# THE EFFECTS OF SOURCE CREDIBILITY TOWARDS PURCHASE INTENTION OF ORGANIC FOODS

BY

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DECLARATION

I hereby declare that:

(1) This postgraduate project is the end result of my 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) The word count of this research report is 18,678.

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Date: 14th APRIL 2016

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DEDICATION

To

Mr Mr K.Raja Kumar a/l K.Kathiravelu

Dear supervisor who is supportive and able to guide and lead me to the right path
during the period of this research project.

Universiti Tunku Abdul Rahman (UTAR)

Who giving me the opportunities in order to learn and conduct as a researcher.

Family members and friends

Who are always there to support me no matter easy or hard time. Your supports
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Management and staff of Natural Health Farm (NHF)

For giving me the support and allow the survey conducted in the outlets in Klang
Valley, Malaysia although during the festive season.

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## LIST OF ABBREVIATIONS

| | |
|---|---|
| BSE | Bovine Spongiform Encephalopathy |
| DSM | Department of Statistics Malaysia |
| GMO | Genetically Modified Organisms |
| IFOAM | International Federation of Organic Agriculture Movement |
| SARS | Severe Acute Respiratory Syndrome |
| SPSS | Statistical Package for the Social Sciences |

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PREFACE

Healthy lifestyle has become an increasing trend in Malaysia with the rapid growth of socioeconomic status over the decades. According to a survey commissioned by AIA on the "Hopes and Aspirations of the Middle Class in Malaysia", 68 percent of Malaysians rated being healthy as one of their top life goals. The increased health conscious among Malaysians have made available more health foods in the market.

Despite the increasing health consciousness among Malaysian consumers with greater spending on health products each year; purchase of organic foods relatively low and not given the attention it deserves, i.e. occupied 0.14 percent of total projected sales of health products in 2016.

The prevailing issue of credibility in the marketplace needs to be addressed in order for better acceptance of organic food among Malaysian society. This is because credibility of organic food is easily threatened by fraud and deception.

Credibility is particularly important in organic food systems because there are only marginal visual and sensorial differences between organic and conventionally produced products, and consumers are faced with a substantial price premium which they will only accept if they sources are credible.

Consumers in Malaysia seem to place more faith in the organic produce if they trust the source rather than the certification itself.

# ABSTRACT

The purpose of this research is to study the variables affecting the consumers' intention to buy organic food in Malaysia. The Source Credibility Theory is used to explain this. The study variables include expertise, trustworthiness, availability, affordability, and purchase intention. Survey through questionnaire was used, with the sample containing 422 organic food consumers who situated in Klang Valley, Malaysia. The main analysis method employed is Multiple Linear Regression Analysis by SPSS Statistics 19. The results of the research show that corporate credibility is significant to predict purchase intention. Expertise, trustworthiness, and availability are positively influence purchase intention of organic food. However, affordability is not significant to influence purchase intention of organic food. The implication of the study is able to help the organic food companies to extend the commercial success of organic food without compromising to the standards and values by crafting a more comprehensive marketing mix. This study is believed to enhance the literature gap since not much research emphasize on the effects of source credibility on the purchase intention of organic food.

*Keyword: organic food, source credibility, expertise, trustworthiness, availability, affordability, purchase intention.*

# CHAPTER 1: RESEARCH OVERVIEW

## 1.0   Introduction

The research background describes the issues which extended to interest of study the factors towards purchase intention of organic food in Malaysia. Besides that, this chapter includes the problem statement and extended to research objectives, research questions, significance of the study, layout of the chapter, and ultimately ended by the conclusion of the Chapter 1.

## 1.1   Research Background

Dramatic changes of Malaysian's lifestyles have caused nutrition and health problems, with rapid growth in diabetes, obesity, coronary heart disease, etc. All these are evidenced by the facts that obesity rate in Malaysia is the highest rank in Asia, and slightly dominated by women compared to men, i.e. 49 percent and 44 percent respectively, according to the research done by The Lancet, a British medical journal (The Star Online, 2014). This implies the male population is relatively more physically active than the woman. Also, approximate 8 percent of adult population suffer from diabetes, and this is blamed on physical inactivity as well as high consumption of sugar (Stanton, Emms and Sia, 2011). In 2014, the principle causes of death in Malaysia were the diseases of the circulatory system, respiratory system, and neoplasms (Ministry of Health Malaysia, 2015).

Apart from this, myriad health threats such as the threats from the imported products (melamine-tainted milk product, GMO food product, BSE in imported beef) and viruses (Nipah, SARS, H1N1 flu, Avian flu) have been added to the concerns among Malaysians (Stanton et al., 2011). Also, livestock tainted by antibiotics become hot topic among health conscious group; especially to query about the modern agricultural practices and the quality of foods they consume (The Star Online, 2015).

The seriousness of the problem results in many policies and initiatives launched by the government to support healthy lifestyle and precautions against illness being strengthened. There were variety of campaigns under Country Health Plan (2011-2015), such as stop smoking campaign, healthy lifestyle campaign, health talks, free medical check-ups and campaigns to raise awareness about cancer, heart health, oral health, mental health, sexual and reproductive health (Ministry of Health Malaysia, 2010).

In addition to these government activities, many organisations / corporations had regularly organized health advocacy campaigns, such as the "Love Your Age, Love Your Health" campaign by AMSA (Asian Medical Students' Association Malaysia, n.d.), Healthy Month Healthy Living campaign by Centrum Malaysia (The Star Online, 2012) , Go Green, Stay Healthy Campaign by Malaysian Vegetarian Society (Malaysian Vegetarian Society, n.d.), and other wellness campaigns run by hospitals, NGOs, as well as some commercial entities (Stanton et al., 2011). Therefore, Malaysians are basically well-informed, when it relates to healthcare and nutrition issues.

The results from the increasing of health concerns among the well-informed Malaysian has been the main driving force of increased the purchase of nutraceuticals, functional foods, and organic foods (Stanton et al., 2011). Obviously, the trends of food market directed to a greater share of value-based spending indicating a need for goods that deliver decency, health and meaning for consumers.

According to the data provided by the trade sources in the wellness and health sector, within the market size of food and beverage which was predicted to be valued at more than RM30 billion, the market size of nutraceutical was estimated around RM3.7 billion, whereas organic food's market was valued just around RM150 million at retail (Stanton et al., 2011). In reality, there is a potential and ample room for the growth of organic food in Malaysia because this is considered a niche market that equivalent to less than 1 percent of the whole food and beverage market in the country.

According to Ibrahim, Razak, Shariff, Abas and Ruslan (2013) and Zhen (2013), the development of organic food's market is still at the early stage in Malaysia and it was nearly not exist before the year 2000 (Stanton et al., 2011). So it would be fascinating to conduct a research to the factors that have an impact on consumers' behavioral intention to consume of organic food in the developing countries like Malaysia.

## 1.2    Problem Statement

With the fast growth of socioeconomic status for the past decades, pursuing of healthy lifestyle becomes a growing trend in Malaysia. According to a research conducted by AIA (2014) on the "Hopes and Aspirations of the Middle Class in Malaysia", over 68 percent or two-thirds of Malaysian considers staying healthy is one of their utmost life goals. The increasing of **health conscious** among Malaysians has made variety of **health foods** available in the market.

According to Dictionary.com Unabridged (n.d.), **health food** defined as "any natural foods commonly known to sustain or promote good health, as being grown free of the use of pesticides, containing important nutrients, or having a low fat or sodium content". However, The American Heritage® Stedman's Medical Dictionary (n.d.) defined **health food** as "a food believed to be very beneficial to someone's health, specifically a food grown organically and without chemical additives".

**Health conscious** individuals are care about stress, fitness, nutrition, and their environment (Kraft and Goodell, 1993). Also, many empirical studies show that health conscious is one of the factors that positively affect purchase intention of organic food (Hsu, Chang, and Lin, 2016; Kavaliauske and Ubartaite, 2014; Pomsanam, Napompech and Suwanmaneepong, 2014; Salleh, Ali, Harun, Jalil and Shaharudin, 2010; Shaharuddin, Pani, Mansor and Elias, 2010; Shamsollahi, Chong and Nahid, 2013; Wen and Li, 2013; Yadav and Pathak; 2016).

Organic foods exactly the way produced by using techniques that preserve the mother nature and preclude most of synthetic materials, such as growth hormones, antibiotics, chemical fertilizers, pesticides, etc. (Paul and Rana, 2012). The scientists have empirically proven organic foods are more nutritious (Baranski, Srednicka-Tober, Volakakis, Seal, Sanderson, Stewart, Benbrook, Biavati, Markellou, Giotis, Gromadzka-Ostrowska, Rembialkowska, Skwarlo-Sonta, Tahvonen, Janovska, Niggli, Nicot and Leifert, 2014; Benbrook, Zhao, Yánez, Davies and Andrews, 2008; Crinnion, 2010) and improve health outcomes (Chhabra, Kolli, and Bauer, 2013; Crinnion, 2010; Johansson, Hussain, Kuktaite, Andersson, and Olsson, 2014). In addition, the Department of Agriculture and Agri-Food Canada (2014) also includes organic food as one of the health and wellness products.

In spite of the growing health awareness among Malaysian with greater expenditure on health products every year; purchase of organic food considered relatively low and not getting the attention it deserves, compared to functional food and nutracuetical products i.e. occupied 0.14 percent of total projected sales of health products in 2016 (Agriculture and Agri-Food Canada, 2014).

In response to this problem, the study proposes to investigate several factors which influence the purchase intention of organic food among the consumers in the said country. Prior to determine the factors used in this research, the study plans to review the empirical studies of purchase intention of organic food and the current issues that are deemed to hinder the growth of the sector.

Many factors have been studied which related to purchase intension of organic foods, such as **health conscious, environmental concern** (Salleh et al., 2010; Shamsollahi et al., 2013; Pomsanam et al., 2014; Yadav and Pathak; 2016), **perceived value** (Ahmad and Juhdi, 2010; Shaharudin et al., 2010; Shamsollahi et al, 2013), **attitude** (Chen, 2007; Pomsanam et al., 2014; Yadav and Pathak; 2016; Yazdanpanah and Forouzani, 2015), **subjective norm** (Chen, 2007; Pomsanam et al., 2014; Yadav and Pathak; 2016; Yazdanpanah and Forouzani, 2015), **perceived behavioral control** (Chen, 2007; Pomsanam et al., 2014; Yadav and

Pathak; 2016; Yazdanpanah and Forouzani, 2015), etc. However there are still paucity of empirical studies of source credibility which examine the effects of expertise and trustworthiness of the source towards purchase intention of organic foods.

Consumers in Malaysia apparently to put more confidence in the organic product if they trust the source instead of the certification itself (Zhen, 2013). Credibility is exceptionally vital in organic food systems since there are barely marginal sensorial and visual differences between conventionally and organically grown products, so it needs consumers to trust in suppliers' quality assertions (Thorsøe, 2015). On one hand, you have a conventionally grown apple; on the other hand, you have one that is organic farming. Both apples are red, shiny and firm. Both provide fibre and vitamins, and both are without cholesterol, sodium and fat. Hence, credibility of the organic foods is vulnerable to deception and fraud. Furthermore, the cost of production of organic food is more expensive than conventional food; subsequently consumers will face substantial price premium and they will accept if the sources are deemed credible (Smed, Andersen, Kaergard, and Daugbjerg, 2013). In order to increase acceptance and popularity of organic food in Malaysia, the prevailing issue of credibility in the marketplace must be solved.

In addition, affordability and availability also need to be examined for current situation. After implementation of 6 percent goods and service tax (GST), the market is very challenging and shows signals of slowing down, and weakening of Malaysian Ringgit has resulted the price of imported goods increased by 15 – 30 percent (Radiant Code Sdn. Bhd., 2015). Availability of organic food also not scattered evenly across geographical boundaries of Malaysia, according to Stanton et al. (2011), over 65 percent or two-thirds of the organic food market is centralized in the Klang Valley zone, roughly 15 percent under the conurbation of Johor Bahru (which consists shoppers from Singapore), and approximately 10 percent in Penang, and the remaining of organic food market dispersed to the other large towns and cities across Malaysia.

## 1.3    Research Objectives

Aiming at this problem, the objectives of this study are:

### 1.3.1  General Objective

To investigate the factors that influence purchase intention of organic food among consumers in Malaysia.

### 1.3.2  Specific Objectives

- To investigate whether the corporate's perceived expertise will influence the purchase intention of organic food.
- To investigate whether the corporate's perceived trustworthiness will influence the purchase intention of organic food.
- To investigate whether the availability will influence the purchase intention of organic food.
- To investigate whether the affordability will influence the purchase intention of organic food.
- To investigate whether the four independent variables (expertise, trustworthiness, availability, and affordability) are significant explain the variance in purchase intention of organic food.

## 1.4    Research Questions

Several questions are developed according to the research objectives as stated below:

### 1.4.1 General Question

What factors will influence purchase intention of organic food among consumer in Malaysia?

### 1.4.2 Specific Questions

- Does the corporate's perceived expertise influence purchase intention of organic food?
- Does the corporate's perceived trustworthiness influence purchase intention of organic food?
- Does availability influence purchase intention of organic food?
- Does affordability influence purchase intention of organic food?
- Does the four independent variables (expertise, trustworthiness, availability, and affordability) are significant explain the variance in purchase intention of organic food?

## 1.5   Significance of the Study

Certainly, the completion of this research will contribute to several parties, such as:

### 1.5.1 Government

In Malaysia, there is still lack of efforts and advocacy in the organic food industry and hopefully it will facilitate and help the government attempt to enhance the popularity of organic food among all Malaysian irrespective their ages in order to boost their quality of health and life and consequently improve the organic agriculture sector. It provides references to the

policymakers to set up guidelines related to improve credibility of sources in Malaysia's market.

## 1.5.2 Organic Farming Business Entrepreneurs / Marketers

Undoubtedly, the entrepreneurs and marketers of organic food business will enjoy the most benefit, because the nature of this study is to investigate the relationship between behavioral intention and psychographic factors among consumers. The obstacles and challenges in order to raise popularity of organic food perhaps can be solved by understanding the underlying factors influence their purchase intention. In addition, it will provide insights to them to target the correct potential organic food consumers and further increase their sales and market size. Besides, it can also help these companies to extend the commercial success of organic food without compromising to the standards and values by crafting a more comprehensive marketing mix.

## 1.5.3 Consumers / Potential Consumers

Organic food consumers and potential organic food consumers are certainly the other parties who will be benefited by the dedication of this research. The ultimate goal of this research is to promote an alternative choice (organic foods) to the consumers to consume the health products. When there are more credible sources exist in the marketplace, the risks of consumers to purchase the inferior quality organic foods will be lesser.

## 1.5.4 Researchers

In Malaysia, not many studies look into the organic food, inter alia, investigate effects of source credibility. Through this empirical research,

hopefully it will provide a contribution that enriched the knowledge of consumers' purchase intention towards organic food. Therefore, the focus point of this study is to produce supportive data about the factors influencing consumers' intention to purchase organic food by using different dimensions, i.e. expertise, trustworthiness, availability and affordability as the independent variables. The results will be used as the guidance or reference for the relevant researchers in their forthcoming studies.

# 1.6   Chapter Layout

This study comprises of five chapters.

Chapter 1: The first chapter is started by discussion of the chosen topic in general, hereafter development of the problem statement through identify the symptoms existed in the interested area, and ending with the research gap which extended to generate the  research objectives and research questions. Subsequently, benefits of this research are provided to the interested parties.

Chapter 2: Since this is deductive inference research, the chapter aims to review the relevant theories and conceptual models from literatures which extended to develop proposed theoretical framework and subsequently there are 5 hypotheses are derived from the empirical results.

Chapter 3: In order to reach the objectives of the study, this chapter presents the research methodology which consists of research design, data collection methods, sampling design, research instrument, data processing and ending with data analysis.

Chapter 4: Raw data which were collected by the researcher through the questionnaire survey were analyzed by descriptive and inferential analyses and the results are comprehensively interpreted in this chapter.

Chapter 5: The final chapter consists of discussion of the findings and generates academic contributions to the body of knowledge, provide applicable managerial implications which are according to the results obtained, discuss the constraints of the research and suggest of improvement for forthcoming studies.

## 1.7   Conclusion

The issue had been explained and narrowed down systematically in the research background, and the questions and objectives of the study have been developed through reviews the literatures related to the business problem that to be addressed. Hopefully, the managerial implications at the end of the study will be benefited to the several interested parties.

# CHAPTER 2: LITERATURE REVIEW

## 2.0 Introduction

This stage intended to explore the relevant theories and conceptual models from previous researches which related to the area of purchase intention and the source credibility. The purposes of literature reviews are:

- To provide deep understanding and insights into the research topic.
- To deductively construct the new and improved conceptual framework.
- To develop the hypotheses.
- To achieve higher degree of validity.

## 2.1 Review of the Literature

The below sub-chapters introduce and explain the relevant theories and followed by the variables which related to the topic of this study.

### 2.1.1 The Purchasing Process Theory

Frambach, Roest, and Krishnan's (2007) purchasing process theory comprises three stages: i.e. pre-purchase, purchase, and post-purchase. However, this study focuses only on the pre-purchase stage.

Basically, there are three steps exist during the pre-purchase stage, i.e. need recognition, followed by information search, and finally evaluation of alternatives (Chaovalit, 2014). The first step is need recognition. A need is recognized whenever a person perceives a difference between a current state and a desired state (Babin and Harris, 2015). When a person runs out

of food, a need is recognised. According to Chaovalit (2014), the need can be stimulated internally (sex desired, thirst, starving, etc.) and externally (discussion among friends, billboard advertisement, posters, etc.).

After the need is recognized, the person starts to search information of the interested product via various channels. These include personal sources (neighbours, friends, family members, etc.), commercial sources (point-of-sale displays, packaging, dealers, retailers, salespeople, advertising, etc.), public sources (specialist magazines, consumer organisations, television, radio, newspaper, etc.), or experiential sources (examining, handling, and using the product). The influence and usefulness of these sources of information will differ by individual and by product (Miller and Washington, 2009).

Information search initiates the evaluation of discovered alternatives. In this stage, the person will select within the alternative services, products, or brands. Each option will be evaluated before making of the decision (Miller and Washington, 2009).

### 2.1.1.1 Purchase Intention (DV)

Individual's intention is defined to capture the stimuli that influence an individual's resistance to perform the particular behaviour (Zhen and Mansori, 2012). According to Ajzen who has developed the Theory of Planned Behaviour in 1991, purchase intention is recognized as the best predictor of purchase behaviour. It implies an individual's purchase intention to an interested product after satisfy with the evaluation (Laroche and Sadokierski, 1994; Laroche, Kim, and Zhou, 1996; MacKenzie, Lutz, and Belch, 1986).

Purchase intention also used to determine the willingness to purchase a good which stimulated by the external factors (Dodds,

William, and Grewal, 1991). Prior to purchase, a person normally search the relevant information based on their own experience in order to evaluate the product by comparison and judgement among alternatives (Wen and Li, 2013). This means that the sales of a company can be predicted through marketing survey of purchase intention of targeted population.

## 2.1.2 Source Credibility Theory

The idea of credibility is one of the interested topics among the practitioners and scholars in advertising and marketing fields. Many scholars (Başgoze and Ozer, 2012; Gaied and Rached, 2010; Goldsmith, Lafferty and Newell, 2000; Li, Wang and Yang, 2011; O'Mahony and Meenaghan, 1997; Sertoglu, Catli and Korkmaz, 2014; Sheeraz, Iqbal and Ahmed, 2012; Vanasuntakul, 2008; Wang and Yang, 2010) have proved that credibility of a communicator bring significant impact on the purchase intention. Simply to say, the sources which are perceived very credible will generate someone's intention to purchase a product.

A source can be a corporation or a person whereas credibility is interpreted as perceived trustworthiness and expertise (Hovland and Weiss, 1951). The theory of source credibility as proposed by Hovland, Janis and Kelly (1953) asserts that receivers or people are very likely to be convinced when the source demonstrates itself as credible. Ohanian (1990) concludes source credibility is a terminology generally used to indicate a source's positive characteristics that have an impact on the receiver's acceptance of a message. Basically, credibility plays a crucial role to form a person's perceptions of information provided by the source.

There are numerous scholars investigated source credibility where the source is referred to celebrity, endorser, or other individual conveying a message (Gaied and Rached, 2010; Ohanian, 1990; O'Mahony and

Meenaghan, 1997, Sertoglu, et al., 2014). In contrast, the corporate credibility, where a company that provides services or selling products is deemed as a source of communication, has received less attention in marketing research.

### 2.1.2.1 Corporate Credibility

Corporate credibility is to what extent an individual perceives a company's expertise and trustworthiness (Goldsmith, et al., 2000). Obviously, it is the degree to which an individual feels that the company has the ability or knowledge regarding to the products sold and whether the information originated from the company can be trusted or not (Newell and Goldsmith, 2001). Therefore, corporate credibility plays a vital role to influence consumers' buying intention (Lafferty, Goldsmith and Newell, 2002).

According to Fombrun (1996), a company's credibility can be threatened if it is suspected and involved in any fraudulent manner such as selling inferior or hazardous products, or against to any legal or ethical norms (as cited in Lafferty et al., 2002). LaBarbera's study proposes a company has a problem with trustworthiness and expertise is considered deficiency of credibility which is possible to affect its reputation and subsequently influence people to respond adversely against the delivered message (as cited in Newell and Goldsmith, 2001).

Wiener and Moven's (1985) study has discovered trustworthiness and expertise are not depend to each other to influence persuasion, that means a non-expertise sources can be persuasive if they are trustworthy enough, and non-trustworthiness sources can be persuasive too if they are perceived as well expertise.

Despite of **trustworthiness** and **expertise** have been consistently included in the idea of source credibility, another one element of the construct also has been introduced. McGuire (1958) initiates to propose attractiveness as an additional dimension of source credibility. This is especially when credibility of source is referred to a person who delivers information, this tri-dimension model of trustworthiness, expertise, and attractiveness provides very good empirical and theoretical sense. According to Stanciu (2014), corporate's attractiveness is referred to the availability (geographical distribution and a wide variety of products) and affordable prices. **Availability** and **affordability** play very important roles to prevent consumers switch their intention to purchase to other substitute products.

### 2.1.2.2 Expertise (IV 1)

Expertise is defined as "to what extend the assertions from a communicator is perceived valid" (Hovland, et al., 1953). The source has the ability to make these statements (Hovland and Weiss 1951). According to Sheeraz, et al (2012), expertise is the degree of an entity possesses skills and in-depth knowledge regarding the issues related to products or services provided.

According to the persuasive communication studies which examined expertise of the source, generally demonstrates that the communicator which perceived expert enough has a positive impact to change in attitude. Crano (1970) through experiment manipulated the attribute of expertise and discovered that individuals who contacted with more expert source tend to agree with the advocated position than those contacted with lower expert source. In the sales context, the study shows that the expert salesperson significantly generated higher number of customers to

purchase the product than the inexpert salesperson (Woodside and Devenport, 1974).

There is no doubt that expertise is an important element for a source to possess. A major study of source effects has showed that expertise has the highest contribution to influence the consumers' response to the advertisements (Wilson and Sherrell, 1993).

### 2.1.2.3 Trustworthiness (IV 2)

Trustworthiness is basically deemed as the main attribute underlying source credibility (Friedman and Friedman, 1979). Trustworthiness is defined as the confidence level of the communicator who intends to convey the information that he/she believes the most valid (Hovland, et al., 1953). On the contrary, Ohanian's (1990) definition of trustworthiness is the paradigm of trust which it is referred to the confidence and acceptance level of the receiver against the communicator and the messages delivered during the communication process. Trustworthiness defined by Sheeraz, et al. (2012) is how reliable or honest of the entity which delivers the information is perceived.

Many past researches demonstrate the results regarding the entity's trustworthiness have a positive impact to change someone's attitude. For example, Hovland and Weiss's (1951) study suggests the views were changed straightway to a significantly higher level after the subjects were involved in the communication process which advocated by the researcher where initially the information presented from untrustworthy source to trustworthy source. It implies the resistance to accept the information is negatively associated with the trustworthiness of the source. Miller and Baseheart's (1969) study showed that if the source is perceived to be highly trustworthy, the delivered message is more effective in

producing attitude changed if compared to the message delivered by the untrustworthy source. As a conclusion, to obtain an effective communication between two parties, the source must be perceived as trustworthy as possible.

### 2.1.2.4 Availability (IV 3)

Availability is defined as the goods are readily available (Magnusson, Arvola, Hursti, Aberg and Sjoden, 2001). It means that whether the buyers are difficult or easily to acquire the interested product. Even though the intention or motivation is high, but it is unlikely to convert the intention into actual behaviour as a result of low availability (Vermeir and Verbeke, 2004). The shortage of availability is a barrier for consuming organic food products and it is certainly not under consumers' control (Tarkiainen and Sundqvist, 2005). In the marketing concept, supply chain or distribution channels play an important role to determine whether the organic foods are easily available to the consumers (Zhen and Mansori, 2012).

### 2.1.2.5 Affordability (IV 4)

The traditional definition of affordability is concerns about the capability to purchase a product without severe harm to the capacity for action (Voon, Ngui and Agrawal, 2011). Meanwhile, Aertsens, Verbeke, Mondelaers, and Huylenbroeck (2009) stated that affordability is the ability to purchase the good in terms of earnings. In common sense, affordability is closely linked with the selling price of a good as well as the financial income. Higher price can be a barrier to purchase organic food, specifically for those lower income group consumers due to a trade-off between

purchase organic foods or spend money on personal utilities (Tarkiainen and Sundqvist, 2005). Therefore, the degree of affordability seems to be a factor to influence purchase intention (Vongmahadlek, 2012).

## 2.2 Review of Relevant Theoretical Models

There are five variables have been identified, i.e. expertise, trustworthiness, availability, and affordability are assigned as independent variables whereas purchase intention is the dependant variable. An investigation of relationship between variables used in previous researches will aid the present researcher to construct the new theoretical or conceptual model.

### 2.2.1  1$^{st}$ Relevant Theoretical Model

Figure 2.1: Theoretical Model by Vanasuntakul (2008)
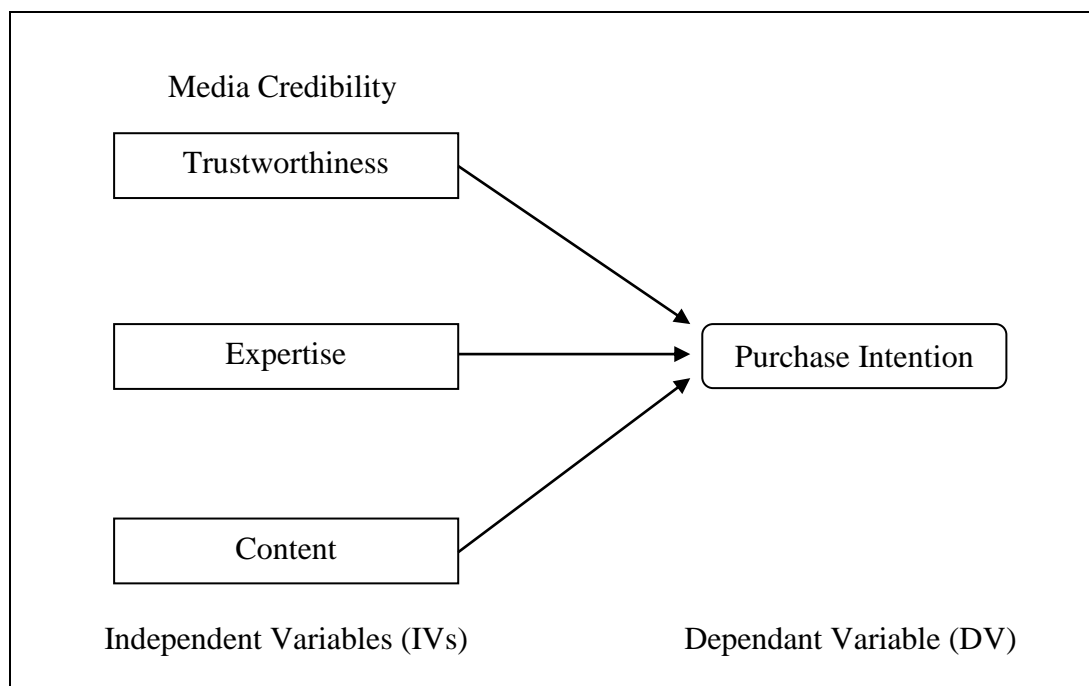


Source: Vanasuntakul, R. (2008). The relationship between consumers' perception of media credibility and purchase intention: a case study of the Bangkok Post newspaper. *AU Journal of Management*, *6*(1), 52–61.

The study performed by Vanasuntakul (2008) from Bangkok, Thailand was investigating the relationship between individuals' perception of media credibility (trustworthiness, expertise and content) and buying intention of newspaper. Source Credibility Theory was employed as a foundation to develop the hypotheses. The targeted respondents are those potential subscribers of Bangkok Post newspaper (working professionals, students, and general public) and data were collected through self-administered questionnaire.

The results show that media credibility has significant positive relationship with purchase intention. The flaw of this study is the researcher applied descriptive analysis (mean scoring of the variables) for hypotheses testing. In fact, inferential analysis such as Pearson's correlation analysis is deemed more appropriate to gauge the relationship between two variables which are without causal effect (McDaniel and Gates, 2013).

## 2.2.2  2<sup>nd</sup> Relevant Theoretical Model

Figure 2.2: Theoretical Model by Chaovalit (2014)
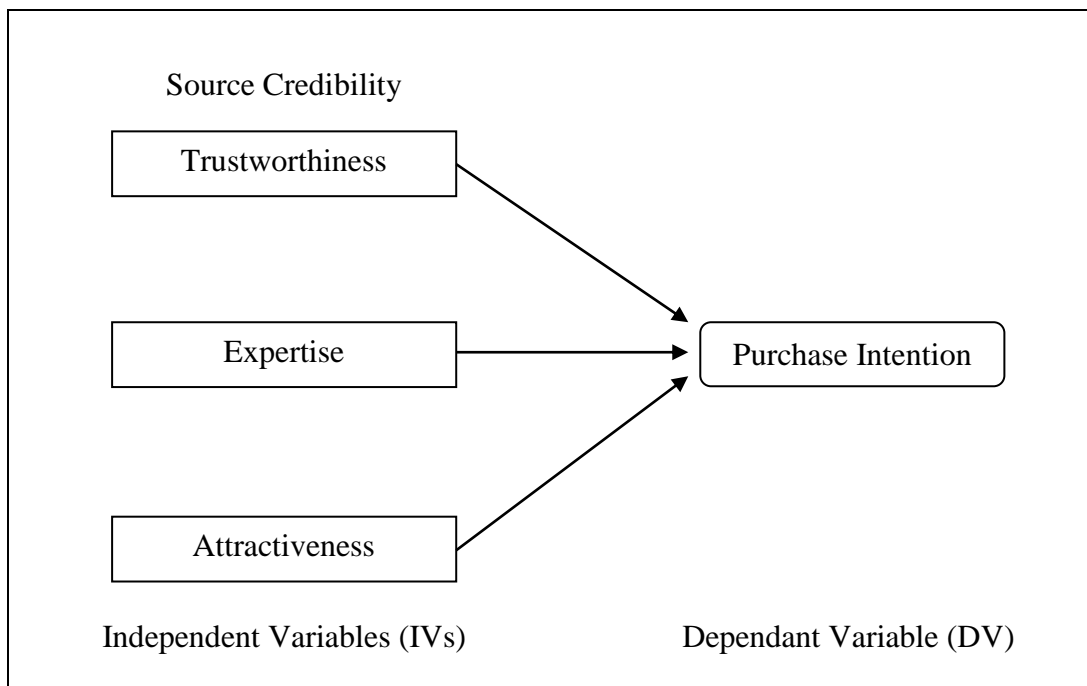


Source: Chaovalit, P. (2014). Factors influencing cosmetics purchase intention in Thailand : A study on the relationship of credibility and reputation with the persuasive capabilities of beauty bloggers. *AU-GSB E-Journal*, *Vol. 7*(1), 34–42.

The study performed by Chaovalit (2014) from Bangkok, Thailand was investigating the effects of source credibility on the purchase intention of cosmetic products in Thailand. The credibility dimensions according to Ohanian's Source Credibility Theory are trustworthiness, expertise, and attractiveness. The targeted respondents are those with experience reading Thai beauty blogs and in the age range 20 – 50 years old and data were collected through self-administered questionnaire.

The results show that there are significant positive relationship between source credibility and purchase intention. The flaw of this research is the researcher shall perform multiple linear regression analysis after the Pearson's correlation analysis. Multiple linear regression analysis is used in a situation where multiple independent variables are hypothesized to

affect one dependent variable and these variables are measured in metric scale (interval/ratio scale) (McDaniel and Gates, 2013).

## 2.2.3  3rd Relevant Theoretical Model

Figure 2.3: Theoretical Model by Zhen and Mansori (2012)
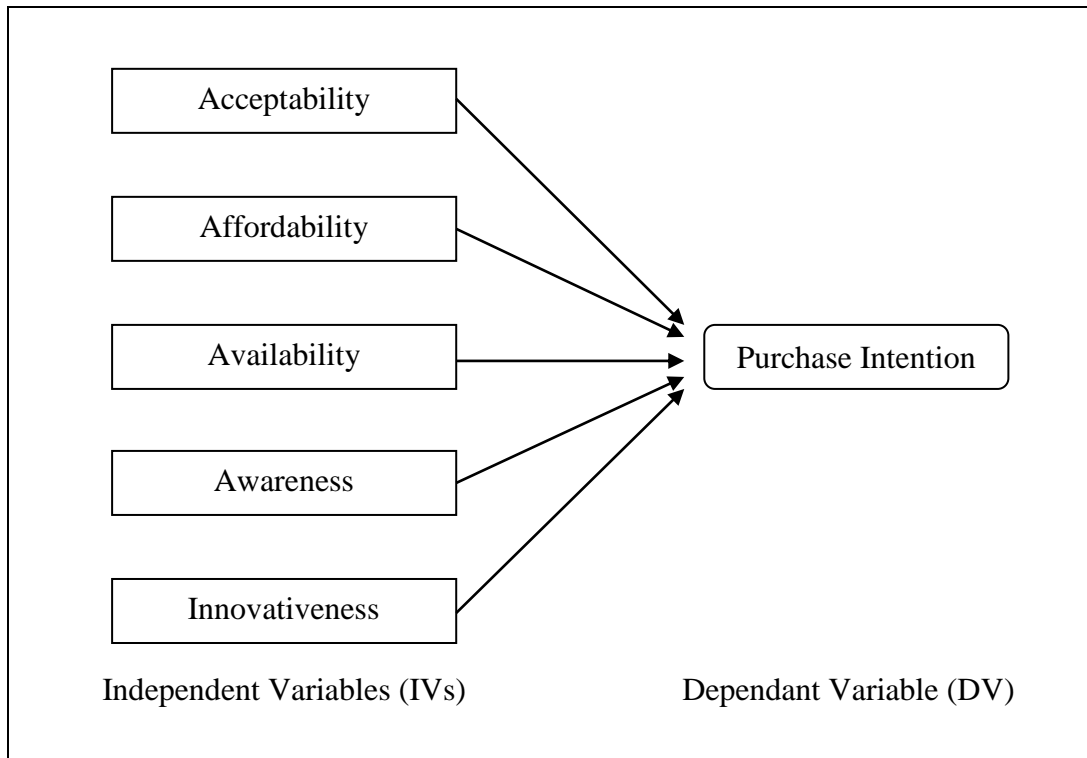


Source: Zhen, J. S. S., & Mansori, S. (2012). Young female motivations for purchase of organic food in Malaysia. *International Journal of Contemporary Business Studies*, *3*(5), 61–72.

The study conducted by Zhen and Mansori (2012) was to investigate the effects of acceptability, affordability, availability, awareness, and consumer innovativeness on the purchase intention of organic food in Malaysia. Diffusion of Innovations Theory and Theory of Planned Behaviour were employed for deductive reasoning. 145 questionnaires were collected from the female respondents in the age range of 20 – 30 years old and situated in Klang Valley area based on convenience sampling. From the multiple linear regression analysis, findings show that

acceptability, affordability, and awareness are the major factors to influence consumers' purchase intention of organic food.

## 2.3 Proposed Theoretical Framework

Figure 2.4: The Proposed Theoretical Framework



Independent Variables (IVs)                    Dependant Variable (DV)
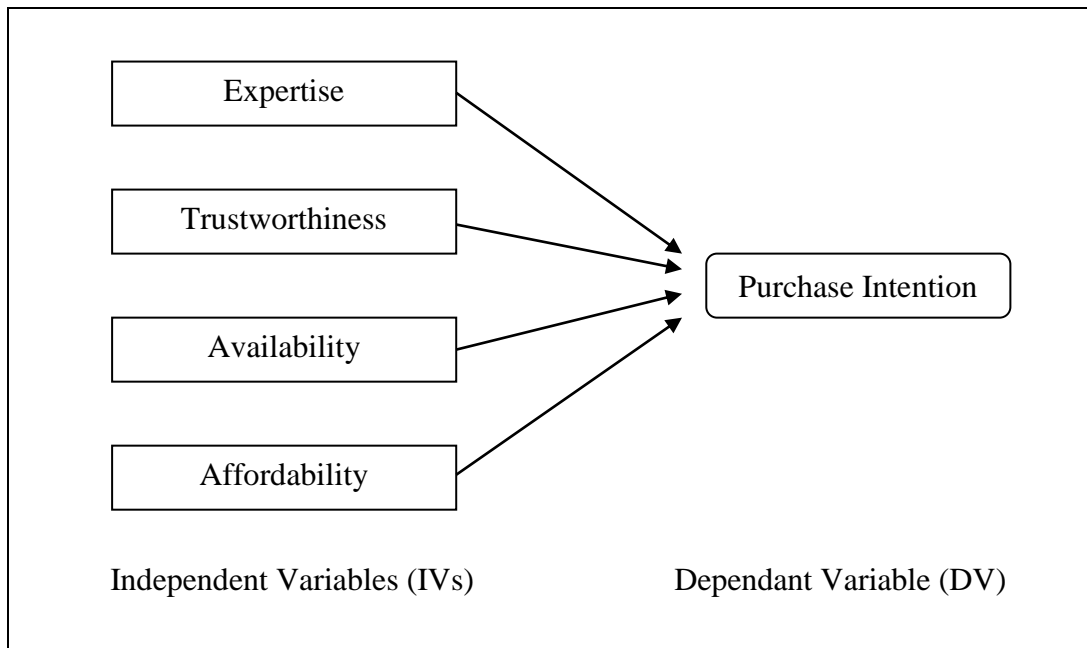
Source: Developed for the research

In this research, the principle objective is to examine the effects of source credibility on the purchase intention of organic food.

The Purchasing Process Theory and The Source Credibility Theory are adopted to support the study and as the groundwork to develop a theoretical framework which is depicted in Figure 2.4. By crafting this conceptual framework, the relationship between different variables are articulated and illustrated. On the left hand side of the skeleton, corporate credibility is operationalized in four dimensions which are composed of expertise, trustworthiness, availability and affordability. Expertise, trustworthiness, affordability and availability have been designated as independent variables whereas purchase intention toward organic food as the dependent variable.

## 2.4　Hypotheses Development

First and foremost, the present researcher would like to see how much variance of purchase intention of organic food is able to be explained by the corporate credibility (the four independent variables) because according to Basgoze and Ozer (2012) and Li, et al. (2011), the source credibility is significant to explain the variance in purchase intention in their respective studies. Therefore, the following first alternate hypothesis is proposed:

$H1_a$: The four independent variables (expertise, trustworthiness, availability, and affordability) are significant to explain the variance in purchase intention towards organic food.

Next, the present researcher also would like to know in the end the capability of each individually predictor (independent variable) to predict the dependent variable. Expertise and trustworthiness have been empirically proven to positively affect purchase intention of different products or services. For example, perception of media's expertise and trustworthiness are positively correlated with purchase intention toward the Bangkok Post newspaper (Vanasuntakul, 2008). A recent study by Chaovalit (2014) who had investigated the beauty blogger's perceived expertise and trustworthiness have positive impact on the purchase intention toward cosmetic products in Thailand. In addition, the consumer's perception of created spokesperson and celebrity endorser's expertise and trustworthiness also positively influence intention to purchase (Sertoglu, et al., 2014). Thus, the following second and third alternate hypotheses are proposed:

$H2_a$: The corporate's perceived expertise positively influence the purchase intention of organic food.

$H3_a$: The corporate's perceived trustworthiness positively influence the purchase intention of organic food.

The conclusion from the several past studies state that low availability of organic food in hypermarket's store or in shops is considered as barrier to public to acquire it (Beardworth, Brynan, Keil, Goode, Haslam, and Lancashire, 2002; Davies, Titterington, and Cochrane, 1995). Vermeir and Verbeke (2006) and Vongmahadlek (2012) have concluded that low availability of organic food explains why intention to purchase remained unfavourable. Even the individuals show intention to purchase the organic food, but they cannot conveniently acquire the organic food in daily life. In other words, high availability or without difficulty to acquire the organic food generate high degree of intention to purchase. Thus, the following fourth alternate hypothesis is proposed:

H4$_a$: The availability positively influence the purchase intention of organic food.

The previous behavioural studies on purchase of organic food show that the premium price is the most important factor for not consuming organic food (McEachern and McClean, 2002; McEachern and Willock, 2004; Tregear, Dent, and McGregor, 1994; Magnusson, et al., 2001). Shepherd, Magnusson, and Sjoden (1996) also agrees that higher price is an obstacle for those lower income consumers to purchase organic food. Hughner, McDonagh, Prothero, Shultz, and Stanton (2007) support that purchase of organic food is negatively affected by the price. In contrast, this indicates that the affordability leads the consumers to have positive behavioural intention to purchase organic food. Studies by Vongmahadlek (2012) and Zhen and Mansori (2012) have discovered that affordability is positively influence consumer purchase intention towards organic food in Thailand and Malaysia respectively. Thus, the following fifth alternate hypothesis is proposed:

H5$_a$: The affordability positively influence the purchase intention of organic food.

## 2.5    Conclusion

The non-dependent variables and dependent variable have been identified and illustrated in the proposed conceptual model along with five hypotheses are developed through comprehensive review of past researches. In the following chapter, the research methodology will be designed and discussed towards the objectives of the study.

# CHAPTER 3: METHODOLOGY

## 3.0 Introduction

This part aims to describe the steps involved in executing the research, started from research design, to data collection methods, sampling design, research instrument, constructs measurement, data processing, and data analysis. By defining the scope of research methods in an unambiguous and systematic way, the implementation of the study would be more organized and the validity could be maximized, which is very critical to obtain the results that are generalizable and closed to reality.

## 3.1 Research Design

Design of research lays the foundation for implementing the research. It comes up with systematic guidelines to gather and analyse the collected data. A well-designed research ensures the relevancy of the primary data thus facilitates researcher to address the research problem with constraint of resources.

Since the ultimate objective of this study is to examine the causal effects between consumer's perception of corporate credibility (expertise, trustworthiness, availability, and affordability) and purchase intention within the context of organic food, therefore the study is designed according to deductive reasoning which applies the general theories (Purchase Intention Theory, Source Credibility Theory) to generate the ideas and hypotheses followed by apply quantitative techniques to draw the conclusion.

## 3.2 Data Collection Methods

To solve the current problem accurately, first-hand information or primary data were obtained through distributed the self-administered questionnaires. The survey was conducted from 3$^{rd}$ January 2016 to 24$^{th}$ January 2016 and the respondents were requested to respond entire questions in the questionnaire and return back immediately to the researcher.

## 3.3 Sampling Design

Sampling is the process of selecting an adequate number of elements in a defined population and thereby results from analysing the sample are generalizable to the population. Basically, there are 5 steps involved in the sampling design which consist of identify the target population, determine sampling frame and location, deciding the sampling elements, choosing sampling approach and finally determining the size of sample.

### 3.3.1 Target Population

Because of scarcity of fund as well as time constraint, the targeted population for this study is the organic food users who live in Klang Valley, Malaysia. Klang Valley is deemed appropriate because over 65 percent or two-thirds of the organic food businesses are concentrated in this area (Stanton et al., 2011) and the consumers have many sources to choose in this highly competitive business area and source credibility may be is one of the factors to make the purchase decision.

### 3.3.2 Sampling Frame and Sampling Location

There are lack of efforts to develop the sampling frame (a list of every organic food users in the target population) by the researchers because basically they are more interested to study the market share of organic food which is measured in projected sales. The sampling locations are in the organic food outlets because it is easier to approach to the organic food consumers / shoppers.

Prior to conduct the survey, the business proposals were sent to the organic food outlets' owner or top management for approval (Radiant Code, Biogreen, BMS Organics, Natural Health Farm, Justlife). Since the employees in the organic food outlets were very busy before the festive season (Chinese New Year fell in February 2016), only Natural Health Farm (NHF) responded to the request and had given green light to conduct the survey in their outlets which situated in the shopping centers in Klang Valley as below:

- Tesco Ara Damansara
- Tesco Extra Cheras
- Tesco Mutiara Damansara
- Tesco Paradigm Mall, Kelana Jaya
- AEON, Mahkota Cheras
- Jaya Shopping Centre, Petaling Jaya
- Giant Bandar Puteri, Puchong
- Tesco Bandar Bukit Puchong, Puchong
- Summit USJ, Subang Jaya
- AEON, Bandar Sunway
- AEON Big, Wangsa Maju

### 3.3.3  Sampling Elements

Since the purpose is examining effects of source credibility, the sampling elements are those organic food consumers who possess better perception of the source credibility and also 18 years old or above (Ahmad and Judhi, 2010). These categories of people are believed have purchasing power and ability to evaluate the sources and make the purchase decision by their own.

### 3.3.4  Sampling Technique

The probability sampling is unable to be applied in this research because it requires the sampling frame. Hence, the non-probability sampling techniques (the probability of any particular element being selected is remained unknown) will be applied for this study.

There are four sampling techniques under nonprobability sampling, i.e. convenience sampling, judgement sampling, quota sampling and snowball sampling (Sekaran and Bougie, 2013).

Since the descriptive analyses will be used to identify the patterns of the demographic profile of the organic food consumers, so it is not required to set the quota for specific group (e.g. ethnic, gender). Hence, judgement sampling and quota sampling were not under consideration.

Convenience sampling technique is deemed the most suitable compared to snowball sampling in term of time constraint and it was adopted in this research by collect the data from the members in the population who are easily available to provide it.

### 3.3.5 Sampling Size

The sampling size is determined by the targeted population size. Without the sampling frame, the targeted population size is according to the total residents in Klang Valley.

According to World Population Review (2016), the estimated population in Klang Valley in 2014 were approximate 7 million residents and the required sample sizes to generalize the population in Klang Valley are minimum 400 subjects (Israel, 1992).

So, 500 questionnaires (additional 100 questionnaires) were ready and allocated evenly to the organic food outlets which are mentioned in 3.3.2.

## 3.4   Research Instrument

The determinant-choice questionnaire is developed and used in this research. This is facilitating the respondents to answer the existing alternatives instead of provide new opinions. Also, it required less time to provide answers and this is one of the reasons why the management of NHF approved the application to conduct the survey in their outlets. Through this approach, it will make sure the relevance of the study and make it easier to analyse the data afterwards.

Also, the background / demographic information are arranged after the constructs measurement so as to prevent unease feeling or threatening to respondents especially the income information which is normally deemed as private and confidential. The constructs measurement are started from independent variables (expertise, trustworthiness, availability, affordability) and followed by dependant variable (purchase intention).

A pilot study of the questionnaire was conducted to evaluate the content validity and internal consistency of the measurement scales. After evaluated by two UTAR

academicians (Mr. K. Raja Kumar and and Dr. Lee Thean Chye) and one local professional in this field (Mr. Tang Min Khuan who is working in the Nielson Company as a marketing researcher), the ambiguous and double-barrelled questions were reworded based on their feedback.

Next, the questionnaires were distributed to 30 organic food consumers. They were required to answer, review, and critique the questionnaire. The questionnaire was then revised and finalized based on their feedback.

The reliability of constructs was tested by using Cronbach's coefficient alpha, which ranged from 0.821 to 0.931 (details refer to Table 3.1). The results indicate all the variables achieve acceptable level, i.e. more than 0.6 (Sekaran and Bougie, 2010)

Table 3.1: Reliability Analysis of Pilot Test

| Dimension | Cronbach's Alpha (n=30) | Number of Attributes, N |
|---|---|---|
| Intention to purchase (DV) | 0.931 | 3 |
| Expertise (IV1) | 0.869 | 4 |
| Trustworthiness (IV2) | 0.904 | 4 |
| Availability (IV3) | 0.821 | 3 |
| Affordability (IV4) | 0.903 | 3 |

Source: Data generated by SPSS Statistics 19

## 3.5  Constructs Measurement (Scale and Operational Definitions)

The questionnaire is separated into two portions, i.e. part A and part B. Part A measures expertise, trustworthiness, availability and affordability (independent variables) and purchase intention (dependent variable). Section B measures demographic factors of the respondents.

Expertise variable was defined as the degree to which a source possesses relevant knowledge and skills (Li et al., 2011). Expertise was measured using 4 items adopted from Newell and Goldsmith (2001) with reliability ($\alpha = 0.85 - 0.90$). These items are: (1) This company has a great amount of experience; (2) This company is skilled in what they do; (3) This company has great expertise; (4) This company does not have much experience (negative worded).

Trustworthiness variable was defined as the degree to which a source is thought to be an honest source of products, services and other information (Li et al., 2011). Trustworthiness was measured using 4 items adopted from Newell and Goldsmith (2001) with reliability ($\alpha = 0.86 - 0.92$). These items are: (1) I trust this company; (2) This company makes truthful claims; (3) This company is honest; (4) I do not believe what this company tells me (negative worded).

Availability variable was defined as products that are readily available (Magnusson, et al., 2001). Availability was measured using 3 items adopted from Voon, et al. (2011) with reliability ($\alpha = 0.825$). These items are: (1) Buying organic food is convenient; (2) Organic food is only available in limited stores / markets (negative worded); (3) The stores that I frequently shop do sell a variety of organic foods.

Affordability variable was defined as ability to buy the product in terms of financial income (Aertsens, et al., 2009). Affordability was measured using 3 items adopted from Voon, et al. (2011) and Zhen and Mansori (2012). These items are: (1) Overall the price of the organic food is reasonable; (2) The prices of organic food are high (negative worded); (3) Organic food is beyond my budget (negative worded).

Purchase intention variable was defined as willingness to buy a product with stimulation of the external factors (Dodds et al., 1991). Purchase intention was measured using 3 items adopted from Wen and Li (2013) with reliability ($\alpha = 0.87$). These items are: (1) I am willing to buy organic food; (2) I am willing to spend a little more money to buy organic food; (3) I will continue to buy organic food.

Since all the above measures were based upon prior relevant literatures and were used or adapted in this research, evidence of content validity was provided. In other words, the questions able to measure what intended to be measured. The questions in Section A are measured by 7-point Likert scale (1 indicating "strongly disagree" and 7 indicating "strongly agree") which also according to the previous researchers who mentioned above. Negative worded questions used so the tendency in respondents to mechanically circle the points toward one end of the scale is minimized.

The below demographic factors (1 to 6) used in this research (Section B) are according to Ahmad and Judi (2010) and Wee, Ariff, Zakuan, Tajudin, Ismail, and Ishak (2014) who used it to study purchase intention of organic food in Malaysia.

1. Age: 18 – 24 years old, 25 – 30 years old, 31 – 40 years old, 41 – 50 years old, 51 years old and above (Ahmad and Juhdi, 2010).
2. Gender: Female and male (Ahmad and Juhdi, 2010).
3. Marital status : Single, Married, Married with Kid (Ahmad and Juhdi, 2010)
4. Income level: Less than RM2000, RM2001 – RM4000, RM4001 – RM6000, RM6001 – RM8000, RM8001 – RM10000, RM10001 – RM12000, Above RM12000 (Ibitoye, Nawi, Kamarulzaman, and Man, 2014)
5. Education level; Below SPM, SPM, Diploma, Bachelor Degree, Master Degree, PhD (Wee et al., 2014)
6. Race: Malay, Chinese, Indian, Other (Ahmad and Juhdi, 2010).

All the demographic questions are designed in nominal (gender, marital status, race) and ordinal scales (age, income level, education level). The above explanations are summarized in Table 3.2 and Table 3.3 respectively.

Table 3.2: Summary of questions used to measure variables

| Construct / Variables | Types of scale and its construction | Questions | Adapted from | Operational Definitions |
|---|---|---|---|---|
| Expertise | 7-point Likert scale anchored by <br> (1) Strongly disagree <br> (2) Disagree <br> (3) Slightly disagree <br> (4) Neutral <br> (5) Slightly Agree <br> (6) Agree <br> (7) Strongly agree | 1. This company has a great amount of experience. <br><br> 2. This company is skilled in what they do. <br><br> 3. This company has great expertise. <br><br> 4. This company does not have much experience. | Newell and Goldsmith (2001) <br> $\alpha = 0.85 - 0.90$ | The degree to which a source possesses relevant knowledge and skills. <br> Li et al., (2011) |
| Trustworthiness | 7-point Likert scale anchored by <br> (1) Strongly disagree <br> (2) Disagree <br> (3) Slightly disagree <br> (4) Neutral <br> (5) Slightly Agree <br> (6) Agree <br> (7) Strongly agree | 1. I trust this company. <br><br> 2. This company makes truthful claims. <br><br> 3. This company is honest. <br><br> 4. I do not believe what this company tells me. | Newell and Goldsmith (2001) <br> $\alpha = 0.86 - 0.92$ | The degree to which a source is thought to be an honest source of products, services and other information. <br> Li et al., (2011) |
| Availability | 7-point Likert scale anchored by <br> (1) Strongly disagree <br> (2) Disagree <br> (3) Slightly disagree <br> (4) Neutral <br> (5) Slightly Agree <br> (6) Agree <br> (7) Strongly agree | 1. Buying organic food is convenient. <br><br> 2. Organic food is only available in limited stores / markets. <br><br> 3. The stores that I frequently shop do sell a variety of organic foods. | Voon, et al. (2011) <br> $\alpha = 0.825$ | Products that are readily available. <br> Magnusson, et al. (2001) |

| Affordability | 7-point Likert scale anchored by (1) Strongly disagree (2) Disagree (3) Slightly disagree (4) Neutral (5) Slightly Agree (6) Agree (7) Strongly agree | 1. Overall the price of the organic food is reasonable.<br><br>2. The prices of organic foods are high.<br><br>3. Organic food is beyond my budget. | Combination of Voon, et al. (2011) and Zhen and Mansori (2012) | Ability to buy the product in terms of financial income. Aertsens, et al. (2009) |
|---|---|---|---|---|
| Purchase Intention | 7-point Likert scale anchored by (1) Strongly disagree (2) Disagree (3) Slightly disagree (4) Neutral (5) Slightly Agree (6) Agree (7) Strongly agree | 1. I am willing to buy organic food.<br><br>2. I am willing to spend a little more money to buy organic food.<br><br>3. I will continue to buy organic food. | Wen and Li (2013) $\alpha = 0.87$ | Willingness to buy a product with stimulation of the external factors (Dodds et al., 1991). |

Source: Developed for the research

Table 3.3: Summary of demographic factors used in questionnaires

| Demographic Profile | Type of Scale | Code | Description | Adopted from / Source |
|---|---|---|---|---|
| Gender | Nominal | 1 | Male | Ahmad and Juhdi (2010) |
|  |  | 2 | Female |  |
| Age | Ordinal | 1 | 18 – 24 years old | Ahmad and Juhdi (2010) |
|  |  | 2 | 25 – 30 years old |  |
|  |  | 3 | 31 – 40 years old |  |
|  |  | 4 | 41 – 50 years old |  |
|  |  | 5 | 51years old and above |  |
| Marital Status | Nominal | 1 | Single | Ahmad and Juhdi (2010) |
|  |  | 2 | Married |  |
|  |  | 3 | Married with Kid |  |
| Educational Level | Ordinal | 1 | Below SPM | Wee et al., (2014) |
|  |  | 2 | SPM |  |
|  |  | 3 | Diploma |  |
|  |  | 4 | Bachelor Degree |  |
|  |  | 5 | Master Degree |  |
|  |  | 6 | PhD |  |
| Income Level (Monthly) | Ordinal | 1 | Less than RM2000 | Ibitoye, Nawi, Kamarulzaman, and Man (2014) |
|  |  | 2 | RM2001 – RM4000 |  |
|  |  | 3 | RM4001 – RM6000 |  |
|  |  | 4 | RM6001 – RM8000 |  |
|  |  | 5 | RM8001 – RM10000 |  |
|  |  | 6 | RM10001 – RM12000 |  |
|  |  | 7 | Above RM12000 |  |
| Race | Nominal | 1 | Malay | Ahmad and Juhdi (2010) |
|  |  | 2 | Chinese |  |
|  |  | 3 | Indian |  |
|  |  | 4 | Other |  |

Source: Developed for the research

## 3.6   Data Processing

Those collected questionnaires were screened before conduct data analysis. The researcher performed slightly editing of the data collected especially when the respondents provide inconsistency rating or missing answer. For instance, a respondent is strongly agree for first item, however strongly disagree for second item which measure the particular variable (the two items are same direction questions). Logical answers were deduced to the missing answers in the questionnaire through look at the respondent's pattern of perception to other questions.

Data coding is assigning a number / code to the options determined in the questionnaire, so it can be entered into a database system. Codes developed are uncomplicated. For example, ethnicity of respondents can be assigned as "1" for Malay and "2" for Chinese (details refer to table 3.4). Coding is facilitating interpretation of information as compared to wordy alphabetical descriptions. Coded information will be transcribed onto the SPSS Statistic 19 software's database system. In addition, the negative worded questions were reverse coded before conducting analysis.

## 3.7   Data Analysis

Data obtained via survey were scrutinized by adopting SPSS Statistic 19. SPSS software facilitates the present researcher to transform the original data into practical information easily and accurately. In this research, the respondents' demographics and hypotheses testing were examined by SPSS software through the descriptive analyses, scale measurement, and inferential analyses.

### 3.7.1 Descriptive Analysis

Descriptive analysis is adopted to explain the characteristics of demographic profile of the sample. The demographic variables chosen for this study are gender, age, marital status, educational level, income level and race. These demographic variables were analysed and described in frequency and percentage count. In addition, central tendencies (mean score) and dispersion measurement (standard deviation) of independent and dependent variable (expertise, trustworthiness, availability, affordability, purchase intention) were measured. This additional information provides general perceptions of the respondents related to the factors studied.

### 3.7.2 Scale Measurement

The homogeneity / internal consistency of the items in the measure that tap the constructs are computed by reliability test. The reliability test is a process to indicate how well the items in a set are positively correlated to one another. It also able to check the consistency of respondents in answering of each set variables (expertise, trustworthiness, availability, affordability, purchase intention). The construct's reliability is measured by Cronbach's coefficient alpha. According to Sekaran and Bougie (2010), coefficient alpha less than 0.60 is deemed poor reliability, those in the range 0.60 - 0.70 is fair reliability, those in the range 0.70 – 0.80 is good reliability, and those fell in the highest range 0.80 – 0.95 is very good reliability.

### 3.7.3 Inferential Analysis

Throughout the whole study, inferential analysis is the most significant part to be executed so as to draw the conclusion from the sample data what

the population might think about the research questions and hypotheses made. Simply to say it is able to generalize the population. Since this research is designed to examine the causal effects between consumer's perception of corporate credibility (IVs) and purchase intention (DV) towards organic food, regression analyses are deemed appropriate in this context.

Prior to test the hypotheses, Pearson correlation analysis was conducted to identify whether two variables are performed in synchronize manner or not (McDaniel and Gates, 2013). If not, it implies these two variables also without causal relationship. Hence, the researcher shall identify the problems exist during the design of the research instead of conduct further analyses, i.e. multiple linear regression analyses.

Multiple linear regression analysis is adopted in a circumstance where multiple non-dependent variables are hypothesized to affect one dependent variable and these variables are measured in metric scale (interval/ratio scale) (McDaniel and Gates, 2013). Also, it is used to explain variance in a dependent variable by multiple independent variables. Therefore, there are five alternate hypotheses were tested by multiple linear regression analysis

## 3.8   Conclusion

With the limitations of cost and time allocation, the study is considered well designed in term of reliability and validity. The items measuring the constructs / variables are considered very good reliability and the validity of the study also convinced by the methodologies used in the research. Basically, external validity is about generalization, internal validity is refer to the research instrument's ability to measure what it is purposed to measure, and content validity refers to the measurement scales provide enough coverage of the constructs (McDaniel and Gates, 2013). In summary, table 3.4 describes the methods used in this research.

Table 3.4: Summary of the Research Methodologies

| Research Design | Descriptions |
|---|---|
| Type of study | Causal study by deductive inference (hypotheses testing). |
| Data Collection Methods | Collect primary data by self-administered questionnaire. |
| Sampling Design | 500 organic food consumers required and were intercepted conveniently (non-probability sampling method) in the organic foods outlets which located in Klang Valley, Malaysia. |
| Research Instrument | Determinant-choice questionnaire |
| Criteria of Constructs Measurement | • Reliability (Cronbach's coefficient alpha)<br>• Validity |
| Data Analysis | • Frequencies, Central tendencies, Dispersion Measurement.<br>• Pearson's Correlation Analysis and Multiple Linear Regression Analysis |

Source: Developed for the research

# CHAPTER 4: DATA ANALYSIS

## 4.0 Introduction

This chapter presents results of the survey through analyze the data collected by using SPSS Statistics 19. Basically it comprises three major parts, i.e. descriptive analysis, continued with scale measurement and finally the inferential analysis.

500 copies survey forms were distributed to organic food consumers in Klang Valley, Malaysia. Finally, there were 461 responses within three weeks and 39 questionnaires were rejected for statistical analyses because there were too many missing data in each questionnaires, therefore the total numbers of complete questionnaires are 422 (exceed the pre-determined sample size, i.e. 400).

## 4.1 Descriptive Analysis

The descriptive analysis comprises two major parts, i.e. respondent demographic profile as well as central tendency and dispersion measurement of the constructs.

### 4.1.1 Respondent Demographic Profile

This part provides the analyses of the respondents' demographic profile which includes their monthly income, the highest academic qualification, gender, race, marital status, and age of the organic food consumers in the Klang Valley, Malaysia.

**4.1.1.1 Gender**

Table 4.1: Gender

|       |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male   | 140       | 33.2    | 33.2          | 33.2               |
|       | Female | 282       | 66.8    | 66.8          | 100.0              |
|       | Total  | 422       | 100.0   | 100.0         |                    |

Source: Data generated by SPSS Statistics 19

Figure 4.1: Distribution of Gender
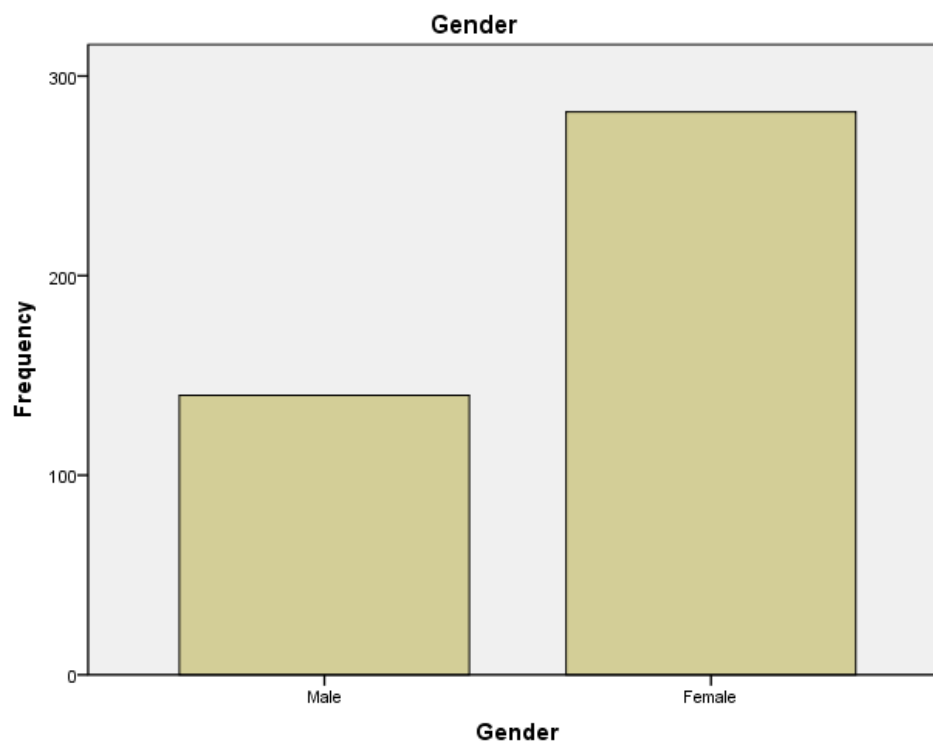


Source: Generated by SPSS Statistics 19

The above statistical data depicts the frequency of the respondents who participated in the survey. Based on the result from 422 organic food respondents who participated in this study, the features of the sample show bigger number of female (282 respondents / 66.8 percent) as compared to male (140 respondents / 33.2 percent).

### 4.1.1.2 Age Group

Table 4.2: Age Group

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 18-24 | 65 | 15.4 | 15.4 | 15.4 |
| | 25-30 | 67 | 15.9 | 15.9 | 31.3 |
| | 31-40 | 117 | 27.7 | 27.7 | 59.0 |
| | 41-50 | 96 | 22.7 | 22.7 | 81.8 |
| | 51 and above | 77 | 18.2 | 18.2 | 100.0 |
| | Total | 422 | 100.0 | 100.0 | |

Source: Data generated by SPSS Statistics 19

Figure 4.2: Distribution of Age Group
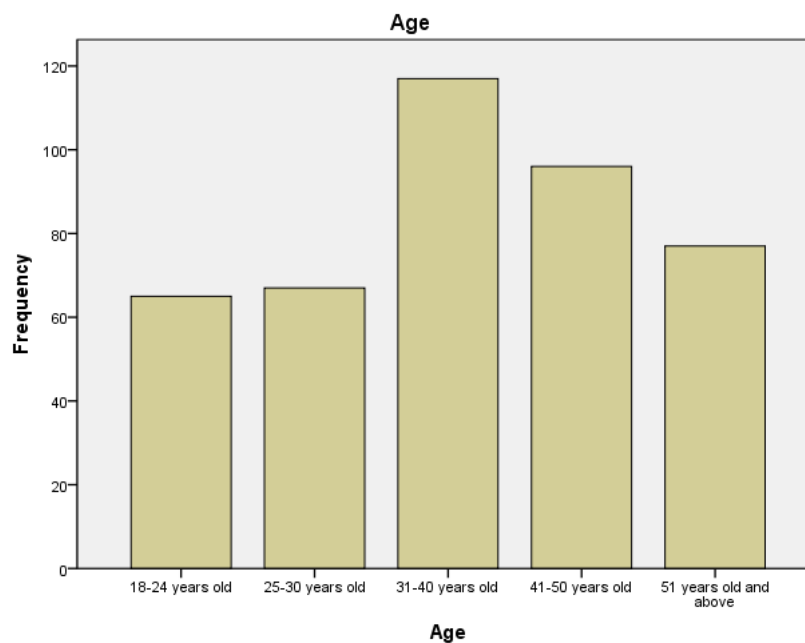


Source: Generated by SPSS Statistics 19

According to the above statistical data, the top three age groups are belong to above 30 years old. Majority respondents in the sample are 31 – 40 years old (27.7 percent), followed by 96 respondents are 41 – 50 years old (22.7 percent), 77 respondents are 51 years old and above (18.2 percent). The remaining are scattered to 25 – 30 years old and 18 – 24 years old, i.e. 15.9 percent and 15.4 percent respectively.

### 4.1.1.3 Marital Status

Table 4.3: Marital Status

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Single | 161 | 38.2 | 38.2 | 38.2 |
|  | Married | 160 | 37.9 | 37.9 | 76.1 |
|  | Married with Kid | 101 | 23.9 | 23.9 | 100.0 |
|  | Total | 422 | 100.0 | 100.0 |  |

Source: Data generated by SPSS Statistics 19

Figure 4.3: Distribution of Marital Status
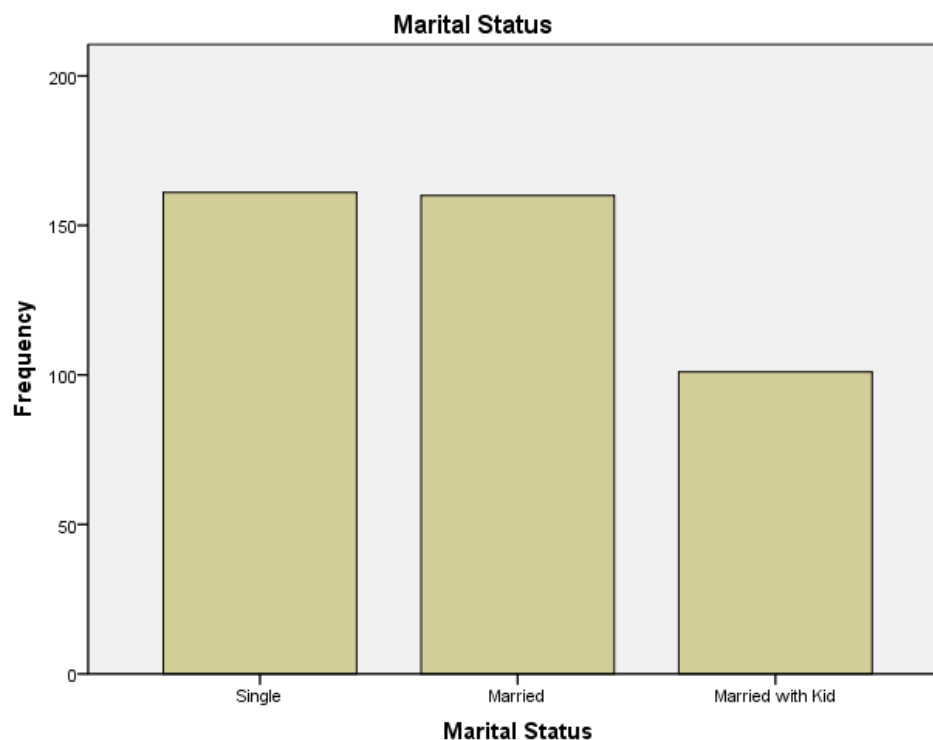


Source: Generated by SPSS Statistics 19

From the above statistical data which related to respondents' marital status, slightly more respondents are single (161 respondents / 38.2 percent), followed by married (160 respondents / 37.9 percent), and balance 23.9 percent are married with kid.

**4.1.1.4 Educational Level**

Table 4.4: Educational Level

|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | below SPM | 43 | 10.2 | 10.2 | 10.2 |
|  | SPM | 118 | 28.0 | 28.0 | 38.2 |
|  | Diploma | 139 | 32.9 | 32.9 | 71.1 |
|  | Bachelor Degree | 89 | 21.1 | 21.1 | 92.2 |
|  | Master Degree | 24 | 5.7 | 5.7 | 97.9 |
|  | PhD | 9 | 2.1 | 2.1 | 100.0 |
|  | Total | 422 | 100.0 | 100.0 |  |

Source: Data generated by SPSS Statistics 19

Figure 4.4: Distribution of Educational Level
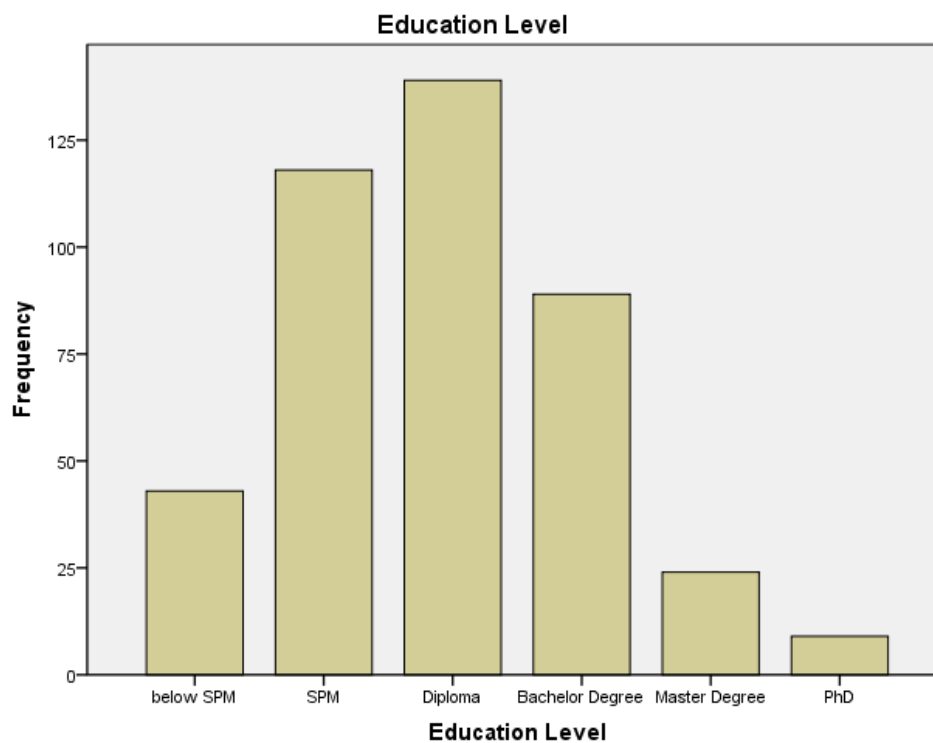


Source: Generated by SPSS Statistics 19

Observed from the respondents' education level, majority organic food consumers are those diploma holders (32.9 percent). Followed by 118 respondents are SPM holder (28 percent), 89 respondents are bachelor degree holder (21.1 percent), 43 respondents are below SPM (10.2 percent), 24 respondents are master degree holder (5.7percent), and only 9 respondents are PhD holder (2.1 percent).

### 4.1.1.5 Monthly Income

Table 4.5: Monthly Income

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | less than RM2000 | 97 | 23.0 | 23.0 | 23.0 |
| | RM2001 - RM4000 | 146 | 34.6 | 34.6 | 57.6 |
| | RM4001 - RM6000 | 89 | 21.1 | 21.1 | 78.7 |
| | RM6001 - RM8000 | 34 | 8.1 | 8.1 | 86.7 |
| | RM8001 - RM10000 | 17 | 4.0 | 4.0 | 90.8 |
| | RM10001 - RM12000 | 14 | 3.3 | 3.3 | 94.1 |
| | Above RM12000 | 25 | 5.9 | 5.9 | 100.0 |
| | Total | 422 | 100.0 | 100.0 | |

Source: Data generated by SPSS Statistics 19

Figure 4.5: Distribution of Monthly Income
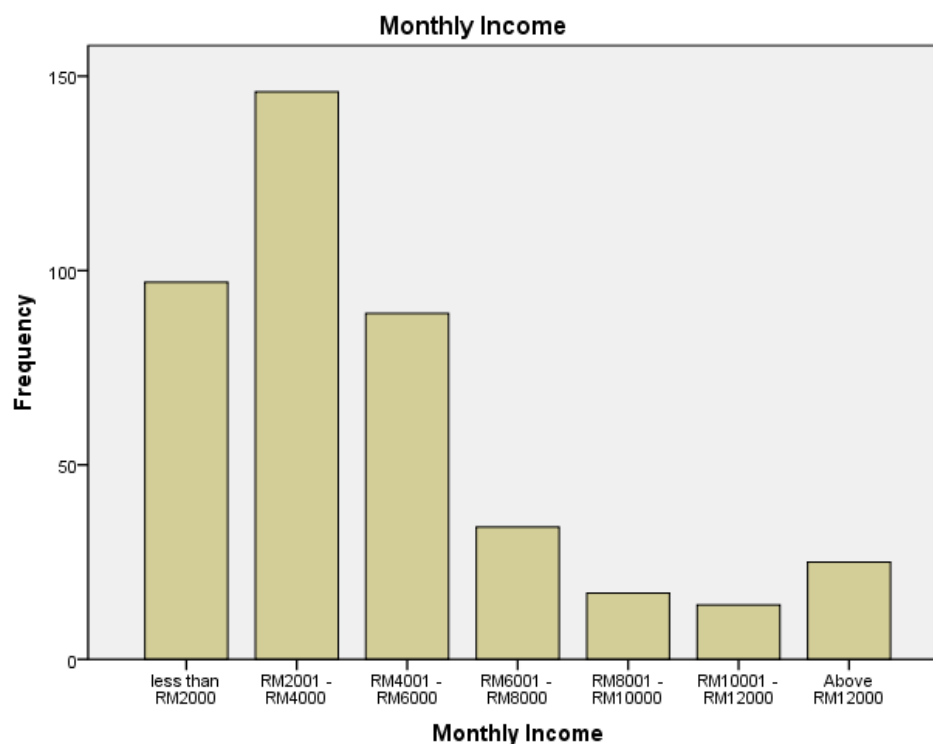


Source: Generated by SPSS Statistics 19

Based on monthly income, most respondents earn RM2001 – RM4000 per month (34.6 percent), followed by 97 respondents earn less than RM2000 per month (23 percent), 89 respondents earn RM4001 – RM6000 (21.1 percent), 34 respondents earn RM6001 – RM8000 per month (8.1 percent), 25 respondents earn above RM12000 per month (5.9 percent), 17 respondents earn RM8001 – RM10000 per month (4 percent), and 14 respondents earn RM10001 – RM12000 per month (3.3 percent). Preliminary analysis shows although organic food generally viewed as premium food, but it unimpeded lower and middle income group's desire to purchase organic food.

**4.1.1.6 Race**

Table 4.6: Race

|       |         | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | Chinese | 338       | 80.1    | 80.1          | 80.1               |
|       | Malay   | 54        | 12.8    | 12.8          | 92.9               |
|       | Indian  | 24        | 5.7     | 5.7           | 98.6               |
|       | Other   | 6         | 1.4     | 1.4           | 100.0              |
|       | Total   | 422       | 100.0   | 100.0         |                    |

Source: Data generated by SPSS Statistics 19

Figure 4.6: Distribution of Race
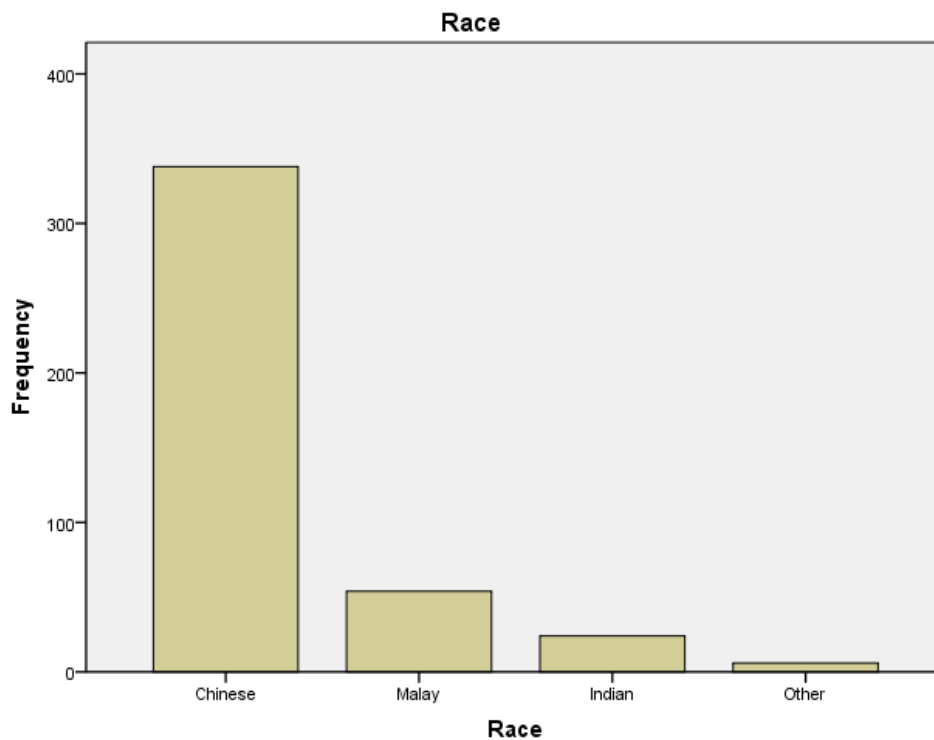


Source: Generated by SPSS Statistics 19

According to table 4.6 and figure 4.6, the sample is predominantly by Chinese (80.1 percent), followed by Malay (12.8 percent), Indian (5.7 percent) and the balance 1.4 percent are from other races.

## 4.1.2 Central Tendencies and Dispersion Measurement of Constructs

This part provides respondents' overall perception of corporate credibility and purchase intention of organic food.

### 4.1.2.1 Expertise

Table 4.7: Central Tendencies and Dispersion Measurement of Expertise

| Descriptive Statistics | | | |
|---|---|---|---|
| | N | Mean | Std. Dev. |
| This company has a great amount of experience. | 422 | 5.98 | .963 |
| This company is skilled in what they do. | 422 | 5.99 | .924 |
| This company has great expertise. | 422 | 6.00 | .962 |
| This company does not have much experience. (Negative question) | 422 | 1.88 | .985 |
| Expertise | 422 | 6.0225 | .79087 |

Source: Data generated by SPSS Statistics 19

Since the measurement of respondents' perception is using 7-point Likert scale and if the mean value of the attributes and the variable is greater than 4, it can be interpreted as generally the respondent is agree to the statement. Based on the results in table 4.7, basically the consumers who purchase organic food agree the expertise of company that they patronize.

### 4.1.2.2 Trustworthiness

Table 4.8: Central Tendencies and Dispersion Measurement of Trustworthiness

| Descriptive Statistics | | | |
|---|---|---|---|
| | N | Mean | Std. Dev. |
| I trust this company. | 422 | 6.11 | .999 |
| This company makes truthful claims. | 422 | 5.94 | 1.006 |
| This company is honest. | 422 | 6.02 | 1.018 |
| I do not believe what this company tells me. (Negative question) | 422 | 1.76 | .951 |
| Trustworthiness | 422 | 6.0775 | .85215 |

Source: Data generated by SPSS Statistics 19

Generally, the consumers who purchase organic food agree the trustworthiness of company that they patronize.

### 4.1.2.3 Availability

Table 4.9: Central Tendencies and Dispersion Measurement of Availability

| Descriptive Statistics | | | |
|---|---|---|---|
| | N | Mean | Std. Deviation |
| Buying organic food is convenient. | 422 | 5.59 | 1.280 |
| Organic food is only available in limited stores / markets. (Negative question) | 422 | 2.85 | 1.256 |
| The stores that I frequently shop do sell a variety of organic foods. | 422 | 5.30 | 1.268 |
| Availability | 422 | 5.3467 | 1.15398 |

Source: Data generated by SPSS Statistics 19

Generally, the consumers slightly agree to purchase organic food is geographically convenient and many choices available.

### 4.1.2.4 Affordability

Table 4.10: Central Tendencies and Dispersion Measurement of Affordability

| Descriptive Statistics | | | |
|---|---|---|---|
| | N | Mean | Std. Deviation |
| Overall the price of the organic food is reasonable. | 422 | 4.64 | 1.697 |
| The prices of organic food are high. (Negative question) | 422 | 3.97 | 1.610 |
| Organic food is beyond my budget. (Negative question) | 422 | 3.89 | 1.639 |
| Affordability | 422 | 4.2600 | 1.56145 |

Source: Data generated by SPSS Statistics 19

Generally, the consumers who purchase organic food remain neutral of the price of organic food is affordable.

### 4.1.2.5 Purchase Intention

Table 4.11: Central Tendencies Measurement of Purchase Intention

| Descriptive Statistics | | | |
|---|---|---|---|
| | N | Mean | Std. Deviation |
| I am willing to buy organic food. | 422 | 5.75 | 1.121 |
| I am willing to spend a little more money to buy organic food. | 422 | 5.54 | 1.119 |
| I will continue to buy organic food. | 422 | 5.57 | 1.148 |
| Purchase Intention | 422 | 5.6216 | 1.04987 |

Source: Data generated by SPSS Statistics 19

Generally, the consumers show tendency to agree to purchase organic food.

## 4.2    Scale Measurement

Reliability test was performed and Cronbach's coefficient alpha (α) was measured for each variable in order to indicate the internal consistency of the items that tap the construct. According to Sekaran and Bougie (2010), the value of coefficient alpha which is larger or equals to 0.60 is generally accepted and the level of reliability for the different ranges of coefficient alpha shown in table 4.12.

Table 4.12: Level of Reliability of the Cronbach's Coefficient Alpha (α)

| Coefficient alpha (α) | Level of Reliability |
|---|---|
| Less than 0.60 | Poor reliability |
| 0.60    until    0.70 | Fair reliability |
| 0.70    until    0.80 | Good reliability |
| 0.80    until    0.95 | Very good reliability |

Source: Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill-building approach* (5th ed.). Chichester, West Sussex: John Wiley & Sons, Inc. (page 325)

Table 4.13: Summary of Reliability Analysis

| Variables | Construct | Cronbach's Alpha | Number of Attributes, N |
|---|---|---|---|
| Independent Variables | Expertise | 0.898 | 4 |
|  | Trustworthiness | 0.915 | 4 |
|  | Availability | 0.908 | 3 |
|  | Affordability | 0.933 | 3 |
| Dependent variables | Purchase Intention | 0.921 | 3 |

Source: Data generated by SPSS Statistics 19

According to the above data, the results of the reliability analysis show the Cronbach's Alpha for expertise, trustworthiness, availability, affordability, and purchase intention are 0.898, 0.915, 0.908, 0.933, and 0.921 respectively. These figures are within the limits 0.80 to 0.95, the items used to measure the constructs / variables are deemed very good reliability.

## 4.3   Inferential Analysis

The inferential analysis comprises two major parts, i.e. Pearson correlation analysis and multiple linear regression analysis.

### 4.3.1  Pearson Correlation Analysis

Pearson Correlation Analysis was applied to indicate the trend, strength and significance of the bivariate relationship between two variables. Hair, Money, Samouel, and Page (2007) recommend the strength of association for the different ranges of Pearson correlation coefficient as shown in table 4.14.

Table 4.14: The Strength of Linear Relationship of Pearson Correlation Coefficient

| Coefficient Range | | | Strength |
|---|---|---|---|
| ±0.01 | until | ±0.20 | Slight, almost negligible |
| ±0.21 | until | ±0.40 | Small but definite relationship |
| ±0.41 | until | ±0.70 | Moderate |
| ±0.71 | until | ±0.90 | High |
| ±0.91 | until | ±1.00 | Very strong |

Source: Hair, J. F. J., Money, A. H., Samouel, P., & Page, M. (2007). *Research methods for business*. Chichester, West Sussex: John Wiley Sons, Inc.

Positive relationship (positive coefficient) means when one variable increases, another variable will increase as well. Conversely, negative relationship (negative coefficient) means when one variable increases, another variable will decrease.

Table 4.15: Summary of Pearson Correlation Analysis

|  |  | Purchase Intention | Expertise | Trustworthiness | Availability | Affordability |
|---|---|---|---|---|---|---|
| Purchase Intention | Pearson Correlation | 1 | .438** | .440** | .328** | .164** |
|  | Sig. (2-tailed) |  | .000 | .000 | .000 | .003 |
|  | N | 422 | 422 | 422 | 422 | 422 |
| **. Correlation is significant at the 0.01 level (2-tailed). |  |  |  |  |  |  |

Source: Data generated by SPSS Statistics 19

From the above results, there is positive correlation between expertise and purchase intentions due to the figures are more than zero for the correlation coefficient. Therefore, when perceived expertise is high, intention to purchase is high as well. The value of this correlation coefficient 0.438 is within the specification of 0.41 to 0.70. So, the relationship between expertise and purchase intention is moderate. In addition, since the p-value 0.000 is smaller than α-value 0.05, the relationship between expertise and purchase intention is statistical significant.

The relationship between trustworthiness and purchase intention is significantly positive and moderate relationship (0.440). For availability and purchase intention, the relationship is significantly positive and small but definite relationship because the correlation coefficient 0.328 is within the specification of 0.21 to 0.40. However, the relationship between affordability and purchase intention is significantly positive but slight, almost negligible because the correlation coefficient 0.164 is within the specification of 0.01 to 0.20.

### 4.3.2  Multiple Linear Regression Analysis

The first, second, third, fourth and fifth alternate hypothesis ($H1_a$, $H2_a$, $H3_a$, $H4_a$, and $H5_a$) have been examined by multiple linear regression analysis and the results are shown in below tables. There are several important

parameters required to be focused, i.e. R value, R square value, significance (p-value), beta value under standardized coefficient and beta under standardized coefficient.

Table 4.16: Multiple Linear Regression Analysis (Model Summary)

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .496[a] | .246 | .237 | .91728 |

a. Predictors: (Constant), Affordability, Availability, Expertise, Trustworthiness

Source: Data generated by SPSS Statistics 19

The R value is the correlation coefficient between the dependent variable and the independent variables taken together. The R value for this study is 0.496. The strength and direction of the relationship between dependent variable (purchase intention) and independent variables (expertise, trustworthiness, availability, affordability) are moderate and positive. The R square value demonstrates the percentage of non-dependent variables can explain the variations in the dependent variable. In this research, non-dependent variables (expertise, trustworthiness, availability, affordability) can explain 24.6 percent of the variations in purchase intention. The remaining 75.4 percent variations of the purchase intention which can be explained by other independent variables are not covered in this research.

Table 4.17: Multiple Linear Regression Analysis (ANOVA)

| ANOVA[b] | | | | | |
|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 92.847 | 4 | 23.212 | 26.491 | .000[a] |
| | Residual | 365.378 | 417 | .876 | | |
| | Total | 458.225 | 421 | | | |

a. Predictors: (Constant), Affordability, Availability, Expertise, Trustworthiness
b. Dependent Variable: Purchase Intention

Source: Data generated by SPSS Statistics 19

Based on table 4.17, p-value (Sig 0.000) is smaller than α-value 0.05. The F-test is significant. The theoretical model developed for this research is a good descriptor of the relationship between the dependent and independent variables. As a result, expertise, trustworthiness, availability, and affordability are significant explain the variance in purchase intention. The $H1_a$ is accepted and also supported by the facts.

Note that the F-statistic is an overall significance test evaluating whether the independent variables when grouped together reliably predict purchase intention (dependent variable). The limitation is it does not show the capability of any of the particular predictors (independent variables) to predict the dependent variable. The capability of each individually predictor (independent variable) to predict the dependent variable is shown in the table 4.18 where each of the individual variables is listed.

Table 4.18: Multiple Linear Regression Analysis (Coefficients)

| Coefficients[a] | | | | | |
|---|---|---|---|---|---|
| | | Unstandardized Coefficients (Prediction) | | Standardized Coefficients (Contribution) | | |
| Model | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 1.394 | .423 | | 3.295 | .001 |
| | Expertise | .295 | .100 | .222 | 2.957 | .003 |
| | Trustworthiness | .244 | .095 | .198 | 2.559 | .011 |
| | Availability | .156 | .048 | .172 | 3.237 | .001 |
| | Affordability | .020 | .034 | .030 | .587 | .558 |

a. Dependent Variable: Purchase Intention

Source: Data generated by SPSS Statistics 19

Based on table 4.18, expertise is significant and positively influence / predicts purchase intention. This is according to the p-value of expertise is 0.003 which is smaller than α-value 0.05 and the beta value under unstandardized coefficients is 0.295. So, the $H2_a$ is accepted and supported by the facts.

Next, trustworthiness is significant and positively influence / predicts purchase intention. This is according to the p-value of trustworthiness is 0.011 which is smaller than α-value 0.05 and the beta value under unstandardized coefficients is 0.244. As a result, the $H3_a$ is accepted and supported by the facts.

Availability also is significant and positively influence / predicts purchase intention for this study. This is according to the p-value of availability is 0.001 which is lower than α-value 0.05 and the beta value under unstandardized coefficients is 0.156. As a result, the $H4_a$ is accepted and supported by the facts.

However, affordability is not significant to influence purchase intention. This is according to the p-value for affordability is 0.558 which is greater than α-value 0.05. As a result, the $H5_a$ is rejected and supported by the facts.

Among three significant predictors, expertise is the non-dependent variable that contribute the highest to the variation of the dependent variable (purchase intention) due to the beta value under standardized coefficients is the largest, i.e. 0.222 if compared to trustworthiness and availability. This demonstrates the expertise make the largest unique contribution to explain the variation in purchase intention, when the variance explained by remaining non-dependent variables in the model is controlled for.

Trustworthiness is the non-dependent variable that contribute the second highest to the variation of the purchase intention due to the beta value under standardized coefficients is the second largest, i.e. 0.198 if compared to expertise and availability. This means that trustworthiness make the second largest unique contribution to explain the variation in purchase intention, when the variance explained by remaining non-dependent variables in the model is controlled for.

The non-dependent variable that contributes the smallest to the variation of the purchase intention is availability according to the beta value under standardized coefficients is the smallest among the three significant predictors, i.e. 0.172. This expresses the availability make the least contribution to explain the variation in purchase intention, when the variance explained by remaining non-dependent variables in the model is controlled for.

In addition, the result can be interpreted in regression model as below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$
$$Y = 1.394 + 0.295 X_1 + 0.244 X_2 + 0.156 X_3$$

Where,

| | |
|---|---|
| $Y$ | = Dependent Variable = Purchase Intention |
| $X_1$ | = Independent Variable 1 = Expertise |
| $X_2$ | = Independent Variable 2 = Trustworthiness |
| $X_3$ | = Independent Variable 3 = Availability |
| $\beta_0$ | = The intercept of the regression line or constant |
| $B_1, \beta_2, \beta_3$ | = Regression coefficient for IV1, IV2, and IV3 respectively |

From the above formula, every one unit increases in expertise will result in 0.295 increases in purchase intention of organic food, if all other independent variables are unchanged.

## 4.4   Conclusion

The hypotheses testing results obtained from this chapter will be further discussed in the last chapter and followed by the managerial implications and limitations of the study with few recommendations that are relevant to this study.

# CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

## 5.0    Introduction

This last section aims to discuss the results delivered in chapter 4. Firstly, it starts with summary of statistical analyses, followed by discussions of major findings. Lastly, limitations of this research and suggestions for future research will be provided.

## 5.1    Summary of Statistical Analyses

The summary of statistical analyses includes the whole descriptive and inferential analyses performed in chapter 4.

### 5.1.1  Descriptive Analysis

The sample size of this study contains 422 respondents. The sample is predominantly by female (66.8 percent) and Chinese (80.1 percent). In addition, among the total respondents, 27.7 percent are under 31 – 40 years old, 38.2 percent are single, 32.9 percent are diploma holder, and 34.6 percent of respondents' monthly income under the range RM2001 – RM4000.

Generally, the consumers show tendency to agree to purchase organic food. They also agree the expertise and trustworthiness of the company that they patronize. They slightly agree to purchase organic food is geographically convenient and many choices available in the market. However, the

consumers who purchase organic food remain neutral of the price of organic food is affordable.

## 5.1.2 Inferential Analysis

Pearson Correlation Analysis shows there is positive and moderate relationship between expertise and purchase intention. Trustworthiness and purchase intention also with positive and moderate relationship. For availability and purchase intention, the relationship is significantly positive and small but definite relationship. However, the relationship between affordability and purchase intention is slightly positive, almost negligible.

Overall, the multiple linear regression model with four predictors (expertise, trustworthiness, availability, and affordability) has worked well to explain the variance in purchase intention of organic food.

From the table 4.18, expertise is positively influence purchase intention of organic food ($p = 0.003$, $\beta = 0.295$). Similar effect to purchase intention of organic food also found in other independent variables, i.e. trustworthiness ($p = 0.011$, $\beta = 0.244$) and availability ($p = 0.001$, $\beta = 0.156$). However, affordability is found not significant to influence purchase intention of organic food.

## 5.2 Discussions of Major Findings

Table 5.1: Summary of Hypotheses Testing Results

| Hypothesis | Results |
|---|---|
| H1$_a$: The four independent variables (expertise, trustworthiness, availability, and affordability) are significant to explain the variance in purchase intention towards organic food. | Accepted |
| H2$_a$: The corporate's perceived expertise positively influence the purchase intention of organic food. | Accepted |
| H3$_a$: The corporate's perceived trustworthiness positively influence the purchase intention of organic food. | Accepted |
| H4$_a$: The availability positively influence the purchase intention of organic food. | Accepted |
| H5$_a$: The affordability positively influence the purchase intention of organic food. | Rejected |

Source: Developed for the research

Based on the results in table 5.1, H1$_a$ is accepted and this implies generally the corporate credibility is significant to predict purchase intention. Therefore, it concurs with the studies by Goldsmith, et. al. (2000) and Lafferty, et. al. (2002) who have claimed the corporate credibility is positively influences to purchase intention. The next discussions will focus to the ability of the particular independent variables to predict the purchase intention of organic food.

H2$_a$ and H3$_a$ are accepted and the results of this study are consistent with Sertoglu, et al. (2014) where the researchers found that perceived expertise and trustworthiness of the source will positively influence the intention to purchase. Vanasantakul (2008) and Chaovalit (2014) also asserted that perceived expertise and trustworthiness are positively correlated with purchase intention in their

respective study. The results imply when a company exhibits a great expertise and trustworthiness, the consumers tend to believe that the delivered information is correct and subsequently influence intention to purchase.

Next, $H4_a$ also is accepted and is in keeping with Paul and Rana (2012) and Vongmahadlek (2012) where the researchers concluded that availability tend to positively affect purchase intention of organic foods. Maybe this is because most consumers are down-to-earth and reluctant to spend additional time and money to go to several stores in order to get they want. They prefer shop in one supermarket and if this supermarket without wide varieties of organic foods, many consumers will eventually buying conventional foods.

Hypothesis $H5_a$ predicts that the affordability positively influence the purchase intention of organic food. But the result is against to the prediction, hence $H5_a$ is rejected. This result is consistent with the previous study stated that consumers are tolerant to premium price of organic food (Irianto, 2015; Pellegrini and Farinello, 2009). Tarkiainen and Sundqvist's (2005) also affirm the product price is not important to affect individuals' intention to buy organic food.

Apart from this, respondents who participated in this survey basically willing to purchase organic food and 68.6 percent of the respondents are considered lower and middle income group. According to Dr Lean Hooi Hooi, an economics associate professor in Universiti Sains Malaysia, the lower income group should be defined as individuals with monthly income less than RM4,000 (Chi, 2014). However, according to the DSM, the middle income group are those individuals with monthly income around RM4,372 (Greval, 2014).

Price premium and healthy organic food seems able to attract lower and middle income people. The reasons are because over 68 percent or two-thirds of Malaysian considers staying healthy is one of their utmost life goals (AIA, 2014). Also, some of lower and middle income people enjoy relatively low financial burden and they have excess fund to spend for their wants. In addition, cconsumers who have been persuaded of the benefits of organic food and have adopted the organic lifestyle are unlikely to be deterred by the high price.

## 5.3    Implications of the Study

The primary objectives of this empirical research are to understand and discover the significant factors influence purchase intention of organic food in Malaysia.

Generally, organic foods are health products with various benefits compared to conventional foods, if the company's or its representatives appear to have expertise / knowledge related to its benefits, this might help consumers to have better understanding of the organic foods, and so able to increase their purchase intention. Therefore, organic food marketers should aim to employ sales staffs with relevant qualifications in the field of their specialized products or should train their staffs to have professional knowledge. Moreover, the organic food entrepreneurs are encouraged to join the international body related to organic products in order to exchange the first-hand information. For instance, IFOAM organizes Organic World Congress (OWC) every three years involving thousands of producers, organic farmers, advocates, researchers, and policy experts from around the world.

Trustworthiness enables a company to communicate with customers and notify them of products sold and benefits therefore increase the customers' purchase intention. Conversely, if customers do not trust the company, it will difficult to persuade them other than just compete on price. Hence, to increase perceived trustworthiness among customers, any types of information conveyed to customers shall be genuine and relates to users' issues and not just simply for marketing. Avoid hard sell as the customers normally want to feel that they are engaged in an honest and open dialogue that is based on mutually respect and trust. The representatives of the company are advised to interact and listen to the customer, clean up the customer complaints in timely responses.

Regarding the availability or distribution, organic foods should be made easily available via various channels. Most of the organic consumers identify that the places where they often purchase organic food are hypermarkets and department stores. The visibility of organic foods in hypermarkets is vital for convenience-

oriented consumers who are not purposely seeking for organic food products. The more they see organic foods, the more natural it becomes their everyday life. E-store with friendly use interface and technical support can be considered as well. In addition, management of transportation and distribution are important to ensure the timely availability of organic foods to the customers at proper stores especially if selling fresh organic foods which required made available in morning time.

Since contribution and prediction of affordability to influence purchase intention is very weak and almost negligible in the source credibility model, therefore price cuts and sales promotions are not necessary to increase sales. The marketers are advised do not compromise to the product quality if decide to reduce the products price in their marketing mix.

Company's credibility seems to have a direct effect on purchase intention of organic food. The company can choose how they act, but they cannot control how these actions are perceived, hence managing credibility are challenging. Consequently, companies must constantly monitor perceptions of corporate credibility by consumers as well as other stakeholder groups. Annual, or even more frequent, surveys of consumers and their feeling about a corporation seem to be fundamental for effective decision making. By tracking consumer perceptions of corporate credibility, managers can detect changes in this important metric and take corrective action if needed. The measures for corporate credibility presented in this model can provide management team with a better idea of how well the company is viewed in the consumer's eyes.

## 5.4 Limitations of the Study

The limitation of this study is the targeted population was restricted to organic food consumers in a single geographical region (Klang Valley) in Malaysia and the survey was conducted in 11 organic foods outlets which only belong to Natural Health Farm (NHF). Therefore, the findings cannot generalize to whole population in Malaysia. Lastly, the coverage of this study also is limited to survey

the intention of purchase an organic food; there is no assessment of actual buying behavior.

## 5.5   Recommendations for Future Research

In response to the limitations of this study, the extension of the geographical areas and including those non-organic food consumers are expected to lend a more comprehensive picture about the behavioral intentions to purchase organic food in Malaysia. It might be suggested to include more organic food companies with different characteristics (e.g. number of products, price level, etc.) in order to obtain more generalizable results. Despite previous findings from various researchers have accepted the hypotheses that behavioral intention is positively influence actual behavior (Yadav and Pathak, 2015), there is necessary to include actual buying behavior along with the intention in future researches.

Since there is an ample room to study the factors to explain the variations in the purchase intention of organic food, the study of the effects of the endorser credibility on purchase intention of organic foods can be considered for future research as marketers like to engage an endorser to promote brand awareness to existing and potential consumers via advertisements.

The influence of socio-demographic variables toward purchase intention are recommended to be examined in future studies because the results from descriptive analyses show the sample is dominated by Chinese, female, and those with monthly income equal or less than RM6000. If there is significant difference in intention to purchase at different group of specific socio-demographic variable, the marketers / entrepreneurs will able to craft different strategies for different groups of consumers.

Last but not least, no matter how ideal the recommendations given, it will be spoiled if restricted by the cost and time allocation to conduct the research.

# 5.6 Conclusion

As a conclusion, the researcher has proven the suitability of source credibility model to predict purchase intention of organic food. The research also has contributed to the development of body of knowledge in the scope of organic food consumption. Expertise, trustworthiness, and attractiveness in terms of availability clearly affect credibility to one's assertions in this study.

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**APPENDIX A**

## UNIVERSITI TUNKU ABDUL RAHMAN
## SURVEY QUESTIONNAIRE

| **Topic: The Effects of Source Credibility Towards Purchase Intention of Organic Foods** |
|---|
| Dear respondents,<br><br>I'm postgraduate student from Universiti Tunku Abdul Rahman (UTAR). The purpose of this survey is to explore the factors that directly affecting purchase intention of healthy organic foods. This research is very important and it enables to promote healthy lifestyle because the statistics data show the Malaysian seem to be getting less healthy by the day. Obesity, diabetes, hypertension, heart attacks, strokes and many other serious diseases keep on increasing. |
| Instructions:<br><br>1) There are TWO (2) sections in this questionnaire. Please answer ALL questions in both sections.<br><br>2) Completion of this form will take you less than 10 minutes.<br><br>3) The answers of this questionnaire will be kept strictly confidential.<br><br>4) Please be informed that in accordance with Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013, Universiti Tunku Abdul Rahman ("UTAR") is hereby bound to make notice and require consent in relation to collection, recording, storage, usage and retention of personal information.<br><br>Acknowledgement of Notice<br><br>[   ] I have been notified by you and that I hereby understood, consented and agreed per UTAR notice (refer at back)<br><br>[   ] I disagree, my personal data will not be processed. |
| Thank you for your cooperation and participation. If you have any queries, please do not hesitate to contact me.<br><br>Sincerely,<br>Cheong Wooi Seng,<br>(Student ID: 14ABM01260)<br>cwsdavid@hotmail.com |

# PERSONAL DATA PROTECTION STATEMENT

Please be informed that in accordance with Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013,   Universiti Tunku Abdul Rahman ("UTAR") is hereby bound to make notice and require consent in relation to **collection, recording, storage, usage and retention of personal information.**

### Notice:
1. The purposes for which your personal data may be used are inclusive but not limited to:-
    - For assessment of any application to UTAR
    - For processing any benefits and services
    - For communication purposes
    - For advertorial and news
    - For general administration and record purposes
    - For enhancing the value of education
    - For educational and related purposes consequential to UTAR
    - For the purpose of our corporate governance
    - For consideration as a guarantor for UTAR staff/ student  applying for his/her scholarship/ study loan

2. Your personal data may be transferred and/or disclosed to third party and/or UTAR collaborative partners including but not limited to the respective and appointed outsourcing agents for purpose of fulfilling our obligations to you in respect of the purposes and all such other purposes that are related to the purposes and also in providing integrated services, maintaining and storing records. Your data may be shared when required by laws and when disclosure is necessary to comply with applicable laws.

3. Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

4. UTAR is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to us and it has been our ongoing strict policy to ensure that your personal information is accurate, complete, not misleading and updated. UTAR would also ensure that your personal data shall not be used for political and commercial purposes.

### Consent:
1. By submitting this form you hereby authorize and consent to us processing (including disclosing) your personal data and any updates of your information, for the purposes and/or for any other purposes related to the purpose.

2. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfill our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

3. You may access and update your personal data by writing to me at cwsdavid@hotmail.com.

## Section A

Please indicate your response by circling the right number based on the scale given below:

| Strongly Disagree | Disagree | Slightly Disagree | Neutral | Slightly Agree | Agree | Strongly Agree |
|:---:|:---:|:---:|:---:|:---:|:---:|:---:|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Expertise:** The degree to which a source possesses relevant knowledge and skills.

| 1 | This company has a great amount of experience. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 2 | This company is skilled in what they do. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | This company has great expertise. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4 | This company does not have much experience | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Trustworthiness:** The degree to which a source is thought to be an honest source of products, services and other information.

| 1 | I trust this company. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 2 | This company makes truthful claims. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | This company is honest. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4 | I do not believe what this company tells me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Availability:** Products that are readily available.

| 1 | Buying organic food is convenient. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 2 | Organic food is only available in limited stores / markets. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | The stores that I frequently shop do sell a variety of organic foods. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Affordability:** Ability to buy the product in terms of financial income.

| 1 | Overall the price of the organic food is reasonable. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 2 | The prices of organic foods are high. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | Organic food is beyond my budget. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Purchase Intention:** Willingness to buy a product with stimulation of the external factors.

| 1 | I am willing to buy organic food. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 2 | I am willing to spend a little more money to buy organic food. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4 | I will continue to buy organic food. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section B: General Questions

Please select one option from each of the following questions:

**1. Gender:**

A) Male

B) Female

**2. Age:**

A) 18 – 24 years old

B) 25 – 30 years old

C) 31 – 40 years old

D) 41 – 50 years old

E) 51 years old and above

**3. Marital status:**

A) Single

B) Married

C) Married with Kid

**4. The highest academic qualification:**

A) Below SPM

B) SPM

C) Diploma

D) Bachelor Degree

E) Master Degree

F) PhD

**5) Monthly income:**

A) Less than RM1000

B) RM1001 – RM2000

C) RM2001 – RM3000

D) RM 3001 – RM4000

E) Above RM4001

**6) Race:**

A) Chinese

B) Malay

C) Indian

D) Other