



**UNIVERSITI TUNKU ABDUL RAHMAN**

**BACHELOR OF COMMUNICATION (HONS) PUBLIC RELATIONS**

**UAMP3023 FINAL YEAR PROJECT 2**

**A Study on Exploring the Factors that Persuade Young Working Adults Involvement in  
Money Game**

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**JANUARY 2018**

**“Life is a long journey. You do not need to rush things in your life. Relax and take your time. Achieving your goals slowly but steadily” – Xavier**

**“Do not turn your hobby into your career.**

**Do not turn a garden into a war zone”- How Neng**

**“Never know your power before you break the comfort zone...” – Chee Fai**

*“Take your heart along the journey, you will success” – Kacey*

*“From the moment you are born, it begins with dying, therefore, just break the limitations” – Lucas*

**“Do not cross a bridge until you get there, feel it, touch it, do it, then you will find the ‘sincerity’ ”- Yusszulk**

## AUTHOR'S DECLARATION

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In the event that my research project be found violate the condition mentioned above, we voluntarily waive the right of conferment of our degree and agree be subjected to the disciplinary rules and regulation of Universiti Tunku Abdul Rahman.

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Programme : Bachelor of Communication (Hons) Public Relations

Faculty : Arts and Social Science

Research Topic : A Study on Exploring the Factors that Persuade Young Working Adults Involvement in Money Game

Date : 28<sup>rd</sup> March 2018

# **A STUDY ON EXPLORING FACTORS THAT PERSUADE YOUNG WORKING ADULTS INVOLVEMENT IN MONEY GAME**

## **ABSTRACT**

The study focuses on the factors that persuade young working adults to involve themselves in money game that has been addressed through three main research objectives. First is to study the elements of persuasive communication on money game. Secondly, to determine the attractiveness of money games that influence young working adult and thirdly, to find out the factors that influence young working adult involving in money game. The data for this research was obtained through semi-structured interview that conduct through five interviewees using non-probability sampling as the sampling technique where subjects that have been selected were based on the convenient of accessibility and proximity of the researcher. The information selection was the victims of money game and literate age between 18 to 35 years old with regardless of races and gender. Our findings explored the factors why young working adult involved himself or herself in money game.

**Keywords:** Money game, financial literacy, persuasive communication

## **ACKNOWLEDGEMENT**

It has indeed been a tough journey from the start up to the completion of this research but we are forever grateful that the research has finally completed. We would like to express our humble gratitude to everyone that has been involved upon the completion of this research. Firstly, this research required a lot of guidance and assistance from many people. Yet we are extremely fortunate to have this all along the completion of our research.

All the works that we have done are following such guidance and assistance, so, we would like to appreciate all of them. We are gratefully respect and thanks to our lecturer Encik Mohd Yusof Bin Zulkefli for giving us an opportunity to do this research and providing us all the support and guidance that made us to complete this research on time. Hence, we are extremely appreciating his effort to guide us on the right track.

Secondly, we would also like to thank our friends and fellow companions that helped us throughout the completion of this research by sharing their ideas and expressing their opinions towards this research. Finally yet importantly, we would like to thank everyone that has helped us directly and indirectly upon the completion of this research. All of the cooperation of the mentioned above is highly appreciated. Thank you.

## **TABLE OF CONTENTS**

### **ABSTRACTS**

### **ACKNOWLEDGEMENT**

### **TABLE OF CONTENTS**

#### **CHAPTER ONE – INTRODUCTION**

1.1	BACKGROUND OF STUDIES	1
1.1.1	MONEY GAME	2
1.1.2	THE UNDERSTANDING OF YOUNG WORKING ADULT	3
1.1.3	PERSUASIVE COMMUNICATION	5
1.2	STATEMENT OF PROBLEM	6
1.3	RESERCH QUESTIONS	8
1.4	RESEARCH OBJECTIVES	8
1.5	SIGNIFICANCE OF STUDY	9

#### **CHAPTER TWO – LITERATURE REVIEW**

2.1	MONEY GAME IN WORLDWIDE CONTEXT	10
2.1.1	FOUR STAGES OF PYRAMID INVESTMENT SCHEME	12
2.1.2	CASE STUDY OF PYRAMID INVESTMENT SCHEME IN ALBANIA	13
2.1.3	PYRAMID INVESTMENT SCHEME IN FINNISH	14
2.1.4	PYRAMID INVESTMENT SCHEME IN MALAYSIA	15
2.1.5	THE “NEW” PYRAMID INVESTMENT SCHEME	17
2.2	FINANCIAL LITERACY IN MALAYSIAN YOUNG WORKING ADULT	21
2.2.1	FINANCIAL SOCIALIZATION AGENT TOWARDS FINANCIAL LITERACY	23
2.2.2	RULES AND REGULATION OF MONEY GAME IN MALAYSIA	25
2.3	IMPACT OF MONEY GAME	26

2.4	PERSUASIVE COMMUNICATION MODEL	29
2.4.1	SOURCE'S CREDIBILITY	31
2.4.2	TRUSTWORTHINESS	32
2.4.3	PERSUASIVE COMMUNICATION MODEL: "SMCR MODEL"	34
2.4.4	CONCEPTUAL FRAMEWORK	37
2.5	FACTORS	
2.5.1	PEERS INFLUENCE	38
2.5.2	HIGH PROFITS RETURN	39
2.5.3	PROFITABILITY	40
2.5.4	SALARY	40
2.5.5	REFERRAL FEES	41
2.5.6	SOCIAL MEDIA	42
2.5.7	SELF-INTEREST	43
2.6	SOCIAL JUDGEMENT THEORY	45
 <b>CHAPTER THREE – METHODOLOGY</b>		
3.1	INTRODUCTION	46
3.2	RESEARCH DESIGN	46
3.3	RESEARCH INFORMANTS	47
3.4	THE STUDY SETTING AND SUBJECT	48
3.5	IN-DEPTH INTERVIEW	49
3.6	SEMI-STRUCTURED INTERVIEW	50
3.7	DATA COLLECTION	
3.7.1	SECONDARY DATA	51
3.8	DATA ANALYSIS	51
3.9	PROTOCOL AND ETHICS	52
3.10	QUALITATIVE TRADITIONS	52

3.11	EXPLANATORY RESEARCH	53
3.12	VALIDITY AND RELIABILITY	53
3.12.1	VALIDITY	54
3.12.2	RELIABILITY	55

## **CHAPTER FOUR – FINDINGS**

### **4.1 WHAT ARE THE ELEMENTS OF PERSUASIVE COMMUNICATION ON MONEY GAME?**

4.1.1	SOURCE CREADIBILITY	58
4.1.2	TRUSTWORTHINESS	60
4.1.3	SOCIAL MEDIA	62

### **4.2 WHAT ATTRACTIVENESS OF MONEY GAME THAT INFLUENCE YOUNG WORKING ADULTS?**

4.2.1	FAST CASH	64
4.2.2	PROFITABILITY	66
4.2.3	REFERRAL FEES & COMMISSION	67
4.2.4	High Risk	69
4.2.5	MOBILITY IN TRANSACTION	70
4.2.6	NATIONAL CURRENCY	71

### **4.3 WHAT ARE THE FACTORS THAT PERSUADE YOUNG WORKING ADULTS INVOLVING IN MONEY GAME?**

4.3.1	Peer Pressure	72
4.3.2	Situational Condition	73
4.3.3	Salary	74
4.3.4	High Expenses	76
4.3.5	Low Bank Interest Rate	77
4.3.6	Self-Interest	78



4.3.7	Financial Literacy	79
4.4	POST EVALUATION TOWARDS MONEY GAME	80
 <b>CHAPTER FIVE – DISCUSSION</b>		
5.1	TO FIND OUT THE FACTORS THAT PERSUADES YOUNG WORKING ADULT ARE INVOLVED IN MONEY GAME	83
5.2	TO STUDY THE ELEMENTS OF PERSUASIVE COMMUNICATION IN MONEY GAME	84
5.3	TO DETERMINE THE ATTRACTIVENESS OF MONEY GAMES THAT INFLUENCE YOUNG WORKING ADULTS TO JOIN	85
5.4	APPLICATION OF THEORY	86
 <b>CHAPTER SIX – CONCLUSION</b>		
6.1	HOW THE RESEARCH CAN CONTRIBUTE TO THE SOCIETY?	89
6.2	HOW THE RESEARCH CAN HELPS THE YOUNG WORKING ADULTS IN DECISION-MAKING PROCESS?	90
6.3	LIMITATION OF THE RESEARCH	90
6.4	PROPOSE CHECKLIST OF THE CHARACTERISTIC OF MONEY GAME	91
6.5	WHY PERSUASIVE COMMUNICATION IS IMPORTANT TO THE SOCIETY AND HOW IT CHANGE PEOPLE’S PERCEPTION?	92
 <b>7.0 REFERENCES</b>		
 <b>8.0 APPENDIX</b>		

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter provides the background of study, problem statement, research objectives, research questions, limitation and significance of study. The study focused on exploring the factors that persuade young working adults' involvement in the money game.

#### **1.1 Background of Studies**

Most of the young working adults in the society may have the mentality of getting rich in a short period. People with this mentality, they are more easily to be attracted to involve in an investment scheme, for example, “Money Game”. Money game can be known as a get-rich-quick scheme, pyramid investment scheme or Ponzi scheme (Mohd Sulaiman, Moideen, & Moreira, 2016). In the early 1920s, the scheme already existed in the world (Mugarura, 2017). There are countries that involved in investment scheme up until now, for instance, Jamaica, Grenada, United States, Colombia, Lesotho, Albania, Macedonia, Romania, Peru, Russia and Serbia (Carvajal, Monroe, Pattillo, & Wynter, 2009). In addition to this matter, this scheme is still been practicing in most of the countries around the world nowadays, yet Malaysia also one of it (Omany, 2017).

### **1.1.1 Money Game**

According to Omanyo (2017), pyramid investment scheme is one of the forms of unregulated and illegal scheme that promise of the high return of profit to the investors over a short period of time. It is a mechanism by which the investors or participants need to pay a certain amount of money as upfront to join the scheme and persuade at least three or more new members to join the scheme (Ananth, 2007). The profits were generated from the upfront fees paid by the new participants as the recruiting commissions to the earlier investors. Furthermore, it also benefits the investor depends on the number of participants they have recruited. The more the members were persuaded to enrol in the scheme, the larger the amount of money will be received as their bonus. However, the pyramid investment scheme no longer sustains in the market for a long period, and it will lead to collapse. The problem of collapse will not be avoided when there is lack of new investor to join the scheme or when a sufficient number of investors ask for their funds to be returned (Mugarura, 2017).

There are various types of investment schemes existed in Malaysia as reported in The Star 15 May 2017, for example, JJ Poor to Rich (JJPTR), Change Your Life forex scheme, Mface International Sdn Bhd, BTC I-system (Bitcoins) and Richway Global Venture (Lim, 2017). These schemes have been bringing a serious problem in term of defrauding the money from the investor. For instance, as reported in The Star 20 July 2017, there are 10 money game's victims had lost the total amount of RM4.3 million to such scheme as it is reported in the news (Zainal, 2017). Furthermore, as reported on 7 August 2017 New Straits Times (adopted from Bernama, 2017), reported that there are approximately 500,000 people became victims of the investment frauds during the past 19 months in Malaysia (New Straits Time, 2017). Based on the

reported news above, it is shown that most of the scheme and money game usually will bring impacts to the investors. Although the people are aware of the impacts that generated from the money game, but, why the number of people joining in money game is still increasing?

### **1.1.2 The Understanding of Young Working Adults**

Young adults can be defined as post high school age individuals. As reported in New Straits Times 20 December 2015, they are also known as Generation Y in this twentieth century which is born between year 1980 to 2000 and from 17 years old to 35 years old (Vijaindren, 2015). This age range includes individual who further their studies from high school to colleges or universities and those who directly enter to the workplace. Most of the young adults today possess at least a diploma in order to compete with their colleague and able to perform well in their job task (Salehudin, Bakar, & Ibrahim, 2016). According to Ford (2010), young working adults can be known, as they owned a long-term job, which also means that they have expertise in specific field and can perform very well in their job.

Apart from that, people in this age range are still depends on their parents to support their daily needs such as meals, school fees, hostel's rental fees and so on. In other word, they are lack of money and without personal savings. According to the Chief Executive Officer of Asian Institute of Finance, Dr Raymond Madden, as reported in New Straits Times 20 December 2015 stated that Generation Y today especially fresh graduate had accrue debt and lack of understanding in their financial planning although they are being the most educated generation (Vijaindren, 2015).

According to statistic from Malaysia Open Data Portal, it had been reported that there are average of 4,684 of young people between age of 25 to 34 are declared bankrupt in in year 2015. Usually one of the reasons of bankruptcy is the involvement in gambling related activities. Up until today, there is no solid statistic to show the percentage of young adult involved in money game. However, as stated in Free Malaysia Today on 26 February 2014, there is a statistic about a total percentage of young teenagers exposed to gambling in our country is 89% (Free Malaysia Today, 2014). Mass media in United Kingdom as reported in Independent on 19 September 2014, had named this pyramid investment scheme as “gambling scheme” (Milmo, 2014). This is because some people are still attracted to the scheme although they clearly understood the risk of it as the gambling and pyramid investment scheme have the similarity that is offer reward intermittently (Dunn, 2000). In other word, both pyramid investment scheme and gambling activities involved taking risk in the hope of realizing a gain (Sandel, 2013).

Financial literacy is meant by the knowledge of an individual towards financial concepts. It is inclusive of knowledge, education, ability, competence and responsibility towards their financial action (Zait & Berteau, 2014). The lack of financial literacy and experience in this life stage, young working adults nowadays will be easily being persuaded by others and join in illegal investment frauds. In the financial market, those innocent investors might be exposed to some risk based on different demographic attributes, gender, age, educational level, and income (Karim, Wenceslas, & Mohd Shukri, 2016). Financial literacy is very important towards young working adults in this millennium era. This is because they are able to make the best decisions with a sufficient financial knowledge and this will lead them to have better financial management.

### **1.1.3 Persuasive Communication**

Communication happens regardless of time or occasion in our daily life. However, most of the conversation attempt to change our perception or mind-set towards certain matter, which known as persuasive communication (Perloff, 2010). Persuasive communication is the message intended to influence someone's thinking or behaviour (Stiff & Mongeau, 2016). Besides that, the persuader is intended to change the receiver's attitude or behaviour throughout the end of the conversation (Perloff, 2010). It has been widely practiced in the society by those who might not typically be thought of as persuaders such as advertisers, lawyers, politicians and religious leaders (Simons & Jones, 2011). For example, a company spent million dollars to advertise their newly launched product in order to get brand loyalty from their consumers.

In addition, persuasive communication involves the use of symbols, with information conveyed mainly through language with its rich and cultural meanings (Perloff, 2010). Persuasion happens inevitable in our life and sometimes we do not even aware about it. Therefore, a number of studies have been conducted to study on the elements of persuasive communication. Source's credibility, also known as ethos is the first essential elements of persuasive communication (Larson, 2010). Credibility refers to a person's perception of the truth of a piece of information (Umeogu, 2012). It can be established from one's characteristics in term of proficiency, reliability, self-possession and positive self-image (Weiler, Moyle, Wolf, De Bie, & Torland, 2016). Moreover, the trustworthiness of persuader also served as an important element. This can be observing based on the overall delivering of the persuader throughout the conversation (Donaldson, 2015). No one want to be cheated, therefore an individual will only make decision after gained trustworthy from the persuader (Eldrige, 2014).

## **1.2 Statement of Problem**

Money Game can be known as a pyramid investment scheme or Ponzi scheme. Ponzi scheme is a form of fraud that is promoted by the payment of quick return to the earlier batch of investors, and the money is from the later investors (Mugarura, 2017). According to the Direct Selling Association of Malaysia (DSAM) President Frederick Ng as reported in The Star on 3 March 2017, stated that Money Game is a pyramid investment scheme Association of Malaysia, and it has been around for the past four years (The Star, 2017).

Most of the pyramid schemes shared common features, which promised of the high return of profits (Carvajal, Monroe, Pattillo, & Wynter, 2009). However, this scheme will not sustain itself for long, as the nature of the pyramid required a large number of people at the bottom of the pyramid to pay money to the people on top level of pyramid (Direct Selling Association of Malaysia, 2017). Furthermore, these pyramid investment scheme collapse when the operators abscond with the investment fund or insufficient of new participants joining the scheme (Mugarura, 2017).

The numbers of people falling into the investment frauds are keep on increasing each year. In Malaysia context as reported in The Star on 7 August 2017, there are more than half of a million of people duped by illegal investment frauds over the past 19 months (BERNAMA, 2017). In addition, as stated in Channel News Asia on 6 June 2017, the total amount of the investment defrauds cases that recorded in Malaysia between 2015 and April 2017 is 1,883 cases, resulting in losses of up to RM 377,404,500 (Naidu, 2017). These investment schemes not only bring negative impacts to the victims financially, but also emotionally, and psychologically. For

example, bankruptcy, commits suicide, shoplifting, and does affect the relationship between friend and families (Button & Cross, 2017).

In addition, the impacts not only strike the individuals, but it will indirectly affect the reputation of the country. For instances, it will diminish the confidence of the investors towards the country, as the foreign investors are afraid of being defrauded by those fraudulent investment schemes. As results, it will lead to credit crunch effect that some of the legal business are not able to raise funds for investment. Reduction investment in a country might create contraction in the Gross Domestic Product) (Omany, 2017). Research show that in some countries, there is more than 12.5% contrast (GDP) annually, after the collapse of Ponzi and Pyramid schemes (Cecchetti & Schoenholtz, 2014). Many countries were harm during last global financial recession not because they exposed to the subprime mortgages in the United States, but due to the Ponzi and Pyramid schemes collapsed over the period (Nesvetailova, 2008). Many countries reported that the protestors as a victim of Ponzi and Pyramid schemes increased and pressured the government to provide justice. The protests lead to looting of businesses, closure of businesses, destruction of property, pressure on the economy, and in some instances the governments had collapsed under the pressure of collapsed Ponzi and Pyramid schemes (Cecchetti & Schoenholtz, 2014).

These money game investment scheme has to be a major concern in a country as it might affect the country's future development. In Malaysia, most of the media has covered the negative news of "Money Game", but why still people involved in Money Game?



### **1.3 Research Questions**

- 1.3.1 What are the factors that persuade young working adults involving in money game?
- 1.3.2 What are the elements of persuasive communication on money game?
- 1.3.3 What are the attractiveness of money games that influence young working adults to join?

### **1.4 Research Objectives**

- 1.4.1 To find out the factors that persuades young working adult are involved in money game.
- 1.4.2 To study the elements of persuasive communication in money game.
- 1.4.3 To determine the attractiveness of money games that influence young working adults to join.

## **1.5 Significance of study**

Firstly, this research is about the factors that influence young working adults in joining money games. It is very important to us as researchers to know how persuasiveness and believability presentation on “money game” can affect the young working adults in gaining their interest and trust in joining them. By conducting this research, as researcher and as ethical citizen, we will have better understanding on how persuasive communication is being used in influencing young working adult’s mind-set.

Secondly, this study is beneficial for young working adults in the future. This is because they will have higher possibilities involving in money game which also known as illegal pyramid scheme or investment fraud. As many of the tactics or sequence in modus operandi on money, game already made their mark in the financial industry. For example, JJ Commerce Trading, CYL Asia Enterprise and Richway Green Venture as reported in The Star Online on 12 June 2017, it had been put under Bank Negara Malaysia financial alert list recently (Teng&Tan, 2017). It is ideal for the young working adults to use this research to educate themselves the ideas about elements of persuasiveness in the money game when it comes to the luring tactics of people into money game.

Thirdly, this research also can be helpful as an example for the Government and Non-Government Organizations (NGOs) in how they should enhance their approach in covering and presenting a new mechanism in order to decrease the cases of people falling into those investment frauds. Government can benefit from this research and should analyse their policy on prevention of young working adult towards illegal investment scheme and what are the reasons for the existence of the bankruptcy at the very young ages. Perhaps by referring to this research,

government and NGOs might be able to create an awareness campaign to all citizens from being lured into the illegal investment trap in the future.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Money Game in Worldwide Context**

Money game can be known as Ponzi scheme or pyramid investment scheme. It is an investment scheme that generally uses the strategy that promises the high return of profit and low risk to lure the investor to join the scheme. Before going to discuss the in-depth details of money game, the milestone of the money game should be covered. Frankel (2012) stated that the history of money game could be tracked back since years 1920s. The origin of the name for money game was called “Ponzi Scheme” in the past. It due to the scheme was developed by an Italian immigrant who called Charles Ponzi, who started with a business that promises to return 50% of the investment fund to the investors in United State. This scheme is not only unique in United State, and it had attracted investors from all around the world.

However, Carvajal, Monroe, Pattillo, & Wynter (2009) coined that after the first case of investment scheme existed in U.S, different types of investment schemes were started to emerge in different countries around the world. For instance, during the year 1978, an investment scheme which name “CLAE” existed in Peru, “Dafiment Bank” the year 1990 emerged in Serbia ;“VEFA” year 1991 in Albania; “Caritas” year 1992 in Romania; “MMM” year 1993 in Russia; “TAT Saving House” year 1997 in Macedonia; “OLNT”, “Cash Plus”, “WorldWise” year 2004 in Jamaica; “DRFE” in year 2005 in Colombia; “SGL Holdings” year 2006 in Grenada and also “Madoff Investment Securities” year 2008 in United States. Greedy is one of

the human nature as reported in the Star Online on 27 April 2017, hence it is difficult to eliminate these illegal investment schemes in the society (Lim, 2017). These illegal investment scheme industries will still growing in today era because people keep on falling into it because it claimed to provide a good return for investors.

Up until today, most of the schemes have followed in the way of Charles Ponzi. It means that most of the schemes shared common features which similar to Charles Ponzi scheme (Drew & Drew, 2010). According to Nexhipi & Nexhipi (2017), money game was defined as a business model that promises the extraordinary of returns, low risk, mainly to lure investors to invest in the scheme. Usually, the profits were generated based on the number of new participants recruited by the earlier investors. The money or funds that paid by the late investors will return to the earlier investor as their commission of recruit new member (Carey & Webb, 2017).

There are four characteristics of the money game (Benson & Chumney, 2011). Firstly, the scheme must have a number of investors to provide or invest money into the scheme. Secondly, the schemers create several of false representation to appeal or to persuade the investors to join the scheme. The schemers try to develop a strong impression of the pyramid investment scheme is a legitimate profit-making business to the investors. Thirdly, it is lucrative of return paid to earlier investors as their commission after persuaded new member to join the scheme. Lastly, the schemers will become insolvent as the liabilities to the investors were exceeded to the scheme's assets. The scheme will end when the investors suddenly dry up, it means no fund from the new investors paid to the scheme or a massive number of investors wants to withdraw their principal and invested money. When the scheme has the problem of difficulty in recruiting new member and when there are sufficient of investor ask for to return the invested fund in the scheme (Mugarura, 2017). In conclusion, the nature of a Ponzi scheme was

the operator used the money of new investors paid to the old investors. However, Ponzi scheme can be started easily but it cannot sustain for a long period and it is inevitable to collapse.

### **2.1.1 Four Stages of Pyramid Investment scheme**

According to Carvajal, Monroe, Pattillo, & Wynter (2009), stated that investment scheme usually would go through four stages that are initiation, validation, expansion and the final stage is a collapse. In initiation stage, there are numerous of the individual (initial investor) were successfully persuaded the new investors to join the scheme or the investment was passed over to another. For instance, the initial investors have to recruit two new investors that pay \$100 each as their investment money (Thanasi & Riotto, 2017). Secondly, in the validation stage, the initial or earlier investors were earned an extraordinary of money as their reward and it will help the scheme to develop a strong publicity in the form of word-of-mouth. The reward became the source of credibility that enable the investors to persuade other, as the scheme is actually workable. Followed by the stage of expansion is about the scheme to expand due to a sufficient number of new investor wanted to join the scheme. It means that the scheme will grow and expand rapidly in a short period because of a large number of investor has joined the scheme.

The final stage of the scheme is collapse. There are a few reasons that lead the scheme to collapse such as when there is no new investors joining the scheme; when there are a large amount of existing investors ask for return of their invested fund; or when the scheme's promoter have a desire to abscond with the invested fund (Musaraj, 2011). Hence, when the scheme comes into the final stages, the new or earlier investors will lose partially or entirely of the money, they have invested (Frankel, 2012). Apart from that, according to Thanasi & Riotto (2017) stated that a limited number of people in the world and the last investor in the scheme will always lose all the money also become the problems that lead the scheme to collapse.

### **2.1.2 Case Study of Pyramid Investment scheme in Albania**

In a famous real-life example of pyramid investment scheme in Albania named “VEFA”, this scheme went through the four stages of the scheme as mentioned above. There are several pyramid investment schemes were operated in Albania after the transition of the market economy to the liberalized market economy in the year 1990s (Carvajal et al, 2009). According to Nexhipi & Nexhipi, (2017), they stated that the poorest country in Europe was Albania during that period. It can be seen that VEFA had gone through the initiation, validation, expansion and collapse stages. Firstly, VEFA offered and well promoted the extremely high return of interest to the public that is from 30% to 50%. In that period, Albania was fall in the condition of high unemployment rate and low regulation of government and this lead to its citizens were low salaries, lacking other income sources, and insufficient information towards private sector institution. Therefore, they choose to trust on the high return of profits and have the mentality to become wealthier in a faster way. Thus, it prompts the investors to join the scheme. In the validation stage, the strong publicity of VEFA was developed from the written media and TV to assure the investor against the risk. It helps to strengthen the confidence of the investors towards the scheme that the scheme will bring wealth.

Thirdly, the pyramid investment schemes in Albania including VEFA were grown and expanded rapidly due to approximately two-thirds of the population of Albanian was invested in the scheme (Thanasi & Riotto, 2017). During their peak period in 1996, the total amount of invested funds of the pyramid scheme was US\$1.2 billion. Lastly, the scheme was inevitable to collapse. This is because the liabilities were exceeded the scheme assets. It happened when the money paid by the new investors were unable to cover the promised interest return for the earlier investor. Yet, a large number of investors requested to withdraw the invested funds in the

scheme, therefore, the scheme finally collapse (Nexhipi & Nexhipi, 2017). Thus, bad consequences and the impacts towards Albania were serious at that moment as if social and political instability occurs when those pyramid investment scheme in Albania collapses (Omany, 2017).

### **2.1.3 Pyramid Investment scheme in Finnish**

Apart from the pyramid investment in Albania, the other real-life example of pyramid investment scheme will be in Finnish. According to the researcher Randtala (2017), stated that since year 2003 to 2008, an investment scheme was actively operated in Finnish with the name called “Wincapita”. Initially, “Wincapita” investment scheme offered and promoted high profit of return to the investor as similar to the pyramid investment scheme in Albania. However, it was distinguished as the operator was trying to create an impression that the “Wincapita” is a regular and legitimate profit-making business by claiming that the profit mostly generated from sports betting and currency trading. It helps to stronger the investors’ confidence towards the scheme. In reality, there is no profit from the actual investment and trading. All of the profits was generated from the new and earlier investors as similar to a classical pyramid investment scheme. The scheme expanded and grew vast because nearly 0.2 % of the whole population of Finland that represent over 10,000 investors have joined the “Wincapita” investment scheme. In the end, this scheme was collapsed in year 2008. Yet, it also caused a biggest criminal investigation in the Finnish’s history (Rantala, 2017; YLE News, 2008).



#### **2.1.4 Pyramid Investment scheme in Malaysia**

According to Carvajal, Monroe, Pattillo, & Wynter (2009), the entire pyramid investment scheme shared a common structure that is promise high return of profit. The idea of the researchers can be proved and identify in nowadays market. In Malaysia context as reported in The Star on 15 May 2017, there are several of pyramid investment schemes in the country such as JJ Poor to Rich (JJPTR), Change Your Life (CYL), Richway Global Venture, BTC I-system (Lim, 2017). As stated in The Sun on 30 April 2017, reported that all of these schemes were also practiced in the same way that promises the lucrative return of profit to the investor. BTC I-system was a scheme that invests in Bitcoin digital currency, and it offered 30% of profit return within 15 days investment. Change Your Life (CYL) was a forex scheme that promoted that investor can get 30% of profit returns monthly (Lee, 2017). Lastly, the latest investment scheme in Malaysia was JJPTR. As reported in The Star on 03 May 2017, it was an investment scheme that offered up to 20% profits returns monthly to its investors (Chan, Joibi, Chiam, Lo & Timbuong, 2017).

JJPTR investment scheme was also gone through the four stages of pyramid investment scheme that are initiation, validation, expansion, and collapse. Firstly, as reported in The Star on 29 April 2017, the founder of JJPTR promoted and offered minimum 20% monthly profit return to the investors (Kok, 2017). Furthermore, as stated in The Star on 30 April 2017, investors were asked to invest at the minimum of RM100 between RM 4,400 (Chiam, Lo, Lai, Chan & Kumar, 2017). Besides that, this scheme used the modern technology such as Internet, website, and social media, to promote their idea in order to reach a wide range of potential investor. According to The Star on 01 May 2017 stated that JJPTR have their own website at

www.jjpтр.com, JJPTR Malaysia Facebook Page as a form of source's credibility to attract the potential investors (Lo, 2017).

Secondly, after the earlier investors earn the reward, they will have to generate a strong worth-of-mouth publicity. According to The Sun Daily on 25 April 2017, reported that the student leader that earn the profit from the investment, the scheme will get their faith and they will work hard to persuade and recruit new investor to join the scheme (Kong, 2017). The investor tends to persuade others to join the scheme as they are invested. Besides that, as reported in The Star on 08 May 2017, it also stated that the information and news about JJPTR were being disseminated in public places (Tan, 2017). This shows that JJPTR had developed a strong publicity among its investors. Thirdly, according to The Star on 21 May 2017, JJPTR grew and expanded rapidly in a short period because a large number of investors have joined the scheme. As an example, there are approximately 400,000 people were invested in JJPTR investment scheme and more than 100,000 people were from overseas. The investors still invested in the scheme although they knew the scheme was wrong and risky because of the high return of profits (Camoens, 2017).

Lastly, JJPTR investment scheme comes to the stage of collapse. According to The Star on 19 May 2017 reported that the investors did not receive the promised return (Benjamin, 2017). Thus, the schemer Johnson Lee claimed that the company's account was being hacked and lost RM1.738 billion. After this incident, the schemers still need to pay off the principal and invested fund to the investor. According to Malaysiakini on 13 May 2017, 19 JJPTR staffs had been arrested and a total of eight JJPTR scheme locations on in Penang had been raided by Bukit Aman's Commercial Crime Investigation Department (CCID) together with the help few agencies including Bank Negara Malaysia and Companies Commission of Malaysia on 12<sup>th</sup> May

201 (Bernama, 2017). Therefore, The Star on 26 September 2017 stated that the rest of JJPTR offices were closed after the raiding and the founder of JJPTR, Lee Chong Sen, and his co-partner were charged for cheating. Hence, JJPTR had come to a full stop (Hamdan, 2017).

### **2.1.5 The “New” Pyramid Investment Scheme**

In the new era of the world, modern technology became a very important part of human history. It eases the way of people in exchanging information, communication, and research. However, there are both pros and cons of the technology and some people have misused it. The schemers utilized several of modern technology to approach to the potential investor, for example, email, online advertisement, Internet or social media. The schemers exploit the others personal information as the users of Internet publicise their personal information on social networking such as Facebook (Button, Lewis & Tapley, 2009; Aleem, 2007).

Yet, the idea of the researchers Zhu, Fu, Zhang, & Chen (2017) also stated that those pyramid investment schemes had been evolved due to the advancement of technology. In reality, the new pyramid scheme fully utilized the modern technology to disseminate their idea and information in the social network. For instance, the earlier investors are easier to develop a positive image of the pyramid investment scheme on the Internet. It makes the potential investors to have a positive perception and confident towards the scheme. Besides that, a wide range of mobile payments apps and e-print contracts also enable the investors to make a quick decision and conveniently to transfer their money to the scheme. With all these changes, it helps the pyramid investment scheme to be diffuse effectively and efficiently in the online network community. Moreover, Internet helps the scheme beyond different types of limits, for example, time and place. It allows the schemers to attract and promote the pyramid investment scheme to the potential investors from anytime and anywhere in the world (Omany, 2017).

Furthermore, according to Baker & Puttonen (2017), the schemer used persuasive techniques to polish different investments scheme through unrequested emails (Junk mail). For instance, the schemer used the Internet to disseminate information about the pyramid investment scheme to the potential investor before approaching them. In reality, the general approaches that used by the schemers to attract victims are social media platforms, online investment newsletters, online bulletin boards and chat rooms, spam mail, or online dating sites (“romance scams”). Hence, the technology benefits the schemers in the form of to lure potential investors into various schemes. One of the famous investment schemes on the Internet that happened in United State is called “ZeekRewards”. According to the U.S. Securities and Exchange Commission reported that this investment scheme began in January 2011 until August 2012. This scheme has defrauded money more than \$850 million from over one million-internet investor nationwide and internationally through its website ZeekRewards.com (U.S. Securities and Exchange Commission, 2012).

The idea from Baker & Puttonen (2017) stated that “ZeekRewards” is similar to a classic pyramid investment scheme. Firstly, it promises excessive rewards to the investor as the investor can earn 125% of return on their investment and shared 50% of the daily net profit from Zeek. Secondly, it offers the investor to join “Matrix” which was a multilevel marketing plan that will reward the early investor when they have successfully persuaded a new investor as their “downline” of the scheme. Despite promising the high return of profit, the schemer also utilizes different kinds of media including journals, websites, emails, print media to promote the scheme and create incorrect and misleading statements about Zeek’s has hired the victim's investor. In reality, 98% of the funds are from the new investor and it used to pay to the earlier investor. Lastly, “ZeekReward” was collapsed due to an emergency operation from Securities and

Exchange Commission that freezes the Zeek's assets. The liabilities to the investor were \$2.8billion and the total assets of Zeek's had only \$320 million available to return to the investor. Thus, the liabilities were exceeded the company assets. In the end, this internet pyramid investment scheme was inevitable to collapse.

According to The Star on 29 September 2008, one of the pyramid investment schemes in Malaysia context that misused the power of the Internet was called "SwissCash" or "Swiss Mutual fund". This investment scheme was successfully attracted approximately 100,000 Malaysian investors with the total amount of investment between RM 380 million to RM 3.8 billions (Goh, 2008). Besides that, the researchers Aiman Nariman Mohd Sulaiman, Moideen, & Moreira (2016) had stated that it was a well-known internet investment scheme that persuades and attract new investor via the Internet in Malaysia. This investment scheme began in the year 2006. It claims that they have various types of investment such as foreign exchange, equities and commodities. It was similar to others investment scheme as it offered a high return of profits to the investors which the profit up to 300% after 15 months of investment. In reality, the schemer was created "Swisscash Mutual Fund", a virtual and non-regulated company that only exists on paper and Website, to lure a new investor to invest into the scheme with promise lucrative return of profits. The information accessibility about the scheme was enhanced and make the information easier to be circulated by the modern development of information communication technology (Muhammad Takiyuddin bin Abdul Ghani & Bahyah binti Abdul Halim, 2017). For illustration, they used the power of technology that developed four websites that are [www.swisscash.biz](http://www.swisscash.biz), [www.swisscash.net](http://www.swisscash.net), [www.swissmutualfund.biz](http://www.swissmutualfund.biz) and [www.swisscashguide.com](http://www.swisscashguide.com) to promote the scheme, provide a place that available, and encourage existing investor to attract and recruit new investors. Despite using website, the schemers also

created Swisscash's New York-office, a virtual office as "executive office" to provide forwarding services. Thus, the schemer's office that located in Petaling Jaya has received all the mail addressed to Swisscash. By using all these strategy and technology, the schemers successfully developed a strong impression in investors' mind that the scheme was linked to Switzerland and a positive perception that the scheme was a legitimate investment scheme. In fact, the scheme was not even registered in Switzerland. During the year 2007, this internet-based investment scheme was collapse due to the Securities Commission found out that the whole scheme was illegal and defraud. The schemer was fraudulent conduct a fund management activity without an investment advisor's license (Aiman Nariman Mohd Sulaiman, Moideen & Moreira, 2016).

## **2.2 Financial Literacy in Malaysian Young working Adult**

The term of "financial literacy" is considerably as new term occurred in today era even it is been discussed long time ago but in a serious manner. This term had been developed within the past decade. Start from the mid-1990, there are plenty researchers explained and defined this term. Although there are many researchers defined this term, but the definitions are bringing out the same meaning. Financial literacy is the ability of an individual to make wise judgments and to make effective decisions regarding the management of money (Schagen & Lines, 1996). According to the Vice President of Center for Financial Services Innovation, Jeanne Hogarth, had defined financial literacy as the ways of people manage their own money in term of insuring, making investment, saving and doing budgeting for money usage (Hogarth & Hilgert, 2002).

Financial literacy can be known as the understanding or knowledge of an individual towards various financial areas. In addition, people can analyse and manage their own financial condition and able make suitable plans for their future as they aware about the financial issues

happening in current society. Financial literacy can be divided into two dimensions that are understanding towards financial knowledge and education and the management of the financial knowledge. A person can be rich with financial knowledge but to be considering literate in it, the person should have the capability and confidence to bring about the financial knowledge when it comes to decision making. (Potrich, Vieira & Silva, 2010). Thus, financial literacy is the relationship between financial knowledge, financial attitudes and financial behaviours (Jorgensen & Savla, 2010).

Based on The Consumer Fraud Research Group, a research had been done in year 2006, which found that most of the investment fraud victims are college students, financially literate and men who have positive thinking. Many researchers pointed that younger adults will fall into investment fraud because they are being lured by the quick money earning tactics from pyramid scheme as they don't have any extra money to satisfy their needs for materialistic things like clothes, accessories and automobiles in their age range. However, there is belief that older people have higher chances to become investment fraud targets because normally they have more assets than younger people (Christine & Gary, 2014).

Today, Malaysia as one of the developed countries is categorized as one of the regions which financial literacy is at the bottom level. According to Malaysia Financial Planning Council (MFPC) as reported in New Straits Times 08 October 2016, in between year 2011 until 2015, there are 22,663 Malaysia young working adult under the age of 35 had been declared as bankrupt because they have a poor financial literacy (New Straits Times, 2016). This had become a serious issue because it will affect a country citizen' employment opportunities, income instability and low purchasing power. This mean that people with low financial literacy will be easily fall into the investment fraud as known as money game because they are being

lured by the high return of profits features (Carvajal et al., 2009). Hence, financial socialization agents are an important element in shaping one's financial knowledge.

### **2.2.1 Financial Socialization Agent towards Financial Literacy**

Socialization is referring to a social process where people acquire skills and perceptions in order to facilitate adaption to a different culture (Mikeska, Harrison & Carlson, 2017). Family, peers, schools and mass media are the socialization agents that will influence people in shaping and develop suitable skills, knowledge and behaviour. Financial is part of the socialization that can be known as a learning process of an individual to acquire financial knowledge and skills in some financial practice such as money saving, banking, budgeting and maximize the usage of knowledge gain in the financial marketplace (Albeerdy & Gharleghi, 2015). Thus, financial socialization agent like family members, friends and society are vital in shaping an individual mind and perception towards financial literacy.

Family members, especially parents as one of the financial socialization agent work better to an individual during young ages (Solheim, Zuiker & Levchenko, 2011). Children perceived their parents as role model in shaping their attitude and behaviour towards others. This is the stage where children will imitate their parents' financial management behaviour and perspective towards money spending and saving (Moore & Bowman, 2015). Parents will have a better knowledge in investment so they have the capability to oversee their children and not to let them fall into those investment fraud.

However, when children grow older, they will come in contact and form interaction with other socialization agents other than their parents. For example, peers, schools and mass media. Previous researchers stated that peers influence is very important in affecting youth financial



behaviour (Kretschmer & Pike, 2010; Masche, 2010; Moore & Bowman, 2006). During young adulthood, people's decision-making is affected by peers because they tend to spend a lot of time with their peers instead of their parents in this life stage and their financial behaviour will be slowly affected. This is the stage where young people will be easily influenced by their peers and fall into investment fraud because of the unbearable temptation.

Other than that, financial education is very crucial in providing sufficient financial knowledge for youngster. To cope with this, several Malaysia government agency had starting to take action in order to improve financial literacy in among Malaysian youngster today. As reported in The Star Online on 03 October 2017, Bank Negara Malaysia Deputy Governor, Abdul Rasheed Ghaffour said that financial education is very important to encourage Malaysian in managing their finance better through the continuous financial education. This enables an individual to develop sufficient financial knowledge and skills to make any financial decisions such as planning for investment and personal money savings (The Star Online, 2017).

On the other hand, according to The Star Online on 04 April 2017, the founder of Whitman independent Advisors Sdn Bhd, Yap Ming Hui also said that Generation Y today is lack of financial literacy as personal finance is not a priority to them. Therefore, we have to educate them on the relevance and importance of it. Besides, he also stated that it is crucial to take the step of planning. This is because people usually did not plan for the long term financial planning yet focus on immediate satisfaction like buying a brand new car even the individual already owned a car (Mahalingam, 2017).

### **2.2.2 Rules and Regulation of money game in Malaysia**

Back to 1993, as stated in The Star Online on 04 April 2013, Malaysia government had enacted the Direct Sales Act 1993. The purpose of this act is to provide regulatory control for the direct sales industry that means the business required a licence to start on it. Hence, this act had undergoes amendment to the Direct Sales and Anti-Pyramid Scheme Act 1993 in year 2011 because of the rising of illegal schemes (The Star Online, 2013). People started using multi-level approach or network marketing model and known as direct selling.

According to this act, not every Malaysian shall start up direct sales business unless the company is registered and with a valid licence under the Companies Act 1965. Besides, this act also being used to prohibits pyramid scheme from being introduced and promoted to public. One might get to a fine from one million to ten million Ringgit Malaysia if the person was verified to be involved in pyramid scheme (Direct Sales and Anti-Pyramid Scheme Act 1993). In addition, according to The Edge Malaysia on 30 May 2017, Bank Negara Malaysia governor Datuk Muhammad Ibrahim said that those pyramid schemes can also be taken action under the country Financial Services Act, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, Interest Schemes Act 2016 and also the Penal Code (Yeap, 2017).

It can be seen from a recent case that a vending machine supplier company in Rawang, Selangor who suspected of cheating up to RM 400,000 from its customers. Thus, The Domestic Trade, Cooperatives and Consumerism Ministry (KPDNKK) Selangor started an investigation in year 2015 which suspects the company is carrying out direct sales business but without a legal license and they are conducting house to house promotions looking for potential customers but they are actually registered as a vending machines supplier. Hence, this clearly shows that the company had violated the Direct Sales and Anti-Pyramid Scheme Act 1993. According to The

Sun Daily on 25 October 2017, Azman Adam the deputy director as known as chief enforcement officer of Selangor KPDNKK added that they had collected statements from 20 victims and they are currently tracing the company owner (The Sun Daily, 2017).

### **2.3 Impact of “Money Game”**

Most of the young working adults wanted to earn fast-money through some investment, and some of them choose to participate in money game. It is because the operators of money game have promised to the new investors that their investment fund can help them generate great profits without taking any risk (Bartoletti, Carta, Cimoli, & Saia, 2017). However, the investors did not realize about the consequences of money game, and it is important for them to know about how money game can affect their life. There are several impacts that caused by money game, which are financial Impact, emotional Impact, and psychological Impact.

First, the financial impact of money game is going far beyond of pure monetary losses, and it is crucial for the young working adults to identify and understand it. For example, some of the victims suffered financial loss and they have to sell their assets in order to cover up the losses. In addition, some of the victims are going back to work although they were retired or unable to secure credit or sometimes in the worst cases, the victims even have to face bankruptcy (Button & Cross, 2017). In addition, there are some victims who have invested all their saving by selling their assets and borrowing loans just to lose it all (Cortés et al., 2016).

According to Datuk Seri Michael Chong as reported in The Star on 15 May 2017, a man who is leading the MCA’s Public Services and Complaints Department for 30 years, he stated that some of the victims thought that they were smart. Therefore, they borrowed money from loan sharks at high interest rates, and invest in the money game, as they believe that their

investment on money game could generate high profits that able to cover the loan and still continue make profit for them (Long sentence, consider revising). Nonetheless, Chong also said that these investors are the people who end up without homes, as the loan shark will sell off their house once the investment scheme collapses (The Star, 2017).

Furthermore, when the investment scheme has collapse, the victims will suffered from the emotional impact as if experienced fear and it will also leads to victimization. Moreover, some of the victims who suffered from the emotional impact are more likely involve themselves in committing crime such as, robbery, shoplifting and even commit suicide. There is a research findings has shown that the redistributive crimes such as shoplifting and robbery increased disproportionally in affected areas compared to places that had no Ponzi schemes operating before the crisis (Cortés et al., 2016).

In addition, those male victims who involved in the crime mostly will experience anger or sometime experience post- traumatic stress disorder (Button & Cross, 2017). For illustrations, a man has participated in pyramid investment scheme, and he feels happy while he earned some profits from the investment scheme. However, when he lose money or he aware that he is at the bottom level of the pyramid scheme, he feels stressed, and it is directly affecting his health (Kashapova, Filippova, & Nikitina, 2017; Ryff, 1989). According to the research report conducted in Albania (2008), when the financial collapse, the report shown that there is a huge amount of people in Albania, have impacts on heart illness.

Besides, when the victims are unable to handle the stress towards the unexpected financial collapse, they tend to commit suicide. According to The Times reported on 12 February 2009, William Foxtan aged 65 has lost his family's entire saving in the Madoff Ponzi scheme, and he shot himself with a handgun in a park in Southampton, United Kingdom (The Times,

2009). In addition, as reported in The Star on 25 May 2017, there is a similar case happened in Malaysia, which is a fifty-four year old man who hanged himself on the tree (Chiam, 2017).

Moreover, the investors of money game might experience Psychological Impact when the pyramid scheme is collapse. Psychological effect is relate with the cognitive meaning, which a certain belief or existing view are broken such as the victims lose faith in people or certain groups (Button & Cross, 2017). For instance, if the investors experience profits lost in their pyramid investment scheme, then the social ties between the investors and money game's promoters will be broken. As results, the investors will tend to blame the person who provided them a bad guidance or those people who have not invested their money (Kashapova et al., 2017). In addition, the relationships between partners and families will be affected by the impact of money game (Button, Lewis, & Tapley, 2012). According to The Star reported on 10 July 2016, the first person that most of the investors will aimed for recruiting, as new members are family members, as their cousin or aunty were trusted on them, stated by MCA Public Services and Complaints chief Datuk Seri Michael Chong in 10<sup>th</sup> July 2016. As an example, a wife have lost her family's employees' provident fund (EPF) savings to an illegal investment scheme, and her husband requested to divorced and bring his children with him (The Star, 2016).

## **2.4 Persuasive Communication Model**

Communication is essential in daily life. Most of the time when we talk to one person, we tend to get them to believe in the content of our messages. Therefore, when the receiver is being influenced and changed on their behaviour, there is where persuasive communication occurred. Before we discuss on persuasive communication, it is crucial for us to understand the meaning of persuasion. Persuasion is the ability that used by persuader in a conversation in order to get the receiver in performing an action or accepting an idea (Guerini, Strapparava, & Stock, 2008). Therefore, persuader needs to be clear about 'who' is the audience, to deliver 'what' message by 'which' communication channel in order to get the effective outcome (Manning, 2012). Furthermore, persuasion always happens in people's life without them realising. This is because it has become the fundamental instinct for human conversation (Gass & Seiter, 2014). For example, candidates of election will have a lot of campaigns or activities to serve the community before the nomination day. The hidden message for these is to persuade the nominators to vote for them.

According to (Miles, 2013), persuasive communication intended to change user's attitudes and behaviours in some ways that abstain from the pursuance of convincing. Besides, persuasive communication is connecting with argument, demonstration and convincing with evidence in order to get trust from the receiver (Correia Jesuino, 2008). The person might not get to know that he/she is being persuading because it does not always aimed directly to alter our attitude or behaviour (Simons & Jones, 2011). A case study of Tupperware in year 2016 can be used to study the presence of persuasive communication. Tupperware is a Multi-level marketing (MLM) business whereby the company sells their products to potential customers at the same time persuade member to recruit new members in joining the scheme (Radzuwan Ab Rashid, Siti

Nadiah Ahamad Sapari, Nur Hazwani Majid, Zanirah Wahab, Kamariah Yunus & Saiful Bahri Mohamed, 2016).

According to The Star reported on 21 August 2016, Tupperware used MLM business to cover up their actual business strategies that is pyramid scheme (The Star, 2016). Tupperware's members use the product in their daily life to create a hidden persuasive message to others. For instance, while a member is explaining the benefits of Tupperware to a friend, it ultimately created a positive image of the brand in the friend's mind. When the friend wants to get new product in future, he/she tends to consider about Tupperware products. At this time, the seller will persuade the buyer to join as member in order to get the product with member's special price, at the same time commission is given based on their personal sales. Hidden persuasion message always happens in our daily life. Persuader used various types of strategies especially in term of communication skills to persuade people in joining the business. People always persuaded by the credibility and trustworthiness shown by the persuader in the conversation.

#### **2.4.1 Source's Credibility**

A successful persuader should show all the good character through the message in order for the receiver to believe in the information. On the other hand, if the persuader unable to build up credibility from the receiver, the information conveyed by the persuader will be doubt by the receiver (Greer, 2011). In order to make an individual to change their behaviour or accept an idea, credibility of the source is the most crucial element. A message with credible source is effective in forming receiver's attitude especially when the receiver does not have high processing ability (Kumkale, Albarracín & Seignourel, 2010). Most of the time we perceived information generated from user is more informative compare to company's marketing materials (Dickinger, 2010). Besides, the credibility of source also affects the receiver's attitudes towards particular

products or services (Veasna, Wu & Huang, 2013). For instance, when JJPTR investors spread around saying that they have earned a lot of money from the scheme, the receivers will be more confident to join the money game due to the credibility of the message. There are two basic components in building source's credibility from the receiver, which are expertise and trustworthiness (Weiler, Moyle, Wolf, De Bie & Torland, 2016).

Expertise is the comprehensive knowledge or skill in a particular subject or activity by an expert, which achieved after few years of hard work (Ericsson, Charness, Feltovich & Hoffman, 2007). When receiver believes the persuader has knowledge in the specific field, they will not doubt on the accuracy of the information and thus being persuaded by the source. To illustrate, when the JJPTR operators show their license of operation and certificate of achievement, the investors will less likely to doubt on the information conveyed by the operators. Furthermore, trustworthiness is more to the opinion of whether the receiver should accept the suggestion or information provided by the source (Case, Lazard, Mackert & Perry, 2017). When the receiver trust the source as well as the information, scepticism is less likely to be happened (Sparks, Perkins & Buckley, 2013). As an example, JJPTR Supermarket served as a belief to the investors so that they will trust the operators and invest their money to the money game. JJPTR Supermarket is one of the strategies used by the operators to gain credibility from the investors whereby to show the money game is a legal investment business and they even own licensing for supermarket business.



### **2.4.2 Trustworthiness**

Colquitt and Rodell (2011) reviewed trustworthiness as an evaluation process by the competency or personality of the persuader. In the other words, an individual will not make a decision without trustworthy and right results (Eldrige, 2014). Trustworthiness serves as one of the most important components in a conversation (Olson & Bao, 2014). It can be known as the characteristics of the persuader that drives receiver trust and consequent behaviour (Yu, Balaji & Khong, 2015). Therefore, the persuader plays a significant factor for the receiver in determining the trustworthiness of the information (Donaldson, 2015). For example, investors will look into the way of persuader delivers the information throughout the conversation and they will evaluate whether it is reliable and valid. This is because reliability and validity of the information are the vital qualities in making a decision (Eldrige, 2014). Besides, research shown that the audience examines trustworthy based on their experience with the person who convey the information (Donaldson, 2015). Similarity, the more positive experiences the receiver get from the persuader, the more trustworthy they perceive towards those information. According to Mayer, Davis & Schoorman (1995), defined trustworthiness of the persuader is based on the “ability, benevolence, and integrity” of an individual.

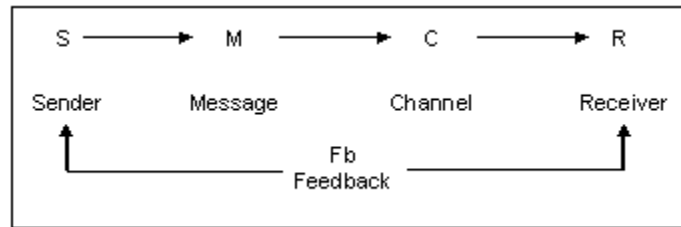
Ability is the foundation of trustworthiness (Olson & Bao, 2014). It also assumed as the persuader’s competence in performing the role of conveying information. An individual with high ability is being perceived as the one who is capable and on the right track (Boateng, Agyemang, Okoe & Mensah, 2017). Furthermore, it plays as the important basis in building up a relationship in a conversation (Cho & Lee, 2011). For instance, the ability of the persuader when delivering information to the receiver, whether it is in superior way or standard way. A person

with high ability tends to provide informative and interactive conversation that triggers the receiver to accept and agree to the persuader.

Moreover, integrity is assurance in action to an ethically justified set of principles and values (Becker, 1998). It has been acknowledged as a crucial element of trustworthiness in structure trust and commitment between the persuader and receiver (Kouzes and Posner, 2011). When someone shares their assets in social relations, they expect others will do it in the same very as well. In money game, when the persuader wanted to persuade the receiver to invest their money in money game, the persuader needs to show honesty, fairness and consistent behaviours. This is the way in maintaining the relationship and protecting his or her integrity. In short, integrity has heavy impact towards the attitude of the persuader while sharing information (Boateng, Agyemang, Okoe & Mensah, 2017).

In addition, benevolence is another main element of attaining trustworthiness (Fang, Palmatier, Scheer & Li, 2008). It can be expressed in few ways such as faithfulness and supportiveness (Wintoro & Mulya, 2005). For instance, if the persuader being supportive to the receiver and tells that it is not harm to anyone else if you joined money game; eventually it helps to gain trustworthiness. Furthermore, Butler and Cantrell (1984) viewed benevolence as adding a loyalty to the interest and welfare of an individual. In other words, the persuader tries to make the receiver to believe that he or she is doing something good, apart from earning money (Caldwell & Hayes, 2007).

### 2.4.3 PERSUASIVE COMMUNICATION MODEL: “SMCR MODEL”



*Figure: SMCR Model*

Persuasive communication is a process involved at least two people and message is being transmitted from the source to receiver through any form of channels (Devito, 2007). It often happens in various ways such as face-to-face, when we exchange secret with best friend or when we chat with family during dinner (Beebe, Beebe & Redmond, 2008). This also known as synchronous communication; whereby the message is exchanged in actual time (Wood, 2010). For instance, when you talk to your friend, the message is being transmitted immediately and he or she can responds to the message on the spot. On the other hand, persuasive communication also happens through text message, email and posting status on Facebook (Larson, 2010). This called as asynchronous communication because the message is being transmitted or conveyed at one time and the receiver received or responded at different time (Beebe et al, 2011). As an example, you sent an email to your lecturer today but he might reply you on the next day. Another example like you might found an article posted on social media today but it was actually written in the past few years. Furthermore, the occurred of persuasive communication contains these four basic elements (Devito, 2016).

- Source (S) also known as persuader, is the one who shared or encode the message.
- Message (M) is the information conveyed from one source to the receiver.

- Channel (C) is the medium used to carry the messages. It served as a bridge to connect source and receiver. Example of channels such as face-to-face and online chat room.
- Receiver (R) in other word persuades, is the one who decode the message and provide his or her own feedback to the sender.

To apply the model on how young working adults being persuaded to involve in money game. People like to earn money in a short period. When you are walking on the street and someone tells you, “let the money work for you.” After you received this message, your mind will first pop out the alert signal that tells you it is a form of persuasion. At the same time, the persuader continue talking to you, tells, “Zero effort needed! All you need to do is to invest your money and you will get bonus for every month”. The hidden persuasion message has trigger your interest to know more about money game but at the same time you feel insecure because you do not really clear on how is the scheme operate. In this case, the person who tells you about money game served as the persuader that is source (S) of the conversation. Because he or she is the one who shared and created the message and conveyed to you.

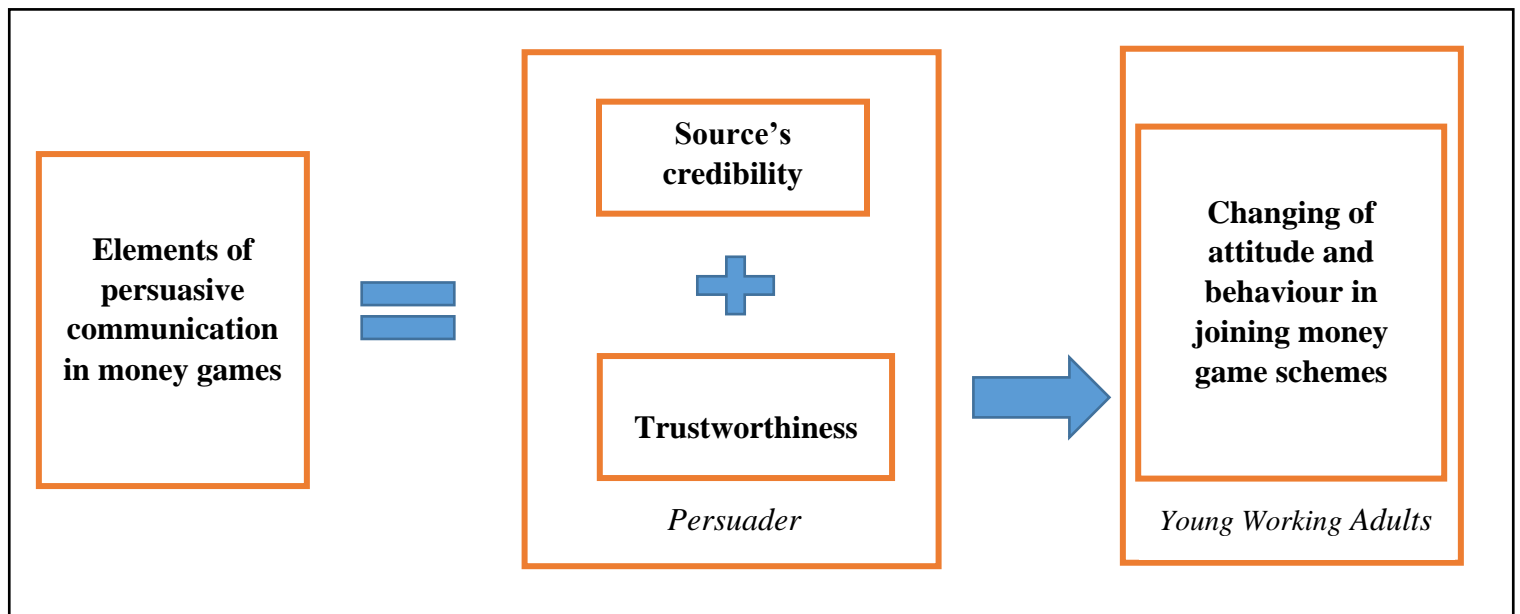
Furthermore, the information about money game that conveyed by the source is the message (M). The message which delivered by the money game’s operators contained some persuasion communication information and most of the investment scheme operators will promised to the new investors that they will receive high returns based on their investment funds. In this situation, high returns are the persuasive message that persuader wanted to deliver to the new investors. For example, when you listened to the persuader regarding the 20 percent lucrative profit returns without putting any effort, then you will start to consider about this investment scheme, as the benefits offered by the operators is very attractive. In addition, young working adults always wanted to earn quick-money, if this persuasive message delivered to the

right target audience like Young Working Adults, then they probably will fall into this investment scheme.

In addition, a medium that used to convey the message to the receivers is known as Channel (C). Money game's operators normally use face-to-face as their priority channel, as it has higher chances in persuading an individual successfully to join the pyramid investment scheme. Face-to-face conversation allowed the persuaders to present confidently on how good is money game, and how it can generate extra dividends to the receivers. Source's credibility will increase when the presenter's persuasive communication skill is good. Other than that, some of money game's operators used online chat room or online forum as their alternative channel to reach their target audience.

On the other hands, these online forum and chat room will gathered all the potential investors and those investors who are interested to earn quick-money. Besides, the operators used advertising as their channel, such as a design poster that can catch the attention from the potential investors. For illustrations, the operators designed an advertising poster with the headline of "Effortless in Earning Quick-Money", while the young working adults looked at this headline, then they will tend to know more about how it works. In this study, all the potential investor and young working adults are the receivers (R) of the communication, as they always trying to understand and interpret the meaning of senders via advertising poster, face-to-face conversation, and some online forums.

#### 2.4.4 Conceptual Framework



*Figure 2.0 This conceptual framework is explaining about exploring factors that persuade young working adults involved in money games*

## 2.5 Factors

### 2.5.1 Peers Influence

Most of the people have peers and they play an important role in everyone life. Peers have strong influence towards people decision-making process. It is because peers are the one that most of people had spent more time with and intense relation aside from the family (Collins & Laursen, 2000; Blodgett & Gondoli, 2014). According to Kathrin (2015), peers can be defined as the individual that is equal in the term of age, status and skills. People can explore their identity, learning social norms, gaining social support and practicing the autonomy from a healthy peer's relationship (Maria, 2007). Thus, people will become more similar to their peers over a time (Kandel, 1978; Kathrin 2015). Hence, people will follow the steps of their peers and

what they do. Therefore, it shown that peers have greater influence and able to persuade people to have behaviour and attitude change. Besides that, peers influence had become one of the factors that attract others individual to join money game. According to 7<sup>th</sup> May 2017, The Star, reported that the money game tend to use peers influence to gain legitimacy and viability in order to attract more potential investors. The way that operator of the scheme used was to show the peers that have already earn a high return of profit from the scheme.

### **2.5.2 High Profits Return**

People earn and spend money throughout their life. Normally we spend based on how much we have earned. However, sometimes we may want to spend more than what we can afford to fulfil our wants or desires. These imbalances lead the investors to look for ways to maximize their money. Therefore, one of the ways will be taking the investment risk by investing their money in money game. This is because the investors felt that it is the fastest way to get easy money. According to The Star on 30 April 2017, reported that most of the investors participated in more than one money game that offered high profits return (The Star, 2017).

Other than that, most of the investors were being attracted by the promise made by the operator that is high profits return in short period of time. The investors might be feeling afraid or worry about the promise offered by the operators in the beginning. However, as mentioned in the earlier part, peers influence is very powerful and influential. When the investors get to know that their friends or family members have invested in the money game, they tend to be more confident and ultimately follow their footsteps. It can be conclude that high profit return is one of the factors that attract the investors to fall into the trap of money game. By conducting this research, we are going to explore more factors that persuade young working adults' involvement in the money game.

### **2.5.3 Profitability**

The word of profitability contains two words that are profit and ability. Therefore, profitability can be defined as the ability of a corporation in yielding profits (My Accounting Course, 2018). It can be used to measure the efficiency of the business but not final evidence of efficiency (Trivedi, 2017). Moreover, there are differences between profit and profitability. Profit is the main goal of an enterprise and the company needs profits to sustain in the market for long run (Nimalathasan, 2009). However, profitability is the ration measurement to the success of the business. According to Velnamby and Nimalathasan (2009), profitability tends to show the precise assessment on the business's performance. In other words, profit and profitability is interrelated. For example, money game helps the investor to earn profit in a short period; and investors measure the profitability which promised by operators.

### **2.5.4 Salary**

People work for money. Salary is an instrument of payment in the form of currency by the employer to the employees as compensation of their service (Li, 2013). However, salary is different from wages. Salary is the fixed amount of pay calculated based on annual basis depending on employee is working performance (Bureau of Economic Analysis, 2017). A person who is paid by salary are often categorized as doing the white collar job which indicates that person is cultivated and proficiency and holds a respectable position in the industry (Surbhis, 2015). According to Department of Statistics Malaysia (2017), the median monthly salaries of employees have increased from RM1600 in Year 2015 to RM1703 in Year 2016. For young working adults aged from 17 to 35, the average monthly salary of employees in Malaysia in Year 2016 is between RM1014 to RM2936 (Statista, 2018). However, when an individual got increment in salary, the first thing to do is upgrade their lifestyle. A rise in salary allows them to



spend more on monthly expenses and this almost happens on most of the individual at all time. This is because they are afforded to buy more foods, increase entertainment also go on more vacations (Diana, 2015). When an individual has used to an expensive lifestyle, it is hard for them to survive when financial crisis happens because they are hard to allocate their budget. In this case, it leads young working adults to fall into the trap of money game.

### **2.5.5 Referral fees**

Referral fees can be known as fees that charged by an agent for successfully referred a client to another agent. This can be normally see seen in affiliate marketing as if Amazon pays its affiliates a referral fee for each referral that is converted into a customer (Libai, Biyalogorsky & Gerstner, 2003). Besides, it also can be seen in real estate industry where the licensees offer inducements to other agent (Alvin, 2011). Thus, referral fees are also occurring in pyramid investment scheme where an individual earn profit from the fees paid by recruiting new member into the scheme. In addition to that, these investors not only make profit upon recruiting new members, but also when the recruited members recruit new members into the scheme. According to Chetan, Timothy, Jennifer, Christopher, Lu, Matthew & Claire (2015), a person transfers an amount of up-front money to his or her sponsor and gain authority to recruit new member to join pyramid investment scheme so that the person can earn profit from the new recruits.

### **2.5.6 Social Media**

Social media can be defined as an innovative online tool that designed for the aims of improving communication and collaboration (Tenopir, 2013). In this millennium era, most of the people will have their own account on social media as the rapid evolution of the Internet (Tsimonis, 2014). There are a variety of social media that exist in the society, for example, blogs, Twitter, online videos, social networks, Facebook, YouTube and more (Elving, 2017). The reason why social media was being widely used is due to its enable social interaction for the audience through the Internet. According to Xie (2014) stated that social media is an effective approach for people in communicating and interacting with each other. Social media has offered many new opportunities for the consumer, for example, research, communication without boundaries, exchange information with another and even can express their feelings and thoughts on social media platform (Tsimonis, 2014).

Besides, it allows two-ways between communication between the sender and receiver. Social media not only allows the seller or sender delivers a message to the consumer or receiver, it also allows the receiver can become the sender simultaneously. Yet, social media not only provide the new opportunity for the consumer, it also become a new marketing tool for a company to improve the marketing communication effectiveness (Dholakia and Durham, 2010; Kozinets et al., 2010; Trusov et al., 2009; Tsimonis, 2014). According to Floreddu (2016), social media enable the organization to collect the unfiltered and truthful opinions and thoughts from the consumer. Furthermore, social media was normally low cost and even free; the company will utilize this opportunity deliver the information. In addition, social media provide dialogues and transparency for the consumer.

The consumers tend to generate trust and develop engagement towards the organization as they have the clear understanding of what is the organization about, and they can obtain information easily from the interaction with the organization (Elving, 2017). For example, the money game used the modern technology such as Internet, website, and social media, to promote their idea in order to reach a wide range of potential investor. As reported in The Star 01 May 2017, stated that JJPTR have their own website at [www.jjptr.com](http://www.jjptr.com), JJPTR Malaysia Facebook Page as a form of source credibility to attract the potential investor (Lo, 2017).

### **2.5.7 Self-Interest**

Self-interest is the attitude that contributes to the individual's achievement of valued goals (Sears, Lau, Tyler & Allen, 1980). There are several common terms that are similar with self-interest, which are "selfish" or "greedy", and it emphasized on egocentric, material and short-to-medium term determinants of human behavior (O'Brien, 1992). Egocentric is used to describe those people who are highly concerned for their own desire's needs. People who are egocentric will also behave strict accordance with their own interest, demands, and wishes in terms of self-interest satisfaction, or self-preservation, or preference satisfaction (Debeljak & Krkac, 2008). In other words, self-interest can be defined as the person who are demanding or concerning about their current situation's needs, demands, and wishes. There are many influential theories of human behavior and the layperson proved that the motive of self-interest is extremely powerful (Miller, 1999). In addition, from the perspectives of economic order, self-interest able to drive people in achieving wealth (O'Brien, 1992). Self-interest does not have much of choice to choose, the choice option is between direct and indirect selfishness, as self-interest is constantly connected with profit maximization (Debeljak & Krkac, 2008).

### **2.6.1 Social Judgement Theory**

This theory was developed by the idea of a philosopher name called Egon Brunswik in the year 1950s (Kempton, Alani, & Chapman, 2003). Social judgment theory suggested that by understanding the audience's attitude towards a subject will provide the clues to the persuader regarding how to develop a persuasive effort (Dainton, 2004). It means that it is important for the persuader to understand their audiences before creating a persuasive message. The judgmental process is the basic idea of this theory when the attitude of audiences changed (Chau, Chow, & Fung, 2014). It proposes that the judge (the decision maker) will make an evaluation about the content of the message based on their point of view or stand as their anchor, on a particular topic and issues. The audience will make a comparison between the new information and his or her own point of view, before making a decision about either accept or reject the new information.

There are three latitudes will be used in this theory to form a continuum, which is latitudes of acceptance, latitudes of non-commitment and also latitudes of rejection (Cameron, 2009). According to Chau, Wong, Chow & Fung (2014), stated that the first latitudes in social judgment theory are latitudes of acceptance. It suggested that the presented idea or opinion will be acceptable to a person if the message was perceived, interpreted or judged which is close to or near to his or her point of view and stands. For example, the person will accept the new information if he or she perceived that the information was similar to the audience's point of view. Secondly, the latitude of rejection means that the presented information and idea will be rejected or unacceptable due to the message was far from the stands of the audiences. The audiences tend to refuse and reject the message or information if they are far from their existing point of view.

Lastly, the latitude of non-commitment was included the idea and information that the audiences have no opinion or perceived as either close to or far from to the individual's own stands point. The audiences neither will accept nor reject the new ideas (Asemah, Nwammuo & Nigeria, 2017). Moreover, different latitudes differed from a different individual. There are other external factors will affect an individual's latitude, such as individual's ego involvement and actual judgment of the message. The ego-involvement defined as the individual's interest and commitment towards specific information or idea (Rybitski, 2016). If the person interested in a particular information or topic; when the issue has personal significance to the individual, thus they will have a high level of ego-involvement in compared the new idea and their existing point of view. Hence, the higher the ego-involvement, the higher of the latitude of rejection, then the attitude of the individual will be hard to be changed.

Moreover, the actual judgment of message represents the familiarity of the individual towards the subject of discussion (Chau, Wong, Chow & Fung, 2014). In other words, it represents how deeply of an individual in anchored in their belief when evaluating to the new idea. According to Rybitski (2016), the result of "contrast" will emerge when the new idea is fall within the latitude of rejection as further away from their own anchor. In addition, the individual will start to refuse and reject the new message even it is somewhat agreed with their point of view. They tend to believe and trust the things that are exactly same with their stand. Therefore, how a person reacts to the persuasive messages was based on the position of he or she on the issue or topics. It affected how the person to interpret and evaluate the messages before making the attitude change. For instance, if the news report was reporting the political ideology that disagrees with his or her point of view, the person more likely that he or she will reject it. In

the end, the person would probably form a negative view towards the news report and even tend to believe that the news is biased because it did not tally with his or her opinion.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 introduction**

Research methodology serves as a strategy to find out the result to match the research's objectives in the last chapter. Research methodology served as a foundation for the researchers to conduct this research. In this research, the researchers choose to use qualitative research paradigm. Qualitative research paradigm is used to obtain an understanding of underlying reasons, opinions, and motivations from participants (Emma, 2017).

Qualitative research uses a flexible questioning approach, although the questions were set to run the interview protocol, the researchers still able to prompt the questions and probes the participants to give extra information if needed. Furthermore, this study used semi-structured interview for the attainment of primary sources. The approach is significantly convenient to be considered as qualitative study.

#### **3.2 Research design**

According to Burns and Grove (2016), they defined a research design as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. This study focuses on exploring factors that persuade young working adult involved with money game. Therefore, this study is much more related to explanatory research because it

was conducted for a problem that was not well researched before, also not provided a better-researched model for this problem (Lisa, 2008).

### **3.3 Research informants**

This research conducted during 18<sup>th</sup> of February 2018. A number of five young working adults were chose as informants for this study because they have met the saturation point for this study. They were able to express their experience and opinion that can answer the research objectives and research questions of this study. The point of saturation in qualitative research involves prompting all forms of types of events or information, valuing variation over quantity, which mean, when the amount of variation in the data is levelling off, and the new perspectives are no longer coming out from the data, the study may be approaching saturation (Meryl, Laura & Torsten, 2009). The number of informants will increase when the collected data has not reach the point of saturation (Creswell, 2012). The researchers used non-probability sampling as the sampling technique where subjects that have been selected will base on the convenient of accessibility and proximity to the researcher. The majority of non-probability sampling techniques include an element of subjective judgement (Saunders, Lewis & Thornhill, 2012). The sample was not based on chance but it is rather determined by the researchers.

The types of samples that employed in this study are purposive sampling. Purposive sampling refers to the researchers seek out the elements of the participants who meet the very narrow and specific criteria (Blackstone, 2017). This requires prior knowledge about overall patterns of response and all the entire informants should meet the fulfilment stated by the researchers. The fulfilment needed below:



1. Young working adults who involve in money game
2. Age between 18 to 35 years old
3. Regardless of gender and ethnic
4. Voluntarily participate in the research

### **3.4 The study setting and subject**

The setting of the study was a very important process in developing the level of information sufficient that can derive from the interview session. To make it more depth, Kajang will be chosen as the study area by the researchers. Most of the agency company of money game were located in Kajang. The interview session was conducted by researchers in order to get extra understanding towards the studies that are the factors that persuade young working adults to join money game. The interview location would be different places according to the places that those young working adults live and at No.899, Sungai chua, 43000 Kajang, Selangor. Some of them also located at No. 17, Jalan Low Ti Kok, Bandar Kajang, 43000 Kajang, Selangor. The interviews were estimate each run between 30 minutes to one hour.

The interview session conducted by the researchers in order to get their response towards the informant for this study for both male and female aged between 18 to 35 years old. The basic assumption in the selection of the sample was young working adult who involved in the money game. The informants responded to the questions given by the researchers. The interviews conducted in English and for those who used to answer in languages like such as Bahasa Melayu, Mandarin, and Cantonese were translated into English after completing the transcribing process.

### **3.5 In-depth interview**

For this research, the researchers used of in-depth interview to collect information from the informants. The in-depth interview is a qualitative data collection method that involves straight, one-on-one engagement with the participants (Victoria & Shane, 2010). It can be run by face-to-face or in some cases over the phone. The reason for the researchers to use in-depth interview instead of focus group is that it provide a better rapport. The researchers can established rapport in order to make the informants feel more comfortable. In addition, the researchers can pay attention to each informant and take time to establish good rapport. Hence, in-depth interviews can actually be more insightful, it is possible to identify highly valuable finding very quickly.

Second, the researchers can have much more opportunity to probe questions, for additional information, and circle back to key questions later on in the interview to generate a rich understanding of attitudes, perceptions, motivations, and more. During the interview session, the researchers placed the informants at eased and listened, observed as well as guided them throughout the conversation especially in terms of answering the questions given up until the main objective is discovered (Hamza, 2014).

### **3.6 Semi-structured interview**

There are three types of qualitative in-depth interviews that are structured, semi-structured and unstructured. In this research, the researchers decided to use the semi-structured qualitative interview. The semi-structured interview is the combination of both structured and unstructured interview. According to Sankar (2007), semi-structured interviews include the advantage of closed-ended questions and open-ended question, which allow for comparison across subjects and enable the researchers to explore more in-depth information and details.

The semi-structured interview consists of a fixed set of sequential and structured questions that used as a guideline for the interview. This guidance helps the researchers can make the early preparation before proceed to interview and ensure that they get back on the right track. Furthermore, it also allows additional questions can be introduced, to help the participants facilitate the further elaboration of their opinion (Cachia, 2011). More importantly, it enables the participants have more freedom during the interview; therefore it will make them provide a truthful respond when they used their own term and languages to answer the question. On the other hand, the semi-structured qualitative interview is accessibility, flexibility, and comprehensibility. Researchers can be more flexible in adjusting the style, pace and organize of questions, in order to evoke the sufficient and truthful responses from the interviewee (Sandy, 2011).

### **3.7 DATA COLLECTION**

#### **3.7.1 Secondary data**

The study had to refer to secondary data such as journals, books, and websites in order to complement the primary data attained through the semi-structured interview. Secondary data is information that is analysed and compound from sources other than the researcher himself. Secondary data serves as a reference from other study in order to make a comparison of the data collected. The researchers have to go through numbers of the online journal, also, went to library to seek for information from textbook regarding the topic. Therefore, this study used qualitative research design because it was a very subjective topic that could only be obtained extra information through the in-depth interview (Creswell, 2013).

#### **3.8 Data analysis**

Data analysis is very important as it provides an explanation of various concepts, theories, frameworks and methods used. Commonly, it also helps in coming out conclusions and proving the hypothesis. Data analysis is a process used to transform data such as interview transcript with a view to reach a certain conclusion for a given situation. Any non-numerical data like text or individual words analysed in this study. Framework analysis was used in this study because it was flexible and suitable to carry out by the researchers.

To conduct framework analysis, the researchers had to become immersed in the data by listening audiotapes and reading the transcripts. Throughout this process, the researchers found out the key ideas and themes and make note of them. Furthermore, the researchers had to identify and differentiate the themes within responses of the informants. Themes are referring similar

codes aggregated together to form a major idea in the database, they form a core element in qualitative data analysis (Creswell, 2012). After segregated all the themes, the analysis was able to provide a schematic diagram of the study thus guiding the researchers in their interpretation of data set.

### **3.9 Protocol and ethics**

There is some protocol and ethics that must be follow before conduct an in-depth interview. Firstly, the researcher requests a formal letter to meet and interview the informant from Kajang area. The purpose of the letter is to ensure that the interview session is vital and all the interview data will be used for the researcher's dissertation paper (refer appendixes).

### **3.10 Qualitative traditions**

One of the research methods that can be used is qualitative method, which is by conduct an in-depth interview that helps the researcher to explain the researcher in more detail. In-depth interviews are most appropriate for situations in this research since it would have open-ended questions that elicit depth of information from relatively different informants.

Data can be gathered from the young working adult that involved in money game with different experiences and can avoid making biased information and to improve the credibility of the information collected. Apart from the in depth-interview method is also commonly involve different techniques that include state spontaneous, emotional and probably unconscious in a more simple respondents in the process of collecting data for this study. This process will take time possibly around half an hour to one hour based on the informant's feedback.

### **3.11 Explanatory research**

Exploratory research stands apart as the initial research into the idea of assumptions and theories, which researchers have an idea of things and to study more about it. Usually, exploratory research will serve as the core of future studies. Results from an exploratory study of the impact of the subject studied. By doing a qualitative study, it would unlock some clues about the "why" and "how" things are done which will lead to the results of the study on "how often" and "how much" (Neuman, 2011).

Explanatory research looking for causes and reasons. For this research, the researcher will study the factors that persuade young working adult involved in money game. Numbers of factors, elements and attractiveness were found out in this study in order to answer research objective and research questions.

### **3.12 Validity and Reliability**

In each of the data collection, there are processes to verify and test the reliability of measuring instruments, which serve as important. Reliability and validity are linked together to see how the researcher findings whether the data collection is valid and reliable. From there, this method look into the researcher's skills and questions are linked appropriate with the topic.

### **3.12.1 Validity**

In qualitative studies, the researchers aim to achieve validity and reliability sources and information data. According to Neuman (2011), stated that validity can be defined as truthfulness. The researchers offer a fair and balance viewpoint of the participants in regards to achieving the validity of the result. In this research, the researcher try to emphasize capturing an inside view and provide details information on how informants understand the events. Therefore, the researchers were not skipped any of the additional information provided by informants because it could provide a new research gap for the future researchers. In a way to improve the validity of the result, the researchers will record all the audio as well as note taking when the interview is carry on. Then, the researchers have to develop a rich and thick description of the semi-structured interview by transcribing the audio into words. Moreover, the researchers will also getting help by the expert in this particular research to validate the data. Therefore, in order to achieve the validity and of a result, the researchers had set a few strategies which are internal and external validity.

In qualitative research, member checking known as an internal validation of informant response or feedback. It was a technique that used by research to determine and improve the accuracy, validity and credibility of a research (Linda, Suzanne, Debbie, Christine & Fiona, 2016). For this research, the researchers were validated the data by using the member checking technique. Every researcher had to read the entire interview transcript in order to analyse the data. Alternately, the researcher can undertake analysis on the informant's data, and the emerging findings might foreground the member check interview (Harvey, 2015). Nevertheless, for external validity, the researchers had to prepare a checklist or a letter of

verification for the informants to sign, it was to ensure that the informants agreed the information that they provided was accurate and trustable.

### **3.12.2 Reliability**

According to Creswell (2012), reliability means the participant's response from an instrument is stable and consistent. The responses should be nearly parallel when researchers manage the instrument several times at different times. In addition, responses need to be consistent. When a participant answers certain questions in one way, the participant should consistently answer closely related questions in the same way. The researchers want to be consistent particularly in observing, similar to the idea stability reliability. Thus, in this research, the researchers prepare a few strategies in gaining an authentic result. To avoid bias occurs; thematic analysis is one the qualitative method that delivers core skills to researchers for conducting various form of qualitative analysis. Therefore, thematic analysis also known as 'a method for identifying, analysing, and reporting patterns (themes) within data' (Mojtabe, Hannele & Teresa, 2013). Themes are referring similar codes aggregated together to form a major idea in the database, they form a core element in qualitative data analysis (Creswell, 2012). Few themes were analysed from this research.

After having interviews with five young working adults, the completion of the interview data transcribe brought out new themes, and these themes emerged into the coding manual. The pairs of responses for each item were arranged in a two-way contingency table, and the authors and the coder considered agreeing on a particular item if both assigned the same rating to it. For such variables, the researchers will use Cohen's Kappa to measure the level of agreement between two sets of responses. Cohen's Kappa refers to a general rule applied on



many working fields indicates the concordance is from good to excellent, if kappa, 0.75, while values of kappa, 0.40 indicate a poor concordance (Shamindra, Saroj, & Asok, 2013). To interpret the strength of agreement, the guideline from Landis and Koch, suggested that the Kappa result be interpreted as follows: values  $\leq 0$  as indicating no agreement and 0.01–0.20 as none to slight, 0.21–0.40 as fair, 0.41– 0.60 as moderate, 0.61–0.80 as substantial, and 0.81–1.00 as almost perfect agreement (Shamindra et al, 2013; Landis & Koch, 1997).

<b>Kappa Value</b>	<b>Interpretation</b>
Below 0.00	Poor
0.00-0.20	Slight
0.21-0.40	Fair
0.41-0.60	Moderate
0.61-0.80	Substantial
0.81-1.00	Almost Perfect

$$K = \frac{f_a - f_c}{N - f_c}$$

$$N - f_c$$

Where:

$f_a$  = value of agreement

$f_c$  = 50 percent of agreement expectation

$N$  = amount of units (theme) which has been tested the value of agreement

Checker 1	Checker 2	Checker 3
$K = \underline{13 - 8}$ $16 - 8$  $= 0.63$	$K = \underline{14 - 8}$ $16 - 8$  $= 0.75$	$0.63 + 0.75 \div 2$  $= \mathbf{0.69}$

Total value from both checker is  $0.63 + 0.75 \div 2 = \mathbf{0.69}$  (Substantial)

## **CHAPTER FOUR**

### **FINDINGS**

#### **4.1 RQ1: WHAT ARE THE ELEMENTS OF PERSUASIVE COMMUNICATION ON MONEY GAME?**

##### **4.1.1 Source Credibility**

According to Kumkale, Albarracín, & Seignourel (2010), a message with credible source is effective in forming receiver's attitude especially when the receiver does not have high processing ability. The operator tends to prove to the investor by providing solid assets to increase the confidence of the investor towards money game. For example, operator will show their bank statement and share their stories about profit earning from money game to the investor.

Besides, things that provided by the money game operator was used to persuade the investor to join the money game and developed credibility for the company. The operator provides information such as company profile, background information and documentations to prove the transparency of the company that helps to gain credibility from the investors. So, the investor will feel more secure and have the feeling of reliable towards the money games. Furthermore, the operator will consistently spread the information about the money game to the investor to make them trust the money game that can generate profit.

Yet, some of the money game operators will create an application and system to show the money game was workable which can strengthen the confidence of the investor towards them. Moreover, some of the informants claim that, they were being persuaded to join in money game because the operator did provides solid information about their online shopping mall and products. The operators even purchase the product from the online shopping mall and demonstrate it to them to build credibility of the investors. In this case, it makes the investors increase their confidence towards the company and ended up they joined in the money game. Therefore, the investors thought that the money game was trustable after they exposed the information and solid assets that provided by the money game operator.

*Tsk... They just keep providing the things that aims to convince you to trust them (Informant A)*

*Yea. They show me their bank statement and share their stories about earning profit from money game. (Informant B)*

*Err, MBI did show to investors their company background and they have estate in Thailand and Penang. For example, like MBI have its own crypto currency which called M-Coins and it has its own online mall where investor can use the M-Coins to purchase things through the online mall without using any cash. Also we can spend them-coin in a cultural village tourist spot in Thailand. I trusted him as the Online Shopping Mall of MBI that he said s existed and he did purchase things from there and show it to me too. Besides, he showed the bank transaction to*

*me. When I look for the company background and they will give some file for us to refer. So MBI is most trustable because as it has higher exposure. (Informant C)*

- Remarks: MBI = Money game with an acronym for “Mobility Beyond Imagination.

#### **4.1.2 Trustworthiness**

As mentioned in the literature review, trustworthiness is the characteristics of the persuader that drives receiver trust and consequent behaviour. It serves as one of the most important components in a conversation as people will not proceed to decision making without trustworthy and right results. Nowadays, people tend to trust to their friends or family instead of the experienced professionals that has expertise in that particular field. Several informants were claims that the primary source for them to research and gather information is through peers rather than a medium channel or professional. They trust to their friends is because they have a long-term relationship with each other. Yet, they will feel more secure when they refer to friends rather than professional due to they think that the closest person and the person that spent the most time with were trustable and do not cheat on them. Besides, some of the informants trusted on their friends not only based on the relationship. The action by their friends was also one of the crucial reason to generate trust between each other, as the friend will provide tips and information for the investor before the operator disseminate it to the investor.

*Through friend instead of medium channel. (Informant B)*

*I ask my friend and search information from internet. (Informant B)*

*Erm, this is because I know him for a long time. So I choose to trust him. Actually I did doubt my friend when I joined but after that I think he won't cheat on me so I choose to trust him. (Informant D)*

*Erm, he didn't add me into any group. But sometimes we will meet up or he will Whatsapp me to talk about some details. He did introduced people from administration department of the company to me and explain something with me through Wechat. (Informant D)*

*Erm, my friend already explain the thing before they explained to me. For example like they will tell me what I need to prepare if I need to join member and when they will give me the profit. (Informant D)*

*Erm....it depends.... cannot said that there are no tips or information are given, there are still have some tips and information, and it depends on whether my friend telling me or not. Sometimes he will, erm..... like last time when I was playing money game, and he did told me that, erm.... to stop investing on the company afterward because the company having some issue and it seem dangerous. Only this type of internal tips and information. (Informant D)*

*Of course I erhm...asked about my friends and family see whether they have joined. Most of them already joined and they have erhm...received their returns. That's why I joined. (Informant E)*

*At first I didn't know...I didn't...I kind of doubt whether it is a scam or whether is true. But since my friend already got his return I don't...at that time of point...at that point of time...I don't think it is a scam. (Informant E)*

#### **4.1.3 Social Media**

As mentioned in the literature review, social media can be defined as an innovative online tool that designed for the aims of improving communication and collaboration (Tenopir, 2013). There are varieties of social media that exist in the society, for example, blogs, Twitter, online videos, social networks, Facebook, YouTube and many more. In this modern society, internet has become part of the necessity of human life. It changed the way of communication, education, business and more. Therefore, Internet has become one of the important that changed the general pattern of the money game.

The money game has fully utilized this technology in promoting and spreading the information to the public. For illustration, the money game operator will share the information and tips on their own website to keep the investor updated. Besides, they tend to post the information to Facebook, for people easier to access and share on it. Yet, the information about the money game not only spread through the online Internet or social media, they also spread the

information thorough popular mobile communication application such as WeChat, and WhatsApp. They aims to attract the potential or new investor to join the money game from different social media platform.

*Erm... It is through Wechat group chat. (Informant A)*

*They will share the information or tips at their own website. (Informant A)*

*Err through Facebook like they will post about today's market condition. (Informant C)*

*The most used social medium is Wechat. (Informant C)*

*They used WhatsApp and Wechat. (Informant C)*

*Err...didn't purposely research on it. Sometimes just click into some of the information from Facebook that shared by others. (Informant D)*



## **4.2 RQ2: WHAT ATTRACTIVENESS OF MONEY GAME THAT INFLUNCE YOUNG WORKING ADULTS?**

### **4.2.1 Fast Cash**

From our research, most of the investor are young working adults, and majority of them are lacking in financial literacy, so they will fall easily into the trap of money game due to this attractiveness of “Fast Cash”. Fast Cash is one of the attractiveness of money game that can be found from the informant’s response. Based on the informants, they defined fast cash as a method of making money in a short period. The short period which claimed by the informants are receiving profits of return within a month. This attractiveness did hook up numbers of investor to join in money game, as most of them are felt interested with the message of money game that is high profits of return within a short period. For illustration, one of the informants mentioned that MCM money game offered them twenty per cent of profits of return within a month. In addition, there are informants who are requesting and demanding for higher profits of return in a shortest period.

*It’s a faster way to get rich, but the risk sure will be higher, plus, I can get around 20% return of profits within a month. This is how money game offered fast money for me. (Informant A)*

*I think it's a kind of high return of profit activity, which able to let me generate high profit in a very short period of time. Money game has the potential to return an amount of income that two times of the initial capital invested. (Informant B)*

*They can set the interest rate higher and shorten the period of time, around higher than thirty percent. (Informant C)*

*I can help myself to become rich in a short period of time. (Informant D)*

*Money game is a kind of investment, whereby you only need to invest certain amount of money and you will get attractive return within a short period of time. Hence, the package they offered is quite attractive, and most likely people are intrude by this kind of return in a very short time. Hence, it's a very high return in a very short time frame. (Informant E)*

#### 4.2.2 Profitability

The word of profitability contains two words that are profit and ability. Therefore, profitability can be defined as the ability of a corporation in yielding profits. However, there are differences between profit and profitability. Profit is the main goal of an enterprise and the company needs profits to sustain in the market for long run (Nimalathan, 2009). Based on the informants, they defined money game as a profitable activity. It is because the money game was provided thirty percent of profit return to the investor.

Profitable refers to yield profit or financial gain. They believed that money game is one of the source of income in order to create a better living style. Throughout all the information from informants, most of them stated that they are able get income by playing money game. In addition, the income is higher than their expectation. Therefore, the result of young working adult keeps joining money game because they believed that money game is profitable and enable them to get profit continuously in every month.

*If I find a new friend to join, I will get 10% of profit from their amount. Based on my past experience, if I invested RM1000, and the profit is 20% of my initial capital, which mean I'll get RM1200 as a return. (Informant A)*

*MCM provides a 30% interest rate for me. (Informant B)*

*It's a way to earn money. The interest rate is higher than I expect, up to around 30% (Informant C)*

*Money game is I have to invest an amount of money into company like a member fees and I will gain interest continuously for every month. Other than that, the percentages of the profit that O2 Only One offered is 15% (Informant D)*

#### **4.2.3 Referral Fees & Commission**

From this research, referral fees can be known as fees that charged by an agent for successfully referred a client to another agent. For example, affiliate marketing like Amazon pays its affiliates a referral fee for each referral that is converted into a customer (Libai, Biyalogorsky, & Gerstner, 2003). Referral fees are also occurring in money game where an individual earn profit from the fees paid by recruiting new member into it. Yet, , these investors not only make profit upon recruiting new members, but also when the recruited members recruit new members into the money game. Furthermore, there are still others attractiveness from money game in order to influence young working adult to join.

Among the attractiveness mentioned above, referral fees and commission of money game also considered as a crucial attraction. It attracted many people to join money game especially the young working adult due to the referral fees and commission provided by the money game can be as high as other investment. In addition, some of the informants stated that the referral fees could be up to fifteen percent from the total amount of invested fund from the new investor.

Therefore, referral fees and commission had did a significant benefit to the new investor, and this became one of the reason that they willing to join the money game.

*If I convinced a person to join money game then I can get a higher profit, it is around four to five percent of the commission if I succeed in convinced an individual to join money game.*

*(Informant B)*

*I have to find a people to join it, this is because I can gain interest from the people whom I referred to join this money game agency. For example, if my friend wants to join now, he gave me RM200, and I can get five percent from the RM200. Some agency will provide around 15% of referral fees once there are members invite people to join money game. (Informant D)*

*Yes I did, because once you succeed in persuading one person to join money game, they do have some kind of referral fees. That's why people are more willing to share this kind of money game to their friends and family. (Informant E)*

#### 4.2.4 High Risk

Risk is generally defined as when someone, something or a situation expose to danger or loss. In this research, the risk is known as the investors might occur huge losses when they invest into the pyramid investment scheme. Hence, most of the informants in this research claim the risk of joining pyramid investment scheme is high but it is a fastest way to get rich because of the high interest rate.

*It's a fastest way to get rich, but the risk sure will be higher. (Informant A)*

*I know and expected money game is one of the high risk investments. Because I don't really need to earn so much and I am not broke yet. I used my money to invest. Earn or loss doesn't matter to me, because money game has it risk, so I won't simply persuade people to join. (Informant B)*

*Money game provides high interest but also have high risk. To sum up is I like those with high risk and high returns. So money game is no problem for me. (Informant C)*

*Erm, based on my opinion, there must be a risk no matter in money game or other investment. So, we have to analyse ourselves to decide whether it is suitable for us to invest. For example, there are chances that I will earn more money with the invested money and if I did not made any investment; my money will still remain the same. (Informant D)*

*Of course the return is very attractive. That people actually quite understanding that high risk means high return. Yes of course. We...because since...no matter how true they proposed their scheme...there is still a risk that you might lose all your capital. So...ya..we...I thought about it.*  
(Informant E)

#### **4.2.5 Mobility in Transaction**

Internet helps to make human life to be more convenience. It helps the current society's money flow to be faster. For example, people can directly transfer money from their bank account to another through internet. Thus, people can access to their bank account anywhere and anytime they want to. By logging in to their bank account, they able transfer their money to other instantly or within few working days. This actually save a lot of time as people are just require one minutes for the online bank transaction to be done. In this research, we can see that money game that joined by the informants will transfer the profit they earned directly to their bank account through online banking transaction.

*They transfer to my account. (Informant B)*

*Yes, they transfer to my bank account. (Informant C)*

*They will transfer the profit to my bank account. (Informant D)*

*Erhm...it is instant transfer. It is not cash. Everything is done by online banking. (Informant E)*

#### 4.2.6 National Currency

Currency can be defined as monetary system that commonly use within a country. It is the basis for trade because it serve as medium of exchange for goods and services. Each country will have their own currency, but the exchange rate between currencies will be different. For example, the exchange rate of one USD dollar is equal to RM 3.91. Since, U.S. Dollar is the global currency that it is accepted for trade around the world. Some of the money game is using U.S. dollar to attract the new investor to join money game, for example, MBI, due to its high exchange rate. One of the informant stated the money game that he or she have joined is using the currency of U.S. Dollar. In other words, the money that he or she have invested in the money game and profits that he or she gained was in U.S Dollar. Hence, the national currency that used in money game also could be one of the attractiveness that affects the investors to join in money game.

*Interviewer: How much you invested in that?*

*Informant C: Hundred U.S Dollar.*

*Interviewer: Hundred U.S. Dollar. How much you earned?*

*Informant C: I earned around two hundred something.*

*Interviewer: Two hundred U.S Dollar.*

*Informant C: Yes.*



### **4.3 WHAT ARE THE FACTORS THAT PERSUADE YOUNG WORKING AUDLTS INVOLVING IN MONEY GAME?**

#### **4.3.1 Peer Pressure**

One of the factors that can be identified from the responses of informants is peer pressure. Peer pressure serve as an important role in everyone life. The power of peer's pressure are too strong and powerful in influencing people's decision making process in daily life. In other words, peer pressure can also be known as an individual who encouraged by his or her peers in changing their attitudes, values or behaviours. It is because peers are the one that most of people had spent more time with and intense relation aside from the family (Collins & Laursen, 2000; Blodgett & Gondoli, 2014). Thus, people will tend to follows the steps of their peers in order to be more assimilating into the group. Some of the interviewees claimed that they joined in money game is because theirs friends are the investors in the particular money game and earned profits from it. Hence, peers pressure is considered as one of the factors that triggers the people to join in money game.

*Because he had join the games. Actually, he no introduce me to join that but I go and ask him by myself. (Informant A)*

*Introduced by my friend. There are different aspects, some are my best friend, and some are just normal friend, (Informant B)*

*Through my best friend. He is my upper line. (Informant C)*

*My friend that introduced me to join is my upper line (Informant D)*

*Erhm...of course there are a lot of friends and families who mentioned about money game. Erhm...for this particular JJPTR it was...he was a friend and he himself also invested quite a few accounts whereby he already got his return as what the company promised. That's why I joined. (Informant E)*

#### **4.3.2 Situational Condition**

Based on the informant, one of the factors that can be identified from the informants is situational condition in term of expenditure. One of the informants stated that he or she would only join in money game when he needed money in those moments. The particular moments which mentioned by the informant is when the informant needs extra money for expenditure purposes. Such as purchasing shoes, bag, etcetera. The informant claimed that if he were financially stable in term of expenditure, then he would choose to invest in bank investment scheme instead of money game. However, if the informant financial for expenditure are not stable, then the informant definitely will choose money game as he or she believed that money game could bring extra income to the informant and solving their financial expenditure. Thus,

situational condition in term of expenditure can be one of the key factors that affects the informants to join in money game.

*It is because I need use of money at that moment. I am much more normal without this problem. I only join money game, when there are needed of money. It depends what is the situation I am in. If I am needed to use money at that moment, maybe I will choose money game. If is under normal situation, I will rather invest in something which more stable. Which is bank investment plan. Most probably not. It depends on what my situation is, if there are needed of money to use, I will take it as consideration. If I am under a situation which not needed use of money, I will not choose money game. If there are the situation that needed of money, then I have no choice, maybe I will choose money game. (Informant A)*

#### **4.3.3 Salary**

Next, the factors that can be found in the reply of informants during the interview is salary. Salary is an instrument of payment in the form of currency by the employer to the employees as compensation of their services (Li, 2013). It is a fixed amount of pay that calculated based on the performance of the employees (Department of Statistics Malaysia, 2017). In current society situation, people would readily agree that living in Malaysia is a challenge, as some of the young working adults mentioned that they are encountering with the issue of low salary. In addition, they even claimed that theirs salary is not enough to cover their expenses and debts that surrounding their daily life. Such as, car loan, house loan, petrol fees, car maintenance fees, foods, drinks etcetera. In addition, one of the informant claimed that he wished that he

could obtains more income as he not satisfied with his salary. Thus, salary can be consider one of the factors that could trigger the informants to join in money game, as they are feeling unsatisfied with their salary.

*My salary is not enough to cover my high expenses, as I stay in city area. (Informants A)*

*Not enough of income. (Informants A)*

*I wish to have more income so that I can have more money to spend, and my salary is not satisfied enough. (Informants D)*

*You know working in Malaysia not everyone has very high income and since we are young adults. (Informants E)*

#### 4.3.4 High Expenses

The cost of living in current era is keep on increasing, and some of the young working adults still suffering in high cost of living situation with a minimum wage levels. One of the informants mentioned that he suffered in high expenses situation as he lived in city area that required higher cost of living. On the other hand, another reason why informants having high expenses is due to their desirability in purchasing the products that they liked, such as clothes and shoes. In addition, one of the young working adults suffered in high expenses are because he are engaging in several debts like educational debts and others. For example such as PTPTN.

*My salary is not enough to cover my high expenses, as I stay in city area. (Informants A)*

*To spend, and spending for my living expenses. (Informant C)*

*I wish to have more income so that I can have more money to spend. I wish to have more money to buy something like clothes and shoes. (Informants D)*

*You know working in Malaysia not everyone has very high income and since we are young adults and we are bounce by a lot of debts erhm... like PTPTN, commitments.... Commitments, so of course the young adults like us, wish to receive cash payment erhm....in a very short time. So that we can erhmm...manage our cash flow. (Informant E)*

#### 4.3.5 Low Bank Interest Rate

Most of the informants claimed that the interest rate of the bank investment scheme is not satisfying them, as the bank offered low interested rate compare with money game. One of the informants claimed that the interest rate of fixed deposit which offered by the bank is not as high as money game. The higher the interest rate, the higher the profits that the investors able to received. From the informants, he mentioned that the money game offered twenty per cent for the interest rate, and bank only offered eight per cent interest rate for their mutual fund investment scheme. Moreover, one of the informants said that he will being attracted to join in money game only if the money game's interest rate is high, or higher than bank investment scheme.

*Money game profits with twenty per cent, however for bank mutual fund profit only offered eight per cent profits per year. (Informant A)*

*The reason I did not choose fixed deposit is because the interest rate is not as high as money game. (Informant D)*

*The bank investment interest rate is not satisfying me. That's why I choose money game. (Informant D)*

*I will see whether it will attract me or not lo. Means based on the new benefits they release. They can set the interest rate higher and shorten the period of time. Around higher than thirty per cent. Or higher than the banking investment. (Informant C)*

#### **4.3.6 Self-Interest**

Self-interest is the attitude that contribute to the individual's achievement of valued goals (Sears, Lau, Tyler & Allen, 1980). There are several common terms that are similar with self-interest, which are "selfish" or "greediest", and it emphasized on egocentric, material and short-to-medium term determinants of human behavior (O'Brien, 1992). In other words, self-interest can be defined as the person who are demanding or concerning about their current situation's needs, demands, and wishes. Based on the informants, we able to identify that self-interest is one of the factors that triggered the informants to join in money game as most of the informants are more concern in their current needs, demands, and wishes such as earning extra pocket money, extra profits and extra income for spending purposes.

*Because I want to earn some extra pocket money. (Informants A)*

*Although my friend did convinced me to join, but only if I am interested. I will join money game, because I felt interested with it. Because I want to earn extra profit. (Informants B)*

*I wish to have more income so that I can have more money to spend. (Informants D)*

#### 4.3.7 Financial Literacy

Financial literacy is mean by the ability of individual in making correct judgements and to make effective decisions regarding the management of money (Schagen & Lines, 1996). Some of the informant in this research did plan about budgeting of their financial status before they invest into money game. However, in order to satisfy their needs for materialistic things, all of them were being lured to join the money game. Thus, after conducting the interview session, it can be seen that some of the informant have low financial literacy because they show lack of knowledge towards money game and did not do much research on it. Most of them gather information about money game through their friends during normal conversation. Therefore, the information they gain might not be so accurate.

*I didn't do any research to gather information about the money game company, just joining it and get to know it through my friend. (Informant A)*

*Because I already did research about investment, last time lack of knowledge only joins money game. Last time money game did not had any research, there are no research you can do, and it only shows you the interest rate. (Informant B)*

*No, I didn't do much research. For the high risk investment I will first refer to my friend. If they earn money then I will go for it. (Informant C)*



*Err..didn't purposely do research on it. Sometimes just click into some of the information from Facebook that shared by others. (Informant D)*

*Of course I erhm....asked about my friends and family see whether they have joined. Most of them already joined and they have erhm....received their returns. That's why I joined. (Informant E)*

#### **4.4 Post evaluation towards money game**

Based on the result of the interview, most of the informants were have the positive evaluation towards the money game at the beginning of joining money game. Majority of informants were stated that the money game is profitable and able to earn money in a short period. After they participated to the money game, the positive evaluation towards the money game was turn to negative; most of the informants were refuse to join other new money game if there are any new money game emerge in the future. It is because they have experienced and suffered with the loss of money from the money game. However, there are some informants were take the new money game as their consideration even though they were understand the risk of the money game. They claims that they will first analyse the establish duration of the money game and the benefits package given only consider whether they should join or not.

*Interviewer: In the year of 2017, JJPTR and others money games were collapsed. You have been one of the player of the money game, if there are a new money game that emerge in future. Will you still consider taking part in the money game?*

***Informant A:** Erm... most probably not. It depends on what my situation is, if there are needed of money to use, I will take it as consideration.*

*Interviewer: In 2017, JJPTR and other money game collapse. In future, if there is another money game pops out, with a new packaging, will you still join?*

***Informant B:** From now on I think I won't join it anymore.*

*Interviewer: In 2017, JJPTR and other money game had collapsed. So if there is a new money game appeared in future, will you still willing to join it?*

***Informant C:** Err, (Thinking while looking left) I will see whether it will attract me or not lo.*

*Interviewer: In year 2017, JJPTR and some other money games had collapsed. What if, in the future, there is a new money game scheme being launched. Will you still consider taking part in the money game?*

***Informant D:** Erm, firstly I will look at the company background. Based on my experiences, these money game companies are usually operating for a short period of time. So, I wish I will be the first batch of people who join the money game. This is because normally money game companies usually will have higher risk when they operate for few years and it will not collapse*

*in short period of time. Usually the newly start-up company will have lesser risk comparing to companies that establish for a longer period of time.*

*Interviewer: So we know that JJPTR and some other money games had collapsed in year 2017. So what if, in the future, there is a new money game scheme appeared and presented in another way, with a very interesting kind of return...I mean more than...more than what JJPTR can offered. Will you still consider to take part in this money game?*

***Informant E: No.***

## **CHAPTER FIVE**

### **DISCUSSION**

#### **5.1 To find out the factors that persuades young working adult are involved in money game.**

Based on the interview, it clearly show that there are few factors that lead young working adult in Malaysia joined into money game. Firstly, young working adult decided to join money game after their friends share the information of money game to them. Peers play an important role in the decision making process of young working adult as they are one of the most people had spent more time with and having intense relationship other than family. Besides, young working adult joined money game also because they encounter with situations where they are in the need of money now. They believed that by joining money game, it able to solve their financial issue rather than joining bank investment.

In addition, low working salary is also one of the factors of young working adult joining money game because it is not enough to cover their expenses. This is because the average monthly salary of young working adult in Malaysia is between RM 1,000 to RM 3,000 and this is clearly not enough for them to survive in current society where they have to bear a lot of cost like insurance, rental fees, car loans and PTPTN. Therefore, they will have the thought to join money game in order to earn some extra income for their expenses. To link with this, young working adult who stay in urban area are facing higher living expenses as their monthly income hardly supports their cost of living. Therefore, they will choose to join money game as they able

to earn side income to cover their expenses. Furthermore, money game offered a higher interest rate when comparing to bank investment scheme. Thus, the chance of young working adult choosing money game is higher when comparing to bank investment scheme because many money game company offers 15% to 20% interest rate whereby normal bank investment like fixed deposit only provides interest rate around 3% to 5%.

## **5.2 To study the elements of persuasive communication in money game.**

Throughout the interview, it can be seen that the elements of persuasive communication, source credibility and trustworthiness occurs in money game. For source credibility, the operator of the money game company will provide some proof or their solid asset so that they able to gain trust from public. This will lead public to have sense of security towards the money game when they know the company have their own application and online mall that enables the investors to purchase things on the online mall. Besides, the source credibility also happens where the operator gain trust from public when they showed them the proof of they earn profits from the money game. The examples are the bank transaction statement from money game company to their bank account and the things that purchased from money game's online mall. Throughout all of this information, it actually did persuaded people to accept money game and willing to invest into it.

Trustworthiness happens when young working adult choose to trust their peers rather than professional as they think that their peers are more trustable and will not cheat on them. A part from this, the action of peers providing tips and information that are related to money game also one of the method to gain trust from young working adult. Young working adult today

spend a lot of time with their peers so they will have good relationship. Thus, trustworthy occurs where young working adult perceived that the information from their peers is reliable because of their experience with them. Social media is also part of the elements of persuasive communication on money game where the money game operators take advantage of using this media to promote and disseminate the information to public. Thus, people will have the urge to click into the link because of the attractive headline of the post which written by the money game operators.

### **5.3 To determine the attractiveness of money games that influence young working adults to join.**

The interview results showed that there is quite a number of attractiveness successfully influenced young working adult to join money game. The first attractiveness will be fast cash. Fast cash is means by investors will earn money from money game in short period of time. Therefore, this actually attracted many people to join money game as they able to gain profits within a month. Besides, money game is a profitable activity where investors able to earn higher income than their expectation and to create a better living style. Most of the money game in Malaysia did provide a higher interest rate which enable investors to gain more profits but they did not sustain for long period. Referral fees and commission is also one of the attractiveness that influenced young working adult to join money game. Investors have to keep on recruiting new member and able to earn profit from the fees paid by them. This will arouse their ability in recruiting new investors and earn more profit as possible as they could.

Furthermore, high risk is also considered as the attractiveness of money game. Although the risk of joining money game is high but it is the fastest way for people to become rich because of the high interest rate it offered. However, the risk of money game might cause investors to

bankruptcy if they did not pay sufficient attention throughout the investing process. In addition, mobility in transaction also attracted many people to join money game, as the way of transferring profits that they earned from money game to their personal bank account is very easy. Therefore, it makes the money transaction much clearer and convenience because people can check their account status anywhere and anytime they want. Lastly, the country currency is also influenced young working adult to join money game. This is because some of the money games in Malaysia are using U.S. Dollar. The exchange rate between U.S. Dollar and Malaysia Ringgit (MYR) today is 1 U.S. Dollar equal to MYR 3.91. Hence, young working adults will be easily attracted into join money game because they able to earn more due to the high money exchange rate.

#### **5.4 Application of theory**

As mentioned in the literature review, the theory that we used to apply in this research was social judgement theory. Social judgement theory suggested that by understanding the audience's attitude towards a subject will provide the clues to the persuader regarding how to develop a persuasive effort. (123, 2004). It means that, the persuader able get the clues about how to develop a persuasive message by understanding to the audiences' attitude. Hence, the operator of the money game need to understand the investors' attitude towards the money game before creating a message to persuade them. Besides, the basic idea of the theory is that the attitude of audiences change is mediated by the judgemental process. The audience will make comparison between the new information and his or her own point of view, before make decision about either accept or reject the new information.

There are three latitudes will be used in this theory to form a continuum, which is latitudes of acceptance, latitudes of non-commitment and also latitudes of rejection (Cameron, 2009). Latitudes of acceptance are means that the new idea will be perceived as acceptable and reasonable which close to his or her point of view. Secondly, the latitudes of rejection proposed that the audience will reject the new idea which is far from to their own stand. Lastly, the latitudes of non-commitment were the audiences have no idea towards the new idea, or the audiences will perceive as either near to or far from to the individual's own stands point.

Therefore, this theory was suitable for this research. Initially, most of the informant has a positive mindset towards the money game. They think that the money game was profitable, reliable and able to generate profit within a short period of time. Besides, the peers' pressure from the informant also strengthens the informants' point of views towards the money game. So, when the operator of money game approach and promote the information of the money game to the informants, the informants will fall under the latitude of acceptance. The operator developed a message which the money game can earn lucrative of profit in order to tally with the mind-sets of the informants. The informants would accept the idea that proposed by the operator and they will attract to join the money game.

However, the attitude of the informants was turned to negative when they became the victims of the money game that experienced loss of money. In this situation, the informants will not accept any idea that about the money game that can generate profit in a short period. It shows that the latitude of acceptance was changed to the latitude of rejection because the informant point of view was clashed to what they experienced in the money game. The informants started to reject and refuse to believe the idea of profitable in money game as they being suffered the loss of money. This can be shown when the researchers have interviewed the informants about



their willingness to join a new money game in future and most of them stated they would not choose to join it because they realize that the money game was a fraud. Hence, it falls under the latitude of rejection due to the idea of the money game was not match up with the stands of informants, therefore, they rejected to join money game in future.

## **CHAPTER SIX**

### **CONCLUSION**

#### **6.1 How the research can contribute to the society?**

It is nearly impossible to eliminate pyramid investment scheme or so called money game from the current society. Therefore, the purpose of this research is to find out the factors that persuade young working adults to join money game. This research can help people in the future especially young working adults to have the foundation knowledge about what money game is and aware about the persuasive elements that being used on pyramid investment scheme in recruiting new members. Thus, it is ideal for young working adults to educate themselves and have a precaution for not falling into the luring tactics of people into money game. Apart from that, this research is also beneficial for parents to have knowledge about money game and how persuasive communication works in it. So that they will be able to prevent younger generation today from falling into the swindle of money game, as they are the best person to monitor, guide and educate their children.

## **6.2 How the research can helps the young working adults in decision-making process?**

This research can help future young working adults in the decision making process towards investments on money game. At the end of this research, researchers will provides a checklist of the characteristics of money game for the young working adult. It may help the young working adult to differentiate the difference between money game investment fraud and ordinary investment. Besides, the young working adult will be able to understand how the operator of money game use persuasive message to embellish and promote the money game. Therefore, the future young working adults will not be deceived easily to join in money game. Furthermore, this research will enrich the knowledge and understanding of the young working adults towards money game, as this research will provides the blueprint for the operation of the money game. Thus, this research is beneficial towards the young working adult in decision-making process on money game, as they can refer to this research before joining the money game.

## **6.3 Limitation of the research**

Although the research had reached its aims, however, there were some unavoidable limitations. Firstly, this research was conducted only on a small size population due to the problem of time and cost constraint. The targeted group in this research was only young working adults who were living in Kajang area. Therefore, to generalize the results for larger groups, the research should have involved more informants at different level of demographic aspects. Second, insufficient of resource were faced in this research. Resources such as journals, books, and online resources related to this topic were difficult to obtain from online search engine or even library. Finally, the used of thematic analysis, although it was widely used but there was no

clear agreement about what thematic analysis was and how researchers should went about conducting it.

#### 6.4 Propose checklist of the characteristic of Money Game

- Tick (✓) if the characteristics as below meet with your interpretation towards Money Game.
- Tick (X) if the characteristics as below did not meet with your interpretation towards Money Game.

**\*Remarks:** If tick more than five options then it can be consider as money game. \*

No	Characteristics	Answer
1	Faster way to get rich	
2	High risk high return investment	
3	Illegal profit earning agency	
4	Generate profit in short period	
5	Gain interest continuously every month	
6	Able to earn lucrative amount of profits within a short period.	
7	Gain higher profit than normal investment	
8	Fast cash	
9	The return you gain can be as high as the initial capital you invested	
10	Higher interest rate compare with bank investment scheme.	
11	Its offered referral commission if we succeed in persuaded one individual to join in the money game.	

12	Newly start-up money game company will have lesser risk	
13	Money grow money	
14	Pyramid investment scheme	
15	First batch of money game investor will earn more.	
16	The operator will keep provides false information to the participants in order to create a good image and reputation of the money game.	
17	Normally it is offered around or even more than 20 per cent of interest rate.	
18	Improve standard of living	

## **6.5 Why persuasive communication is important to the society and how it change people's perception?**

Persuasive Communication is crucial to the society as it can affects an individual decision making process. According to (Miles, 2013), persuasive communication intended to change user's attitudes and behaviours in some ways that abstain from the pursuance of convincing. In fact, it is used to persuade an individual to take action that the persuader want them to take (The Communication Channel, 2013). In other words, the persuader will use persuasive communication to influence the public, in order to achieve the goals that they have established. Hence, persuasive communication usually is connecting with argument, demonstration and convincing with evidence in order to get trust from the receiver (Correia Jesuino, 2008).

From the perspectives of society towards business, persuasive communication play an important role in changing customer's attitudes and believes towards certain products, ideas,

services, and concept. It not only can strengthening the customer's current attitudes and beliefs, but it also can weakening an individual current attitudes and beliefs towards an idea, services and products (The Communication Channel, 2013). Especially the businessperson, they always apply persuasive communication in their advertising message, as they believe it will helps in re-branding their product and increase the sales. Same goes to money game, as the operators used persuasive communication to lure the investors and persuade them to join in money game. In conclusion, persuasive communication is vital in current society, as most of the people will being influence easily on their decision making, especially when purchasing a products or participating in certain program, investment scheme, campaign and others.

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