effectiveness: consumers' believe that the efforts of an individual can make a difference in the solution to environmental problems.

b) Ecological concern: consumers' level of ecological concern is related to their willingness to purchase green products.

c) Locus of control: refers to a consumer's perception about the underlying main causes of events in his/her behaviour.

d) Faith in others.

## 2.3 The situation of organic farms and organic food in Malaysia

At present in Malaysia an intensive agriculture is in place (on land belonging to the state in particular, to legal associations and the agricultural commercial companies), and at the same time, an unintentional ecological agriculture can also be found, on the land having as owners physical entities (persons) or family associations. This unintentional ecological agriculture is practised by farmers who

lack money and thus they cannot afford to apply all the intensive agriculture technologies. Although the non-cultivated land areas have increased recently, the landowners find it difficult to give up land cultivation; however, not having sufficient money, they give up buying herbicides, pesticides or fertilisers (Simona, 2002). Malaysia has fertile soils and a significant arable land area; under the above-mentioned conditions, it has the possibility to promote and extend biological agriculture. There is no database in which all farms are included that work with foreign partners on contract basis and deliver ecological products at Asian standards.

The main characteristic of these organic farms is that most of them are legal entities, being agricultural companies or legal associations. This is a normal situation if we consider the high land fragmentation degree and the scarce financial resources of a typical rural household (Malaysian Organic Scheme, 2007). There are situations in which the persons running such a business (being a legal entity) either lease in land from individual landowners, or these latter lease out their land on the basis of an agreement by which the landowners gets their money (rent).

The ecological producers think that, under the conditions in which the amount of chemical substances applied has significantly decreased, while the land area available for establishing ecological crops has an important share, the production, processing and export of ecological agro-food products can bring a large amount of foreign currency to Malaysia (Yusoff, 2005).

The following ecological products are exported to countries such as Singapore and Brunei: wheat, oats, sorghum, soybeans and rice. At the same time, in the last year milk and dairy products also entered this category of products, at the initiative of one of the large dairy factories from Malaysia: Kedah and Penang (Liang, Jefri, Zuradi & Chin, 2011). This dairy factory located in a mountainous zone, with low degree of pollution, collects the milk from 9,860 households over an area of 160km; about 2,500 of these households shifted to ecological production, out of which 1,700 are controlled. This factory intends to apply this production procedure to its whole activity in a short time, for two main reasons: the

ecological products are very much demanded in Asian developed nations such as Hong Kong and Singapore (hence there is a market for its products), while the price is double, sometimes triple as compared with the price of usual products (Al-Yousif, 1999). Hence, the producers in Malaysia are quite satisfied and optimistic as regards the market for these products. For this phenomenon to achieve the growth it deserves, we need to enforce an adequate legislation and to make efforts for the education of both producers and consumers. Furthermore, we should consider a classification of communes as regards their ecological status: communes located in polluted areas, in moderately polluted areas and in non-polluted areas (limited pollution degree of environment factors); hence a certain shortening of conversion period can be operated, or necessary measures can be taken in time for the transformation into organic farm/agriculture (Yusoff, 2005).

As regards "unintentional organic agriculture" which is practised to a large extent in Malaysia, this is practised by individual peasants who cannot afford to pay for all necessary technological works, thus giving up chemical input application (Simona, 2002). Their products are not recognised or certified as organic, but there is a great demand for these products on the market places in the big towns. Initially Malaysians were very satisfied by the size and aspect of agro-food products, which were chemically treated. In time, they noticed their lack of taste and the side-effects upon their health; now, when carefully investigating the consumers' behaviour at the market place, the questions by which the consumers want to find out if the respective products have been chemically treated are more and more frequent (Aini, Fakhru'l-Razi, Laily & Jariah, 2003). Furthermore, people want to buy directly from the producer because they trust these products more and because the price is lower than at the stores or supermarkets.

## 2.4 Organic Food Trading

Both production and consumption of organic food has increased considerably in Malaysia in the last decade. Beginning at a low level, consumption patterns tend to become similar to those of other Asian countries, which entered the organic market earlier than Malaysia. Despite the fact that there was a gap in technology

and marketing skills for organic products, the performance of the Malaysian organic industry shows that the difference between the early adapting countries and Malaysia is diminishing year by year (Malaysia Country Profile, 2011).

Following a four-step development approach (Eisenbach, 2002); market channels observed in Malaysia seem to prevail in a similar way as in other countries. This indicates that there are distinct rules that govern the creation and development of virgin organic markets.

With this four-stage model it is possible to show that the creation of alternative market channels besides the conventional structures, which often cannot serve the needs of the young organic industry, follows certain development steps which are explained in the following (Eisenbach, 2002).

Stage 1: early phase of health food trade

This phase is characterized by health-oriented initiatives, which originate from movements beginning in the second decade of the twentieth century to disseminate information about health issues in food and to offer foodstuff of a certain natural quality to a small but interested public (Johannes, Ulrich, Els & Eva, 1999). The quality issue in this phase, when environmental consciousness was completely underdeveloped, is based more on philosophic principles, cultivation techniques, and residue analysis and on a personal relationship to the consumer rather than on international legislation and regulations.

This phase, which can be traced back in Germany until the very beginning of organic agriculture movements, can be observed in Greece between 1970 and 1990. Imported goods, mainly from the health food sector, dominate the product range. The outlets are small giving emphasis on dietetic food, drugs and natural cosmetics. After a quite rapid increase of these shops especially in the urban agglomerations of Athens and Thessaloniki, there was a slowdown from the middle of the 1980s (Bitsaki, Kabourakis, Vassiliou, 2003). Sub-optimal purchase infrastructures as well as small turnovers lead to an increase of consumer prices, which hinders a considerable number of customers from buying healthy food.

Stage 2: first organic food shops

Together with the foundation of farmers associations the number of farms adopting organic farming techniques increases. Since conventional traders, on the one hand, initially reject marketing organic products in their retail outlets, and the health food shops; on the other hand, do not accept the newly established certification practices of the farmers associations, there was a need to develop marketing initiatives which very often have been created in direct cooperation between organic farmers and their consumers (Johannes, Ulrich, Els & Eva, 1999).

This trend of self-help-actions with its unprofessional organizational structures can be observed in Germany from the middle of the 1970s, whereas in Greece the same development took place in the beginning of the 1990s (Bitsaki, Kabourakis, Vassiliou, 2003). The main difference to the trend in Germany was that the existing health food shops did not have the infrastructure to offer fresh produce or dairy products, which has been one of the main items of this kind of shop in other countries.

The limited assortment of fresh produce means that the majority of items offered are shelf goods mostly imported. Only a few shopkeepers manage to sell fresh fruits and vegetables on a daily base. In some cases shopkeepers to some few organic farmers organize open-air markets, in order to offer the possibility of direct marketing. It is worth mentioning that many of the shopkeepers do their own imports being at the same time wholesalers. But small quantities make it impossible to achieve economies of scale with the result that prices are still too high to mobilize larger numbers of consumers, with capital costs being very high. Nevertheless, the industry continuously grows, but slowly (Johannes, Ulrich, Els & Eva, 1999).

Stage 3: professionalism in organic trade

Public relations measures, internationally acknowledged laws and standards as well as the initiatives of private firms, result in an increasing demand for certified

organic products (Eisenbach, 2002). At the same time better knowhow of farmers helps to improve the appearance of fresh organic produce. Organic products lose their image of an ugly looking niche product. Improved organizational schemes of purchase and a more professional look of organic food shops help to gain new market sections. This trend is completed by worldwide increasing production quantities. Alongside conventional wholesale and retail structures there are new, purely organic wholesale structures about to be established. Trading organic products becomes international (Eisenbach, 2002).

This development, which took place in the middle of the 1980s, has reached Malaysia since the end of the 1990s (Malaysia Country Profile, 2011). Out of a total of about 80 organic food shops, at least ten can be considered to belong to the category of professionally organized retailers. An attractive presentation of goods in combination with the modern cooling and storing facilities as well as a marketing oriented consume communication are the characteristics of the new generation of market participants in the Malaysian organic food trade (Liang, Jefri, Zuradi & Chin, 2011).

Stage 4: wider market penetration

Increasing production quantities and the possibility to concentrate them on the one hand and the increase in demand for organic food on the other hand can provoke both shortages and periodical overproduction, whereas there is the potential of absorbing all that is offered (Al-Yousif, 1999). The need to increase quantities marketed through the conventional retail channels (e.g. supermarkets) is recognized by many actors of the organized retail business as a chance to participate in the growth of the organic market segment (Kilbourne & Beckmann, 1998). An improved availability of organic products makes it easier to reach new customers. This results in a stronger increase of consumption in comparison with the production. The percentage of imported fresh organic produce is higher than in the conventional sector.

Demand for Malaysian organic products by far exceeds domestic production capacities. Completely under-represented is the organic animal production

industry. This has to do with the fact that there have not been national standards for organic husbandry and the Malaysian Ministry of Agriculture did not approve control bodies to certify organic animal products before being ratified by the EU Regulation concerning organic husbandry (SGS, 2014). It is estimated that in the next few years animal products from organic husbandry will boom also in the Malaysian market.

As opposed to fresh produce, imported goods dominate the processed food segment. Some activities among Malaysian producers establishing new production lines for organic products can be observed. Others become active producing only for the organic market. Already there are available pastas, marmalades, juices and others completing the Malaysian organic product range, which is still characterized by the overwhelming position of olive oil, olives, wines, raisins, fruits and vegetables and herbs (Abdul Rahman, 2011).

## 2.5 Prospects and challenges for developing countries

Expansion of organic farming and marketing is also taking place in developing countries though at a slower rate. Developing countries (DCs) have some advantages for developing organic production but also some disadvantages. DCs are actually less homogeneous than most industrialized countries (Crucefix, 1998). Therefore it is very difficult to make general statements on what systems of guarantees they will need. Prospects and challenges for these countries in the development of organic agriculture could be analysed from different points of view related to production and marketing activities such as production, registration-certification, marketing, and related organizations and policies.

### 2.5.1 Production Development

Many developing countries have potential comparative advantage in meeting demand for many organic products in major markets. First of all due to the climatic constraints, some products cannot be grown profitably in mostly

industrialized countries. Second, in a number of developing countries, to convert a traditional production system, which is using less agro-chemical and maintains soil fertility in a rather suitable way, to the organic system may be easier than in the countries that have more intensive input and use specialized production systems (Willer, Helga & Kilcher, 2009).

While the merits of organic agriculture are widely proclaimed, it is always questioned whether such systems practiced by small-holders can yield enough to feed the world's increasing billions. Farmers will probably experience some loss in yields when converting their operations to organic production. There is a period of time between the lowering of synthetic inputs and sufficient biological activity being restored to the land (FAO, 1999). The degree of yield loss varies, however, and depends on factors such as the inherent biological attributes of the farm, farmer expertise, and the extent to which synthetic inputs were used under the previous management system. In most developing countries, organic production practices demonstrate the potential to double or triple average yields because of the very low initial yields on the same lands.

Most studies find that organic agriculture requires significantly greater labour input than conventional farms. This is especially true in areas of low ecological potential, but also several studies have shown that labour requirements vary depending on the type of crop grown. The study by Berardi (1998) on organic and conventional wheat production in New York and Pennsylvania found that organic farmers' labour input averaged 21 hours per hectare compared to nine hours per hectare for the conventional farmers. In terms of labour productivity, the average for conventional farmers was significantly greater, 13 bushels per hour of labour, compared to six bushels per hour of labour for organic farmers. According to some other studies, in corn and wheat production, organic techniques were found to have 22 to 55 per cent lower labour productivity than conventional practices. According to the study of Pfeffer (2010), most of the New Jersey farmers surveyed think that it is difficult to reduce chemical inputs because additional labour is hard to find, and their own labour inputs would have to increase. Labour supply is less elastic for farmers who hire no labour (Comte, 1994). It is a fact that

developing countries have some advantages related to higher labour requirements of organic practice because of the availability of unused and unpaid family labour.

Most developing countries suffer from a number of constraints, such as the lack of technical know-how (e.g. on production methods), lack of storage and processing facilities, poor logistics. Lack of information is an obstacle to organic conversion. For example one of the survey results shows that 63 per cent of the sub-Saharan African farmers and 73 per cent of the North American (US and Canada) organic farmers cite a lack of knowledge as the greatest barrier to adoption (FAO, 1999). There is a big challenge for the developing world related to adoption and dissemination of the organic practices. In the Western developed countries, in the last two decades a lot of research projects have been carried out with organic fertilizer, composting, crop rotation design, nitrogen fixation in arable crop rotations and weed regulation. There is more research needed especially including the field of horticulture and animal husbandry and also integrated research projects focused on regional development, landscape and socio-economic aspects of organic farming (FAO, 1999). There should be an intensive exchange of information between researchers and advisors. In addition, a permanent feedback from the fields through advisers is crucial. As in the other fields of agriculture, research in organic farming must take place at least partly on the farm. Each research group should have a network of reference farms or several on-farm projects for gauging results or insights derived from isolated scientific works (Comte, 1994). The results and the practical findings of the researches of the Western world must be conveyed to the developing countries.

Land tenure is also critical to the adoption of organic agriculture. It is highly unlikely that tenant farmers would invest the necessary labour and sustain the difficult conversion period without some guarantee of access to the land in later years when the benefits of organic production are attainable. The existence of unsolved land tenure problems inhibits investment in soil fertility (FAO, 1999).

Other main problems are poverty and very low purchasing power, dominance of smallholders with very low initial and working capital (Pfeffer, 2010). Therefore, farmers in developing countries need some financial and technical supports to use

production techniques to meet required standards and get the desired result from organic farming practices.

### 2.5.2 Marketing

There is no doubt that the world markets for organic food and beverages will continue to offer developing countries profitable export opportunities. According to the ITC (1999) Organic Food Reports, there are sound market opportunities for developing countries in most major markets especially for the products that are not produced in Europe, North America or Japan. All of the major markets under review offer good prospects for suppliers of organic products that are not produced domestically: examples are coffee, tea, cocoa, spices, tropical fruits and vegetables and citrus fruits. Such opportunities exist not only for off-season produce (such as fruits and vegetables), but also for many other products like in-season fruits (e.g. apple and pears) and vegetables, cane sugar, grains, cereals, pulses and seeds, for the simple reason that the rapidly growing demand in most markets cannot be met by local supplies, at least in the short and medium term (ITC, 1999). On the other hand some multinational companies such as McDonalds, Danone, Lufthansa, Swiss Air, Nestle and Novartis have already entered the organic market. This development in the organic market can be seen as an indicator that the organic sector may face even more than a boom.

Market demand for organic agriculture products has created incentives to change agricultural production policies towards a market oriented and more sustainable directions. Organic agriculture offers a specialized market and an opportunity to diversify into new commodities that have a high demand and price premiums. It was argued that profitability of organic methods usually depends on price premiums. An analysis of the Organic Market News and Information Service (OMNIS) shows that between May 1989 and February 1990 the wholesale price for organic lettuce ranged from 28 to 256 per cent. The price premium for the red cherry tomatoes ranged from 15 to 281 per cent during the same period (Helga & Lukas, 2009).

Because of the export oriented market structure of organic produce, development of market capacity is mainly dependent on foreign import companies and their domestic branches or partners. To improve the access capacity, organic producers have to act together under their own organization such as cooperatives. In the developed countries, organic standards have been developed over a period of 25 years. The main force in this development has been the organic producers themselves. Lately governments also have become engaged in organic standards. Having high standards, on the contrary may create trade barriers for the developing countries to some extent (Rehber & Turhan, 2002).

Another problem is inadequate market information (for example on which products to grow, which markets and distribution channels to choose, the competition, market access) and insufficient financing. Reliable market information is almost always difficult to obtain. In particular no projections and systematically identified markets for the countries' exports have been available, in the developing world.

We have to mention fair trade practices in relation to organic farming. The fair trade movement started 25 years ago. The terms of trade developed very much in favour of developed countries at that time. The fair trade movement started to counter this development in establishing special criteria for sustainable trade with mainly smallholders, starting with products like coffee, tea and cocoa (Cierpka, 2003). The criteria are mainly created to protect small farmers, farmers' cooperatives and the farm workers' community, providing a price premium, advance payment and putting trade relationships in long term-perspective.

### 2.5.3 Certification

Organic agriculture has special needs for production, planning and management beyond the traditional farming because of the limitations imposed by the terms of organic registration and certification (Rehber & Turhan, 2002). However, farmers and marketing firms seeking to sell their products in developed countries must usually apply to and hire an organic certification agency for annual inspection and confirmation that they adhere to the standards established by various trading

partners. The cost for this service can be expensive, especially since few developing countries have their own certification agencies.

As the worldwide import markets expand, some degree of harmonization with international organic principles is expected. A single standard or equivalency of the standards across the nations is difficult because of the diverse characteristics developed by organic farmers (Tourte, Gaskell, Smith, Fouche, Koike & Mitchell, 2006).

International certification organizations from the USA and Europe have been working as the accreditation body in Latin America, Asia and Africa. With some exceptions there are very few local certification bodies established in developing countries. It is a big task to establish local certification bodies as long as they are aiming at export. Furthermore, international non-profit organizations such as FAO and ITC (1999) are devoting resources to assess and announce opportunities for developing countries to supply organic products to the major consumer markets.

The inspection itself can be very cumbersome. In most Western countries there is an idea that all fields should be inspected by the external certification bodies. If we consider the availability of a number of the parcels and the fact that they are so scattered, in such cases inspection of all fields increases the costs greatly (Rehber & Turhan, 2002). Therefore internal control by a local organization, evaluation of the internal control system, and random inspection by external certification could be advised.

Furthermore the standards and certification systems for organic agriculture have been developed without sufficient participation from developing countries, and do not reflect particular needs or circumstances of these countries i.e. their traditions, cultures and existing infrastructure (Rehber & Turhan, 2002).

Having their own certification and accreditation bodies besides the foreign companies could be advised for developing countries. In some cases, this can be done with the assistance of an existing certification program, and the

responsibility might be gradually taken over by local organizations (Rehber & Turhan, 2002).

### 2.5.4 Organization and policies

Availability of related organization and proper supporting policies are very important to develop organic agricultural movement. The growth and spread of organic agriculture throughout developing and in-transition countries is rather new, largely occurring in the last two decades. One of the largest international organic certification programs, the Organic Crop Improvement Association (OCIA), certified only 120 farms in 1986 in the USA. OCIA inspected 35,000 farms in 17 countries with a total acreage of 1 million ha., including growers in Central and South America and Asia (Crucefix, 1998). Many other certification companies and organization have provided international services. When a critical mass of practitioners is formed for organic agriculture, governments formulate policies to support the marketing of certified organic products. The incentive of such policies is therefore economic, either for tapping lucrative markets, securing a place in world trade and/or counterbalancing withdrawal of government support to agricultural inputs and other services.

It can be said that only a few countries have been out of development of organic agriculture. IFOAM has currently more than 700 member organizations in over 100 different countries including Malaysia, 50 per cent of which are based in developing and transition countries. Most of the developing countries do not have their own certification organizations, and also professional institutions established to assist farmers throughout production, handling, processing and marketing (Ecology & Farming, 2012).

Although organic agriculture policies are generally lacking in developing countries, as organic farming is developing, related policies of organic agriculture within the scope of wider agrarian policies have been considered recently. The main incentives of such policies are economic such as reaching foreign markets and having a considerable share in the world trade and also counterbalancing declining government support to inputs and other policy measures (Rehber &

Turhan, 2002). While organic farming had been promoted and used in a number of countries, some countries are hesitant considering that there could be some risks and limitations. Agricultural policies should revise their food supply strategies to promote local production. Organic agriculture does not need costly investments in irrigation, energy and external inputs but rather substantial investments in capacity-building through research and training. Emerging organic agricultural policies may have the potential to improve local food security, especially in marginal areas to tap market opportunities in developed nations (Scialabba, 2000).

## 2.6 Consumer Behaviour Theories

The main basis of this research is the consumer buying behaviour and in order to carry out an in depth analysis on the consumer behaviour in Malaysia. It is important to initially fully understand the consumer behaviour theories such as personal value, social recognition and demographics then implement these theories to help understand and examine the consumer's purpose for purchasing organic brand products.

### 2.6.1 Personal Values

The personal value theory shows individual values and social related values that influence purchasing intentions of the consumers (Shukla, 2010). Often, buying to impress others is an internal personal value that drives a motive for buying organic brand products. It is a known fact that consumers get affected easily by this internal drive to create a favourable image in society (Baker, Thompson & Engelken, 2004).

Therefore, to explain consumer behaviour when organic foods, one of the personal value aspects, namely, the need for uniqueness is examined in this research, in order to further analyse the buying behaviour of the consumers in Malaysia.

In simple words, the need for uniqueness is to stand out in a group of people or to attempt to be different from others is the need for uniqueness. The personal attitude of an individual plays a big role in setting personal values on organic brand purchases (Paasovaara, 2011). In relation to organic consumer behaviour in the organic consumers in Malaysia, the need for uniqueness is the pursuit of differentiation from likeminded people that is accomplished by acquiring organic brand products for the sole purpose of enhancing the personal identity of oneself (Goldman & Clancy, 1991). However, like some of the other aspects of consumer buying theories, the need for uniqueness is not non-conformity because non conformity is when an individual is not aware of the social norms or requires social approval.

The personal attitude of the consumer is one of the key aspects of buying behaviour that directly affects the purchase intention of the consumers. In this case, the consumer is setting high standard personal values on their organic brand preferences for the purpose of being of unique and to fulfil the need for uniqueness and consequently making it compulsory for many organic brands to offer exclusivity value on their products (Paasovaara, 2011).

### 2.6.2 Social Recognition

In terms of social recognition Malaysia has a fairly low dimension in individualism, which is because the Malaysian culture is more inclined towards collectivism (Abdullah & Lim, 2001). Malaysians are more often than not seen in groups and statistics prove that Malaysians have strong family ties and prefer to hang in groups consist of close family and friends. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. Based on this, it can be understood that the consumers in Malaysia are very social-oriented (Abdullah & Lim, 2001). Therefore, in such scenario, being a consumer of an organic product would represent one's social status and give them recognition in public. This is one of the elements that currently influence the buying behaviour of the consumers in Malaysia and this is analysed and examined thoroughly during the course of this research.

A very key aspect of social recognition among the consumers in Malaysia is peer pressure. As stated above Malaysian consumer prefer to stay in a group and most people in Malaysia go through peer pressure, they feel accepted and secure only when they personally feel that they fit into the group (Abdullah & Lim, 2001). Generally, products that are from an organic brand have prestigious value in the eyes of the general population; therefore the desire to purchase or be an owner of organic brand product is very high among the consumers in Malaysia who are easy victims of peer pressure. For these consumers who mostly hang in groups owning an organic product indicates a symbolic sign of group membership (Fernandez, 2009).

Furthermore, for consumers who often indulge in purchasing in organic brands believe that the ownership of organic products not only gives them personal satisfaction but also makes them feel accepted and recognized by likeminded people or the people of the same group (Shukla, 2010). Therefore, organic consumption is an important aspect of consumers in Malaysia to pursue acceptance and social recognition in the society. In simple words, the current frame of mind of an average consumer is that the higher the consumption of organic brands, the higher the status of an individual in the society and the more the individual poses their organic products in front of their group members or the public in general the more they are accepted. This also justifies the theory by Bearden and Etzel (1982), that is, "organic goods consumed in public are more likely to be conspicuous goods than privately consumed organic goods and still, conspicuous consumption plays a significant part in shaping preferences for many products which are purchased or consumed in public contexts".

Therefore, one the main reasons why consumers in Malaysia would have higher purchasing intention when buying organic brands is that the college going youth (20-24 years old) and young working adults (25-29 years old) in Malaysia perceive that being an consumer of organic brand product would lead others to recognise them and improve their social status within in the community. Moreover, make them more socially recognised and admired by others as well as make them feel like they belong to the high society groups they want to be a part

of and fit in, which is currently an important aspect of population in Malaysia (Fernandez, 2009).

### 2.6.3 Demographics

The focus of demographics in this research, as in any of the previous researches conducted, is mainly based on the age of the consumers, the buying power of that particular age bracket and the buying rate of this set of consumer group in Malaysia.

As discussed earlier in this report, demographic is a broad theme and it is important to examine and analyse all its aspects in order to form and conclude any hypotheses. Therefore, some of the important areas that are covered in this particular study are be analysed below to demonstrate their role in forming the right hypotheses for this research and the relationship between the different aspects of the demographics and the dependent variable that is the buyer behaviour, in particular the relationship between the income of the consumers in Malaysia and the price of the organic brands in Malaysia.

#### 2.6.3.1 Age

As mentioned above the consumers are people who are born between 1982 and 1999. Therefore, the main sample targets for this research are the people aged between 15 and 31 years, which mainly consist of the college going youth (20-24 years old) and young working adults (25-29 years old). These are the people who are very much exposed to the global media and understand the true definition of organic food. However, the generation population in Malaysia is more inclined towards following the organic lifestyle and choices of celebrities whom they admire and are easily influenced by.

Therefore, the age factor is important because people from different age groups have different definitions of organic. And so, this will also help in gauging the various elements influencing the purchase intention of the consumers in Malaysia

as well as the relationship between the demographics of the consumers and the buyer behaviour.

### 2.6.3.2 Income

Income is the key element in the demographics that influences the purchase intention of the consumer and it also directly related to the frequency of purchase. Mostly, consumers in Malaysia are not very highly paid and more so the consumers consist of college going youth who generally do not have any income apart from the pocket money they get from their parents (Siti & Nurita, 2010). However, this does not stop the consumers in Malaysia from purchasing organic products and the sole of purpose of this research to analyse the buying behaviour of the consumers in Malaysia.

The purpose of analysing the income element is to understand the relationship between the income of an average consumer and the price of a standard organic product and the relationship between the price and the purchase intention. The income level of an average young working adult (25-29 years old) is MYR 2,500 - MYR 5,000. As discussed above income is one of the major determinants that influence the purchase intention of the consumers. However, the low salary doesn't really effect the purchase as the motivation to be socially recognized is much more stronger and has a lot more value in the eyes of the consumers in Malaysia, which in many cases means that individuals become very dependent on their credit cards and start increasing debts but their standing in the community is not affected because most consumers still indulge in organic and purchase organic on a regular basis.

### 2.6.3.3 Frequency of Purchase

The frequency of purchase is basically based on the past purchases of organic products by the consumers. Therefore, it is important to find out the purchase history of the consumers in Malaysia. Based on the past purchasing experiences of the consumers and the current purchasing frequency; the buying behaviour of the consumers can be examined. Therefore, the respondents are asked in the survey

questionnaire if they have indulged in organic purchases in the past and how often they make organic brand purchases currently. This determines their buying behaviour as well as their intention of purchase.

The other purpose of analysing this particular demographic element is to examine the brand loyalty of the consumers in terms of brand value. The frequency of purchase mainly aims to determine the purchase intention of the consumers while making organic brand purchases and their willingness to make such purchases on a regular basis.

## 2.7 Consumer Behaviour

The most significant element of consumer buying behaviour that impacts the consumer's intention to buy and that motivates the consumer to make purchase is the consumer's attitude. Therefore, it is important to understand the consumer's attitude in the light of their intention to purchase, for instance, what motivates or discourages the consumer to purchase organic brands?

Consumer behaviour is a process where an individual has its own preference in purchasing products to satisfy their personal needs or to purchase a product for a particular purpose, which in the case of this report is for social recognition or acceptance in the society (Shaw, Grehan, Shiu, Hassan, & Thomson, 2005). However, the buyer's attitude has a significant impact on the purchase intention of the buyer.

The below discussion showcases the two key factors that affects the consumer's behaviour, namely, consumer factors and motivational factors that influence the purchase intention of the consumers in Malaysia.

### 2.7.1 Consumer factors

#### 2.7.1.1 Impact of Peer Pressure on Gen Y consumer's buying behaviour

One of the prime examples of being an easy victim of peer pressure in today's times is the massive presence of internet and social media in consumer's daily lives. Because Gen Y have constant access to technology and are very active on the social media these days which makes their lives very transparent to their peers, consequently making the individual more vulnerable to fall prey to peer pressure (Fernandez, 2009).

There are many other consumer factors; however, peer pressure is one of the main consumer factors that influence consumer's buying behaviour in major way. Also, there are Demographic factors such as income levels that influences the consumers' purchase intention have an impact on consumer's buying behaviour. As discussed in the earlier sections of the report, there are two groups of people that are used as sample target for this research, there is the college going youth (20-24 years old) and the young working adults (25-29 years old).

The income levels for both these groups vary however it plays an important role in influencing the buying behaviour. As far as the young working adult is concerned, one of the main reasons that drive them to purchase organic products is the social status and acceptance in the society and in some cases it is for personal satisfaction and to stand out in the society that the consumers go for exclusivity in their organic brand preferences and purchases (Fernandez, 2009).

On the other hand, the college going youth, possess a different way of thinking and have different reasons that influence their purchase decision and buying behaviour. This group people are mostly raised in a wealthy environment and participate in group activities since their adolescence. Therefore, they naturally form the need to be recognized and get noticed by others. However, the difference between the college going youth and the young working adult is that, although they are of the same generation, i.e. Generation, they start their lives differently. Yet, both these groups are branding conscious (Ayupp, Lee & Tudin, 2013). The

college going youth is exposed to organic earlier in their lives as most of the college going kids come from wealthy families and are given expensive gifts without having to earn them. Therefore, when they grow older they give much more importance to their appearances as they are concerned about how they are perceived by others in the society (Ayupp, Lee & Tudin, 2013).

As for the young working (25-29 years old) adult, most of them get exposed to organic a bit late in their lives and they have to earn the organic as opposed to the other group of consumers (Siti & Nurita, 2010). Moreover, their personal values in terms of organic are different as they indulge in organic to satisfy their personal needs and for the need to be unique among their peers and in the society.

These are some of the key consumer factors that influence the purchase intention as well the buying behaviour of the consumers in Malaysia.

As discussed in the earlier sections of this report, the three main areas that influence the consumer's buying behaviour are, firstly, personal value which is the consumer's personal attitude towards purchasing organic products, secondly, social recognition which is the impact of peer pressure on consumer's buying behaviour and lastly, demographics of which income is the main aspect that influences consumer's purchase intention.

This explains that consumer's approach shows characteristics that play a big role in consumer's buying behaviour. To explain further, the effect of such consumer characteristics on consumer's buying behaviour, one of the key variables i.e. social recognition or peer pressure is examined and analysed below:

### 2.7.2 Motivational Factors

The other significant trait of consumer behaviour is the motivation behind consumption of organic products.

There are various classifications of organic consumption motivations; one of them is a theory by Heinemann (2008) that offers a schematic description of

motivations behind organic purchases. There various groups of motivation but there are few that apply on the Generation Y consumers, particularly in Malaysia. The first is Social Group Motivation and the second is Socio Psychological Motivation (Heinemann, 2008).

Following is a brief description for the above groups of motivation that directly related to the Gen Y consumers in Malaysia and their buying behaviour when buying organic brands.

#### 2.7.2.1 Social Group Motivation

As discussed earlier in this report, social recognition is one of the key variables of this research. The Social Group Motivation further explains and justifies this argument. It acknowledges that a consumer's social group as a direct impact upon their perception of organic and it's for the sole purpose of being accepted in a social group that the consumer is motivated to purchase organic products (Hogg & Abram, 1993).

This means, an individual is driven to make certain decisions to be a recognized member of the society. Hence, further clarifying that the consumer's buying behaviour and the intention to purchase organic brands in Malaysia is highly influenced by social recognition. However, motivation varies based on the consumer's social status in the society. As such, social group motivation or societal motivations play an essential role in consumers' organic consumption and it represents the consumers' wish to be recognised and acquire a social status in the society.

#### 2.7.2.2 Socio-Psychological Motivations

As described by, socio psychological motivation is a comprehensive mix of behavioural and societal motives that interconnects with one another under the influence of culture and sometimes due to global influence.

The consumer's motivation in this research is at first defined with the help of the motivation theory formed by Heinemann (2008) and later adjusted to fit with the motivation theory explained by Shukla (2010), which is socio-psychological group of motives. These two types of theories are further divided into two categories.

The first category represents the type of motivation where the sole purpose of the consumer is to purchase organic brands to attract attention and pose in front of others to set a standard and justify their social status in the society. This particular category consists of six types of motivational factors that can have an impact on the consumer's buying behaviour and purchase intention.

These are explained below:

a) Attracting Attention: This is a very basic motivational factor, which generally represents a consumer's wish to be spotted by others in the society who own organic products as a symbol of social status.

b) Admiration: This is a type motivational factor, where a consumer's is looking for admiration and appreciation form others in the society for owning organic products.

c) Success and Wealth: Here the consumer is attempting to showcase their success and their wealth by spending large amounts of money on purchasing organic products. This is also to prove in front of others that their success is the reason for their wealth and that in return enables them to afford organic products.

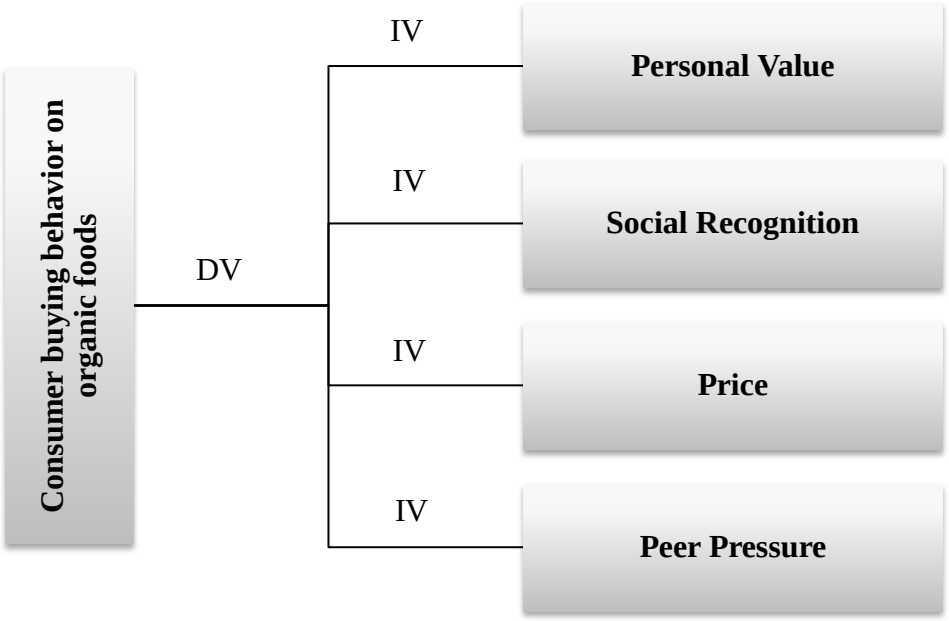
d) Exclusivity: This refers to a consumer's wish to showcase her uniqueness and different way of style. It is also to subtly point out that only truly exceptional individuals are able to afford exclusivity in organic foods.

e) Public: This particular motivational factor has an influence on many consumers in Malaysia as many consumers tend to show off their organic

products by wearing them in public settings, at work and socially to leave an impression on others for optimal self-representation in the society.

f) Categorization: This motivational factor has an influence on consumers who prefer to associate themselves with a particular group of people or a particular society that encourages and respects possession of organic products on an entirely different level.

## 2.8 Theoretical Framework




As stated in the above figure, there are mainly four elements that are analysed and examined during the course of this research. The first and the most important element discussed is the influence of the four variables, which are personal value, social recognition, demographics and buyer behaviour, on the consumer behaviour toward purchasing organic brands in Malaysia. This analysis is crucial for describing the consumer's viewpoint because it leads to the understanding of Malaysia's consumers' purpose of buying organic food.

There are various aspects attached to consumer buying behaviour, one of the major aspects is the Brand Value and how the consumer perceives organic brands.

In general terms, organic brands can be defined as brands representing high quality products at high prices often created by famous designers and well established international boutique houses (Netemeyer & Teel, 1989). Most organic brands tend to justify their highly priced products with high standard and even higher value for money. For a fact, it is said that organic products would lose their scarcity and uniqueness characteristics if organic products are not priced high (Dubois and Duquesne, 1993). The common perception of organic brand by a Gen Y consumer in Malaysia is that they are perceived differently by other and acquire higher social status by owning organic products.

Additionally, a discussion that has been performed in the earlier sections of this chapter, focusing only on the different meanings and significance of the word "Organic" and feedback from the consumers in Malaysia has also proven to play an important role in understanding the purpose and motivation behind buying branded products. Some definitions highlight special features of organic products, which directly relate to the consumers personal attitude and consequently result in motivating the consumer to purchase the product. As explained by Vickers and Renand (2003), the consumers in Malaysia sometimes purchase organic goods for reason such as brand image, product quality or personal value. However, the purchasing decision could again be a result of influence from one of the key variables that is personal value, social recognition, and demographic factors such as price and brand value which is also a direct constituent of purchase frequency.

Malaysian shopping centres initiate many ways to promote organic brand goods and one of them by offering discounts throughout the year, which has been relatively effective and has attracted buyers from all walks of life. The potential of this business being extremely successful in Malaysia is what makes this research particularly interesting.

Moreover, the main purpose of this chapter was to review the entire literature used for the successful completion of this research. The literature review is an integral part of this research paper as it not only sheds light on the past studies on similar subject but also gives new perspective to the subject of the Buyer Behaviour and Organic Brand perception in Malaysian consumers. The key to this research and

the hypotheses of this research are the factors that influence the consumer's buying behaviour and purchase intention of organic brands.

Furthermore, in order to carry out a comprehensive research on Malaysia consumer behaviour, Rogers' diffusion of innovations theory is also applied as part of research methodology in this report. The main intent behind using the Rogers' theory for the research questions is to address the consumer's purchase intention (Sahin, 2006). The Roger's theory basically attempts to review the last three stages of the consumer's purchase intention process that involves decision making, implementation and confirmation of purchase.

While Rogers' diffusion of innovations theory mentions that a sociological approach is ideal to gauge the intention of purchase of organic brands by the consumers in Malaysia, Fishbein and Ajzen on the other hand suggests that providing a behavioural explanation of consumer's personal attitudes on the decision making process helps examine the consumer's intention of purchase. In this research Fishbein and Ajzen's theory at first examines the consumer as a predictor of intention and then intention as a predictor of behaviour (Vallerand, Deshaies, Pelletier & Mongeau, 1992).

Therefore, both the theories are applied and tested in order to get a valid and full proof outcome with the help of the hypotheses formed to test the different possibilities during the course of this research.

The theories discussed in this chapter will be put into implementation in the next chapter where the research methodologies are thoroughly discussed. After a lot of research and testing appropriate research methodologies that match the theories explained and discussed in this chapter are used in forming basis of the findings in chapter 3.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter provides the details concerning research methodology used to achieve research objectives. The focus of this chapter is to discuss the research paradigm, research approach, research methods, sampling design, research instruments, data collection methods and data analysis. At the end of the chapter ethical considerations and issues are discussed.

## 3.2 Research Paradigm

Research paradigm is the underlying assumptions and intellectual structure upon which research and development in a field of inquiry is based. Additionally, paradigm are patterns of beliefs and practices that regulate inquiry within a discipline by providing lenses, frames and processes through which investigation is accomplished (Taylor, Kermode & Roberts, 2007). The initial process of this research is to develop an effective research paradigm which will help accomplish the aim of this research that is to identify what motivates consumers in Malaysia to purchase organic brands.

The foundation of any research is based on three basic paradigms. Firstly, positivism which follows quantitative research approach because positivist research places faith in quantification and on the idea that using correct techniques will provide correct answers. Secondly, anti-positivism, which follows the qualitative research approach which researchers, should focus on understanding the interpretations that social actions have for the people being studied and lastly the critical theory which follows critical and action oriented research approaches

(Weaver & Olson, 2006). However, based on the initial research and similar studies in the past; the positivist research paradigm seems more apt for this subject as it deals with buyer mentality and satisfaction and more importantly it deals with large numbers (Beech, Chadwick & Tapp, 2000). Furthermore, the conclusion is based on numerical data. Hence, a quantitative research approach is used to collect data and draw an accurate conclusion. Consequently, positivism is applied during the course of this research in order to successfully understand the motivation and the reason behind buying organic products in consumers within Malaysia.

## 3.3 Type of Research

There are mainly three types of research approach that are used for conducting researches which include explanatory approach, descriptive approach and exploratory approach (Creswell, 2008). The researcher chooses the explanatory research approach to conduct this research and to achieve the research objectives. Explanatory research approach is chosen as it provides the explanation for the nature of relationships that exist between the variables for instance, the buyers' behaviour and the peronal values, social recognition and perceived control behaviour. The main objective of explanatory research is to test hypotheses (Creswell, 2008). Therefore the researcher can measure the variables and provide evidences whether they support or refute the contention that there is a cause-and-effect correlation between the variables. Furthermore, the explanatory research can help to answer the question why for example "why personal value has an effect on the consumers when purchasing organic food products?"

## 3.4 Research Approach

There are three types of research approaches. They are quantitative method, qualitative method and triangulation method (Creswell, 2008). This study attempts to identify how a consumer's attitude toward organic food products can influence the consumer's purchasing intention. As such, the researcher has chosen quantitative research method in the process of carrying out this research. The type

of quantitative research method that is chosen is survey questionnaire. Quantitative research is a systemic, formal and objective process in which the quantitative data are used to obtain information. In addition, the quantitative data are used to describe the relationships between the variables (Creswell, 2008). Quantitative research is chosen as it has the following characteristics:-

a) It enables the researcher to test hypotheses with quantitative data.

b) The answers of the respondents are predictable.

c) It collects quantitative data based on precise measurement by using validated data instruments.

d) The quantitative data can be transformed into easily quantifiable graphs and charts.

e) It is easier for the researcher to interpret and analyse the statistical data.

f) It is usually accurate.

g) It examines and describes the relationships between the independent and dependent variables.

h) Statistical analysis is used to organise the data. Hence, there is lesser or no bias in comparison with qualitative method.

i) Statistical data enables the researcher to compare the results obtained from the current research with the results from the past researches (Johnson & Christensen, 2012).

## 3.5 Data Collection

Data collection method emphasizes on the collection of the data by using a variety of primary and secondary sources of information. It is considered an optimal way to gather information, in order to keep the information on record and in decision-making, pertaining to the issues existing in the considered research (Johnson & Christensen, 2010). Both primary and secondary data collection method is used in this research.

### 3.5.1 Primary data

Ranjit Kumar (2005) stated that primary sources are original document such as diaries, letters, interviews, and speeches etc. which gives first hand contemporary account written by individual who experience or witness an event. In this study, the primary data is gathered by means of questionnaire survey. Survey is a kind of research method that is more direct as opposed to interview. It is generally used to gather an opinion at a mass level in order to draw a definitive conclusion based on numerical facts (Cherry, 2014). Therefore, an appropriate questionnaire is developed to query the consumers in the central region of Malaysia, who are mainly the adult working class population, about their personal values, social recognition and other demographic as well as their buying behaviour in relation to organic food products.

### 3.5.2 Secondary Data

Secondary data is the data that is readily available from other sources. The secondary data is collected for the review of previous literature and for conducting the background study for the research topic. The secondary data for the research study is collected from authentic journal articles, newspaper publications, reports and books (Creswell, 2008). Moreover, it gives solid support to the primary data as it fills the gaps and deficiencies that are quite evident once the entire data is collected. In this research, the secondary data is collected from similar studies

carried out in China, Singapore and Thailand, in order to gain initial insight into the research problem.

## 3.6 Hypotheses Testing

As discussed in the literature review, the four independent variables which are namely personal value, social recognition, cost and peer pressure are classified as the motivating factors that form the purchase intention and consequently leads to the purchase of organic branded foods by the consumers in Malaysia.

Hence, the below hypotheses were tested in this research:

$H_1$ – Personal value impacts the buying behaviour of Malaysian consumers towards purchasing organic branded foods.

$H_2$ – Social recognition impacts the buying behaviour of Malaysian consumers towards purchasing organic branded foods.

$H_3$ – Cost impacts the buying behaviour of Malaysian consumers towards purchasing organic branded foods.

$H_4$ – Peer pressure impacts the buying behaviour of Malaysian consumers towards purchasing organic branded foods.

## 3.7 Sampling

The target sample of this study is the adult consumers in Malaysia. As the characteristic of the target audience has already been identified while forming the research topic, a non-probability sampling method is implemented for further investigation and selection of audience. Non-probability sampling is a method of

selecting respondents out of which some units in the population are more likely to be selected than others based on the subject criteria (Gingery, 2009).

As stated in the initial stages of the report, this study is carried out by means of quantitative research and in order to get a comprehensive understanding and evidence from the participants' of the study, a non-probability sampling is incorporated for an improved understanding of the participants' experiences to develop appropriate theories and concepts, which directly contribute in completion of this research with an accurate conclusion.

### 3.7.1 Sampling Technique

As discussed above the target sample of this research is the consumers in the central region of Malaysia. A non-probability sampling method is applied to determine the required outcome. Non-probability sampling is a broad based research tool, which offers different sampling methods (Ayupp, Lee & Tudin, 2013). There are a couple of sampling methods that seem suitable for this research, namely, snowball sampling and purposive sampling (Dolores & Tongco, 2007).

Snowball sampling, in simple words, can be described as a process of reaching out to a small number of people in relation to the research topic and then use these people to establish new connections with other people to take the process further. However, the only drawback with snowball sampling is that it cannot solely represent an entire target population - "The very notion of a population may be problematic in some circumstances" (Dolores & Tongco, 2007). Hence, to make ascertain that the entire target audience is covered during the course of this research; it is wise to select the other available option that is purposive sampling, which guarantees an accurate outcome.

Purposive sampling is a slightly diverse method and a much more effective method where the sample in only inclusive of people who are genuine customers and excludes the people who do not suit the purpose (Dolores & Tongco, 2007). Furthermore, as the characteristics of the target market are clearly defined in the

earlier sections of the report it is appropriate to use purposive sampling for this research.

The questionnaires are distributed in aristocratic commercial areas in Kuala Lumpur and Klang Valley areas in order to target college going youth and young working adults, who are the appropriate target sample for this research.

### 3.7.2 Research Instrument

The survey questionnaire is designed in such a way that the research questions as well as the independent variables and dependent variables developed during the formation of the research topic are correctly answered and at the same time the hypotheses of this research are distinctively justified and tested by way of numerical statistics. The first section asked the respondents' demographics and frequency in buying organic product. Some of the items used in this section were adapted from Brown (2003). The next section asked on the respondents views on various aspects of organic products. The items in this section were measured using 5-point Likert scale (1 is low and 5 is high). Most items used in this section were adapted from Davies (1995). Other items in the questionnaire were developed by the researchers based on the consumers' buying behaviour in Malaysia.

The pattern of the survey questionnaire is as follows:

PART A: Questions associated with the sample target's personal information such as the participant's demographics as follows:

a) Gender
b) Age
c) Monthly Income
d) Qualification
e) Awareness
f) Buying Tendencies

PART B: Questions associated with the research topics and its key variables, such as:

a) Personal value - Personal attitude towards purchasing organic branded products
b) Social Recognition – Purchasing organic products to express personal taste
c) Cost - Affordability vs. Higher price means better quality
d) Peer Pressure - Purchasing organic products to fit in with peers

### 3.7.3 Methods of Distributing the Questionnaires

Questionnaires are any written instruments that present respondents with a series of questions or statements to which they are to react either by writing answers or selecting from among existing answers.

As the target sample for this research is the consumers who live in the central region of Malaysia, the questionnaires were simply divided into halves and distributed at appropriate locations. In a research done by Krejcie and Morgan (1970), a table has been drawn up to determine sample size from a population size. The target population should be at least 420 people, to achieve target samples of 201 respondents (refer to table in Appendix B). A total of 450 questionnaires have been distributed to young working adults (25-29 years old) in Kuala Lumpur and Klang Valley areas and a total of 200 completed questionnaires were returned to the researcher after two weeks. The response rate for this study is 47%. According to Sekaran and Bougie (2010), a response rate of 30% is considered acceptable for most researches. The results are then manually summarized into Microsoft Excel spread sheets in order to perform an analysis and verify their accuracy using SPSS 21.0.

### 3.7.4 Measuring Variables

The four identified variables are personal value, social recognition, cost, peer pressure and buyer behaviour.

The questions listed are only close-ended questions; the reason behind having only close ended questions is that it is less time consuming for the sample target taking part in the survey. Most of these close-ended questions are measured using

a 5-Point Likert scale in order to create a technically correct and unbiased questionnaire (Krosnick & Presser, 2010).

Likert scale is a research instrument that generally contains statements which require the respondent to indicate their level of agreement or preference ranging from a scale of 1 to 5; where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. The responses generated from here can be analysed numerically and summarized using descriptive statistics, and then compared using standard non-parametric statistical tests (Krosnick & Presser, 2010).

Table 3.1: 5-point Likert-type scales

| | |
|---|---|
| Strongly agree | 5 |
| Agree | 4 |
| neutral | 3 |
| Disagree | 2 |
| Strongly disagree | 1 |

A brief description of the different variables is listed below and an explanation is also given to justify which question belongs to which variable:

**Part 1** Dependent Variable: Buyer Behaviour
The first part of the questionnaire covers the demographics initially and later asks how often the consumer purchases organic branded products and whether they have purchased any organic branded products previously or not.

**Part 2** Independent Variables: The second part is divided into 3 sections that consist of only independent variables.

i. Personal Value: The first section measures consumer's personal value or consumer's attitude towards purchasing organic branded products. This section covers an important point that aims to measure consumer's need for uniqueness. This section of the second part contains 1 question offering 4 unique choices and measures the need for uniqueness values using measurement scales of Likert.

ii. Social Recognition: This section is broad based and there are many elements attached to it. Alongside demographics, there is cultural influence and consumer expectation involved in it.

iii. Price: Income is directly related to purchasing organic products. The price of a product and the income level of the consumer who wishes to purchase it are also interconnected. It means the question regarding the sample target's income, in the first part of the survey questionnaire, is very important because it leads to understanding the consumer's perception of the organic products and their flexibility with its pricing.

iv. Peer Pressure: The second section asks consumers' view in the society. This section contains 1 question with 4 choices and aims to measure consumer's conformity by using 5-point Likert scale.

This last section of the survey questionnaire contains 1 question offering 4 choices and this question is committed to measuring the purchasing behaviour of the sample target.

## 3.8 Data Analysis

Upon completion of the surveys the data collected is analysed using the content analysis method. The content analysis method is the process of identifying, coding and categorizing the patterns that may exist within raw information. The raw data is categorized systematically and then coded using a thematic coding system, which is primarily the reorganization of data according to themes (DeMaio & Landreth, 2004).

The themes that are identified during the course of the data collection are validated and re-validated with previous themes or new themes using the constant comparative method. This is also known as the conventional and directed content analysis. The conventional content analysis is the codification of data by emerging

themes and directed content analysis is codification of the data using some initial theoretical framework (Hsieh, 2005).

As the research is carried out by means of quantitative approach for data collection, the coding process is relatively easier as the questions asked in the survey have already identified common themes. The themes are then checked for internal homogeneity and external homogeneity. According to Roulston (2001), the internal homogeneity is where information is linked together in a meaningful way and the external homogeneity is where different themes are clearly alienated.

Furthermore, it is important to measure the internal consistency reliability of the variables and each of the responses received in the survey. Therefore, the Cornbach's alpha coefficient was used to measure the reliability of the results. Cronbach's alpha determines the internal consistency or average correlation of variables in a survey to gauge its reliability (Santos, 1999).

Alpha coefficient ranges in value from 0 to 1 and it us used to describe the reliability of factors extracted from questions with two possible answers and/or multi-point formatted questionnaires. This particular research conducts its survey using a 5 point likert scale i.e. scale ranging from 1 to 5 where 1 = strongly agree and 5 = strongly disagree. The higher the level of agreement, the more reliable the generated scale is. A value of 0.7 or slightly higher is considered to be an acceptable reliability coefficient (Santos, 1999).

Table 3.2: Cronbach's alpha internal consistency range

| **Cronbach's alpha** | **Internal consistency** |
|---|---|
| $\alpha \geq 0.9$ | Excellent |
| $0.8 \leq \alpha < 0.9$ | Good |
| $0.7 \leq \alpha < 0.8$ | Acceptable |
| $0.6 \leq \alpha < 0.7$ | Questionable |
| $0.5 \leq \alpha < 0.6$ | Poor |
| $\alpha < 0.5$ | Unacceptable |

Besides, Cornbach's Alpha coefficient, another very important coefficient, i.e. the Pearson Correlation coefficient, is employed to accomplish an accurate outcome for the survey conducted in this research.

The Pearson Correlation Coefficient is a technique that is used to investigate the relationship between the different variables formed in a research and it is also used to measure the strength of the association between the variables by way of a test that shows the degree to which the variables are related. It represents the relationship between the variables that are measured on the same interval or ratio scale (Smith & Albaum, 2013).

## 3.9 Pilot test

A pilot test is conducted on 10 participants to ensure clarity and ease of comprehension. The questions are distributed randomly to 10 college going youth and young working adults in Kuala Lumpur and Klang Valley areas. The participants are asked to evaluate the clarity of the wordings, level of language in terms of sensitivity, ease of comprehension, as well as format, length, instructions for overall survey to minimise ambiguities and communication errors. This pilot test is also used to determine the reliability of the instruments used to measure the variables in this study.

## 3.10 Reliability test

The Cronbach's alpha obtained from the pilot study for each of the variables ranges from 0.799 to 0.937 as shown in Table 3.3 and 3.4 below. This test is to ensure the reliability and validity of the construct of the questions. Since the pilot test showed that all the items tested are above 0.7 therefore acceptable, hence, the distribution of survey questionnaire can be carried out for the targeted number of respondents. Refer Appendix 1 for the reliability test done for the pilot study.

Table 3.3: The Cronbach's alpha for items deleted

Peer pressure

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item- Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| Pay_attention | 9.4000 | 4.489 | .782 | .776 | .905 |
| Concern of others | 9.7000 | 3.789 | .866 | .837 | .915 |
| Personal_satisfaction | 9.7000 | 3.122 | .925 | .877 | .897 |
| Own judgement | 9.7000 | 3.122 | .925 | .851 | .897 |

Personal value

Item_Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| Special_occasion_purchasing | 9.8000 | 3.733 | .691 | .806 | .759 |
| Sense of fulfillment | 9.7000 | 4.011 | .628 | .817 | .789 |
| Better_life | 9.0000 | 4.667 | .655 | .831 | .779 |
| Define_me | 9.0000 | 4.667 | .655 | .891 | .779 |

Social recognition

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item- Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| Lift_social_identity | 8.7000 | 2.678 | .809 | .883 | .722 |
| Encouragement | 8.5000 | 3.167 | .535 | .831 | .826 |
| Influence_others | 8.7000 | 3.344 | .711 | .899 | .777 |
| Outweigh myself | 8.6000 | 3.600 | .681 | .938 | .796 |

Price

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item- Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| Unaffordable | 8.8000 | 4.400 | .448 | .876 | .871 |
| Price_not_burden | 9.0000 | 3.556 | .698 | .837 | .778 |
| Premium price purchasing | 8.8000 | 2.844 | .737 | .931 | .762 |
| Worth_the_price | 8.5000 | 2.944 | .821 | .931 | .713 |

Purchase Intention

Item-Total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| Enhance personal appearance | 8.7000 | 4.678 | .568 | .608 | .770 |
| Sale_price_purchasing | 8.5000 | 3.611 | .902 | .823 | .591 |
| Fire quality | 8.4000 | 4.267 | .571 | .496 | .773 |
| Impress_peer | 8.6000 | 5.156 | .447 | .496 | .721 |

Table 3.4: Reliability Test for pilot study

| **Variable** | **Number of Items** | **Cronbach's Alpha** | **Remarks** |
|---|---|---|---|
| **Peer Pressure** | 4 | 0.937 | excellent |
| **Personal Value** | 4 | 0.823 | good |
| **Social Recognition** | 4 | 0.836 | good |
| **Price** | 4 | 0.834 | good |
| **Purchase Intention** | 4 | 0.799 | acceptable |

## 3.11 Ethical Consideration and Issues

The collection of data and carrying out a quantitative research generally involve accessing information which may be confidential to the participants in the study. Therefore, in order to ensure confidentiality of information and privacy in the proposed research, personal information of participants such as name and addresses is not disclosed. Only gender and age is recorded for comparison purposes. In a worst case scenario, if it is required, each participant will be identified by a fictitious name to provide anonymity.

Furthermore, privacy policy and non-disclosure agreements are signed and briefed to each participant to ensure that information released during the study is treated with confidentiality and would not be used for other activities. To facilitate the granting of informed consent, participants are informed, in advance, about the nature of the research, the purpose of the research and the nature of their involvement.

# CHAPTER FOUR

# FINDINGS AND DATA ANALYSIS

## 4.1 Introduction

This chapter attempts to analyse the data collected from the questionnaire based on the research method discussed in chapter 3. A total of 450 survey questionnaires were distributed among the consumers in Malaysia and 200 of the questionnaires were completed and returned successfully. The main aim of the questionnaire is to examine the relationship between the independent and the dependent variables. The questions developed in the survey and the responses gathered are analysed closely to validate if the independent variables such as Personal Value, Social Recognition, Cost and Peer Pressure are major factors that are affecting the dependent variable which is buyer behaviour, while purchasing organic food.

The sample target of this study is the organic food purchasing consumers. Therefore, the questionnaires are distributed to mid aged and young working adults in different parts in Kuala Lumpur and Klang Valley areas. Initially, descriptive data analysis is performed based on the quantitative data collected from the questionnaire followed by hypotheses testing, which consecutively contribute to the overall outcome of this study. The reliability of this survey is assessed using the Cronbach's Alpha. The demographics form the main basis of the descriptive data; therefore, in order to perform a justified analysis, it is important to first examine the demographic data of the sample target as that will distinguish the personality of each individual. Hence, the demographics analysis gives a factual idea about the percentage of the gender involved in the survey and their personal attributes such as age, income, marital status and qualification.

Furthermore, the independent and dependent variables that form the hypotheses of this study are tested once the complete data is gathered in order to assess whether the main aim and objectives of this research are justified. Moreover, the degree of relationship between the four variables namely, personal value, social recognition, cost and peer pressure is determined by performing a correlation test. This is followed by a multiple regression analysis of the different variables in order to examine how one dependent variable that is the buyer's behaviour is initially influenced by the above mentioned independent and mediating variables.

The main purposes of this study are also to examine the emotional responses of the consumers in Malaysia. In order to examine the responses, the purpose is further divided into 2 main objectives, which are as follows:-

a) To investigate the relationship between the consumers' buyer behaviour, purchase intention and the variables of purchase antecedents such as consumers' attitude towards shopping organic products, emotional responses, and social factors.

b) To examine the demographic factors such as gender, age, income, occupation, marital status and education level in purchasing organic food.

The data obtained from the questionnaire analysed using the SPSS 21.0 analytics software. All the research findings along with the analysis are explained and justified using factual information in this chapter. Additionally, the relationship between the different variables is determined with the help of results gathered from data analysis of the questionnaires distributed in the survey. The analysis of the data collected and the findings are comprehensively explained in a part by part manner in this chapter with support of appropriate tables and charts.

## 4.2 Demographic Analysis

The sample targets for this research are the college going youth (20-24 years old) and the young working adults (25-29 years old). The respondents who take part in the survey are required to willingly state their gender, age, income, marital status and level of education for the sole purpose of gathering a factual evidence of the personal background of the respondents so as to deliver the end result of this research in the form of facts and not unjustifiable statistics.

Moreover, demographics are vital to understand how they influence the buyer behaviour of the consumers. It is also important to know the nature of the consumers and their purchase motivation and intention. Therefore, the survey also attempts to ask the respondents about the history of their most recent purchases and the general tendency to purchase organic brands.

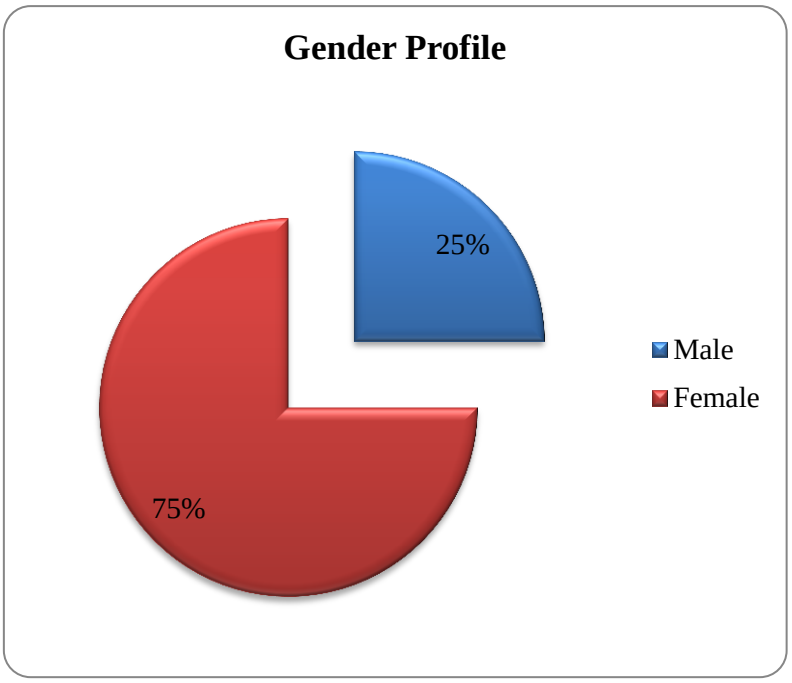
### 4.2.1 Gender

Table 4.1 below shows the demographic statistics of the sample target in Malaysia:

Table 4.1: Respondents' Gender

| Gender | Frequency | Percentage | Valid Percentage | Cumulative Percentage |
|---|---|---|---|---|
| Male | 50 | 25.00 | 25.00 | 25.00 |
| Female | 150 | 75.00 | 75.00 | 100.0 |
| Total | 200 | 100.0 | 100 | |

Figure 4.1 : Gender of the Respondents




The pie chart in Figure 4.1 represents the gender percentage of the respondents. As highlighted, 25% of the respondents are male consumers and 75% of the respondents are female consumers. This is mainly due to the universally known and accepted fact that women are more inclined towards spending money on organic shopping as opposed to men. Therefore, make them as one of the central object of the research as they are likely to contribute more towards accomplishing the outcome of this study.

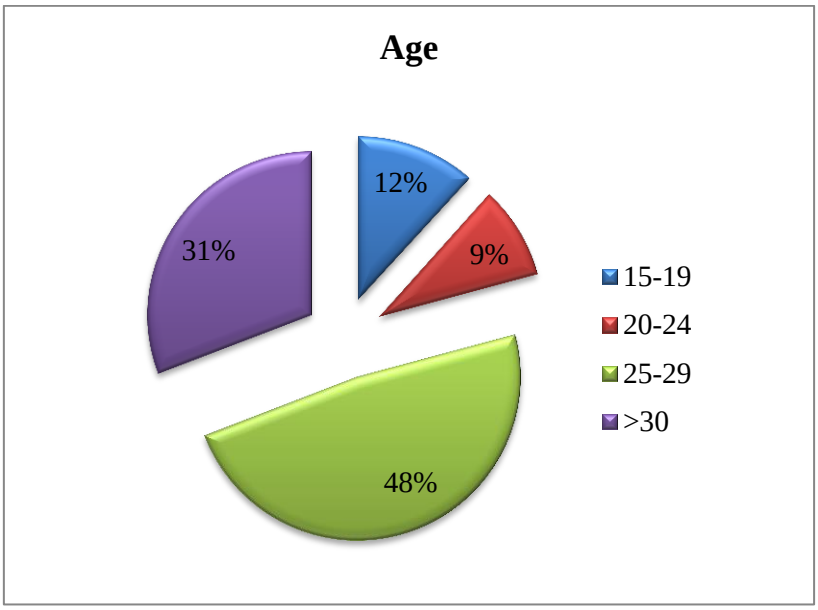
### 4.2.2 Age

Table 4.2 below shows the different age groups of the respondents. The target respondents for this survey are the adult consumers in Malaysia.

Table 4.2 : Respondents' Age Group

| Age Group | Frequency | Percent | Valid Percent | Cumulative Percentage |
|---|---|---|---|---|
| 15-19 | 23 | 11.67 | 11.67 | 11.67 |
| 20-24 | 18 | 9.17 | 9.17 | 20.84 |
| 25-29 | 97 | 48.33 | 48.33 | 69.17 |
| >30 | 62 | 30.83 | 30.83 | 100.0 |
| Total | 200 | 100.0 | 100.0 | |

Figure 4.2: Age of the Respondents




More than half of the respondents are aged between 25-29 years old (97 respondents) while 62 respondents are above 30 years of age range. Only 18 respondents are around 20-24 years old and 23 from age 15-19. From Table 4.2, it can be concluded that most of the respondents are in their early or middle-age years and this younger generation is exposed to organic food.

### 4.2.3 Marital Status

Table 4.3 shows the number of respondents who are married and the number that are single.

Table 4.3 : Respondents' Marital Status

| Marital Status | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Single | 133 | 66.67 | 66.67 | 66.67 |
| Married | 67 | 33.33 | 33.33 | 100.0 |
| Total | 200 | 100.0 | 100 | |

Figure 4.3 : Marital Status of the Respondents

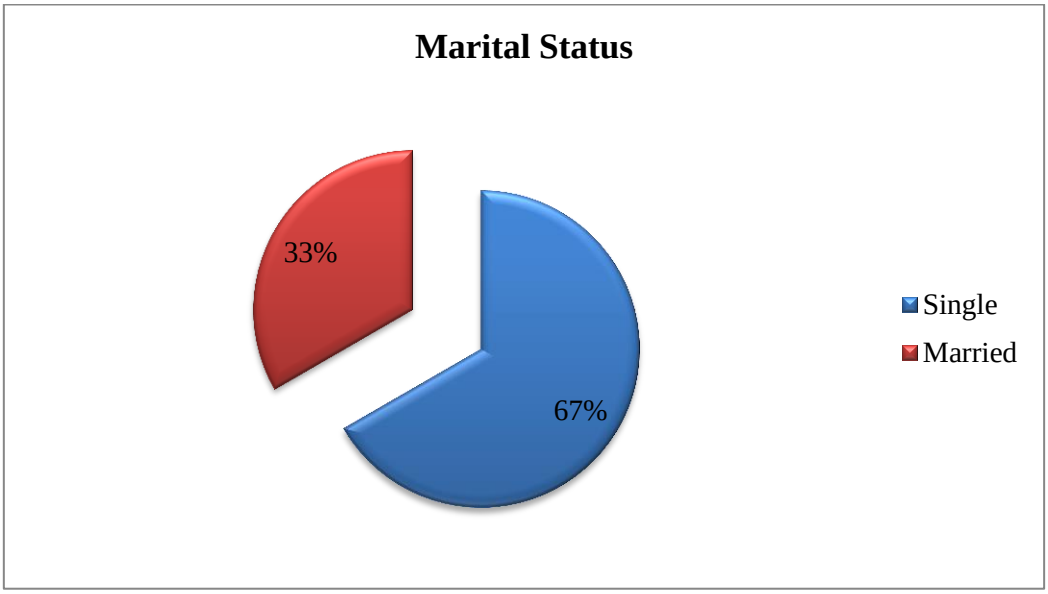



Table 4.3 shows that 133 respondents are single while 67 respondents are married. Single respondents are more disposed to organic shopping habits as opposed to the married people because married individuals tend to have more control over their spending.

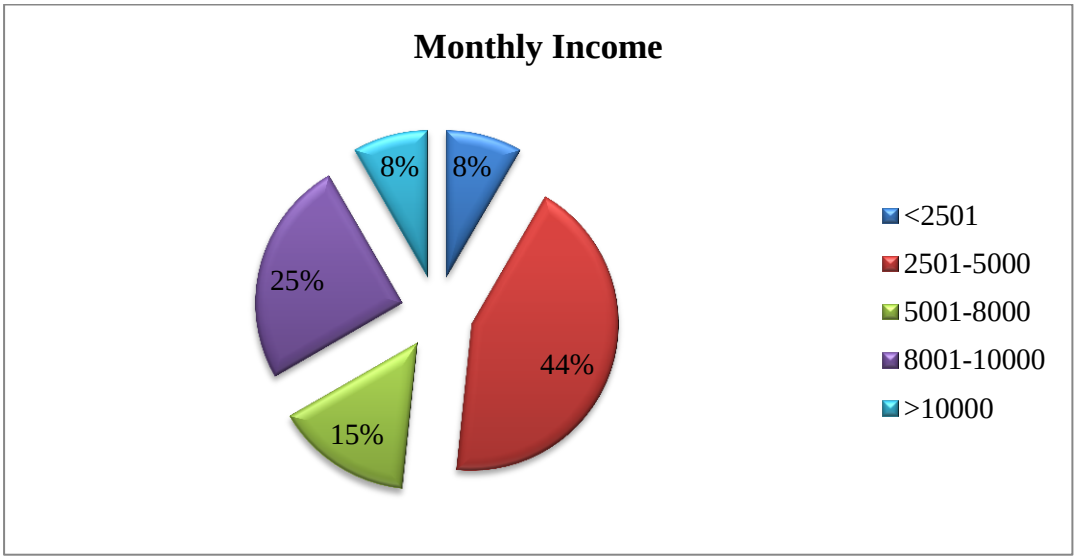
### 4.2.4 Monthly Income

Table 4.4 below shows the range of monthly income that the respondents earn.

Table 4.4 : Respondent's Monthly Income

| Monthly Salary | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| < 2500 | 17 | 8.3 | 8.3 | 8.3 |
| 2501-5000 | 87 | 43.3 | 43.3 | 51.6 |
| 5001-8000 | 30 | 15.0 | 15.0 | 66.6 |
| 8001-10000 | 50 | 25.0 | 25.0 | 91.6 |
| >10000 | 16 | 8.3 | 8.3 | 100.0 |
| Total | 200 | 100.0 | 100.0 | |

Figure 4.4 : Monthly Income Range of Respondents




Income is one of the major determinants that influence the consumer purchase. Half of the respondents (87) have a monthly income between RM2501 - RM5000 while 17 have less than RM 2500 of monthly income. 30 respondents earns more than RM5000 per month, 50 respondents earn more than RM8000 per month and 16 respondents earn more than RM10000 on a monthly basis. Earnings give consumers the freedom to spend, the more individuals earn, the more they are willing to spend on organic goods.

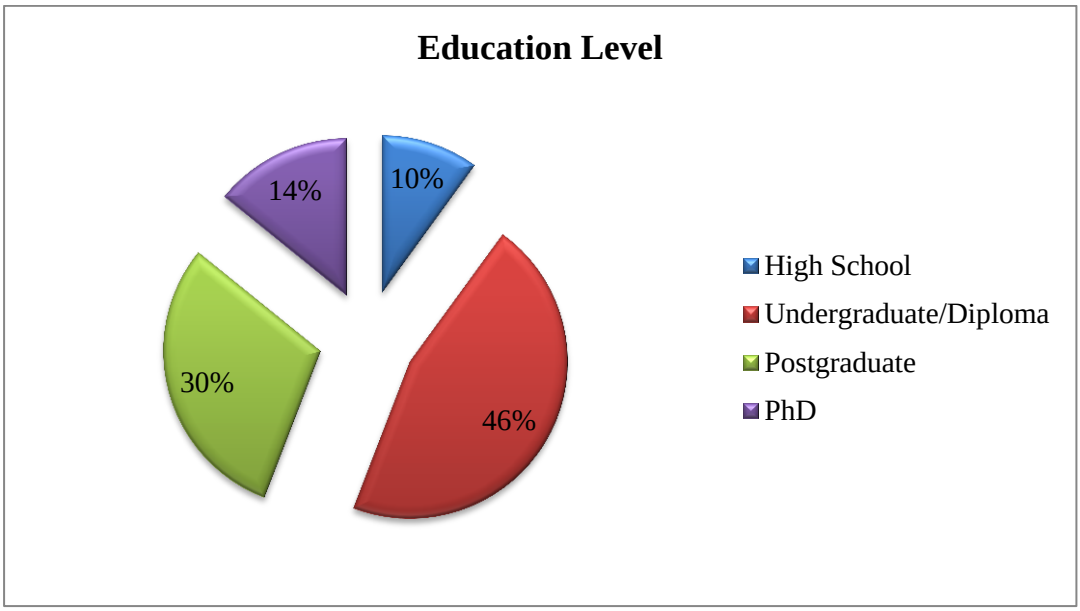
### 4.2.5 Education Level

Table 4.5 shows the education level of the respondents.

Table 4.5: Respondents' Education Level

| Education Level | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| High School | 20 | 10.00 | 10.0 |
| Undergraduate/Diploma | 92 | 45.83 | 55.83 |
| Postgraduate | 60 | 30.00 | 85.83 |
| PhD | 28 | 14.16 | 100 |
| Total | 200 | 100 | |

Figure 4.5: Education Level of the Respondents




Education levels of the respondents are important as those who are highly educated are perceived to be more aware of organic food. Close to half of the respondents have completed undergraduate or diploma studies and only 20 are high school graduates. 30% of the respondents have post graduate degrees and and another 24.16 % have PhD. This would help to understand whether there is a consistency of the purchase intention of people with different education level.

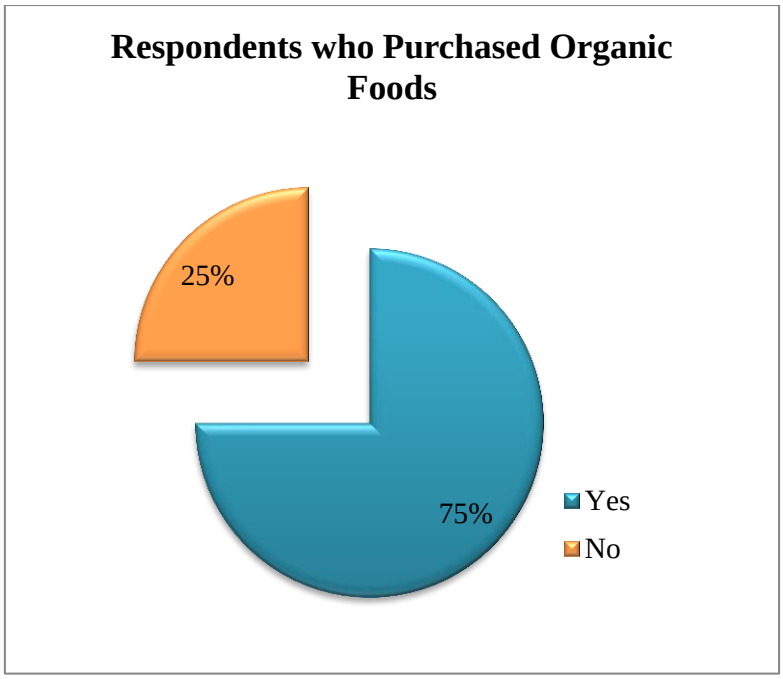
### 4.2.6 Purchase of Organic Foods

Table 4.6 below shows the number of respondents who bought organic goods previously and the number of respondents who never purchased organic goods before.

Table 4.6: Respondents' Purchase of Organic Brands

| Purchased Organic Brands | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Yes | 150 | 75 | 75 |
| No | 50 | 25 | 100 |
| Total | 200 | 100 | |

Figure 4.6: Respondents Who Purchased Organic Brands




According to Table 4.6, 150 respondents have purchased organic goods before so it is likely that they will purchase it in future. 50 respondents have not purchase any organic goods before but may make a purchase over time. Therefore, their intention to buy over time is also taken into account.

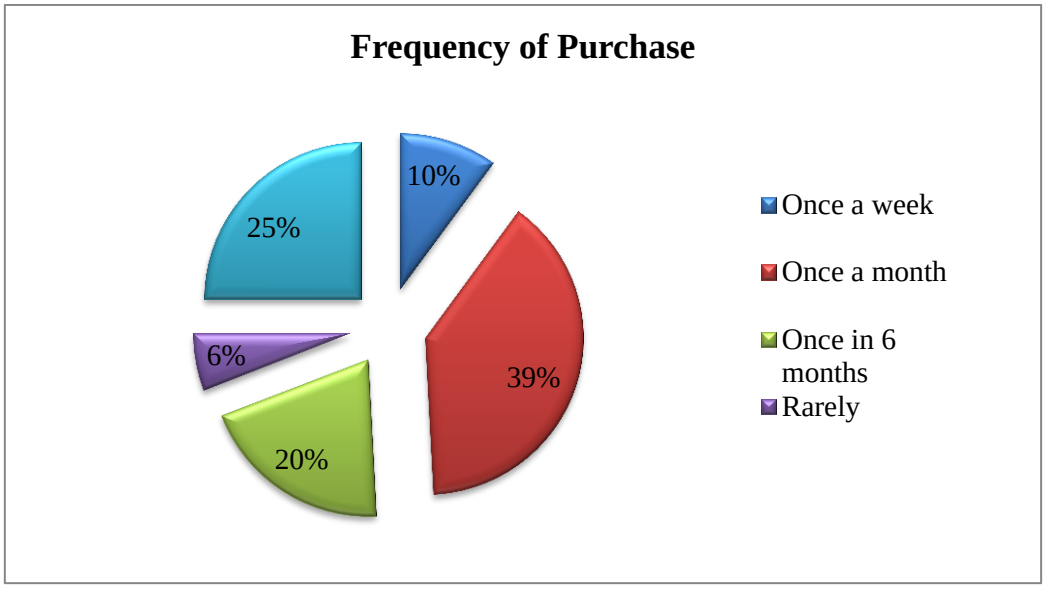
### 4.2.7 Frequency of Organic Brand Purchases

Table 4.7 below shows the frequency of organic brand purchase by respondents.

Table 4.7: Respondents' Frequency of Organic Brand Purchases

| Organic Brand Purchase Frequency | Frequency | Percent | Cumulative Percent |
|---|---|---|---|
| Once a week | 20 | 10.0 | 10.0 |
| Once a month | 78 | 39.16 | 49.16 |
| Once in 6 months | 40 | 20.0 | 69.16 |
| Rarely | 12 | 5.83 | 74.99 |
| Never | 50 | 25.0 | 100 |
| Total | 200 | 100.0 | |

Figure 4.7: Frequency of Respondent's Organic Brand Purchases




According to Table 4.7, 20 respondents had purchased organic goods once a week, 78 once a month, 40 once in six months, 12 rarely and 50 never really purchase organic food; nevertheless, their responses have been taken into account since they may intend to purchase organic item brands in the future.

## 4.3 Reliability Analysis

The reliability of results and the accuracy of the data collected are generated by using the SPSS 21.0 program. Reliability analysis allows you to study the properties of measurement scales and the items that compose the scales. The Reliability Analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. The Cronbach's Alpha values that were calculated, reflected that the internal consistency of the variables measured are high as all of the variables returned a value higher than the average reliability value that is 0.70. The values returned for the variables used in this research range from 0.78 to 0.88, which means that the independent and dependent variables used in this study reflect signs of great level of internal consistency.

### 4.3.1 Cronbach's Alpha Reliability Test

The reliability of results and the accuracy of the data collected are generated by using the SPSS program. However, it is important to make certain the reliability of each and every variable that has been formed during the course of this research. This is determined with the help of Cronbach's Alpha method.

Based on Nunnally's (1978) theory for basic research purposes, it is recommended that variables used in the research have reliability value set at 0.70 or slightly higher. The table below indicates the most relevant Cronbach's Alpha values for all the four variables used in this study. As mentioned in the above sections, a total of 450 survey questionnaires were distributed among the consumers in Malaysia and 200 of the questionnaires were completed and returned successfully.

Table 4.8: Cronbach's Alpha Values

| Variable | Number of Items | Cronbach's Alpha | Remarks |
|---|---|---|---|
| Peer Pressure | 4 | 0.770 | Highly acceptable |
| Personal Value | 4 | 0.842 | Highly acceptable |
| Social Recognition | 4 | 0.784 | Highly acceptable |
| Price | 4 | 0.724 | Highly acceptable |
| Purchase Intention | 4 | 0.866 | Highly acceptable |

Reliability analysis allows you to study the properties of measurement scales and the items that compose the scales. The Reliability Analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. The Cronbach's Alpha values that were calculated, reflected that the internal consistency of the variables measured are good and acceptable as the entire variable returned a value higher than the average reliability value that is 0.70.

The values returned for the variables used in this research range from 0.72 to 0.87, are shown in the Table 4.8, which means that the independent and dependent variables used in this study reflect signs of great level of internal consistency. Refer Appendix 2 for the steps of the reliability analysis carried out.

### 4.3.2 Method of Entering Variables

Variables Entered/Removed tells the variables in the analysis and how they were entered into the analysis. All the four predictors were entered simultaneously, so the method is "enter".

Table 4.9: Variables Entered/Removed

| Variables Entered/Removed[b] | | | |
|---|---|---|---|
| Model | Variables Entered | Variables Removed | Method |
| 1 | Peer Pressure (PP), Personal Value (PA), Social Recognition (BV), Price (PC)[a] | . | Enter |
| a. All requested variables entered. | | | |
| b. Dependent Variable: Consumer Purchase Intention (CP) | | | |

Refer to Appendix 3; the method of computing the variables used to obtain the mean of each variable. Table 4.8 shows that the peer pressure (PP), personal value (PA), social recognition (BV) and price (PC) are the independents variables derived in the study; whereas consumer purchase intention (CP) is the dependent variable.

## 4.4 Correlation Analysis

The method used to gauge the relationship between variables refers to correlation analysis. In the context of this research, the correlation analysis provides a useful tool to determine whether there are any relationship between the independent and dependent variables.

One of the most commonly applied approaches to analyse correlation is by using the Pearson's coefficient of correlation, which is symbolized by the symbol *r*. When *r* is equal to +1, a flawless positive correlation exists between the variables; whereas when *r* is equal to -1, the correlation between the variables is a flawless negative one; and finally when *r* is equal to 0, there is no connection between the two variables (Chua, 2013).

Connection between independent variables and dependent variables were measured in this study using the Pearson correlation test. All results with a value of 0.50 or higher (if $r \geq 0.50$) is considered significant. For this study, the Pearson correlation test was used to establish and measure the influences between the independent and dependent variables (Chua, 2013).

The table below shows a summary of the Pearson test results.

Table 4.10: Pearson's Test Results

| | | **Peer Pressure (PP)** | **Personal Value (PA)** | **Social Recognition (BV)** | **Price (PC)** |
|---|---|---|---|---|---|
| Consumer Purchase Intention | Pearson Coefficient | 0.61** | 0.77** | 0.81** | 0.65** |
| | Sig. (2-tailed) | 0.00 | 0.00 | 0.00 | 0.00 |
| | N | 200 | 200 | 200 | 200 |

*Correlation is significant at the level 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Based on the data shown in Table 4.10 and Appendix 3, it is realized that all independent variables have a positive relationship with the dependent variable of customer purchase intention. Among the independent variables, social recognition presented the highest coefficient value, with 0.810. Personal Value with the second highest coefficient value of 0.77 has substantial correlation with the dependent variable. Price has a coefficient value of 0.65. Peer pressure has the lowest value between the four variables, and therefore has the least suggestive correlation with the dependent variable. In addition to the Pearson's correlation coefficient, the significant 2-tailed value of less than 0.01 further rectifies that there is a resilient correlation among all the variables being deliberated for this research purposes.

## 4.5 Regression Analysis

Multiple regression analysis was performed to establish the correlation between the independent variables namely, peer pressure, personal value, personal value and price; and the dependent variable, which is customer purchase intention. Standard multiple regression is an identical concept to the simple linear regression, excluding the idea where several independent variables are predicting

the dependent variable. The coefficient of multiple determination, or $R^2$, denotes to the comparison of variation of the dependent variable accounted for by the independent variables in the regression model. For better precision, this value of $R^2$ is then altered to take into interpretation the existence of additional independent variables, and this value is usually recognized as adjusted $R^2$.

Details of the regression analysis are shown in the following Table 4.11 and Appendix 4.

Table 4.11: Correlation between Peer Pressure, Personal Value, Social Recognition and Price

| **Model** | **R** | **R2** | **Adjusted R2** | **Standard Error of the Estimate** |
|---|---|---|---|---|
| 1 | .850a | .722 | .716 | .4158 |
| a. Predictors: Peer Pressure (PP), Personal Value (PA), Social Recognition (BV), Price (PC) | | | | |

Based on Table 4.11 above, it can be realised that $R^2$ is equivalent to 0.72 for Model 1. Subsequently, 72% of the variation for customer purchase intention, which is the dependent variable. This can be rationalized by using the independent variables of peer pressure, personal value, social recognition and price.

Table 4.12: Coefficients of the Regression Model Summary

| | | **Coefficients[a]** | | |
|---|---|---|---|---|
| **Model** | | **Beta** | **t** | **Sig.** |
| 1 | (Constant) | .496 | 1.866 | .065 |
| | Peer Pressure (PP) | . 028 | 1.494 | .138 |
| | Personal Value (PA) | .128 | 2.102 | .038 |
| | Social Recognition (BV) | .371 | 6.919 | .000 |
| | Price (PC) | .649 | 13.048 | .000 |
| a. Dependent Variable: Consumer Purchase Intention (CP) | | | | |

Based on the results in Table 4.12, it can be seen that while the significance values for personal value, social recognition and price in contrast to customer purchase intention are less than 0.05. Peer pressure generated a value of 0.138, which reflects through multiple regression analysis, that there is no significant relationship between peer pressure and customer buying behaviour in case of purchasing branded organic goods. Though peer pressure had resulted a Pearson coefficient value of 0.61 which shows strong ties between customer buying intention and peer pressure, it still remains insignificant through multiple regression analysis. Hence, the other three independent variables personal value/perception, social recognition, and price portray positive relationship with customer buying intention. Thus, Hypothesis 1, peer pressure impacts the buying behaviour of Malaysian consumers towards purchasing organic branded goods is not substantiated.

The beta coefficient for price had the highest value at 0.496. This means that among all the independent variables examined in this research price has the most significant influence on customer purchasing intention for organic brands. Therefore, Hypothesis 4 price impacts the buying behaviour of Malaysian consumers towards purchasing organic branded goods is the most influencing factor in this research.

Thus, data generated in Model 1, the model for dependent variables against independent variables can be calculated as follows:

*Customer Purchase Intention = 0.496 + 0.128 (price) + 0.371 (social recognition)*

## 4.6 Analysis of Overall Results

Recapping the results of all the data from the earlier part of this chapter, bulk of the respondents are aged in between 25-29 years old (48.33%); More than half the respondents of the survey with 67% were married; the majority of the respondents earned between RM2501 - RM5000; among these respondents, most of them were educated with an undergraduate/college diploma level with 46%.

In the survey conducted, 75% of Malaysian respondents had purchased organic brands before and 39% of these respondents purchase organic brands at least once a month. Only 25% had never purchased any organic goods before and 6% of the ones who buy organic goods buy it rarely.

Results generated through the SPSS analysis in this study, were all significantly related and reliable. All variables had great levels of consistency in the Cronbach's Alpha value, ranging from 0.72 to 0.87, thus indicating high internal reliability. For the Pearson's correlation coefficients analysis, the values derived were higher than 0.50, indicating that there are significant relationships between the independent variables and the dependent variable. The significance of relationship among the variables is further strengthened with a significant 2-tailed value of less than 0.05.

From the multiple regression analysis it is realised that $R^2$ is equivalent to 0.72, meaning 72% of the variation for customer purchase intention. This can be rationalized by using the independent variables of peer pressure, personal value, personal value and price.

In the model 1 of coefficients of regression, price had the beta coefficient value of 0.649 which was the highest among all the variables, thus, making it the most significant influence of consumer behaviour towards organic brands in Malaysian consumers. In the same analysis, peer pressure resulted a significance value of 0.138 which is above the significant making it an insignificant factor in motivating Malaysians to purchase organic brands.

As defined in the earlier chapters, this study has four hypotheses that required to be tested to determine the motivational factors involved in purchasing organic branded goods among consumers in Malaysia. The four hypotheses personal value, social recognition, price and peer pressure tested using multiple regression analysis have now established the validity of these variables.

Hypothesis 1

*H1 – Personal Value impacts the buying behaviour of Malaysian consumers towards purchasing organic branded goods*

Personal Value resulted with a value 0.77 for Pearson's correlation of coefficient showing strong relationship between the dependent variable of consumer behaviour. The 2-tailed result of personal value was less than 0.01. This validated the significance between personal value of organic brands and the intention of purchase.

Hypothesis 2

*H2 – Social Recognition impacts buying behaviour of Malaysian consumers towards purchasing organic branded goods*

Social recognition had generated 0.81 for Pearson's correlation of coefficient displaying a significant relationship between the dependent variable of consumer behaviour. The 2-tailed result of personal value was less than 0.01. Thus, confirming the Hypothesis and significance between the dependent variable of consumer behaviour and independent variable of personal value.

Hypothesis 3

*H3 – Price impacts the buying behaviour of Malaysian consumers towards purchasing organic branded goods*

Price resulted a value of 0.64 for Pearson's correlation of coefficient indicating significance. However, based on the beta coefficient for price, it showed the highest value at 0.649. This means that among all the independent variables

examined in this research price has the most significant influence on customer purchasing intention for organic brands. Consequently, Hypothesis 3 price impacts the buying behaviour of Malaysian consumers towards purchasing organic branded goods is the most influencing factor in this research and is substantiated.

Hypothesis 4

*H4 – Peer pressure impacts the buying behaviour of Malaysian consumers towards purchasing organic branded foods*

The Pearson's correlation coefficient for this variable returned a value of 0.609, therefore, demonstrating a significant relationship between peer pressure and customer purchase intention. This was further ratified by a significant 2-tailed value of less than 0.01. However, both these were proven insignificant during the multiple regression analysis which resulted a value of 0.14. Surprisingly, peer pressure showed no influence in purchase intentions of the participants. Due to emotional responses and ego, respondents choose not to agree that they are influenced by others when making a personal choice of purchasing goods related to their appearance and image. In conclusion, Hypothesis 4 is not validated in this instance.

## 4.7 Summary

To sum up this chapter, based on the analysis completed, the outcomes attained validated the consistency of the data collected, with substantial relationships between the variables being defined for this study. All the research questions were analysed and answered using the values derived from the findings. Furthermore, the outcomes aided to confirm and support the four defined hypotheses that were discussed in this thesis. The multiple regression analysis proved three out of these four hypotheses, the only exclusion of these was Hypotheses 4 which was peer pressure.

These variables will be discussed further in the next chapter based on these results and analysis to give recommendations on further research that could be carried out.

# CHAPTER FIVE

# CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

The primary intent of this study was to determine the factors that motivate the consumers of Malaysia to purchase organic food branded goods. The variables that played an important role in this study to discover the consumers' purchasing intention and the motivation behind the purchase were peer pressure, personal value, personal value, and price. Each of these variables, the framework of this research and all the related definitions were discussed in details in chapter 2.

Primary and secondary data were both used to carry out this research in order to justify the research objectives and answer the research questions outlined in chapter 1. The hypotheses mentioned in chapter 3 were validated through analysis of the survey questionnaire in chapter 4.

The previous chapter presented various tables, charts and an SPSS analysis of the primary data. The acceptability of the values generated from the questions of the survey was analysed and proven through correlation and regression analysis. The demographic results were presented in chart and table forms for clarity and easy comprehension.

Based on all the data gathered and analysed this chapter intends to draw conclusions and provide recommendations, then the limitations of the study will be discussed which will lead to also discussing the scope for further research.

## 5.2 Conclusion

Based on the findings all the research questions are discussed below:-.

### 5.2.1 Demographic information and purchase intention

The first research question explored the relationship between demographic information and the behaviour of buyers. It could be reviewed through age, education level and income of the respondents. The result of this study implies demographic factors do affect the behaviour of buyers towards organic products. Young working adults (25-29 years old) are the major consumers of organic products as they are get more exposure on the benefits and goods of organic products. Similar trend is shown when reviewing the education level and income of the respondents. It is discovered that only 40% of the respondents who received secondary school education purchase organic products, and only 23.5% of respondents with income less than RM 2500 are the consumers of organic products. From the study, 80 – 95% of the respondents with monthly more than RM 5000 are more likely to purchase organic products. These findings do prove that demographic factors may affect the purchase intention of the consumers towards organic products.

### 5.2.2 Personal value and purchase intention

The second to fifth research question explored how each criteria may affect the purchase intention of the consumers via personal value, social recognition, price and peer influence. Personal value is discovered to be one of the contributing factors to the purchase intention of the respondents. In fact, it has a strong positive correlation with the purchase intention, with Pearson's coefficient at 0.768 at $p < 0.05$. Personal value could be discussed as internal and external; in which external value refers to the personal perception on the organic products. The benefits and quality of the organic products could differ to every consumer, depending on their exposure and sources of information. Internal personal value refers to the inner reason which drive the purchase intention, either it is for social acceptance or

personal egoism or simply because organic products do worth the price to the consumers.

### 5.2.3 Social recognition and purchase intention

As mentioned above, Malaysia is a collective society in which everyone tends to star in a group and follow the others traits. Most of the consumers tend to share the same favouritism among the group. Not only than that, has social recognition also referred to what image that buyer would like to convey to the public. There are some consumers who intend to present themselves as educated and high class group who used green products and go for environmental protection via organic products consumption. This statement is clarified by the study result which showed a strongest positive correlation with 0.810 among other factors.

### 5.2.4 Pricing and purchase intention

Pricing is one of the most important factors influencing the buyers' behaviours for organic products. Several questions have been asked to determine how pricing matters to the consumers and it is found out that, only 35% of the consumers will buy organic products regardless the sales and non-sales period. Only 51% of consumers would agree to purchase organic products at premium price and think that the products would worth the price stated. However, only 16.7% of youth in the age 20 – 24 would see the price organic as a problem. This scenario probably due to the enhancement of life quality in current youth and most of them receive financial support from their parents and education scholarship.

### 5.2.5 Peer pressure and purchase intention

Based on the study, peer pressure has the least impact to the purchase intention with only 0.609 correlation coefficient factor. This phenomenon is probably because the society is now educated and have own perception towards organic products. Hence, most of them tend to purchase for own purposes and satisfaction.

This finding is controversial with Abdullah & Lim (2001) paper which stated that peer pressure is one of the major contributing factors to the purchase behaviour of Malaysian consumer, probably due to the grouping social practice. Further discussion shall be made in the section 5.3 below.

## 5.3 Findings

Organic food brands that plan to expand in Malaysia and also the existing ones need to take in to consideration what kind of culture Malaysia has and the things that motivate them to purchase or not to purchase these organic brands. It is a known fact that organic does not come cheap and usually there are diverse types of consumers who purchase organic for different motives. It is vital for these brands to decode these motives to attract these buyers better and reach more of their target audience. From the outcomes of this study, and knowing what are the intentions and motivations of the consumers it will help to better understand how to motivate the rest of the potential consumers.

The findings reflected that price was the most influential factor when it comes to consumer intention of purchasing organic brands. As mentioned earlier in chapter 4, the beta coefficient value of price was 64.9% by far, the highest compared to all other variables. In fact, the research done by Siti & Nurita (2010), described that income is one of the main factors contribute to the purchase intention of consumers. From the descriptive results in Chapter 4, it is found out that, 43.3% of consumers with income range of RM 2001- 5000 have bought organic products, as compared to 8.3% of the group with more than RM 10000 monthly income.

There were 4 questions asked under each variable and out of those the 2 questions mentioned above generated the highest descriptive perception analysis result. Hence, the outcome implies that consumers believe that the products are worth the retail price, even though they are unable to afford organic goods, they have bought the products. This could also mean the 25% of the respondents who have never purchased organic branded goods did not do so because of its high price and

probably do not recognise the benefits of the organic products. Looking at these results, one simple suggestion for these organic food brands could be to offer more seasonal discounts and/or have promotional gift items with purchase. The Malaysian government is trying to help these brands by trying to make them duty free, so there is a chance for organic brands to focus on enhancing their pricing strategies in maximizing motivation of consumer intention of purchase. The statement above is agreed and proven by the findings from Al-Yousif (1999) market availability and attractive promotion should be done in order to attract the consumers to buy organic products.

The next variable with the most influential impact on consumer behaviour towards organic brand was personal value. The beta coefficient value result for personal value was 37.1%. Sometimes the consumer is not totally satisfied with the purchase of a particular product but uses it just for the sake of its brand label. This shows the value organic brand names hold in the perception of the consumer.

These values show that consumers have a perception that all expensive organic brand products have top-notch quality. Hence, the organic food brands need to maintain the standard of quality of their products in order to maintain personal value that is the biggest asset they have. Personal value not only covers the value of the product but also the service. Organic personal value does not only entail to product quality but also covers other aspects like service quality and a total organic experience. Organic brand shopping should not be just about the quality of products but the quality of organic experience from the time the consumer enters the store to the time they leave with a memorable experience. Organic brands will motivate more buyers through their improved quality goods and services which will increase their personal value further. Personal value is presented as internal factors in which some consumers tend to purchase organic products to impress and favourable image to the society, which described in details in Chapter 2.

Closely related to personal value is personal attitude of the consumer towards organic brands. Personal attitude here means that the value of organic goods or the

perception the consumer has of these goods in his/her eyes (Baker, Thompson & Engelken, 2004).

This shows these results indicated how important organic brands make their consumers feel. They feel more confident and contend by owning and using these brands. Without these organic goods, they feel incomplete. The perception of these brands is obviously very high in the eyes of these existing customers. The goal of these brands should be to offer more exclusive feel and experience.

Peer pressure was another variable discussed in this research. The Hypothesis was rejected due to emotional responses and ego; respondents choose not to agree that others influence them when making a personal choice of purchasing goods related to their appearance and image. When respondents were asked I would be concerned about what others think of me if I were to spend a lot of money on a purchase and I tend to pay attention to what others purchase, 86.3% of the respondents chose to disagree with these statements.

These could be egoistic or emotional responses or perhaps the culture of Malaysians who purchase organic brands for self-satisfaction rather than social recognition. However, this finding is objected by Abdullah & Lim (2001) which described Malaysian as a social-oriented community which tends to follow the trend of the groups for the sake of social acceptance and sense of belongings (Shukla, 2010). The statements above indicate that peer pressure would be a contributing factor to the purchase intention of the consumers yet is not accepted in current study.

## 5.4 Recommendations

Motivation of existing consumers and identifying factors of motivation for positional and new customers is the primary intention for most organic food brands (Heinemann, 2008). Personal value is related to perception of the brand and is connected to personal value and what these values result in when it comes

to social recognition. All these variables then influence and lead to the purchase intention of organic branded goods (Shukla, 2010).

This is the current trend in Malaysia especially because the Malaysian agricultural ministry has been helping with the growth of this industry and encouraging new entrants into the Malaysian organic good market by making most organic goods duty free (Siti & Nurita, 2010). Since the government itself is encouraging new entrants and helping existing brands, this opportunity should be utilized optimally by organic brands to capture a wider range of consumers especially because price was identified the most significant variable among the rest of the variables. There are many ways food brands can substitute the pinch of high price of their products, for example by offering promotional gifts with purchases, by offering exclusive limited edition branded goods along with purchase, by having creative sales or discounts occasionally for brand loyal customers and having other creative marketing strategies loyalty cards.

As resulted and discussed in chapter 4, the significance value of peer pressure was more than 0.05 with a value of 0.14 showing there is no significant relationship between customer purchase intention and peer pressure or social recognition. It is generally assumed that consumers are highly motivated by peer pressure when it comes to consumer behaviour since social media is the "in" thing nowadays and television and celebrities influence and act as role models to the younger generation of the population.

The study results show respondents are very coherent with respect to organic purchase. Consumers are extremely concerned about the organic brands' quality they are buying. Malaysians use organic brand as a quality pointer. Although the importance of personal value for the organic consumer is identified there is some baffling variance left in hedonistic behaviour for Malaysians. Based on this study and results of the analysis, Malaysians are buying organic products to express their desire for organic products not so much to impress others.

Personal value returned a value of 37.1% becoming the second most significant variable is influence the motivation of organic food brand purchase. Personal

value can be enhanced in many ways. Personal value is a broad subject in itself it and is related to perception, brand name, and brand quality, design etc. The perception would be conceived from the overall experience of acquiring an organic brand product. This would start from the time the consumer starts shopping to after shopping and receiving customer service.

Organic food brands in Malaysia need to focus and enhance after sales services and use Europe and USA as an example, and try to standardize the after sales care provided. This could even be the online purchase experience. These organic brands have a better user interface and a user friendly website with classy design. Every experience with organic brand should translate improved brand image which in return will help enhance personal value. It is also vital for brands to maintain good quality image and perception that consumers have through their products, services, creativity and experience offered to their customers. Consistent value and innovation will help in maintaining and attracting to motivate consumers to purchase organic brands. One of the attractive measures for youth and young working adult, as mentioned in Chapter 2, to go towards the favouritism of youths and get influenced by the artists they like.

Since Malaysian purchase organic brands for personal value and self-satisfaction, the organic brands planning to enter this market and the existing brands in Malaysia should improve their marketing strategies accordingly. As such, social group motivation or societal motivations play an essential role in consumers' organic consumption and it represents the consumers' wish to be recognized and acquire a social status in the society. In that case what the existing organic brands in Malaysia can do is to offer more exclusivity. For example some organic brands offer to add a custom name tag to their products making these consumers feel exclusive and unique.

## 5.5 Limitations of the study

The findings of the research identified that the motivation for purchase intention of organic goods is significantly influenced by price, personal value, and personal attitude. Although the study had accomplished its objectives, there were some unavoidable limitations. Firstly, due to time constraints and resources, this research was performed with a small group of Malaysians out of the large population in Malaysia. Secondly, Malaysia has 3 major languages widely spoken other than English. Therefore, not all the potential respondents were motivated enough to take part in the survey. So the survey was only for Malaysians who are fluent in English.

Lastly, the location of the survey being held was limited. Due to time, resources, and other constraints, the survey majorly covered Kuala Lumpur and Klang Valley areas.

## 5.6 Evaluations and Further Research Suggestions

This study unlocks doors for further research on this industry and topic. Malaysia being a tourism hub has a growing trend of catching up with food loving countries like Thailand, Hong Kong, and Singapore. With that idea in mind there can be further research done on the following:

a) Research can be done in all states of Malaysia to get a better perspective by future researchers since due to time constraints this paper only covered Kuala Lumpur and Klang Valley areas.

b) Research could be done over a longer period of time to analyse a bigger population in other geographical areas because the current number of respondents may not portray the population responses with regard to organic food consumption. Therefore, additional studies will be necessary to better determine which segments are most appropriate to market and to

promote organic food as a way of building sustainable consumption pattern for the future.

a) Cross cultural studies can also be done since Malaysia is a multicultural country in order to investigate if and how culture plays a role in consumer behaviour of organic food brands within Malaysia.

Other possible variables can be considered for research such as brand loyalty, service quality, product quality, product design etc, which would cover a larger aspect of organic food goods.

Other research tools and methods could be used for better accuracy. For example qualitative research can be used and respondents can be interviewed to get better explanations and perception. A combination of both quantitative and qualitative research would further help in understanding the motivational factors of buying organic food goods.

Organic Food Brands were covered in this research; further research can be done on other organic brands and then compared to see if the consumers of other organic brands have the same consumer behaviour or intention towards purchasing organic food goods.

A comparison study between respondents with foreign origin in Malaysia such as the tourists and the local Malaysians can be done to see if the findings are similar. That way there will be a different dimension to compare Malaysian consumer behaviour and also find out if foreigners influence Malaysian consumer decisions.

In addition, knowledge on organic food as well as action taken by the government either to inform or to create awareness has not reach the satisfactory level in encouraging sustainable consumption with organic food. Therefore, knowing how consumer perceived organic food product by understanding the reasons of buying would probably help the marketers of organic food to establish a proper communication message. Hopefully the intended message would be appealing for

consumers who fall within the same category of buyers who exhibit their interest towards organic food products.

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# APPENDICES

**Survey Questionnaire**

## PART A: PERSONAL INFORMATION

(*Please complete the following questionnaire by placing an 'X' in the appropriate box)*

1. Gender: ☐ Male ☐ Female

2. Age:

☐15 – 19
☐20 – 24
☐25 – 29
☐>30

3. Marital Status: ☐Single ☐ Married

4. Monthly gross personal income:

☐< RM 2,500
☐ RM 2,501-5,000
☐ RM 5,001-8,000
☐ RM 8,001-10,000
☐> RM 10,001

5. What is your highest level of qualification?

☐High School ☐Postgraduate
☐Undergraduate/Diploma ☐PhD

6. Have you ever purchased organic good(s)?

☐ YES
☐ NO

7. How often do you buy organic branded goods?

☐ Once a week
☐ Once a month
☐ Once in 6 months
☐ Never

## PART B: LEVEL OF AGREEMENT/SATISFACTION WITH BRAND VALUE, PRICE VALUE, PEER PRESSURE AND PERSONAL ATTITUDE TOWARDS ORGANIC BRANDS

Please **circle the number** that best reflects your opinion based on the scale from **1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree)** to **5 (Strongly Agree)**

1) Peer Pressure

| | Peer Pressure | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | I tend to pay attention to what others purchase | 1 | 2 | 3 | 4 | 5 |
| 2 | I would be concerned about what others think of me if I were to spend a lot of money on a purchase | 1 | 2 | 3 | 4 | 5 |
| 3 | I shop for personal satisfaction and needs, not for impressing others | 1 | 2 | 3 | 4 | 5 |
| 4 | I form my own judgement of brands rather than relying on someone else's opinion | 1 | 2 | 3 | 4 | 5 |

2) Personal Value

| | Personal Attitude | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | I purchase organic goods only on special occasions for myself or gifts | 1 | 2 | 3 | 4 | 5 |
| 2 | I purchase organic goods for a sense of fulfilment | 1 | 2 | 3 | 4 | 5 |
| 3 | I feel that my life would be better if I own more organic goods | 1 | 2 | 3 | 4 | 5 |
| 4 | I only purchase goods that define me | 1 | 2 | 3 | 4 | 5 |

3) Social Recognition

| | Brand Value and Perception | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | Purchasing organic goods lift my social identity | 1 | 2 | 3 | 4 | 5 |
| 2 | My friends and family encourages me to be organic | 1 | 2 | 3 | 4 | 5 |
| 3 | I can influence my peers to go for organic foods | 1 | 2 | 3 | 4 | 5 |
| 4 | Being organic food lover outweigh me from others | 1 | 2 | 3 | 4 | 5 |

4) Price

| | Price | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | I am unable to afford organic goods | 1 | 2 | 3 | 4 | 5 |
| 2 | I feel that price is not an issue for me when buying organic goods | 1 | 2 | 3 | 4 | 5 |
| 3 | I do not mind paying a premium price for exclusive organic items | 1 | 2 | 3 | 4 | 5 |
| 4 | I believe organic products are worth their retail prices | 1 | 2 | 3 | 4 | 5 |

5) Consumer Behaviour Intention

| | Intention | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| 1 | I would buy organic goods to enhance personal appearance | 1 | 2 | 3 | 4 | 5 |
| 2 | I would purchase organic goods only on sale price | 1 | 2 | 3 | 4 | 5 |
| 3 | I purchase organic goods for the fine quality it offers | 1 | 2 | 3 | 4 | 5 |
| 4 | I feel owning organic goods I can impress my peers | 1 | 2 | 3 | 4 | 5 |

THANK YOU FOR YOUR PARTICIPATION

# Pilot Test

## Reliability

## Scale: peer pressure

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 10 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 10 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .937 | .946 | 4 |

**Inter-Item Correlation Matrix**

| | pay_attention | concern_of_others | personal_satisfaction | own_judgement |
|---|---|---|---|---|
| pay_attention | 1.000 | .873 | .700 | .700 |
| concern_of_others | .873 | 1.000 | .802 | .802 |
| personal_satisfaction | .700 | .802 | 1.000 | 1.000 |
| own_judgement | .700 | .802 | 1.000 | 1.000 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| pay_attention | 9.4000 | 4.489 | .782 | . | .905 |
| concern_of_others | 9.7000 | 3.789 | .866 | . | .915 |
| personal_satisfaction | 9.7000 | 3.122 | .925 | . | .897 |
| own_judgement | 9.7000 | 3.122 | .925 | . | .897 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 12.9000 | 6.322 | 2.51440 | 4 |

## Reliability

## Scale: personal value

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 10 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 10 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .823 | .833 | 4 |

**Inter-Item Correlation Matrix**

| | special_occasion_purchasing | sense_of_fullfillment | better_life | define_me |
|---|---|---|---|---|
| special_occasion_purchasing | 1.000 | .816 | .414 | .414 |
| sense_of_fullfillment | .816 | 1.000 | .342 | .342 |
| better_life | .414 | .342 | 1.000 | 1.000 |
| define_me | .414 | .342 | 1.000 | 1.000 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| special_occasion_purchasing | 9.8000 | 3.733 | .691 | . | .759 |
| sense_of_fullfillment | 9.7000 | 4.011 | .628 | . | .789 |
| better_life | 9.0000 | 4.667 | .655 | . | .779 |
| define_me | 9.0000 | 4.667 | .655 | . | .779 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 12.5000 | 7.167 | 2.67706 | 4 |

# Reliability

## Scale: social recognition

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 10 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 10 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .836 | .849 | 4 |

**Inter-Item Correlation Matrix**

| | lift_social_identity | encouragement | influence_others | outweigh_myself |
|---|---|---|---|---|
| lift_social_identity | 1.000 | .690 | .579 | .695 |
| encouragement | .690 | 1.000 | .430 | .240 |
| influence_others | .579 | .430 | 1.000 | .867 |
| outweigh_myself | .695 | .240 | .867 | 1.000 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| lift_social_identity | 8.7000 | 2.678 | .809 | .883 | .722 |
| encouragement | 8.5000 | 3.167 | .535 | .831 | .826 |
| influence_others | 8.7000 | 3.344 | .711 | .899 | .777 |
| outweigh_myself | 8.6000 | 3.600 | .681 | .938 | .796 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 11.5000 | 5.389 | 2.32140 | 4 |

## Reliability

## Scale: price

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 10 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 10 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .834 | .830 | 4 |

**Inter-Item Correlation Matrix**

| | unaffordable | price_not_burden | premium_price_purchasing | worth_the_price |
|---|---|---|---|---|
| unaffordable | 1.000 | .203 | .201 | .794 |
| price_not_burden | .203 | 1.000 | .884 | .543 |
| premium_price_purchasing | .201 | .884 | 1.000 | .676 |
| worth_the_price | .794 | .543 | .676 | 1.000 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| unaffordable | 8.8000 | 4.400 | .448 | .876 | .871 |
| price_not_burden | 9.0000 | 3.556 | .698 | .837 | .778 |
| premium_price_purchasing | 8.8000 | 2.844 | .737 | .931 | .762 |
| worth_the_price | 8.5000 | 2.944 | .821 | .931 | .713 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 11.7000 | 5.789 | 2.40601 | 4 |

## Reliability

## Scale: purchase intention

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 10 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 10 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .799 | .797 | 4 |

**Inter-Item Correlation Matrix**

| | enhance_personal_appearance | sale_price_purchasing | fine_quality | impress_peer |
|---|---|---|---|---|
| enhance_personal_appearance | 1.000 | .724 | .429 | .240 |
| sale_price_purchasing | .724 | 1.000 | .673 | .611 |
| fine_quality | .429 | .673 | 1.000 | .299 |
| impress_peer | .240 | .611 | .299 | 1.000 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| enhance_personal_appearance | 8.7000 | 4.678 | .568 | .608 | .770 |
| sale_price_purchasing | 8.5000 | 3.611 | .902 | .823 | .591 |
| fine_quality | 8.4000 | 4.267 | .571 | .495 | .773 |
| impress_peer | 8.6000 | 5.156 | .447 | .496 | .721 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 11.4000 | 7.378 | 2.71621 | 4 |

## APPENDIX 1: RELIABILITY TEST

### Scale: peer pressure

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 200 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 200 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .770 | .771 | 4 |

**Inter-Item Correlation Matrix**

| | pay_attention | concern_of_others | personal_satisfaction | own_judgement |
|---|---|---|---|---|
| pay_attention | 1.000 | .664 | .506 | .405 |
| concern_of_others | .664 | 1.000 | .230 | .264 |
| personal_satisfaction | .506 | .230 | 1.000 | .867 |
| own_judgement | .405 | .264 | .867 | 1.000 |

**Summary Item Statistics**

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | N of Items |
|---|---|---|---|---|---|---|---|
| Inter-Item Correlations | .338 | .045 | .867 | .822 | 19.157 | .108 | 4 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| pay_attention | 10.9050 | 2.750 | .363 | .453 | .657 |
| concern_of_others | 10.6850 | 2.116 | .452 | .483 | .611 |
| personal_satisfaction | 9.8350 | 2.319 | .534 | .763 | .550 |
| own_judgement | 9.8250 | 2.346 | .475 | .754 | .588 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 13.7500 | 3.817 | 1.95361 | 4 |

## Scale: Personal value

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 200 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 200 | 100.0 |

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .842 | .872 | 4 |

**Inter-Item Correlation Matrix**

| | special_occasion_purchasing | sense_of_fullfillment | better_life | define_me |
|---|---|---|---|---|
| special_occasion_purchasing | 1.000 | .941 | .524 | .525 |
| sense_of_fullfillment | .941 | 1.000 | .413 | .421 |
| better_life | .524 | .413 | 1.000 | .959 |
| define_me | .525 | .421 | .959 | 1.000 |

**Summary Item Statistics**

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | N of Items |
|---|---|---|---|---|---|---|---|
| Inter-Item Correlations | .630 | .413 | .959 | .546 | 2.321 | .058 | 4 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| special_occasion_purchasing | 11.2150 | 1.848 | .863 | .909 | .721 |
| sense_of_fullfillment | 11.1450 | 2.205 | .783 | .895 | .752 |
| better_life | 10.8300 | 3.458 | .637 | .921 | .837 |
| define_me | 10.8350 | 3.415 | .636 | .920 | .834 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 14.6750 | 4.612 | 2.14766 | 4 |

## Scale: social recognition

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 200 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 200 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .784 | .760 | 4 |

**Inter-Item Correlation Matrix**

| | lift_social_identity | encouragement | influence_others | outweigh_myself |
|---|---|---|---|---|
| lift_social_identity | 1.000 | .941 | .663 | .113 |
| encouragement | .941 | 1.000 | .624 | .139 |
| influence_others | .663 | .624 | 1.000 | .171 |
| outweigh_myself | .113 | .139 | .171 | 1.000 |

**Summary Item Statistics**

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | N of Items |
|---|---|---|---|---|---|---|---|
| Inter-Item Correlations | .442 | .113 | .941 | .829 | 8.366 | .110 | 4 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| lift_social_identity | 8.2750 | 1.668 | .852 | .897 | .572 |
| encouragement | 8.2050 | 1.882 | .856 | .888 | .566 |
| influence_others | 8.9950 | 2.980 | .655 | .449 | .725 |
| outweigh_myself | 9.7300 | 3.856 | .146 | .038 | .886 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 11.7350 | 4.306 | 2.07516 | 4 |

## Scale: price

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 199 | 99.5 |
| | Excluded[a] | 1 | .5 |
| | Total | 200 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .724 | .590 | 4 |

**Inter-Item Correlation Matrix**

| | unaffordable | price_not_burden | premium_price_purchasing | worth_the_price |
|---|---|---|---|---|
| unaffordable | 1.000 | -.361 | -.312 | -.314 |
| price_not_burden | -.361 | 1.000 | .786 | .792 |
| premium_price_purchasing | -.312 | .786 | 1.000 | .995 |
| worth_the_price | -.314 | .792 | .995 | 1.000 |

**Summary Item Statistics**

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | N of Items |
|---|---|---|---|---|---|---|---|
| Inter-Item Correlations | .264 | -.361 | .995 | 1.356 | -2.755 | .389 | 4 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| unaffordable | 9.8995 | 4.050 | -.346 | .132 | .947 |
| price_not_burden | 9.7136 | 1.751 | .719 | .642 | .519 |
| premium_price_purchasing | 9.4472 | 1.572 | .900 | .990 | .378 |
| worth_the_price | 9.4422 | 1.581 | .905 | .990 | .377 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 12.8342 | 3.644 | 1.90895 | 4 |

## Scale: purchase intention

**Case Processing Summary**

| | | N | % |
|---|---|---|---|
| Cases | Valid | 200 | 100.0 |
| | Excluded[a] | 0 | .0 |
| | Total | 200 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---|---|---|
| .886 | .895 | 4 |

**Inter-Item Correlation Matrix**

| | enhance_personal_appearance | sale_price_purchasing | fine_quality | impress_peer |
|---|---|---|---|---|
| enhance_personal_appearance | 1.000 | .679 | .605 | .588 |
| sale_price_purchasing | .679 | 1.000 | .658 | .609 |
| fine_quality | .605 | .658 | 1.000 | .947 |
| impress_peer | .588 | .609 | .947 | 1.000 |

**Summary Item Statistics**

| | Mean | Minimum | Maximum | Range | Maximum / Minimum | Variance | N of Items |
|---|---|---|---|---|---|---|---|
| Inter-Item Correlations | .681 | .588 | .947 | .359 | 1.611 | .017 | 4 |

**Item-Total Statistics**

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| enhance_personal_appearance | 9.9300 | 7.282 | .676 | .510 | .896 |
| sale_price_purchasing | 9.7100 | 6.217 | .699 | .561 | .873 |
| fine_quality | 9.2050 | 4.626 | .888 | .907 | .797 |
| impress_peer | 9.1950 | 4.640 | .853 | .898 | .816 |

**Scale Statistics**

| Mean | Variance | Std. Deviation | N of Items |
|---|---|---|---|
| 12.6800 | 9.746 | 3.12191 | 4 |

## APPENDIX 2: COMPUTE VARIABLES

```
COMPUTE MeanPP=MEAN(pay_attention,concern_of_others,personal_satisfaction,own_judgement).
EXECUTE.
COMPUTE MeanBV=MEAN(lift_social_identity,encouragement,influence_others,outweigh_myself).
EXECUTE.
COMPUTE MeanPC=MEAN(unaffordable,price_not_burden,premium_price_purchasing,worth_the_price).
EXECUTE.
COMPUTE MeanPA=MEAN(special_occasion_purchasing,sense_of_fullfillment,better_life,define_me).
EXECUTE.
COMPUTE MeanCP=MEAN(enhance_personal_appearance,sale_price_purchasing,fine_quality,impress_peer).
EXECUTE.
CORRELATIONS
/VARIABLES=MeanPP  MeanCP
/PRINT=TWOTAIL  NOSIG
/STATISTICS  DESCRIPTIVES
/MISSING=PAIRWISE.
```

# APPENDIX 3: CORRELATIONS “C PEARSON COEFFICIENT

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| PP | 3.4375 | .48840 | 200 |
| PA | 3.6688 | .53691 | 200 |
| BV | 2.9338 | .51879 | 200 |
| PC | 3.2092 | .47612 | 200 |
| CP | 3.1700 | .78048 | 200 |

**Correlations**

| | | PP | PA | BV | PC | CP |
|---|---|---|---|---|---|---|
| PP | Pearson Correlation | 1 | .152* | .147* | -.251** | .609** |
| | Sig. (2-tailed) | | .032 | .038 | .000 | .000 |
| | N | 200 | 200 | 200 | 200 | 200 |
| PA | Pearson Correlation | .152* | 1 | .880** | .592** | .768** |
| | Sig. (2-tailed) | .032 | | .000 | .000 | .000 |
| | N | 200 | 200 | 200 | 200 | 200 |
| BV | Pearson Correlation | .147* | .880** | 1 | .537** | .810** |
| | Sig. (2-tailed) | .038 | .000 | | .000 | .000 |
| | N | 200 | 200 | 200 | 200 | 200 |
| PC | Pearson Correlation | -.251** | .592** | .537** | 1 | .645** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 |
| | N | 200 | 200 | 200 | 200 | 200 |
| CP | Pearson Correlation | .609** | .768** | .810** | .645** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 200 | 200 | 200 | 200 | 200 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

# APPENDIX 4: REGRESSION

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | PC, PP, BV, PA[b] | . | Enter |

a. Dependent Variable: CP

b. All requested variables entered.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .850[a] | .722 | .716 | .41587 | .722 | 126.478 | 4 | 195 | .000 |

a. Predictors: (Constant), PC, PP, BV, PA

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 87.496 | 4 | 21.874 | 126.478 | .000[b] |
| | Residual | 33.724 | 195 | .173 | | |
| | Total | 121.220 | 199 | | | |

a. Dependent Variable: CP

b. Predictors: (Constant), PC, PP, BV, PA

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | .496 | .336 | | 1.866 | .000 | 3.305 | .582 |
| | PP | .028 | .068 | .050 | 1.494 | .138 | -.053 | .214 |
| | PA | .128 | .123 | .077 | 2.102 | .038 | -.132 | .355 |
| | BV | .371 | .120 | .270 | 6.919 | .000 | .121 | 1.095 |
| | PC | .649 | .085 | .406 | 13.048 | .000 | .334 | .670 |

a. Dependent Variable: CP