

EXPLAINING CONSUMER ATTITUDES AND  
PURCHASE INTENTIONS TOWARD ORGANIC  
PRODUCTS: CONTRIBUTION FROM CONSUMER  
PSYCHOGRAPHIC CHARACTERISTICS

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# DECLARATION

We hereby declare that:

- 1) This undergraduate-research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- 2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- 3) Equal contribution has been made by each group member in completing the research project.
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## **Abstract**

Organic products are that process to produce organic products without using genetically modified ingredients, preserve natural resources and environment and, support animal fairness and lifestyle.

The purpose of this research is to study the whether there is significant relationship and differences between motivational factors (taste, organic labeling and certification, and convenience of store location), psychographic characteristics and demographic variables (education level, age, income level, presence of children and gender) and the willingness to pay for organic products. This research was conducted by using quantitative method and questionnaire for data collection. The sample size consist 476 respondents. SPSS software have been used to test and analysis the model of this research. The result shows there is a significant relationship and differences between taste, golden dreamers, education level, income level and the willingness to pay for organic products

# **CHAPTER 1: RESEARCH OVERVIEW**

## **1.0 Introduction**

This chapter consists of eight sections to provide an overview of the research paper. These sections are research background, problem statement, research questions and objectives, significance of study, scope of research, research methodology and layout of following chapters.

## **1.1 Research Background**

The topic for this research report is “Explaining consumer attitudes and purchase intentions toward organic products: Contributions from consumer psychographic characteristics”. Hence, this explains on how consumers’ psychographic characteristics would influence the purchase intentions toward organic products.

There have been many studies of psychographic characteristics that will affect the consumers’ purchase intentions. In Malaysia, the majority of the consumers are holding positive attitudes towards the organic foods or products. However, some proportions of consumers who purchase the organic foods or products are still low. This emphasizes that there is a wide difference between socio-demographic and psychographic characteristics and motivational factors toward willingness to pay for organic foods. There are several reasons that may cause the discrepancy. Hence, the main causal that caused the discrepancy is by psychographic characteristics and the motivational factors are availability of location, taste and organic certification and labeling.

Firstly, activity such as going green campaign is a trend and it is believed to be an effective competitive in the future market (Han et al., 2009). This may prompt consumers who are environmental concern to purchase green products even more and hence adding willingness to pay for it. On the other hand, as interest can trigger consumer’s excitement and resulting increase the purchase

intention toward organic products or willingness to pay for organic products because they have been involved in the activity before, they knew it can give them better benefits (Schafer, 2002). Besides, the other reason that is consumer purchase intention toward organic products will be affected by their family members or friends' opinion, as they are more willing to agree and accept their opinions (Gotschi et al., 2010). Other than that, attitude is referring to where a person has evolved though gaining more specific knowledge, or exposed to new environment or community, which changes their attitudes towards organic products, hence adding intention to spend on organic products (Chisnall, 2005). The fifth reason, behavior, satisfaction towards products also brings an impact to the purchasing intention behavior as because the consumer has tested the product and satisfies with it. Ultimately, he would buy the next product with the same brand as well. Last but not least, Wakefield and Inman (2003) showed that consumption is highly integrated with the level of satisfaction from consumer's values perception. For example, quality, brand name, after-sales services are contributed to the values that consumers would perceive.

As for motivational factors, convenience of shopping or availability of location is an important factor that would affect consumers' purchasing intention. If the organic products are highly available in many shops and convenience to be purchased by consumers, the more likely consumers will purchase and pay for organic products. Although there are increasing in organic products retailing shops, the availability of location is still lesser than seller of conventional products. On the other hand, taste of organic product also plays an important role in determining consumers' willingness to pay for organic products. Few studies showed that consumers greatly concern about the characteristic and taste of food, and also perceive organic products as healthier and contain lesser pesticides than conventional food. Besides that, consumers appear more willing to pay for organic products with organic certification and labeling. In European Union, labeling policy for organic products has been implemented in order to gain consumers' loyal and trust. The organic labeling and certification is one of the ways for consumers to differentiate organic and conventional products.

Next, the other casuals' which caused discrepancy by demographic variables which including income level, education level, age group, presence of child, and gender. Firstly, income level could be one of the reasons towards purchasing demand of organic foods and products. This is because as the higher the income level grows the higher the purchasing power of consumers to obtain organic products where such products are usually being offered at a higher price. Besides that, another reason would be education level as nowadays Malaysians are well educated and they are acknowledged that the consumption of organic products is healthier for everyone compared to non-organic products. Thus, it increases the demand of organic foods and products in the market. Other than education level and income level of consumers, age group could also be one of the determinants which affect the consumers in consuming organic products. In some countries, elder citizens tend to have more positive attitude towards the organic products, and perceived it more likely that they would buy an organic products when compared to young citizens. The forth factor, with presence of child in one's family, parents are gradually to be more responsible for their child's health and lifestyle. Hence, purchasing organic products is one of their main concerns during their visit to markets. This statement can be explained by family with children are tend to be more health concerned as compared to family with absence of children. Last but not least, in between men and women, many report showed that women are tend to be more health responsible for themselves and families as compared to men as they believed that consuming organic products is better than consuming non-organic products.

As conclusion, the psychographic characteristics, motivational factors and demographic characteristics that we have used to explain the effect on consumers' purchase intention will be further explained in literature review part, which the psychographic factors are availability of location, organic labeling and certification and taste. Other than that, demographic variables which included income level, age group, education level, presence of child, and gender are also will be further explained in detail in later part. In this study, dependent variable is willingness to pay.



### **1.1.1 Definition of Organic Products**

The definition of organic products based on United States Department of Agriculture (USDA) is that a set of standard process to produce organic products without using genetically modified ingredients, preserve natural resources and environment, and support animal fairness and lifestyle. According to HDRA (1998), the aim to farm organically and produce organic products are to prolong the soil fertility, ensure the water is safe and clean, and to produce more nutritious food. However, those modern agriculture will impact on the environment, which the artificial fertilizers will pollute any water sources around the soil. Moreover, it will decrease the value of the crop by using artificial fertilizers.

These methods are legally defined any food sold as "organic" must be strictly restricted (Soil Association, 2013). Furthermore, organic also refers to the way agricultural products and grown and processed and specific requirements must be met and maintained in order to be labeled as "organic". In short, organic produce and other ingredients are grown without pesticides, sewage sludge, genetically modified organisms, synthetic fertilizers or ionizing radiation, while animals that produce meat, poultry, eggs, and dairy products do not take antibiotics or growth hormones, and they must have access to the outdoors and be given organic foods (Organic Org, 2014).

Organic products are more expensive than conventional goods, this is because organic farming is more labor and management intensive and farmers cannot use any pesticides or any non-organic fertilizers. But, as the demand for organic products continue to grow, the costs will go down.

## **1.2 Problem Statement**

Nowadays, there are more and more people tend to have positive thinking and attitude towards the organic products in Malaysia. However, the actual number of people who really consume in organic products still is considering few in the market. Hence, what are the reasons behind in this situation since organic

products are better than conventional products in term of quality, taste, and nutrition level.

There are many research that done by researchers in the past few decades. Most of the researches are done in examining the effect of demographic characteristics on purchase intention towards organic products. In the previous studies, many different researchers have suggested with different variables in those studies and the results of those studies are always different due to the researches were done in different time and also in different countries.

Therefore, this research aims to examine what are the independent variables that are able to influence consumers' purchase intention (willingness to pay) towards organic products. The motivational factors are availability of location, organic labeling and certification and taste; while the demographic characteristics are used in this research to examine the effects on consumers' behavior and purchase intention toward organic products, such as education level, age group, income level, presence of children and gender as our variables in our research.

### **1.3 Research Objectives**

Objective of this research:

- Identify the component of independent variables that could influence the consumers' willingness to pay for organic products.
- Identify the component of psychographic characteristics that could influence the consumers' willingness to pay for organic products.
- To provide an insight or useful information for marketers and producers of organic products on psychographic characteristics of consumers that drives the consumption of organic products.
- To act as a guideline to provide recommended agricultural policies for government and market players that could improve and promote the organic products market, and thus motivate consumers to increase their consumption of organic products.

## **1.4 Research Questions**

In recent years, few studies were conducted in order to determine the motivations that drive consumers' willingness to pay for organic products in Malaysia. However, these studies unable to derive a strong relationship between psychographic characteristics, demographic variables and consumers' purchase intention toward organic products.

- What are the independent variables that could influence the consumers' purchase intention toward organic products?
- What are the psychographic characteristics that could influence the consumers' purchase intention toward organic products?
- Is there any strategy can be implemented by marketers and producers to influence consumers to purchase organic products?
- What are the policies can be carried out by government to encourage the consumption of organic products in Malaysia.

## **1.5 Significance of Study**

In developing countries like Malaysia, more and more nations are holding positive attitude towards the organic products but there are only small proportion of people consume in organic products. This research paper aims to contribute to the social life by assessing the causal relationship among the psychographic characteristics, motivational factors, demographic characteristics and the purchasing intention of consumers in consuming organic products. The findings of this paper will help to answer some of the stated problems which comprising the topic of research.

Knowing that more people are tend to have positive attitude towards organic products however there is only a small group of people consuming it. What contributed this situation happens? Somehow in this situation the marketers and producer should bear some obligations as they should have done their research to examine from psychographic characteristics to demographic variables that drives the consumers' purchase intention toward organic products. This

research paper aims to examine what are the crucial psychographic characteristics, psychographic variables (availability of location, organic labeling and certification and taste) and demographic variables (age, gender, income level, education level, presence of child) that could affect the consumers' purchasing intention towards organic products.

Hence, holding such information enable the marketers and producers have a clearer glimpse on consumers' necessities by catching them surprise then formulating a greater strategy on targeting the consumers to increase their sales and enhance the consumption level of organic products. Ultimately, if this strategy success, firstly, it would excel other firms and competitors by flying color results and thus increasing their competitive advantage. Secondly, it would enhance their position in organic products market thus strengthening their foundation base which enables them to have more bargaining power with their suppliers and consumers.

Besides that, participation from the government to encourage on consuming organic products will directly affecting the consumption level of organic products with effective policies such as holding environmental campaigns (go green), educational program on organic products, and training program for organic farmers.

So, this study aims to provide an answer or insight on how do the psychographic characteristics and variables that have been used in this paper influence the consumers' purchasing intentions, whether the paper could provide an idea for policy maker to boost the number of people in consuming organic products. This study is important in determining the consumption level in Malaysia because its proportion of consuming organic products is still considerably low.

## **1.6 Scope of Study**

The research will be mainly focused on investigating the psychographic characteristics, motivational factors (availability of location, organic labeling and certification and taste) and demographic variables (age group, education level, presence of children, income level and gender), determining the relationship between these characteristics, factors and consumers' purchase intention (willingness to pay) toward organic products. The targeted group is consumers who is or not supporting organic products.

Nowadays, consumers' purchase intention (willingness to pay) is very subjective and hard to be categorized by using demographic characteristics; this paper aims to study the psychographic characteristics of consumers. In perspective of psychographic characteristics, consumers with same characteristic tend to have a similar response on certain matter, in this study is willingness to pay. Hence, this paper carries out several hypotheses and mainly examines the relationship between psychographic characteristics and willingness to pay, as well as examining the effect of few motivational factors and demographic characteristics. This study will be very useful for marketers to address their strategies in order to attract consumers of Klang Valley to consume organic products.

## **1.7 Chapter Layout**

### **Chapter 1: Introduction**

This chapter provides a clear summary of the study. It consists of background of study, problem statement, research question, research objective, significant of study, scope of study, research methodology and chapter layout.

### **Chapter 2: Literature Review**

This chapter provides a critical review of published information as literature and relevant theory in this research. Purpose of this chapter is to establish a conceptual framework, show the relevant theoretical frameworks and propose hypothesis to be tested.

### **Chapter 3: Methodology**

This chapter is an overview of the methodology that has been used in this research. It consists of research method, data collection method, sampling design, questionnaire design, data analysis method and pilot test.

### **Chapter 4: Data Analysis**

This chapter presents the finding of this research. The data are processed by Statistical Package of Social Science. Descriptive analysis, logistic regression, reliability test and factor analysis have been applied.

### **Chapter 5: Discussion, Conclusion and Implications**

This chapter provides the interpretation of the result and reason behind the result. Besides that, the implication of study and recommendation for future research will be provided in this chapter.

## **1.8 Conclusion**

In a conclusion, this chapter will act as an overview of the whole research paper and also as a guideline for researcher to work on the other chapters. Next chapter will provide a discussion on literature review and relationship between the psychographic characteristics, motivational factors, demographic characteristics and purchase intention toward organic product.

## **Chapter 2: REVIEW OF LITERATURE**

### **2.0 Introduction**

There are three sections in this chapter. The first section explains the theories that are related to the study of organic products. After that, the second section is the discussion of the past studies' findings in relation to this research. Lastly, the third section is a proposed conceptual framework and hypotheses on each of the contrast are established and tested to review the relations towards the spending to organic products.

### **2.1 Review of literature**

#### **2.1.1 Willingness to Pay**

Willingness to pay defined as the maximum price a buyer accepts to pay for given quantity of a goods or services (Kalish& Nelson, 1991; Wertenbroach and Skiera, 2002). Satisfaction, loyalty and culture after consumption or use containing cognitive and emotional elements showed the positive relationship to the willingness to pay (Plichon, 1998; Vanhamme, 2002). Consumers who concern about the convenience of location, organic labeling and certification and taste of foods are more willing to pay premium prices to get a good and service (Marine, 2010).

The reasons behind consumers' willingness to pay for organic products are the consumers' socio-demographics, health consciousness, and environmental concerns as motivations to purchase organic products (Grunert&Juhl, 1995; Schifferstein&Ophuis, 1998). Quality of a product, such as taste, maintainability and freshness will influence consumers' willingness to pay for a goods (Steenkamp& Van Trijp, 1996). Studies that published in agricultural journals reveal that consumers are willing to pay premium or higher prices for organic products (Davies, Titterington& Cochrane, 1995; Loureiro&Lotade, 2005). Furthermore, consumers perceive organic foods more healthful compared to

conventional foods because of eco agricultural and less level of pesticides and artificial fertilizers (Hutchins &Greenhalgh, 1997; Schifferstein&Ophuis, 1998). Consumers who are seek for healthier products, such as organic products, they willing to pay higher price to get it (Doorn& Peter, 2011).

### **2.1.2 Psychographic Characteristics**

According to psychographics and lifestyle (2014), the term of psychographics refers to a person's lifestyle characteristics. Which is varying from the term of demographics as the purpose is to predict and explain the consumer marketplace behavior. There are three variables are believed to be found in the lifestyle's component –which are opinions, activities, and interests as they are known as AIO variables. In terms of variables, this is the evidence that shows psychographic are basically different from demographic characteristics –age, educational level, income level, children, and gender (Businessdictionary, 2014). Last but not least, there are some other variables that could be defined as psychographic characteristics, such as attitudes, behavior, and values (Wikipedia). Whether of these psychographics or demographics characteristics would enhance the purchase intention (willingness to pay) towards organic products, therefore, there will be two parts in the literature review which are psychographic characteristics part and demographic characteristics part.

#### **2.1.2.1 Activities**

According the Psychographics and Lifestyle “P&L” (2014), activities represent the behavioral portion of lifestyle. As the behavioral portion of lifestyle can be studied by the consumers' activities like purchasing goods or services, and try to understand the values that the consumers are seeking for. On the other hand, marketers will not aim solely on those commodity products but to aim on all marketing mix components that meets consumer needs.

After that, consumers who are health concern and environmental aware are one of the aspect that have the positive attitudes of purchase intention toward organic products (Magnusson et al., 2003). Consumers will take consider to the impact of buying organic products on health, environmental and animal welfare compared to the conventional products (Gotschi et al., 2010). Going green is a



trend and it is believed to be an effective competitive in the future market (Han et al., 2009), organic products are environmental friendly products and green products, bigger number of customers increased environmental awareness and preference for green products, these indicate their willingness to pay more for environmental products (Manaktola&Jauhari, 2007). Trustworthy of consumers is another determinant to the purchase intention toward organic products, consumers who trust others, such as their family, friends and colleagues will increase their confidence to the particular product/services, such as organic products that their family consumed. Consumers trust their family, reduce the uncertainty to the products and affect their purchase behavior (Prati et al., 2012). Regulatory fit, communication message that match with consumer's regulatory orientation lead to positive effect of consumers purchase intention toward organic products (Chia & Chen, 2014).

### **2.1.2.2 Interests**

Interests can be used to promote potential involvement from interested party by aiming those who have yet participated before. This strategy is to trigger the consumer's excitement they have interest in it or they had been attempted to involve in the activity before. The purpose of this strategy is to assume that interest is likely to be good predictors of activities. A high interest in certain activities might indicate a potential interest in participating, then the marketers will put effort with enough education and sufficient information through advertising or other marketing communication, it could lead to higher sales in future.

Other than that, those people who have experienced heavy sickness or childbirth, these will trigger them increase the purchase intention toward organic products because they have been involved in the activity before, they knew it can give them better benefits (Schafer, 2002). Consumers accept new preservation technique using herbs and berries on organic meat (organic product), especially contents of herbs and berries are label on the products, the most important reason that consumers repeated purchase is they like the taste of the products preserved with herbs and berries (Haugard et al., 2013). Besides, consumers take consider on the shelf life of the organic products, they purchase organic products repeated

once they found that natural additives is better than chemical addictive which give them same shelf life.

### **2.1.2.3 Opinions**

Opinions are hold where views toward true and false about one's topic, and to evaluate something that they believe that is literally correct. Hence, the connection between beliefs and evaluations consists of opinions about a particular subject (P & L, 2014).

In addition, consumer purchase intention (willingness to pay) toward organic products will be affected by their family members or friends' opinion; they are more willing to agree and accept their opinions (Gotschi et al., 2010). Attitude of a consumer toward organic products that represent his/her like or dislike to the organic products is one of the criteria that will affect his/her purchase intention toward organic products, with positive evaluation on the organic products, consumer will be more willing to pay for organic products, and it can increase the purchase intention, or vice versa (Eagly&Chaikan, 1993). Consumers' opinion toward organic products include less harmful additives and more nutrients compared to traditional and conventional products showed consumer perceives organic products is more healthier than traditional and conventional products (Lee et al., 2013). Countries cultural values is another determinants that is positive effect to the consumers' purchase intention toward organic products, consumers in European segment are more easily affected by what others think, the behavior of European consumers that purchase organic products will easily spread their behavior to others (Salvador et al., 2011).

### **2.1.2.4 Attitudes**

Attitude puts a person in position to respond positively or negatively towards a certain idea, person, and situation. It makes them to respond to challenges, incentives, and rewards. (Businessdictionary, 2014) Therefore, attitude has a significant effect on buying a brand and choosing where to shop. Marketers are using attitude measurement to find out what are the strategies to be used to test people's perception towards new emerging products and future demand for existing products. Other than that, companies must perceive that the consumer

buying attitudes, where they buy, what they are buying, how often they purchase, which products come with top priority and how much they are well aware of the products helps the companies to cope and reinforce consumer for buying behavior (Blackwell et al., 2001). Attitude here is referring to where a person has evolved though gaining more specific knowledge, or exposed to new environment or community, which changes their attitudes towards organic products, hence adding intention and motivate consumer more willing to pay for organic products (Chisnall, 2005). According to Chrisnall (2005), he summarized that attitude alone does not necessarily predict the right consumer behavior for consumption in future, but to act as a guidance to show that what the consumer will likely to do in certain situation.

### **2.1.2.5 Behavior**

MUTLU (2007) stated that consumer behavior is a complex and sophisticated pattern that act as a basic idea underlying the purchasing decision from consumer. Consumer behaviors consist of feelings, ideas, experience alongside with ads, prices, and commends from other external factors. According to Blackwell et al. (2001), purchase intentions can be varied once the consumers are exposed to social pressure, culture, family, personal influence, and situation effects. Internal factors such as lifestyle and personal preference would constitute on consumer behavior as well (Solomon, 2006). For instance, personality can be measured by people who choose saturated coffee seem to be more extrovert and social friendly than those who choose light coffee, given that the personality can be tested by stimuli. On the other hand, lifestyle can be measured if one person has changed his job, that directly contributed to his purchasing power and buying behavior. Besides, satisfaction towards products also brings an impact to the consumer buying behavior as because the consumer had tested the product and felt satisfied with it and ultimately he would be more willing to pay for next product with the same brand as well (Armstrong & Kotler, 2007).

### **2.1.2.6 Values**

From Turner's point of view in "Values and Beliefs" Turner (2004) stating that value is basically the fundamental of what is important to us. Yet, the values

that consumers perceived that will give meaning and significance to them in terms of decision making, beliefs, and lifestyle. By knowing values will lead them to what they really want in reality without compromising the quality of a goods or services. Consumers will consider about their desired items, with possible risks and benefits and so with buying a product. Hence, with relative buying characteristics will link to personal preference and values (Peter & Olson, 2008). Wakefield and Inman (2003) showed that consumption is highly integrated with the level of satisfaction from consumer's values perception. For example, quality, brand name, after-sales services and other non-price factors are contributed to the values that consumers would perceive. Yet, improving the response time for new products in a global market will leads to value added from consumers towards brands and products and hence gaining competitive advantage. Reichheld and Sasser (1990) studied that as the company provides higher level of satisfaction will eventually lead to consumer more willing to pay with association to the products and services of the company, hence creating long-term value concepts between company and consumers.

### **2.1.3 Motivational Factors**

#### **2.1.3.1 Taste**

Stolzenback et al. (2013) found that consumer expectations toward locally produced apple juice were higher, and consequently liking for local juice was higher, based on product information versus blind taste tests. Dinis, Simoes, and Moreira (2011) observed that socioeconomic status did not matter across consumers more willing to pay for apples with better taste, and intrinsic characteristics (taste, texture, appearance) significantly impacted willingness to purchase of Portuguese consumers but the threat of product extinction did not. Since more than one study reports that consumers perceive organic products have better taste (Davies, Titterington, & Cochrane, 1995), taste is one of the factors to affect the willingness to purchase of food.

Although both taste and health share some subjective and objective components, taste is mainly a hedonic assessment, a subjective matter of preference that is already evidenced early on in infancy, whereas health is mainly a cognitive assessment, based on knowledge of objective nutritional facts that

emerges during the preschool years (Nguyen, 2012). Thus, taste has a position in affect perception on foods.

Several ways have been suggested to counter the negative response to new food, such as letting consumers taste the actual product (Birch, McPhee, Shoba, Pirok, & Steinberg, 1987), repeated exposure, which leads to familiarity (Pliner, 1993 & Zajonc, 1968), offering information about taste (Pelchat & Pliner, 1995 & Tuorila, 1994) and production (Fischer & Frewer, 2009 & Schickenberg, 2010). The familiar taste can change people perception on foods, and may change decision to purchase new food which having similar taste with existing food rather than the existing foods.

### **2.1.3.2 Certification and Labeling**

Organic logos play an important role as to inform consumers that the product is "organic". On the other hand, certification and labeling is known as an important source for consumer to recognize the difference between organic foods and conventional products (Wier, O'Doherty Jensen, & Anderson, 2008). Certification and labeling give the confidence to the consumers which the organic products have go through a comprehensive control system (Brid & Ward, 2009). Furthermore, the certification and labeling also provide confidence for the end users to consume on organic products. (Golan, Kuchler, & Mitchell, 2001).

As the research done by Essoussi and Zahaf (2009), consumers look for organic certification and label when buying organic foods, this indicate that the label is a trustworthy tool of identifying organic foods and the difference from conventional products. Consumers are more preferable to buy the organic products that have the certification and label, they feel more secure because they are more likely to trust labeling schemes where the government plays as active and visible role, and they will make sure the farmers or producers follow the organic standard and procedure (Rosa & Ulrich, 2013).

Consumers are concern with health, animal welfare, desire products that free of pesticide residues (Hughner et al., 2007), due to lack of knowledge on the requirement and process of organic products, consumers are believe certification and labeling while purchase organic products (Daunfeldt & Rudholm, 2014).

Certification and labeling enable the consumers feel safe and convinced that the products they bought was follow the organic standard and procedure, the consumers psychologically feel safe (Janssen & Hamm, 2012).

In Malaysia, organic certification for local aquaculture industry has been introduced by Fisheries Department Malaysia in year 2009. According to the director of Fisheries Department Malaysia-DatukJunaidiCheAyub, he said that certification and labeling of organic products act as a reliable medium for consumers to ensure that particular products had followed the organic standard and requirement (Bernama, 2009).

### **2.1.3.3 Convenience of organic store**

Shopping criteria are defined as the dimensions based on which the customer selects a shopping outlet, such as customer service, shopping environment, merchandise assortment and convenience of shopping. Research on shopping criteria was pioneered (Tauber, 1972) and later developed (Gentry et al., 1977-8). Subsequent studies suggest that customers make purchases for a variety of reasons, including needs fulfillment, replenishment of stocks, non-performance of existing products, perceived superiority of another product (Lamb et al., 2007), among other features (Barat, 2007). Finally, convenience is regarded as the ease with which a customer can participate in the shopping experience. Since the customer is time-constrained due to multitasking, the authors argue that he/she is likely to consider convenience as an important dimension of his/her shopping exercise.

According the Zanolli and Naspetti (2002), when buying foods, consumer usually take into account of location, price level, and services offered which demonstrated a consistent influence on store choice. This showed why location plays an important role on the convenience of consumers when comes to purchasing. As a result, supermarket comprises of variety of products and location convenience which consumers will think of a comfortable and a practical way of shopping. Hence, the increasing of supermarket outlets, shorten the distance from home or work, make them a convenient place to visit often. Thus, this can relate to the consumers' attitudes where companies must perceive that the consumer

buying attitudes, where they buy, what they are buying, how often they purchase, which products come with top priority and how much they are well aware of the products helps the companies to cope and reinforce consumer for buying behavior (Blackwell et al, 2001). In the year 2003, half of US shoppers bought organic products in the last six months, reported by Shopping for Health (2003). Besides, the convenience of store has contributed not only this, but organic foods has accounted with a total sales of 9.4 billion out of 20.5 billion USD in 2003 (Natural Marketing Institute 2004). According to Food Marketing Institute FMI (2003), in US, organic products are available in nearly 20,000 natural food stores nationwide and in 73% of all conventional grocery stores. However, limited accessibility and availability to organic food stores still happening and become obstacles to some others, although the numbers of facing the barriers are decreasing.

## **2.1.4 Demographic Variables**

### **2.1.4.1 Education Level**

Education is one of the demographic variables that have relationship with the purchase intentions toward organic products. Gil and Gracia and Sánchez (2000) mentioned that among socio-economic characteristics, age, gender, education level, family size, and income were judged to be the most relevant to the relationship with purchase intentions toward organic products. Therefore, socio-economic characteristics are partially contribution to the purchase of organic food products. Potential consumers are mainly women, middle-aged, with an educational level of high school or less, and they positively assess the beneficial aspects of organic food products. On other hand, some medium income consumers who have a lower education level, are concerned about their health however paying not much alert to follow a natural diet. A better knowledge of their socio-demographic characteristics is needed. Results of this study showed that the consumers in Navarra and Madrid are formed by consumers living in households with three or more members, with a lower level of education (high school or less), and are concerned with following a natural diet. In the case of Navarra, consumers are mainly female prefer organic food; while in Madrid a high percentage of consumers (less than 35 years old) prefer to purchase organic food. As a result, this research can conclude that age, education and income can

affect the consumption of organic products. Rodriguez et al (2006) stated that educated consumers are seemed to be more exposed to diet and health information sources. Other than that, Smith and Huang and Lin (2009) found that a larger proportion of casual vegetable users have young children, compared with devoted and nonusers. With respect to educational attainment, the largest proportion of organic produce users, especially vegetable users, have at least a college degree while the largest proportion of nonusers have only a high school diploma or less. Furthermore, Wier et al. (2008), Zepeda and Li (2007) and Zhang et al. (2008) also found a positive and significant relationship between a household's educational attainment and it's spending on organic products. Zhang et al. (2008) also indicated that educational level is highly significant in explaining both market participation and purchase of fresh organic products. Similarly, medium and long education and social status (an indicator of educational level) were observed to have increased the organic budget share significantly in Denmark and Great Britain, respectively stated by Wier et al. (2008). According to Hensley (2011), most of the consumers who prefer organic products and concern about the toxins in non-organic products, are likely to have at least college education. Thus, the relationship between education level and purchase intention of organic products cannot be denied.

#### **2.1.4.2 Age group**

There were several researches studying about the relationship between age group and purchase intentions toward organic products. Some studies of consumer demand for an organic product conducted in USA had been compared found that Thompson (1998)cited in GraciaandMagistris (2008). The author concluded that age is an important variable in explaining consumers' purchase intention toward organic food. One of the researches indicated that the chances of purchase organic food will increase according to the rise in age of the consumer. Other than that, Wier et al. (2008) cited in Michaelidou and Hassan (2010) found that disposable income, age and education level affect purchases of organic product. Specifically, the authors found a higher propensity to purchase organic product among the middle and upper age customers. A research by Hansley (2011) studied on attitudes of consumer in United States toward organic products with sample of



3000 adults, showed that 45% of consumers aged 65 or above prefer to purchase and consume organic food while non-organic food consumers accounted only 38%, while the others do not concern about it. Besides that, Wandel and Bugge (1997) cited in Michaelidou and Hassan (2010) found that higher age consumers are more concerned about healthiness when buying organic produce compared to low age consumers. Hence, in this study the authors include several control variables in the model, for example gender, age, household income, diet, and whether or not the respondent is the main purchaser of food for their household. Sangkumchaliang and Huang (2012) conducted a research in Chiang Mai, Northern Thailand, further supported that most of consumers of organic products are older, have higher education level and more likely have a family. In addition, Lockie, Lyons, Lawrence and Grice (2004) mention that increasing age had a small negative effect on increasing rates of organic consumption plus small effects on intervening variables including positive effects on sensory and emotional appeal, natural foods, responsibility for shopping and political and ecological values and negative effects on education and income. However, the overall impact of age still remained small. After that, values associated with openness to change versus conservation explained the largest amount of variation in the data found that Kihlberg and Risvik (2007). Consumers that less than 30 years old were over-represented in the direction of the modern values “openness to changes” and “self-enhancement”, while consumers more than 30 years old were over-represented in the direction of the traditional values “conservation” and “self-transcendence”. Therefore, values and age were linked to organic product acceptance such that age groups characterized by significantly different values differed significantly in liking of organic product. Based on the analysis of authors, the paper used age group as a determinant for the research.

#### **2.1.4.3 Income level**

Income level has a direct effect toward the purchase of organic products. The variable that influences the income level will be depending on the household size. Most of the large household size is price sensitive, and that could lead to a reduction in purchasing the organic products from the large household category (Dick, Richardson & Jain, 1996). A research showed that income level has no

significant impact on purchase of organic products except education although income level is correlated with education level and being omitted to gain a more accurate result (Zepeda & Li, 2007). However, Ang & TAN (1985) mentioned that changing in demographic, as in income level, consumer's taste and lifestyle is slowly upgrading to higher living standard. Brown and Dant (2008) proved that high income and high position holder tend to have a higher possibility to purchase organic products and this showed that income level is positively affecting the purchase of organic products. Besides that, Durham and Andrade (2005) stated that income level is affecting a consumer's purchase decision as higher income consumers are tend to prefer organic products while low income consumers have lower preference toward organic products. The estimated coefficient for the variable low income is negative. This had proven that consumers with low income would less or not prefer organic products. This result is further supported by Torjusen et al. (2001), and Millock et al. (2004) as they found that consumers with higher income are more likely to purchase organic food products. Moreover, according to Michaelidou and Hassan (2008), higher income can directly affect the intention to purchase organic food. While Gil et al. (2000) had shown that income level may show a higher possibility to buy organic products. Next, income is likelihood crucial for the demand of the organic products. With a high income, demand for organic products will be eventually increased. Income does matters where citizens in Denmark majority of them are rich where they purchase more organic products than the other countries (ICROFS, 2008).

#### **2.1.4.4 Presence of Children**

There were several articles studied the effect of number of children on the purchase intentions toward organic products. According to Dick, Richardson and Jain (1996), large households are price sensitive and presence and number of children have significant positive effect on purchase of organic products. This had been further supported by Essoussi and Zahaf (2008) in which presence of children can affect consumers' or households' purchase intentions toward organic products. Besides that, presence of children, especially for those under 6 years old, has significantly affected a household's purchase decision toward organic products (Smith, Huang & Lin, 2009). In master's research of

Georgios Saltavareas (2012) cited in Makatouni (2002), the author mentioned that responsibility to taking care of family health especially health of children, drove the households to purchase organic products. However, according to Roitner-Schobesberger (2006), the research showed that there is no any influence by children on purchase intention toward organic products. Since most of the researches were agreed that there is an influence of presence of children on the purchase of organic products, this paper also used this as one of the determinants. In report of Dimitri and Oberholtzer (2009), the authors stated that increase in number of children or presence of children in a family, the household are tend to purchase more organic products. However, compared with households that have no children, these households' purchase on organic product did not reduce but switched to the other organic commodities.

#### **2.1.4.5 Gender**

There is some differences of behavior and purchase intentions toward organic products between male and female. A report conducted by Harris (2000) proved that female purchases organic products more often than male. The author mentioned that female is likely to be key purchaser of a household and concerns more on food issue. Regarding to Roitner-Schobesberger (2006), female is more interested to buy organic products in Thailand, but gender contributed an insignificant effect to explain purchase intentions toward organic products because many women less aware of or heard about organic while male are seldom purchase organic products. This hypothesis had been further supported by Sangkumchaliang and Huang (2012). Besides that, Aygen (2012) indicated that female perceived organic food as better quality and delicious than male did and often purchased organic products than male. A research found that female is more willing to complete the environmental-friendly survey however gender does not contribute a significant impact on purchasing behavior toward organic products (Idda, Madau&Pulina, 2008). Furthermore, another research was conducted in Malaysia to examine the Malaysian perspective, which found that purchasing behavior toward organic products between female and male has no significant variance (Dardak, Abidin, & Ali, 2009). On the other hand, according to

Saltavareas (2012), the author stated that high educated male tend to purchase and loyal to organic food more than female.

## **2.2 Review of Relevant Theoretical Models**

Started from Theory of Reasoned Action, which an individual's intention to perform behavior drives his or her behavior. After adding with variable of perceived behavior control, Theory of Planned Behavior (1988) is the extension of Theory of Reasoned Action and used to predict a person's intention to deal in a behavior at a specific time and place and explain the behaviors of people which can be self-controlled by individual. This theory is holding the assumption that the belief will affect a person's attitude toward the behavior. TPB was widely used to explain health behaviors and intention, which is eligible to explain the purchase behaviors and intentions of people toward organic food.

Attitude toward the behavior, subjective norm and perceived behavior control were used as the variables to predict the intention of people to perform the behaviors. Attitude toward the behavior and subjective norm are used to determine the willingness of people to perform the behavior. As for perceived behavior control, it is used to determine the extent of people's ability to control the behavior, but it is also hidden with a potential of affecting the attitude of people toward the behavior.

### **2.2.1 Attitude toward behavior**

Attitude refers to the extent of willingness of people to perform the behavior, range from favorable to unfavorable. On the other hand, behavior will be influenced by the motivational factors, which are captured by the intentions and indicating how much efforts that people willing to pay to perform the behavior. When linking the attitude toward behavioral intention, it becomes an overall evaluation on behavioral belief and behavioral outcome by a person. Specifically, positive belief of a person may give a positive attitude toward the behavior (purchasing organic product), the person is more likely to carry out or

perform the behavior according to the strength of intention. Attitude involves a person's opinion, value and preference towards certain thing.

Most of the consumers, who are willing to buy organic products and pay a high premium, have more environment conscious and concern about healthy diet (Gil & Gracia & Sanchez, 2011). Hence, the possibility of purchase organic products by consumers who perceived organic products as healthier food is higher. Consumers who are health concern and environmental aware are one of the aspect that have the positive attitudes of purchase intention toward organic products (Magnusson et al, 2003). Consumers will take consider to the impact of buying organic products on health, environmental and animal welfare compared to the conventional products (Gotschi et al, 2010). By knowing values will lead them to what they really want in reality without compromising the quality of a goods or services. Consumers will consider about their desired items, with possible risks and benefits and so with buying a product. Hence, with relative buying characteristics will link to personal preference and values (Peter & Olson, 2008).

### **2.2.2 Subjective norms**

Subjective norms are individual's perception of social pressure to perform any behavior or the individual's beliefs about how the people that is important to him or her would like him or her to engage in the behavior. Meanwhile, social norms are the normative or the standard of behavior in a cultural context which motivates an individual to comply with the beliefs.

Consumers have positive perception towards organic products if the organic products are introduced to them by family and friends, or the society that they are living in perceived organic products are important and good, they are more likely to be motivated to purchase the organic products. Besides that, if the society perceived the behavior of purchase organic products is the right thing that should be done by everyone, the higher possibility that consumers will purchase organic products. Both subjective norms and social norms will affect an individual's belief on decision whether to perform the behavior or not.

Trustworthy of consumers is another determinant to the purchase intention toward organic products, consumers who trust others, such as their family, friends

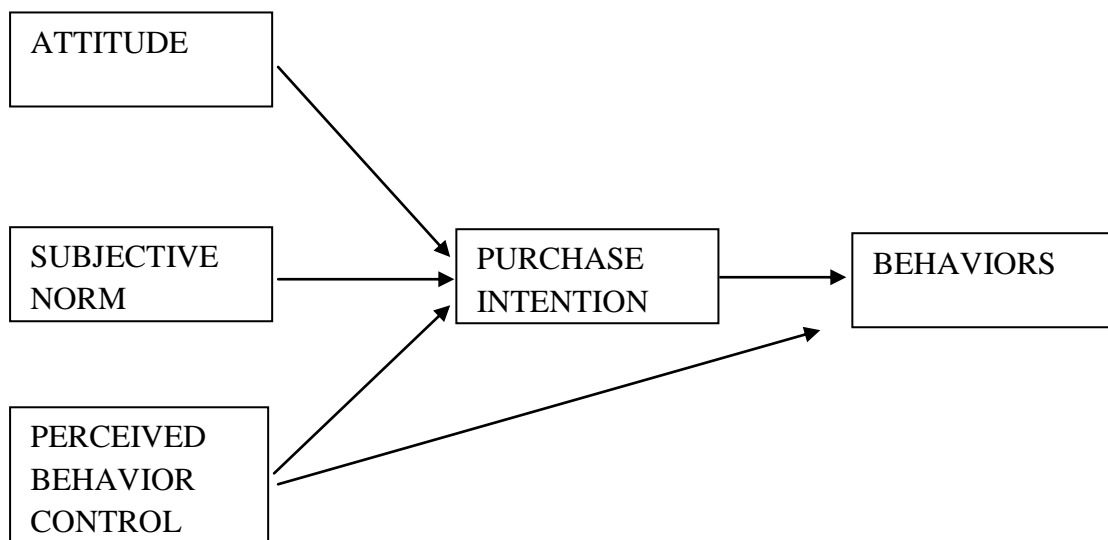
and colleagues will increase their confidence to the particular product/services, such as organic products that their family consumed. Consumers trust their family, reduce the uncertainty to the products and affect their purchase behavior (Prati et al., 2012). In addition, consumer purchase intention toward organic products will be affected by their family members or friends' opinion, they are more willing to agree and accept their opinions (Gotschi et al., 2010). According to Armstrong and Kotler (2007), culture is also one of the main factors that are highly correlated with consumer behavior. As because culture is involving a learning process since small where we were raised in certain group of society with certain cultural properties pinned to us.

### **2.2.3 Perceived behavioral control**

Perceived behavioral control refers to the extent to which a person's perception and confidence on his or her ability to perform the behavior of interest. According to Ajzen (1991), a person's confidence has a strong impact on his or her behavior in ability to perform it. However, perceived behavioral control varies across situations and actions. According to Chrisnall (2005), he summarized that attitude alone does not necessarily predict the right consumer behavior for consumption in future, but to act as a guidance to show that what the consumer will likely to do in certain situation. As a result, the perceptions of behavioral control of people are differing from each other based on individual's situation. In other words, performs certain behavior might be perceived as easy, but there is a difficulty in performing the behavior since there is a constraint of socio-demographic factors.

Ajzen (1991) stated that perceived behavior control works together with behavioral intentions can drive the performance of behavior. It can affect the intention of consumers when they are making decision of purchasing organic products. It can also have a direct impact on the behavior by substituting the actual behavioral control. However, the intention may be influenced by other socio-demographic factors which may cause the measure of perceived behavior control become inaccurate since the perceived behavior control has included the other factors. The additional information could improve the accuracy of the measure of perceived behavior control. For instance, when two people have equal

intention to purchase organic products, the one who thinks that he will make his purchase decision more firmly is more likely to purchase organic products than the one who is wondering whether purchase conventional products or organic products. However, the customers' intention on purchasing the organic products can be affected by demographic variables. If there is an increase in income level, intention of purchase organic products will be enhanced. Vice versa, if the income level is reduced, consumers might unwilling to purchase organic products even they think or perceive that they will purchase organic products.



#### **2.2.4 Limitations of Theory of Planned Behavior**

Measure of Theory of Planned Behavior may not be accurate due to several limitations on the model. Some psychological or unobservable factors, which have significant impact on behavioral intention and motivation, are omitted, such as the change of mood and formation of experience. Besides that, behavior of consumers may be changed over time. Theory of Planned Behavior does not take this factor into consideration but assumes behavior is the outcome of linear decision-making process. Furthermore, the extension of Theory of Reasonable action is Theory of Planned Behavior, which is added with perceived behavioral control and used as a substitution for the actual behavioral control; it does not explain the reason that substitutes the actual behavioral control and other information about actual control over behavior.

## **2.3 Conclusion**

Base on the past studies, researchers have showed there are a positive relationship between psychographic characteristics, motivational factors(taste, organic labeling and certification, convenience of store location), demographic variables (educational level, age group, income level, presence of children in household and gender) andwillingness to pay for organic products. Therefore, a conceptual framework and twelve hypotheses have been developed to serve as a guideline for the whole research.



## **CHAPTER 3 :METHODOLOGY**

### **3.0 Introduction**

This chapter will discuss the methodology that is used to analyze the collected data in this research. The research methods and procedures will be explained further in this section. The details that will be covered in the following discussion are research design, data collection methods, sampling design, research instrument, construct measurement, scale measurement and method of data analysis.

### **3.1 Research Design**

According to Parahoo (1997), research design is a plan and procedure for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. Burns and Grove (2003) define a research design as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”.

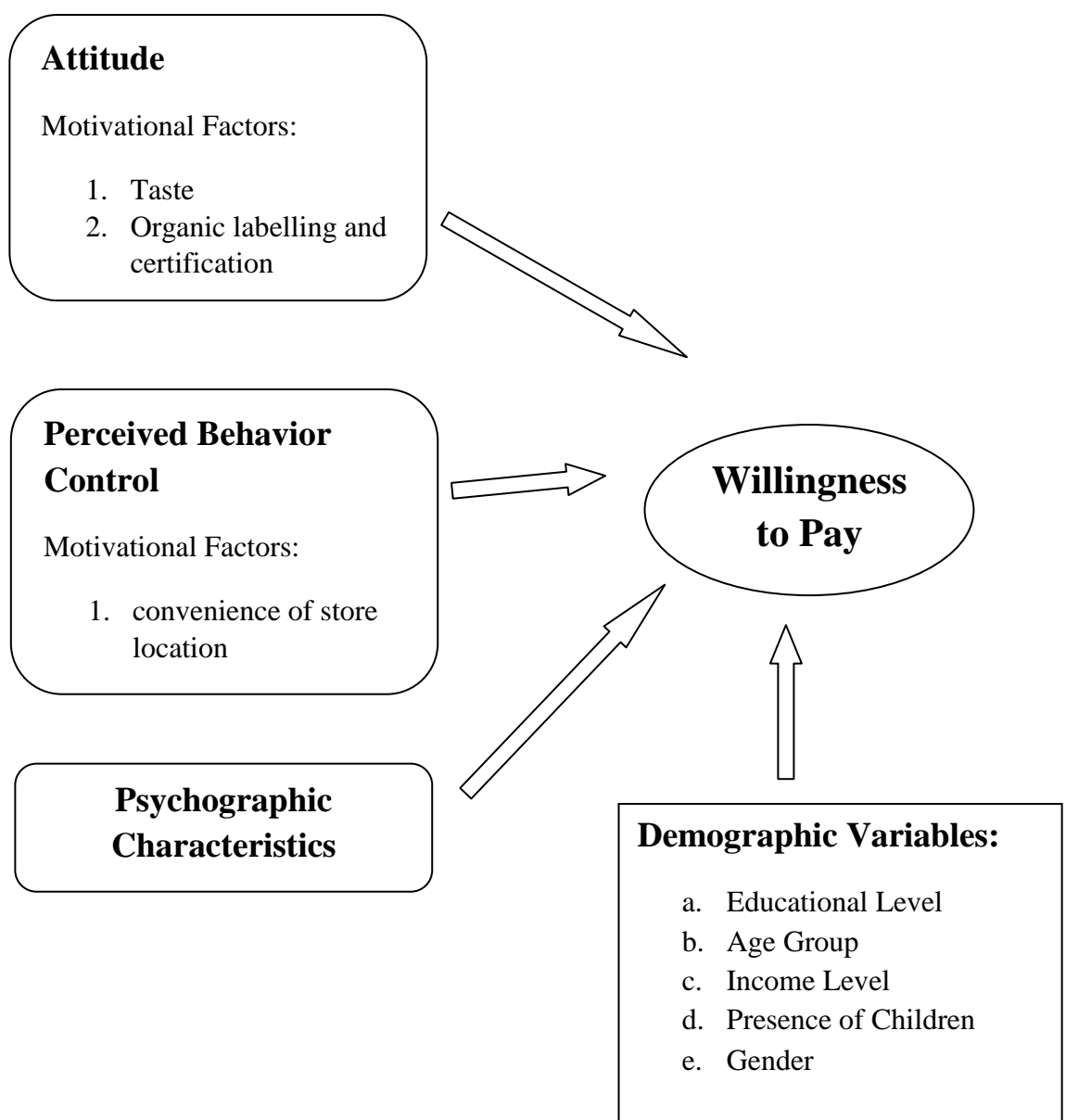
There are three types of research design can be applied in a research paper, which are casual research, exploratory research and descriptive research. This paper has applied the descriptive research in order to describe the consumers’ willingness to pay for organic products.

This paper has adopted quantitative research and logistic research as the methods, by using the survey data to analyze the reasons that could affect the consumers’ willingness to pay for organic products. Through the use of quantitative research, data analysis becomes more convenient and easier since it only focuses on the numerical data instead of interpreting the descriptive (qualitative) data. This also allows this research to analyze and take the desired specific variables such as psychographic characteristics, motivational factors and demographic variables. Then, logistic research tests the developed hypothesis by

examining relationship among the psychographic characteristic, demographic variable (age group, gender, education level, presence of children and income level), motivational factors (taste, organic labeling and certification and convenience of store location) and willingness to pay organic products.

### 3.2 Proposed Theoretical/Conceptual Framework

Figure 3.1 Theoretical Framework



Based on the figure 3.1, this conceptual or theoretical framework provides the detailed concept of the research topic. There are demographic characteristics, psychographic characteristics and motivational factors applied in this study. Under the perceived behavioral control, motivational factor is convenience of store location. While under the attitude, motivational factors include taste and organic labeling and certification. Demographic variables include education level, age group, income level, presence of children and gender. The dependent variable is Willingness to Pay.

According to the Theory of Planned Behavior, attitude, subject norm and perceived behavioral control have direct effect on the consumers' purchase behavior. The psychographic variable can affect the attitude of consumers to carry out the behavior. Subjective norm (influenced by important people) also directly affect the consumers' purchase intention, however, since this paper only aims to examine the effect of demographic characteristics, attitude, perceived behavior and psychographic characteristic. In the other words, subjective norm has been excluded.

The independent variables under attitude and perceived behavior control, demographic factors and psychographic characteristics that have been mentioned above will illustrate the factors that influence the dependent variable, which is willingness to pay. All the above independent variables were discussed in earlier study. After that, the development of specific research hypotheses will be presented in the following section.

### **3.3 Hypotheses Development**

#### Hypothesis 1

H<sub>1</sub>: There is a significant positive relationship between taste and willingness to pay for organic products.

#### Hypothesis 2

H<sub>2</sub>: There is a significant positive relationship between organic labeling and certification and willingness to pay for organic products.

#### Hypothesis 3

H<sub>3</sub>: There is a significant positive relationship between the convenience of store location and willingness to pay for organic products.

#### Hypothesis 4

H<sub>4</sub>: There is a significant positive relationship between psychographic characteristic and willingness to pay for organic products.

#### Hypothesis 5

H<sub>5</sub>: There is a significant positive relationship between education level and willingness to pay for organic products.

#### Hypothesis 6

H<sub>6</sub>: There is a significant positive relationship between consumers' age group and willingness to pay for organic products.

#### Hypothesis 7

H<sub>7</sub>: There is a significant positive relationship between the income level and willingness to pay for organic products.

#### Hypothesis 8

H<sub>8</sub>: There is a significant positive relationship between presence of children and willingness to pay for organic products.

## Hypothesis 9

H<sub>9</sub>: There is significant difference between male or female and willingness to pay for organic products.

### **3.4 Source of Data**

There are two types of data collection methods, which are primary data and secondary data. Primary data are first-hand sources data or information that directly obtained by researchers through surveys, experiments or interviews. These data are never been published and directly derived from original research paper. Secondary data is differed from primary data as it is the data that are readily available and could be obtained from certain sources.

### **3.5 Data Collection Method**

In this paper, primary data is used and collected from the distributed survey. 476 sets of surveys were distributed to only organic consumers instead of non-organic consumers, within area of Klang Valley. In order to obtain an accurate result, face-to-face method was used during interviewing the respondents to make sure that respondents have answered all questions in better understanding.

The data are collected by adopting the face-to-face method. In the other words, the surveys are conducted through personal interview since this paper is using the selected amount of population instead of whole population. Although this method is time-consuming and high cost, compares to method of telephone interview which is higher cost and requires consumer to hang on phone, this method can gain a higher response rate and interviewer can observe the attitude and behavior of respondents. Additionally, this questionnaire has been designed in the way that void from asking sensitive question which can save the time of interview. For example, this questionnaire has used ordinary scale to ask personal income instead of asking the exact amount of respondents' personal income.

### **3.6 Sampling design**

Sampling design is a method of using a group of small population that is selected from the overall population, as a standard that allows researcher to make decision and conclude the whole population as one. The objective of sampling design is to understand the characteristics of a group that has been selected to represent a whole population, by performing a study on these characteristics of the selected group. The research will be conducted as quantitative study and the questionnaires will be distributed to public in Klang Valley with a total set of 476 in order to investigate the consumers' psychographic characteristic, motivational factors, demographic characteristic on willingness to pay. In this research, non-probability sampling will be used and the data will be collected in the use of convenient sampling. The reason of using non-probability sampling is because convenience and consume lesser time for this paper to choose the element based on decision. The sampling technique of non-probability sampling that is being used in this paper is convenient sampling. By using convenient sampling, this allows the paper to arrange and manage the characteristics of the sample.

The target population for the research paper is 476 respondents and these respondents are either consumer of organic or non-organic products. Although there is no requirement of demographic background for respondent in questionnaire of survey, interviewers of this survey project has confirmed the age of every respondent is above 18 before they interviewed the respondent and these respondents whose age are above 18 are fallen on the category of below 21. The sample in this paper that has been chosen are above 18, holding the assumption that they are more likely having a family with child and stronger financial position than consumers that younger than 18 years old.

The sampling location of this research is the area of Klang Valley by using the convenience sampling method (non-probability sampling method). This method allows the researchers to easily collect the data in convenience way. Simple rationale is that Klang Valley is much well-developed comparing to the other states such as Ipoh, Kelantan, Terengganu, Pahang and the other states, in Malaysia. Klang Valley has gathered many construction and facilities project, which is built in with many commercial shop lots and residential area. Besides

that, Klang valley is area of Selangor that surrounding Wilayah Persekutuan Kuala Lumpur and beside Wilayah Persekutuan Labuan. These 3 states are having the top 3 highest GDP among the other states in Malaysia (Department of Statistics Malaysia, 2014). Hence, the consumers of Klang Valley are assumed having higher income level and stronger purchasing power.

### **3.7 Questionnaire Design**

The main language that is used in the questionnaire is English, which is easy for the respondents to answer the questionnaire. The questionnaire has consisted of four sections which are demographic information of respondents, subject purchasing organic products, influences of various factors towards consumers' willingness to pay for organic products and psychographic profile of respondents.

- Part A acts to obtain the demographic information or background of respondents in order to categorize their profiles. There are eight questions in this section which are age, gender, race, and marital status, amount of children, income level, and education background and employment status. Nominal scale and ratio scale have been used in this research, which required respondents to choose only 1 answer for each question.
- Part B consists of seven questions which aimed to obtain the information of respondents' purchase intention toward organic products. The questions are listed as below
  1. How long have you been consuming the organic product?
  2. Normally where you will purchase organic product?
  3. How frequent do you purchase organic product?
  4. How much do you spend on the organic product per month?
  5. Which type of organic products do you usually purchase?
  6. What is the maximum price premium that you will be willing to pay for?
  7. How much premium price for organic products that you willing to pay?

In this part, respondents can choose only one answer for all questions, except the second and fifth questions which respondents are allowed to choose more than one answer.

- Part C is consisted of 46 questions which are subjecting to the various factors towards consumers' willingness to pay for organic products. Five Point Likert-types has been applied to measure the variables which respondents can answer the questions by rating their opinions based on the scale provided. There is no any specific answer in this section since these questions are opinion-based question. The scales are 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree. The answer provided by respondents indicating their behaviors toward each statement in the questionnaire.
- Part D is looking for the psychographic profile of respondents. In this section, there are three sections which consist of total 20 questions and all the questions are compulsory to be answered by respondents. Section A consists of 10 questions which has applied five point likert-type scale, while section B and C each consists of 5 question and both of the sections has used four point likert-type scale. The four point likert-type scale of section B is 1=Not at all Important, 2=Not very Important, 3=Fairy Important and 4=Very Important; while section C is 1=Not at all similar, 2=Slightly Similar, 3=Fairly Similar and 4=Very Similar.



**Table 3.1 Independent variables and dependent variable**

No.	Statement	Measuring construct
<b>Part C Motivational Factors</b>		
<b>Dependent Variable</b>		
No. 13	I will continue to consume organic products without affect by the price changes	Willingness to pay
No.14	I am willing to pay a higher price for organic products.	
<b>Independent Variable</b>		
No.15	Buying organic food is highly inconvenient.	Convenience of store location
No.16	Organic food is only available in limited stores/markets.	
No.17	The stores that I frequently shop do not sell a variety of organic food.	
No.5	Organic food taste better.	Taste
No.6	Organic products are more nutritional than conventional food.	
No.7	Organic products are healthier than conventionally grown food.	
No.8	It frightens me to think that much of the food I eat is contaminated with pesticides.	
No.9	Organic products are more safety to consume and contain less health risk.	
No.19	I will only purchase organic products with organic certification or organic labeling.	Organic certification and labeling
No.20	Organic labeling and certification is important for me to recognize organic products.	

<b>Part D Psychographic Characteristics</b>	
No.1	I can't bear untidiness in the home.
No.2	Bending the rules is OK, just don't get caught.
No.3	There are too many foreigners in my country.
No.4	Criminals should be punished with maximum prison sentences to make them learn their lesson.
No.5	I have little to expect from the future.
No.6	You should remain true to your friends.
No.7	If I look good, I feel good.
No.8	Life is fun.
No.9	I don't really care how I look.
No.10	It is important for me to be seen to be successful.
No.11	To spend time and effort caring for your appearance.
No.12	To feel that you belong.
No.13	To find out who you are and what you are good at.
No.14	To have lots of possessions.
No.15	To have a large group of friends and neighbours that you can turn to.
No.16	People who worry about what others may think of them.
No.17	People who enjoy keeping up with current trends in home decorating.
No.18	People who think products don't last as long as they used to.
No.19	People who are excited by new ideas in science and technology/
No.20	People who spend their time improving the appearance of their homes.

## **3.8 Construct Measurement**

### **3.8.1 Ordinary Scale**

Ordinary Scale has been applied in Part A and B of the questionnaire. It arranges the objects based on the magnitude in an ordered relationship and reflects the rank order of the given objects. Age, income level, amount of spending on organic product per month and the time that respondent have been consuming organic product, have used ordinary scale in the questionnaire.

### **3.8.2 Nominal Scale**

Nominal Scale is used to differentiate the variables into certain categories. The data are cannot be measured or ranked. It has been used to reflect the gender, race, marital status, amount of children in family, education background, employment status, location and frequency that respondent used to purchase organic product, type of organic product that respondent usually purchase, the maximum price premium and percentage of premium price that respondent willing to pay for organic products.

### **3.8.3 Interval Scale**

Interval Scale has been used in Part C and D to distinguish their opinions toward each statement and measure the opinions in quantifiable way. In part C and section A of part D has used five point likert-type scale, while section B and C of part D has used four point likert-type scale.

Table 3.2: Five point likert-type scale

Measurement	Numerical
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly Agree	5

Table 3.3: Four Point Likert-Scale

Measurement	Numerical
Not at all Important	1
Not Very Important	2
Fairy Important	3
Very Important	4

### 3.9 Data Analysis

Data analysis can be conducted in various kinds of tests. It can help researchers to know which tests are available in their research study and what they can get from existing data by using the tests. Other than that, it can also help researchers to have a clear understanding towards the objective they want to achieve and can make a good decision when choose the better tests which enable them to interpret the data and achieve the objective at the end of the research. If the tests were used wrongly is the study, then the research might become invalid, questionable and inaccurate. There are different types of methods to make data

analysis, such as descriptive statistics, probability distributions, probability, random variables, statistic inference, testing hypothesis concerning population means and population proportions, hypothesis testing, chi-square test, logistic regression and correlation, one-way analysis of variance, two-way analysis of variance, analysis of covariance, and non-parametric statistics.

### **3.9.1 Factor Analysis**

#### **3.9.1.1 Principal Components Analysis**

Principal components analysis (PCA) is a method that is used to help Investigators represent a large number of relationships among interval-level variables in a simpler way. This approach allow the computer to determine the large set of items to “hang together” as a group. Also, it can answer most similarly by the participants. In details, PCA is simply trying to mathematically derive a relatively small number of variables to use to convey as much of the information in the observed or measured variables as possible. In addition, PCA is simply directed toward enabling one to use fewer variables to provide the same information that one would obtain from larger set of variables. There are two main conditions necessary for PCA. First one is that there need to be relationships between the variables. Second condition is the larger the sample size, especially in relation to the number of variables, the more reliable the resulting factors usually are. Last but not least, PCA is most useful if one simply wants to reduce a relatively large number of variables into a smaller set of variables that still captures the same information.

### **3.9.2 Descriptive Analysis**

Descriptive analysis is used to describe the key features of the variables (Sekaran&Bougie, 2010). After that, descriptive analysis is normally used to describe the population that the researchers are studying. The collected date is either from a population or from a sample (Nachmias& Guerrero, 2006). In addition, the results can help researchers to organize and describe data. Normally, descriptive analysis can only be used to describe the group which is being chosen

and studying. If researchers do not need to extend their results to any larger group, then descriptive analysis is useful. However, many of the research or studies of social sciences tend to give “universal” truths about segments of the population, such as all victims, and all parents. Other than that, frequency distributions measures of central tendency, and graphs like pie charts and bar charts usually are used to describe the collected data and all of it are the examples of descriptive analysis also.

Furthermore, descriptive statistics are focuses on collecting, summarizing, presenting and analyzing a set of data. Basically, it provides researchers a summary about the selected samples with simple graphic analysis.

**Table 3.4 Descriptive Analysis**

Level of Measurement	Nominal	Ordinal	Interval or Ratio
Central Tendency	Mode	Median	Mean
Dispersion (how similar the responses are)	Frequencies/ percentage distribution	Cumulative percentage distribution	Standard Deviation
Diagram	Bar Chart/ Pie Chart	Bar Chart/ Pie Chart	Histogram

Adopted from: Burns & Bush (2003) Marketing Research: Online research Applications (4<sup>th</sup> Ed.). New Jersey: Prentice hall.p.445

### **3.9.2.1 Frequency Analysis**

Frequency analysis is used to analyze the frequency occurrence of observation (Malhotra, 2007). After that, there are measures of central tendency in the frequency analysis. Then, the mean, mode, and median are determined in this analysis method. Other than that, the probabilities and the confident interval can be obtained from the data by using this frequency analysis as well. Basically, the probability is used to determine

how big the chance is for an event to happen, while confident interval is to determine how true the hypothesis is in percentage.

As this research consists of psychographic characteristics, taste of organic products, organic products labeling and certification, convenience of organic store and demographic variables as independent variables. Hence, it is important to determine the percentage of the sample from these variables by using frequency analysis. Frequency analysis also provides an overview background of the respondents. Thus, this paper can obtain more detailed information and obtain a better understanding of our respondents. All the results will become non-biased, accurate and complete when with the information from frequency analysis.

### **3.9.3 Scale Measurement**

Sekaran and Bougie (2010) stated that a fine instrument usage is able to increase the accuracy of the results. Besides, it will also improve the quality of the research indirectly. Therefore, the scale measurement is compulsory in this research in order to study the validity and reliability of the data to ensure the measures are well developed.

#### **3.9.3.1 Reliability Test**

According to Shuttleworth (2009), reliability test is used in comparing two different versions or more instruments ensuring yielding the same results. Instrument does not necessarily to be a physical instrument, an educational test or questionnaire can also be the instruments. Reliability test is the test to check whether the data or results obtained are reliable and error free. Besides, if one instrument result is different with others, something is wrong with the experiment and reliability test here is to confirm with the consistency (Sekaran & Bougie, 2010).

Malhotra (2007) also stated that the reliability test is to scrutinize how consistency of the results would yield when repeated measurements are made. It means that reliability test shows the stability and consistency of the measurement of concepts and also useful in evaluate the “goodness” of a measure. Thus, a lower

reliability would get inconsistency result because of random error while inconsistency result would not happen due to systematic error.

### **3.9.3.1.1 Stability of measures**

Stability of measures is the ability to measure to remain constant and the same over time. Two tests were used in stability of measures which are test-retest reliability and parallel forms reliability (Sekaran&Bougie, 2010).

Test-retest reliability is used to study the consistency of a measure on two separate occasions. Same items will be directed to respondents at different time and the scores are correlated. The usual time for administration is two to four weeks and the result is expected to be the same (Malhotra, 2007). However, if the timeframe of test-retest reliability is prolonged, the reliability will be low.

Parallel forms reliability is designed to measure the reliability of two different assessment tools. Sekaran and Bougie (2010) stated that it has the same form and format but only font and the sequence different. It must have the same construct that contain the same items to perform and this has become the weakness of parallel forms reliability. Besides that, it also makes the assumption randomly divided halves are parallel.

### **3.9.3.1.2 Internal Consistency Reliability**

Internal consistency reliability is to measure several items that propose to measure the same general construct produce similar outcome. It can be measured by split-half reliability test and coefficient alpha. Split-half reliability test is defined as if the internal consistency is low; the correlations between of the two halves are low. Next, coefficient alpha is also a measurement in internal consistency. When coefficient alpha is less than 0.6, the result is rejected. However, when coefficient alpha is more than 0.6, does not reject.



### **3.9.4 Multivariate Analysis**

Multivariate analysis is also known as multiple regressions. Multivariate analysis often constitutes the final stage of data analysis. It is used to test more than two variables at the same time. Multivariate analysis examines the simultaneous relationship of many variables (Nancy L., Karen C., & George A., 2005). By including more than one variable in statistical models, researchers can create more sophisticated models to predict or explain social behavior. Multiple linear regressions examine how two or more variables act together to affect the dependent variable (Steven & Karen, 2003).

### **3.10 Conclusion**

In this chapter, the method used to conducting this research paper is by providing information about the research design, data collection methods, sampling design, research instrument, construct measurement and data analysis methods. In the research design part, quantitative research has been used and primary data enable provide more information.

Since primary data is been used in this research, Statistical Package for the Social Science (SPSS) software is used to run test on the data collected and analyze the result of the test. In this research paper, principal components analysis is used to reduce a larger set of variables into a smaller set of "artificial" variables, while descriptive analysis is used to summarize a given data set which can either be a representation of the entire population or a sample and used to measure the central tendency and measures of variability or dispersion. Besides, reliability test have been taken into account to check whether the data or results obtained are reliable or not.

## **CHAPTER 4: DATA ANALYSIS AND RESULTS**

### **4.0 Introduction**

In this chapter, the results and findings will be discussed base on the data analysis that has been undertaken from this research. A total of 476 copies of survey forms were being distributed through face to face interview and self-administered questionnaire. Descriptive statistics, factor analysis, logistics regression and reliability test will be used to analyze the results of the data in the forms of tables, figures, and text.

### **4.1 Factor Analysis**

#### **4.1.1 Motivational Variables**

The value of Kaiser-Meyer-Olkin for motivational variables was 0.73, which is greater than the recommended value of 0.7. This means the items that are used to predict the factors are sufficient. On the other hand, Bartlett's Test of Sphericity is significant as its significance value is lesser than 0.05. This indicates that the variables are highly correlated to perform the factor analysis.

**Table 4.1 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.73
Bartlett's Test of Sphericity	Approx. Chi-Square	1512.16
	Df	66
	Sig.	.000

Source: Developed for the research

Principal Component Analysis (PCA) was used in this research to determine the motivational factors. According to Suhr (n.d.), when the variables that influences the dependent variable, are highly correlated and unable to be directly observed or measured. In this study, dependent variable is willingness to pay (WTP), while the motivational variables are taste, organic labeling and certification and convenience.

However, by using varimax rotation of principal component analysis (PCA), the hidden construct can be measured by identifying the impact of the response on variables. Hence, PCA is performed to test the fitness of the data.

**Table 4.2 Rotated Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
<b>Taste</b>				
5. Organic food tastes better	0.66			
6. Organic products are more nutritional than conventional food.	0.80			
7. Organic products are healthier than conventionally grown food.	0.81			
8. It frightens me to think that much of the food I eat is contaminated with pesticides	0.61			
9. Organic products are more safety to consume and contain less health risk.	0.77			
<b>Convenience</b>				
15. Buying organic food is highly inconvenient.		0.80		
16. Organic food is only available in limited stores/ markets		0.85		
17. The stores that I frequently shop do not sell a variety of organic food.		0.75		
<b>Organic Certification and Labeling</b>				
19. I will only purchase organic products with organic certification or organic labeling.			0.90	
20. Organic labeling and certification is important for me to recognize organic products.			0.87	
<b>Willingness to Purchase</b>				
13. I will continue to consume organic products without affect by the price changes.				0.86
14. I am willing to pay a higher price for organic products.				0.84
<b>Eigenvalues</b>	2.79	1.94	1.65	1.49
<b>% of variance explained</b>	23.22	16.15	13.75	12.38
<b>Cumulative %</b>	23.22	39.37	53.12	65.50

Source: Developed for the research

The result (Table 4.2) shows that the eigenvalues of the four components are greater than 1, which means the different items are well explained by the factors and these factors are useful. The 4 factors that these items were designed to measure are Taste, Convenience, Organic Certification and Labeling and Willingness to Pay. The result also explains the variance of the factors. The variance of first component is 23.22%, and following by 16.15%, 13.75% and 12.38%. In order to further support the 4 components, a sample size of (13 variables x 476 respondents) has been generated and result shows a total of 65.50% of variance is explained by the four components. Taste has the highest variance at 23.22% with a total of 5 variables, while Convenience accounts the second highest variance at 16.15%. Next, variance of Organic Labeling and Certificate is 13.75% and consists of 2 factors, same as Willingness to Pay, but the variance of Willingness To Pay is the lowest among the variance of the other 3 factors.

**Table 4.3: Descriptive Statistics and Cronbach's Alpha on Motivational Factors**

	N	Mean	Std. Deviation	Cronbach's Alpha	Item
Taste	476	3.92	.62	0.79	5
Convenience	476	3.11	.77	0.72	3
Labeling	476	3.77	.76	0.79	2
WTP	476	3.19	.77	0.66	2

### 4.1.2 Psychographic Characteristics

As for psychographic characteristics, the value of Kaiser-Meyer-Olkin for psychographic characteristics was 0.79, which is greater than the recommended value of 0.7. Meanwhile, Bartlett's Test of Sphericity is significant as its significance value is lesser than 0.05. This shows that the variables are highly interrelated to perform the factor analysis.

**Table 4.4 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.79
Bartlett's Test of Sphericity	Approx. Chi-Square	1957.66
	Df	120
	Sig.	.000

**Table 4.5: Rotated Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
<b>Sociable Prospectors</b>				
8. Life is fun.	.53		.43	
10. It is important for me to be seen to be successful.	.55			
11. To spend time and effort caring for your appearance.	.63			
12. To feel that you belong.	.73			
13. To find out who you are and what you are good at.	.75			
14. To have lots of possessions.	.53	.41		
15. To have a large group of friends and neighbours that you can turn to.	.64			
<b>Golden Dreamers</b>				
5. I have little to expect from the future.		.56		
16. People who worry about what others may think of them.		.66		
17. People who enjoy keeping up with current trends in home decorating.		.81		
20. People who spend their time improving the appearance of their homes.		.72		
<b>Image Conscious</b>				
1. I can't bear untidiness in the home.			.74	
6. You should remain true to your friends.			.75	
7. If I look good, I feel good.			.58	
<b>Settlers</b>				
3. There are too many foreigners in my country.				.80
4. Criminals should be punished with maximum prison sentences to make them learn their lesson.				.79
<b>Eigenvalues</b>	3.16	2.29	1.84	1.59
<b>% of variance explained</b>	19.75	14.30	11.50	9.92
<b>Cumulative %</b>	19.75	34.05	45.56	55.48

Source: Developed for the research

The result of PCA for psychographic characteristic shows that there are totally 4 factors which the 16 items can be categorized into sociable prospectors, golden dreamers, image conscious and pioneers. Reason to name the first component as Sociable Prospector is that people of this characteristic tend to be success oriented who are willing to utilize all the opportunity to achieve their objectives, and friends and family play important role this kind's life. As for Golden Dreamers, this kind of people hold an optimistic view toward their future and willing to put effort to get what they. On the other hand, Image Conscious refers to the characteristic of highly concern about outlook and couldn't allow any dirtiness or other things that will violate their feeling. Lastly, some characteristics of settler are security conscious. Settlers tend to pay more concern on the security of the environment that they are living in and usually are proponent of the law and justice to give punishment for criminal.

Eigenvalues of the factors are more than 1 and the variances of the 4 factors that can be explained are 19.75%, 14.30%, 11.50% and 9.92%. This result is also further supported by the randomly generated sample size (16 variables x 476 respondents). Following table shows that the Cronbach's Alpha of Sociable Prospectors is 0.78, which is greater than the recommended value. However, the Cronbach's Alpha of Golden Dreamers, Image Conscious and Settlers are 0.65, 0.60 and 0.65, which are lower than 0.7. Suhr (n.d.) stated that the Cronbach's Alpha is acceptable as long as not lesser than 0.5 or slightly lesser than 0.7, and many journals and articles are having the problem of Cronbach's Alpha under 0.7 or between 0.6 to 0.69. First factor is Sociable Prospectors, which accounts 19.75% of the variance and consists of 7 variables. Second factor is Golden Dreamers which has a variance of 14.30% and consist of 4 variables. Following by Image Conscious, with a variance of 11.50% and 3 variables. Lastly, Settlers has the least variables of 2 and the lowest variance of 9.92%.



**Table 4.6: Descriptive Statistics and Cronbach’s Alpha on Psychographic Characteristic**

	N	Mean	Std. Deviation	Cronbach’s Alpha	Items
Sociable Prospectors	476	3.28	0.48	0.78	7
Golden Dreamers	476	2.65	0.67	0.65	4
Image Conscious	476	3.88	0.62	0.60	3
Settlers	476	4.01	0.77	0.65	2

Source: Developed for research

## 4.2 Reliability Analysis

Reliability test is shown the discussion of the reliability of each variable. After that, reliability analysis is important for determining the consistency of the measurement. All the data collected under the eight variables will be tested by using Cronbach’s Alpha for verification of the reliability. It also will be used to determine average correlation or internal consistency of items in a survey instrument to assess its reliability. Thus, one of the most accepted reliability statistic that is being used today is Cronbach’s Alpha (Cronbach, 1951). The alpha coefficient range is from 0 to 01 value and it is use to describe the reliability. According to Cronbach (1951), the number higher then 0.50 is a satisfaction level of good internal consistency. Additionally, Malhotra (2009) stated that Cronbach’s Alpha more than 0.60 for a variable is sufficient to describe that the variable have acceptable internal consistency.

**Table 4.7: Cronbach's Alpha Coefficients for Total Scale**

Variables	Cronbach's Alpha	Number of items
Taste	0.79	5
Willingness to pay(WTP)	0.66	2
Convenience	0.72	3
Organic labelling and certification	0.79	2
Image Conscious	0.60	3
Sociable Prospectors	0.78	7
Golden Dreamers	0.65	4
Settlers	0.65	2

### 4.3 Descriptive Analysis

In this research, the descriptive statistics were being constructed for demographic characteristic which includes age, gender, and presence of children, income level, and educational level. Consumer behaviors and psychographic profile such as convenience of store location, organic certificate and labeling, taste, attitude, personality, lifestyle, and opinion will be included in this part.

#### 4.3.1 Demographic Profile

**Table 4.8: Age**

Age group	Frequency	Percent
Below 35	242	50.8
Above 36	234	49.2
Total	476	100.0

According to the results provided the group with the highest frequency of the respondent falls in the age of group below 35years old, the group consists of

242 consumers out of 476 consumers (50.8 percent). On the other hand, consumers who are at group of above 36 with a frequency of 234 out of 476 (49.2 percent) and this group of consumers holds the lowest frequency.

**Table 4.9: Gender**

Gender	Frequency	Percent
Male	142	29.8
Female	334	70.2
Total	476	100

The table shows on the above is part of the results obtained. According to the table, the male, in terms of percentage and the frequency is 29.8 percent and 142 respectively. On the other hand, the female occupied a total of 70.2 percent and a frequency of 334 out of 476.

**Table 4.10: Number of Children**

Number of Children	Frequency	Percent
Without Children	230	48.3
With Children	246	51.7
Total	476	100.0

According to the results showed in the table above, the category 'Without Children' got the percentage of 48.3 percent, also 230 in terms of frequency. On the other hand, the category of 'With Children' has occupied a frequency of 246 and a percentage of 51.7.

**Table 4.11: Income Level**

Income Level	Frequency	Percent
Below RM3000	267	56.1
Above RM3001	209	43.9
Total	476	100.0

In the table above, the first one got the highest percentage of all in the table with 56.1 percent of the respondents were having income below RM3000. Next, 43.9 percent of the respondents fall on the income categorized Above RM3001 which is the lowest percentage in the table.

**Table 4.12: Education Level**

Education Level	Frequency	Percent
Below Secondary	142	29.8
Above Tertiary	334	70.2
Total	476	100.0

From the table above, the highest category of education level is the group of Tertiary (Form 6/Pre-University, Diploma/Vocational/Technical, Degree, Master/PhD and others) where the results show a frequency of 334 out of 476 with a percentage of 70.2. On the other hand, group Below Secondary (No schooling, Primary, Lower secondary, and Upper secondary) has a frequency of 142 out of 476 with a percentage of 29.8.

#### **4.3.2 Mean and Standard Deviation for Variables**

In this part, mean values of different items of the questionnaire were being analyzed in order to provide a better understanding of respondents' point of view. Eight variable which is taste (5 questions), convenience of store location (3 questions), labeling and certification (2 questions), attitude (3 questions), personality (7 questions), lifestyle (4 questions), opinion (2 questions) and

willingness to pay (2 questions) provided below with each mean and standard deviation.

**Table 4.13: Taste**

Question	Mean	Standard Deviation
Organic food tastes better.	3.55	1.01
Organic products are more nutritional than conventional food.	3.95	0.85
Organic products are healthier than conventionally grown food.	4.05	0.77
It frightens me to think that much of the food I eat is contaminated with pesticides.	3.99	0.82
Organic products are more safety to consume and contain less health risk.	4.04	0.77

Table 4.13 above is showing the mean and standard deviation value of taste towards willingness to pay for organic products. By analyzing the mean values of the questions under taste section, it is indicated that majority of the respondents agree “organic products is healthier than conventional grown food”, which has the highest mean value 4.05. This value also shows that this question has most influential when compare with others question in same section. On the other hand, the statement of least ranking in the table is “organic food tastes better with mean value of 3.55. This shows that the statement is not that promising as compared to “organic products are more nutritional than conventional food” with a mean value of 3.95.

**Table 4.14: Convenience of Store Location**

Question	Mean	Standard Deviation
Buying organic food is highly inconvenient.	2.90	0.93
Organic food is only available in limited stores/ markets.	3.32	0.98
The stores that I frequently shop do not sell a variety of organic food.	3.12	0.95

Table 4.14 above is showing the mean value for convenience of store location towards willingness to pay for organic products. In the table, the statement which is “organic food is only available in limited stores/ markets” has the highest mean value among the other two which the value of mean is 3.32.

On the other hand, the statement of “buying organic food is highly inconvenient” has the least mean value which is 2.90 this shows that consumers are facing difficulties when doing their purchase.

**Table 4.15: Organic labeling and certification**

Question	Mean	Standard Deviation
I will only purchase organic products with organic certification or organic labeling.	3.70	0.85
Organic labeling and certification is important for me to recognize organic products.	3.84	0.82

Table 4.15 above is showing the mean value for organic labeling and certification. After analyzing the mean value of all the statement under this section, greater part of respondents agree that labeling and certification is important for them to

recognize an organic product 3.84 which is most influential question in this section.

On the other hand, the statement “I will only purchase organic products with organic certification or organic labeling” shows those consumers will only purchase when labeling or certification available which is the least in ranking with a mean value of 3.70 only.

**Table 4.16: Image Conscious**

Question	Mean	Standard Deviation
I can't bear untidiness in the home.	3.69	0.88
You should remain true to your friends.	3.97	0.80
If I look good, I feel good.	3.99	0.80

Table 4.16 above is showing the mean value of attitude. In the table, the statement “if I look good, I feel good” has the highest mean value of 3.99. Meanwhile, the statement of “I can’t bear untidiness in the home” has the least mean value of 3.69 in this section.

**Table 4.17: Sociable Prospectors**

Question	Mean	Standard Deviation
Life is fun.	3.92	0.80
It is important for me to be seen to be successful.	3.71	0.90
To spend time and effort caring for your appearance.	3.00	0.66
To feel that you belong.	3.12	0.65
To find out who you are and what you are good at.	3.26	0.67

To have lots of possessions.	2.84	0.71
To have a large group of friends and neighbours that you can turn to.	3.08	0.69

Table 4.17 above is showing the mean value of personality. After analyzing the mean value of all the statement under this section, statement “life is fun” has the highest mean value among other statements with the value of 3.92. On the other hand, statement “to have lots of possessions” has the lowest mean value of all of 2.84 in the section.

**Table 4.18:Golden Dreamers**

Question	Mean	Standard Deviation
I have little to expect from the future.	3.10	1.08
People who worry about what others may think of them.	2.54	0.88
People who enjoy keeping up with current trends in home decorating.	2.36	0.91
People who spend their time improving the appearance of their homes.	2.62	0.92

Table 4.18 above is showing the mean value of lifestyle. In the table, the statement “I have little to expect from the future” has the highest mean value of 3.10. Meanwhile, the statement “people who enjoy keeping up with current trends in home decorating” which has the lowest mean in the section with only 2.36.



**Table 4.19: Settlers**

Question	Mean	Standard Deviation
There are too many foreigners in my country.	4.04	0.91
Criminals should be punished with maximum prison sentences to make them learn their lesson.	3.98	0.88

Table 4.19 above is showing the mean value of opinion. After analyzing the mean value of all the statement under this section, the statement “there are too many foreigners in my country” has the highest mean value of 4.04, as compared to the statement of “Criminals should be punished with maximum prison sentences to make them learn their lesson” which has the lowest mean value of 3.98 in the section.

**Table 4.20: Willingness to Pay**

Question	Mean	Standard Deviation
I will continue to consume organic products without affect by the price changes.	3.19	0.88
I am willing to pay a higher price for organic products.	3.19	0.90

In this section, the table 4.20 above is showing the mean value of willingness to pay. Both statements has the same mean value which is 3.19 on “I will continue to consume organic products without affect by the price changes” and “I am willing to pay a higher price for organic products”. Both statements consist of the equal reasons that consumers will continue to buy organic products without affect by the price and they are also willing to pay higher price for organic products.

#### 4.4 Multivariate Analysis

According to the Table 4.21, column labeled R is the value of the multiple correlation coefficients between predictors and outcome. When the predictors are gender, age level 1, income level 1, education level 1, children 1, taste, convenience, labeling, sociable, image, golden, and pioneers, this is a multiple correlation between those predictors and WTP (0.392). The value of  $R^2$  is 0.15, which means that all independent variables accounts for 15 percent of the variation in willingness to pay for organic products. It means there is 15 percent of the variance in the dependent variable is explained by the independent variable in the model.

The value of adjusted  $R^2$  tells us that how well the model in this research. It is better when the value of adjusted  $R^2$  is closer to the value of  $R^2$ . The value of adjusted  $R^2$  is 0.13 while the value of  $R^2$  is 0.15. The differences of 0.02 means that there is 2 percent less variance in the outcome.

Durbin-Watson test give information for the assumption of the independent errors. When the value is closer to two, it means that the assumption has consider been met. In this research, the value of Durbin-Watson is 1.82.

In the Table 4.22, the result shows that the F-ratio is 7.00 with significant level ( $P < 0.000$ ). In conclusion, this shows that the results provided is significantly and can enhanced the research capability to forecast the outcome of variable.

In the Table 4.23, multicollinearity will occurred if the value of VIF more than 10. The result shows that value of VIF is less than 10. There is no multicollinearity in this model.

Below is the equation of WTP in this study:

$$\begin{aligned} \text{WTP} = & 2.12 + (-0.076\text{Taste}) + (0.02\text{Labeling}) + (0.03\text{Convenience}) + (- \\ & 0.04\text{Sociable}) + (0.39\text{Golden}) + (0.07\text{Image}) + (-0.08\text{Settlers}) + (0.41\text{EduLevel1}) \\ & + (0.16\text{AgeLevel1}) + (0.32\text{IncomeLevel1}) + (-0.15\text{ChildrenLevel1}) + (- \\ & 0.06\text{Gender}) \end{aligned}$$

**Table 4.21: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.39	0.15	0.13	1.43	1.82

**Table 4.22: ANOVA Test**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	171.59	12.00	14.30	7.00	0.00
Residual	946.34	463.00	2.04		
Total	1117.93	475.00			

Based on the unstandardized coefficients, it is enable researcher to understand the relationship between independent variables and the outcome. When there is positive unstandardized coefficient, it means there is a positive relationship between independent variables and outcome. Furthermore, unstandardized coefficients provide more information about the degree of the independent variable influence the outcome while all others independent variables being equal.

The independent variable is having a significant contribution to the model when the value of Significant is less than 0.05. The smaller the value of Significant, the greater the independent variable contributes in the model.

**Table 4.23:Coefficients Test**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.12	0.75		2.85	0.01		
Taste	0.76	0.12	0.31	6.49	0.00	0.82	1.22
Labeling	0.02	0.09	0.01	0.18	0.86	0.86	1.17
Convenience	0.03	0.09	0.01	0.29	0.77	0.92	1.08
Sociable	-0.04	0.16	-0.01	-0.28	0.78	0.73	1.37
Golden	0.39	0.11	0.17	3.65	0.00	0.87	1.16
Image	0.07	0.12	0.03	0.60	0.55	0.74	1.35
Settlers	-0.08	0.09	-0.04	-0.89	0.38	0.83	1.21
Edu1	0.41	0.17	0.12	2.42	0.02	0.73	1.38
Age1	0.16	0.19	0.05	0.83	0.41	0.49	2.04
Income1	0.32	0.15	0.10	2.10	0.04	0.77	1.30
Children1	-0.15	0.17	-0.05	-0.86	0.39	0.57	1.75
Gender	-0.06	0.15	-0.02	-0.37	0.71	0.93	1.08

Taste has under standardized coefficients = 0.76, t-value = 6.49,  $p < 0.05$  which indicates that consumers' taste attitude increase by one unit, their willingness to pay for organic products increase 0.76 unit. The Significant value is 0.000 ( $p < 0.05$ ), which is very small, this is most significant while all other variables are held constant.

Labeling and certification has understandandardized coefficients = 0.02, t-value = 0.18,  $p > 0.05$ , the significant value is 0.86, which indicate that this variable is not significant while other variables held constant. It indicates that consumers' labeling and certification attitudes increase one unit, willingness to pay toward organic products will increase 0.02 units, while all other variables held constant.

Convenience of store location has understandandardized coefficients = 0.03, t-value = 0.29, the significant value is 0.78 ( $p > 0.05$ ), which shows this variable is not

significant while all other variables held constant. We understand that when consumers' perceived behavior of convenience of store location increase by one unit, their willingness to pay for organic products will increase by 0.03 units.

Sociable Prospectors has understandardized coefficients = -0.04, t-value = -0.28, value of significant = 0.79 ( $p > 0.05$ ), which indicate this variable is not significant while all other variables held constant. Consumers' sociable prospectors psychographic characteristics increase by one unit, their willingness to pay for organic products will decrease -0.04 units, holding others variables constant.

Golden dreamers has understandardized coefficients = 0.39, t-value = 3.65,  $p < 0.05$  which indicates that consumers' golden dreamers psychographic characteristics increase by one unit, their willingness to pay for organic products increase 0.39 unit. The Significant value is 0.000 ( $p < 0.05$ ), which is very small, this is another most significant variable in this research while all other variables are held constant.

Image conscious has understandardized coefficients = 0.07, t-value = 0.60, value of significant = 0.55 ( $p > 0.05$ ), this variables is not significant in this model. As image conscious increase by one unit, consumers' willingness to pay for organic products increase 0.07 unit, holding others variables constant.

Settlers has understandardized coefficients = -0.08, t-value = -0.89,  $p > 0.05$ , while the value of significant is 0.8, which indicate this variable is not significant while others variables holding constant. The understandardized coefficients give the information to researchers when consumer' settlers psychographic characteristics increase by one unit, their willingness to pay for organic products will decrease 0.08 unit.

Gender (Male) has understandardized coefficients = -0.06, t-value = -0.37,  $p > 0.05$  (0.71), therefore we can concluded that gender is not significant in this model. For the agelevel1, has understandardized coefficients = 0.16, t-value = 0.83,  $p > 0.05$  (0.41), therefore we can concluded that agelevel1 is not significant in this research. Additionally, incomelevel1 has understandardized coefficients = 0.32, t-value = 2.1,  $p < 0.05$  (0.04), therefore we can concluded that incomelevel1

is significant in this model. Educationlevel1 has unstandardized coefficients = 0.41, t-value = 2.42,  $p < 0.05$  (0.02), therefore we can conclude that this variable is significant in this research. On the other hand, childrenlevel1 has unstandardized coefficients = -0.15, t-value = -0.86,  $p > 0.05$  (0.39), therefore we can conclude that childrenlevel1 is not significant.

#### **4.4 Discussion of the Findings**

In this research, the largest parts of the respondents are below 35 where it has 50.8 percent. At the meantime, majority of the respondents were all female with a percentage of 70.2. Following by number of children, majority of the respondents are with children where they have a percentage of 51.7. For the income level, 56.1 percent of the respondents were fall in the income group of below RM3000. As for education level, group Above Tertiary has the highest percentage of 70.2 from the respondents who were currently pursuing or holding Form 6/Pre-University, Diploma/Vocational/Technical, Degree, Master/PhD and others.

Table 4.24 shows the result of the hypothesis in this model. Based on the table below, there are four hypothesis supported ( $H_1$ ,  $H_{4b}$ ,  $H_5$ ,  $H_7$ ) and there are eight hypothesis are not supported ( $H_2, H_3, H_{4a}, H_{4c}, H_{4d}, H_6, H_8, H_9$ )

**Table 4.24: Results of Hypothesis Test**

Hypothesis	Variables	Remarks
H <sub>1</sub>	Taste	Supported
H <sub>2</sub>	Labeling and Certification	Not Supported
H <sub>3</sub>	Convenience of Store Location	Not Supported
H <sub>4a</sub>	Sociable Prospectors	Not Supported
H <sub>4b</sub>	Golden Dreamers	Supported
H <sub>4c</sub>	Image Conscious	Not Supported
H <sub>4d</sub>	Settlers	Not Supported
H <sub>5</sub>	Education Level	Supported
H <sub>6</sub>	Age	Not Supported
H <sub>7</sub>	Income Level	Supported
H <sub>8</sub>	Presence of Children	Not Supported
H <sub>9</sub>	Gender	Not Supported

H<sub>1</sub>: There is a significant positive relationship between taste and willingness to pay for organic products.

H<sub>2</sub>: There is no significant positive relationship between organic labeling and certification and willingness to pay for organic products.

H<sub>3</sub>: There is no significant positive relationship between the convenience of store location and willingness to pay for organic products.

H<sub>4a</sub>: There is no significant positive relationship between sociable prospectors and willingness to pay for organic products.

H<sub>4b</sub>: There is a significant positive relationship organic between golden dreamers and willingness to pay for organic products.

H<sub>4c</sub>: There is no significant positive relationship between image conscious and willingness to pay for organic products.

H<sub>4d</sub>: There is no significant difference among the settlers and willingness to pay for organic products.

H<sub>5</sub>: There is a significant positive relationship between education level and willingness to pay for organic products.

H<sub>6</sub>: There is no significant positive relationship between consumers' age group and willingness to pay for organic products.

H<sub>7</sub>: There is a significant positive relationship between the income level and willingness to pay for organic products.

H<sub>8</sub>: There is no significant positive relationship between presence of children and willingness to pay for organic products.

H<sub>9</sub>: There is no significant positive relationship between male or female and willingness to pay for organic products.



## **CHAPTER 5: CONCLUSION AND RECOMMENDATION**

### **5.0 Introduction**

In chapter 4, Principal Component Analysis has categorized the psychographic characteristics into 4 components and use descriptive analysis, reliability test and logistic regression to analyze the data. This chapter provides recommendations based on the obtained result from previous chapter, and concludes this research paper in order to ensure the result is aligned with objective of the paper.

In addition, this chapter will discuss the limitation, managerial implication and recommendation that could help government, industry and/or for future research in the end of chapter 5.

### **5.1 Managerial Implications and Recommendation**

The objectives of the research are to identify the various motivational factors, psychographic and demographic characteristics that could affect consumers' willingness to pay for organic products. In previous chapter, this research has examined the relationship of 4 types of psychographic characteristics, 3 motivational factors and 5 demographic characteristics toward willingness to pay for organic products. These characteristics and factors are sociable prospectors, golden dreamers, image conscious, settlers, taste, organic labeling and certification, convenience of location, age group, gender, income level, education level and presence of children.

Among these psychographic characteristic, motivational factors and demographic characteristics, 4 independent variables are found to be significant in this research, which are golden dreamer, taste, income level and education level. Golden Dreamers is significant in psychographic characteristics, while the others variables such as sociable prospectors, image conscious and settlers are not significant. In the motivational factors, taste is significant and the labeling and certification and convenience of store location are not significant. In the social

demographic, education level and income level is significant in this model, while the presence of children, age and gender is not significant in this study.

### **5.1.1 Golden Dreamer**

The finding shows that Golden Dreamer is the only psychographic characteristic that has a significant relationship or the strongest impact toward willingness to pay. In the other words, the consumers who are categorized under Golden Dreamer, are more likely agree that they are more willing pay for organic products without affected by change in price. This group of consumers tends to have some expected from future and willing to pursue their interest. Hence, in order to acknowledge consumers and enhance their confidence toward organic products, both government and marketers should cooperate together and keep consumers up to date about the latest or future bio-technology or agriculture technique that can improve the quality and productivity of organic products through social media. For example, new preservation technique is using herbs and berries on meat. Besides that, either government or marketers or both of them can organize some go green activities to stimulate the interest of consumers and encourage consumers to support the organic products.

### **5.1.2 Taste**

Result shows that consumers are willing to pay for organic product are positively affected by taste. Marketers should improve the taste of organic foods and/or provide more choice of taste on organic product in order to attract more consumers to consume organic foods. Marketers also should target on consumers who are demand for tasty foods. Other than that, marketers can promote that organic foods are more nutritional and healthier compare to conventional foods. Many consumers who care about their healthy are willing to consume the foods with more nutrition, so marketers can target them when making market strategy. After that, marketers can emphasize that organic foods without contain pesticides and state that the disadvantage of the foods with contain pesticides. This can give a message to consumers that organic foods are more safety to

consume and contain less health risk. Thus, consumers can consume ease and without any frighten when consume organic foods.

### **5.1.3 Education Level**

In this result, education level is significant that will affect the consumer's willingness to pay for organic products. Education level of consumers has been found as an important determinant to affect consumer's willingness to pay. These were supported by Rodriguez et al (2006). Besides, a household with higher education attainment is significant positive relationship to willingness to pay for organic products (Zhang et al., 2008). As a result, government and marketers can emphasize on information and educate the public regarding the benefits of organic foods. Production of organic foods is care about environmental issue, which is the way agricultural products and grown without pesticides, while for the animals that used to produce meat, eggs and daily products that do not take antibiotics or growth hormones. In addition, marketers can target those consumers whose is care about the environmental issue.

### **5.1.4 Income Level**

One of the factors that is found significant to this research is income level. As the P-value for income level is 0.04, meaning it is still in the boundary of significant level. This implies that income level has a strong relationship towards willingness to pay for organic products. Hence, as more than half of the respondents' income level is below RM3000, this is a problem that would affect their ability to purchase organic products. So, government can take part into this matter by generating a new policy and implement it such as subsidies for agricultural segment for the sake of increase the consumption of organic products. By doing this the price for organic products would be reduced and then the consumers would afford to pay for organic products, ultimately increasing the consumption level in the country.

Other than that, organic wholesaler should consider to reduce the price premium as well in order to attract more consumers without

compromising the values of the organic products itself. This could benefit them to archive large scale of sales by selling at lower price and encourage consumer to buy more. Indirectly, more demand for organic products and less demand for artificial products can bring less harm to the environment as well.

These recommendation and finding are aimed to act as a guideline for government and markets to address their strategies in order to encourage consumer to shift their consumption from conventional products to organic products gradually. Even though there are only 4 independent variables found to be significant, the other variables and characteristics still contribute to certain level of consumer's purchase intention, which government and marketers cannot simply forgo, look into the factors and form the other strategies to increase the purchase intention of consumers toward organic products.

## **5.2 Limitation of Study**

There were several limitations in conducting this research. This research is conducted within the area of Klang Valley which tend to ignore the consumers of the other area in Malaysia. This has constrained the scope of research coverage for this research. The sample size of 476 respondents cannot represent or conclude the whole population in both Klang Valley and Malaysia.

Besides that, since the research will use the non-probability sampling (convenience sampling), the method does not involve random selection which may create selection bias and cannot represent the population. In the other words, the data do not precisely reflect the all the consumers' behavior in making decision of purchasing organic products in Malaysia.

Furthermore, throughout the whole set questionnaire, this paper only uses 16 questions of part D (psychographic profile of respondents) out of 20 because other 4 questions have low Cronbach Alpha Value. Also, only 3 motivational factors of part C are used as independent variable since focus of the study is on

psychographic characteristic. As a result, this has limit the research and causes it unable to be as perfect.

### **5.3 Recommendation for Future Research**

Few recommendations are provided as improvement for future research in this paper.

Since it is impossible to collect the data from whole population of Malaysia, researcher can broaden the coverage to increase the sample size of current and/or other states. This could make the data and result to be more accurate and reliable.

Besides that, the design of questionnaire can add in other language, such as Malay and Chinese, in order to help consumers in better understanding since not everyone is English educated. This idea can help researcher to collect data more efficiently while interviewing respondents who does not have high education in less-developed states.

Lastly, more independent variables could be included into future research to make the result more reliable and precise since the motivational factors, psychographic characteristic and willingness to pay might correlated.

### **5.4 Conclusion**

This research paper aims to examine how the psychographic characteristics of consumer affect the willingness to pay for organic food. Although industry of organic products in Malaysia is growing in recent years, the amount of organic consumer is still considered very less. Consumers of organic products are affected by motivational factors such as taste of organic products, organic labeling and certification and convenience of store location. Besides that, traditional way to identify who is the consumer of organic products is based on the socio-demographic characteristics. However, this measurement could not accurately identify the group of consumers since the different psychographic

characteristics can influence a person's willingness to pay for organic products. Hence, the paper studies about the psychographic characteristic, motivational factors and demographic variables to understand the purchase intention of organic consumers. This could provide a clear dimension for government, marketers and retailers to identify the psychographic profile, motivational factors and demographic profile of consumers, so that they can address their policies and strategies to encourage people to consume organic products.

This paper has finalized 11 independent variables included psychographic characteristics, motivational factors and demographic characteristics after studied several research papers that have been conducted by other researchers. The psychographic characteristics are Social Prospectors, Golden Dreamers, Image Conscious and Settlers; motivational factors are taste of organic products, organic labeling and certification and convenience of store location; while demographic characteristics are age, gender, income level, education level and presence of children. These independent variables are explained and supported by some journals, article and internet information. The data are primary data and being gathered by using non-probability sampling and convenience sampling. Face-to-face and self-administrative are employed to interview respondents and the questionnaire is distributed to 476 respondents within the area of KlangValley. All the respondents are organic consumers since the main focus of this paper is to identify the psychographic characteristic of organic-products consumers.

These data will be processed by Statistical Package of Social Science (SPSS) to run the principal component analysis, descriptive analysis, reliability test and logistic regression analysis.

After data collected from respondents, SPSS software is applied to analyze factor analysis, reliability analysis, descriptive analysis and multivariate analysis. In this research, the majority of the respondents are below 35 where it has 50.8 percent. At the meantime, most of the respondents were all female with a percentage of 70.2 while for the number of children, majority of the respondents are with children where they have a percentage of 51.7. As for the income level, 56.1 percent of the respondents were fall in the income group of below RM3000. On the other hand, education level, group Above Tertiary has the highest

percentage of 70.2 from the respondents who were currently pursuing or holding Form 6/Pre-University, Diploma/Vocational/Technical, Degree, Master/PhD and others. All the variables are reliable because Cronbach's alpha more than 0.6. Furthermore, the entire hypotheses were being tested by multiple regressions by using SPSS software.

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# Appendix A

## Consumer Behaviour of Consuming Organic Products

Serial Number: \_\_\_\_\_

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### PART 1: RESPONDENT BACKGROUND

1.1. What is your age category?

- |             |          |         |                   |
|-------------|----------|---------|-------------------|
| 1. Below 21 | 2. 21-25 | 3.26-30 | 4.31-35           |
| 5. 36-40    | 6. 41-45 | 7.46-50 | 8.More than<br>50 |

1.2. What is your gender?                      1. Male                      2. Female

1.3. What is your race?

1. Malay                      2. Chinese                      3.Indian                      4. Others (Please  
specify):\_\_\_\_\_

1.4. What is your marital status?

1. Single                      2. Currently Married                      3. Others

1.5. How many children in your family?

0. None                      1. \_\_\_\_\_ children

1.6. What is your income level?

- |                  |                  |                   |
|------------------|------------------|-------------------|
| 1. Below RM1000  | 2. RM1001-RM2000 | 3. RM2001-RM3000  |
| 4.RM3001- RM4000 | 5. RM4001-RM5000 | 6. RM5001 & above |

1.7. What is your education background?

- |                            |                                 |
|----------------------------|---------------------------------|
| 1. No schooling            | 2. Primary                      |
| 3. Lower Secondary         | 4. Upper Secondary              |
| 5. Form Six/Pre-university | 6. Diploma/Vocational/Technical |

- 7. Degree
- 8. Master/PhD
- 9. Others (Please specify): \_\_\_\_\_

1.8 What is your current employment status?

- 1. Employed
- 2. Self-employed
- 3. Students
- 4. Housewife
- 5. Retired

## **PART 2: PURCHASING ORGANIC PRODUCTS**

2.1. How long have you been consuming the organic product?

- 1. Still new to the product
- 2. Less than six months
- 3. Six months to one year
- 4. 1 year to 3 years
- 5. 3 year to 5 years
- 5. more than 5 years

2.2. Normally where you will purchase organic product? (*May choose more than ONE*)

- 1. Supermarket/Hypermarket
- 2. Direct-consumer sale (Internet/MLM)
- 3. Specialty Store (organic store)
- 4. Beauty and healthy stores (saloon)
- 5. Pharmacy
- 6. Others (Please Specify): \_\_\_\_\_

2.3. How frequent do you purchase organic product?

- 1. Several times a week
- 2. Once a week
- 3. Several times a month
- 4. Once a month
- 5. Seldom

2.4. How much do you spend on the organic product per month?

- 1. Below RM100
- 2. RM 101-RM300
- 3. RM 301-RM500
- 4. RM 501-RM1,000
- 5. RM,1000 – RM2,000
- 6. More than RM2,000

2.5 Which type of organic products do you usually purchase? (*May choose more than ONE*)

- 1. Organic raw materials/semi-prepared products
- 2. Organic frozen food
- 3. Organic vegetable & fruit products
- 4. Organic health food

5. Organic meat, dairy & seafood products
6. Organic baby food
7. Organic Meal
8. Organic beverages
9. Organically prepared food/convenience products
10. Natural cosmetics and personal care products
11. Organic cotton products
12. Others (Please specify): \_\_\_\_\_

2.6 When the price of conventional vegetable per KG is RM 5.00, all the being equal, what is the **maximum** price premium you will be willing to pay for **organic vegetable**?

- |            |            |                       |
|------------|------------|-----------------------|
| 1. RM 5.50 | 2. RM 6.00 | 3. RM 7.00            |
| 4. RM 8.00 | 5. RM 9.00 | 6. More than RM 10.00 |

2.7 How much premium price for organic products that you willing to pay?

- |        |        |        |        |        |          |
|--------|--------|--------|--------|--------|----------|
| 1. 10% | 2. 20% | 3. 30% | 4. 40% | 5. 50% | 6. > 50% |
|--------|--------|--------|--------|--------|----------|

**PART C: INFLUENCES OF VARIOUS FACTORS TOWARDS  
CONSUMERS' WILLINGNESS TO PAY FOR ORGANIC PRODUCTS.**

*Please circle one option only for following question that best describe your opinion based on the scales provided. Keep in mind that there is no right and wrong answers. I am merely interested in your opinion.*

	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1. I am concerned about the type and amount of nutrition in the food that I consume daily	1	2	3	4	5
2. I am concerned about the presence of food additives	1	2	3	4	5
3. I care about cholesterol and fat I keep a strict diet	1	2	3	4	5
4. I am concerned about how food is processed	1	2	3	4	5
5. Organic food tastes better	1	2	3	4	5
6. Organic products are more nutritional than conventional food.	1	2	3	4	5



	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
7. Organic products are healthier than conventionally grown food.	1	2	3	4	5
8. It frightens me to think that much of the food I eat is contaminated with pesticides	1	2	3	4	5
9. Organic products are more safety to consume and contain less health risk.	1	2	3	4	5
10. Organic food is too expensive.	1	2	3	4	5
11. Only consumers with higher income can afford organic food.	1	2	3	4	5
12. Organic food is beyond my budget.	1	2	3	4	5
13. I will continue to consume organic products without affect by the price changes.	1	2	3	4	5
14. I am willing to pay a higher price for organic products.	1	2	3	4	5
15. Buying organic food is highly inconvenient.	1	2	3	4	5
16. Organic food is only available in limited stores/ markets.	1	2	3	4	5
17. The stores that I frequently shop do not sell a variety of organic food.	1	2	3	4	5
18. Organic label is affecting my willingness to pay for organic products.	1	2	3	4	5
19. I will only purchase organic products with organic certification or organic labeling.	1	2	3	4	5
20. Organic labeling and certification is important for me to recognize organic products.	1	2	3	4	5
21. The government should pay more attention to environmental issues.	1	2	3	4	5
22. I feel I am more environmentally conscious than most people.	1	2	3	4	5
23. I am willing to pay more for a product that is environmentally safe.	1	2	3	4	5
24. I buy organic products because I am concerned about the environment.	1	2	3	4	5
25. Environmental pollution is a serious issue	1	2	3	4	5
26. I am greatly concerned about the harm being done to plant and animal life by pollution.	1	2	3	4	5

	<b>1</b> <b>Strongly Disagree</b>	<b>2</b> <b>Disagree</b>	<b>3</b> <b>Neutral</b>	<b>4</b> <b>Agree</b>	<b>5</b> <b>Strongly Agree</b>
27. Organic food is more environmentally friendly.	1	2	3	4	5
28. Environmental issues have taken into account when making food purchase decision.	1	2	3	4	5
29. I trust that those selling organic food are honest about the organic nature of their products.	1	2	3	4	5
30. I trust that local producers of organic food are practicing organic farming.	1	2	3	4	5
31. I trust the organic certification logo on organic food labels.	1	2	3	4	5
32. I trust the information on organic food labels.	1	2	3	4	5
33. I trust organic products are good for me and my family.	1	2	3	4	5
34. The distribution of benefits across the participants in the agricultural supply chain of organic products (farmers, supermarkets, and the consumer) is fairer as compare to conventional products.	1	2	3	4	5
35. Small farmers will receive the largest benefit from organic food purchase.	1	2	3	4	5
36. Organic products are believed to be more socially responsible.	1	2	3	4	5
37. Organic food is free from genetic modifications.	1	2	3	4	5
38. Organic food does not contain additives and artificial flavoring.	1	2	3	4	5
39. Organic food is free from pesticides.	1	2	3	4	5
40. I'm willing to buy organic food even though choices are limited.	1	2	3	4	5
41. I'm willing to buy organic food because the benefits outweigh the cost.	1	2	3	4	5
42. Buying organic food is the right thing to do even if they cost more.	1	2	3	4	5
43. I don't mind spending more time sourcing for organic food.	1	2	3	4	5
44. I would still buy organic food even though conventional alternatives are on sale.	1	2	3	4	5
45. I will introduce more friends and relatives to purchase organic products.	1	2	3	4	5
46. I will continue to purchase organic products.	1	2	3	4	5

## PART D: PSYCHOGRAPHIC PROFILE OF RESPONDENTS

Please circle one option only for following question that best describe your opinion based on the scales provided.

How do you feel about each of these statements?	Strongly disagree	disagree	Neutral	Agree	Strongly agree
1 I can't bear untidiness in the home.	1	2	3	4	5
2 Bending the rules is OK, just don't get caught.	1	2	3	4	5
3 There are too many foreigners in my country.	1	2	3	4	5
4 Criminals should be punished with maximum prison sentences to make them learn their lesson.	1	2	3	4	5
5 I have little to expect from the future.	1	2	3	4	5
6 You should remain true to your friends.	1	2	3	4	5
7 If I look good, I feel good.	1	2	3	4	5
8 Life is fun.	1	2	3	4	5
9 I don't really care how I look.	1	2	3	4	5
10 It is important for me to be seen to be successful.	1	2	3	4	5

How important are these things in your life?	Not at all Important	Not Very Important	Fairly important	Very important
11 To spend time and effort caring for your appearance.	1	2	3	4
12 To feel that you belong.	1	2	3	4
13 To find out who you are and what you are good at.	1	2	3	4
14 To have lots of possessions.	1	2	3	4
15 To have a large group of friends and neighbours that you can turn to.	1	2	3	4
How similar are you to these kinds of people?	Not at all similar	Slightly similar	Fairly similar	Very similar
16 People who worry about what others may think of them.	1	2	3	4
17 People who enjoy keeping up with current trends in home decorating.	1	2	3	4
18 People who think products don't last as long as they used to.	1	2	3	4
19 People who are excited by new ideas in science and technology.	1	2	3	4
20 People who spend their time improving the appearance of their homes.	1	2	3	4

THANK YOU VERY MUCH FOR YOUR COOPERATION ☺