MK012

MODELLING PURCHASE INTENTION OF
TOYOTA AUTOMOBILE USING SEM TECHNIQUE

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DECLARATION

We hereby declare that:

(1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

(4) The word count of this research report is 11583 .

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DEDICATION

We would like to dedicate this study mainly to our supervisor, Mr. Wong Lai Soon, who provides guidance, full motivation, assistance, kind understanding and useful experience to us in completing this research project. We really appreciate his hard work.

Moreover, we would like to dedicate this dissertation to our parents, friends, classmates as well as course mates for their valuable supports and encouragements. Thanks for their understanding and patience which has helped us a lot throughout the process of doing this research project.

Last but not least, we would like to dedicate this to all of the respondents who sparing their precious time and efforts to answer all of the questions in our questionnaires. Their cooperation has led us to the success of this project.

Thank you.

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LIST OF ABBREVIATIONS

AMOS   Analysis of Moment Structure

CFI   Comparative Fit Index

C.R.   Critical Ratio

df   Degree of Freedom

S.E.   Standard Error

S.D.   Standard Deviation

SEM   Structural Equation Modelling

SPSS   Statistic Package for the Social Sciences

ML   Maximum Likelihood

NFI   Normed Fit Index

RMSEA   Root Mean Square Error of Approximation

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PREFACE

Automobile industry has become more competitive in the world market in the last few years. Increasing number of automobile providers entering into Malaysia market from all over the world such as Toyota and Honda from Japan, Ford from America, Lotus from Europe, Hyundai and Kia from Korea, Cherry from China and many others include our national cars like Proton and Perodua. All these providers offered consumers a variety of car brands to choose from. Out of all the brands in the market, Toyota is one of the favorite car brands that purchase by Malaysian (as shown by MAA record, 2010).

On the other hand, Toyota Corporation is facing some challenges in the world market. A recall crisis that happened to Toyota cars has affected the organization's image and reputation as well as the consumers' confidence towards Toyota cars. Therefore, the main purpose of this research is to find out the factors that influence the purchase intention towards Toyota passenger cars.

To begin, a literature reviews have been conducted base on secondary resources from internet websites, articles, journals, and published statistic. Five factors were deemed appropriate in measuring the purchase intention of consumers and they are perceived service quality, perceived product quality, perceived price fairness, customer satisfaction and trust. Therefore, a set of questionnaires was adapted from previous researchers accordingly to examine the relationship between these five factors towards purchase intention.

The data collected were analyzed using SPSS and AMOS programme version 19.0 to determine the most relevant factors that influence the purchase intention towards Toyota passenger cars.

ABSTRACT

Current automobile players are facing intense competition within the market compared to previous time. This is because foreign and local car manufacturers are progressively entering into Malaysia automobile market. Additionally, consumers nowadays are striving for perfection; therefore a small issue may become a tipping point to huge threat for a car manufacturer. This research provides new insights into consumption factors that become antecedents of customers' purchase intention toward Toyota passenger car with the backlight of Toyota car recall crisis.

Through a thorough review of literatures, a conceptual framework has been developed and factors that identified as predictors of customers' purchase intention are trust and customer satisfaction. Customer's perceptions about service quality, product quality and price fairness are the foundations to build up customer satisfaction. Purchase intention model was then formulated using Structural Equation Modeling (SEM). This research is very important because it not only contributes to the knowledge in this field but also can serve as a reference material for Toyota Corporation to rectify the problem that they are facing now.

CHAPTER 1: RESEARCH OVERVIEW

1.0   Introduction

The main objective of this research is to find out the factors that influence the purchase intention towards Toyota passenger cars in Mukim Tupai, Taiping, Perak. The result of this research could be applied by Toyota Motor Corporation to meet the requirements of market demand.

There are a lot of competitor in the passenger car market which have advance manufacturing facilities and technologies. To be successful, any automobile companies have to strengthen the performance of their cars in order to remain competitive in the automobile industry.

Automobile companies should not emphasize solely on the physical appearance of the cars but also on the brand image of a car manufacturer, customer satisfaction, service quality, customer perceived value and pricing of the cars.

1.1   Research Background

Toyota Industries Corporation was originally named as Toyoda Automatic Loom Works, and was established in 1926 as a manufacturer of textile machinery. During the 1930s, the company organized its automobile division. This division was later separated from the main company and became Toyota Motor Corporation (TMC). In September 1936, the company ran a public competition to design a new logo. Besides, the automobile engine business was formed in the 1950s; and its Kyowa plant, which produces automobile engines and assembles automobiles, began its operations in

1953. The newly-formed name was trademarked and the company was registered in August 1937 as "Toyota Motor Company"(Davis, 1999; Dawson, 2004).

Toyota Motor Company received its first Japanese Quality Control Award at the start of the 1980s and began participating in a wide variety of motorsports. In 1982, Toyota Motor Company and Toyota Motor Sales merged to form one new company, Toyota Motor Corporation. Toyota started to establish new brands at the end of the 1980s, with the launch of their luxury division, Lexus in 1989. Toyota also began production of the world's best-selling hybrid car, the Prius, in 1997.

In 2001 the company changed its name to Toyota Industries Corporation (Toyota Industries). Also, in 2003, the company established Actis Manufacturing, a manufacturer of automotive air-conditioning compressors. In conjunction, Toyota corporation was number one in global automobile sales for 2008 (US News, 2008). The Toyota business philosophy ("The Toyota Way") stresses teamwork, respect, problem-solving, and mentoring of personnel (Liker, 2004).

1.2 Problem Statement

Over the past 30 years, Toyota Motor Corporation has not only been the envy of the automotive industry but also been held in high regards as a symbol of manufacturing and leadership excellence in the business world (Dyer, 1998; Iyer, Seshadri & Vasher, 2009; Spear, 2004).

Toyota's problem started from a fatal car crash in southern California in 28th August 2009 due to the failure of the brake, which in turn caused Lexus ES350 to hit another car, and fell into an embankment and at last caught fire. The car involved was a 2009 Lexus ES350, and the whole family in the car was killed. After investigation, it was revealed that the cause of the crash is due to the substandard size of floor mat that had

affected the brake pedal, and the floor mat was actually installed during Toyota's safety recall in year 2009.

Following this incident, Toyota had made two separate recalls that covered more than 6.5 million cars. They were also forced to stop the sales of all eight bestselling models which had cost the company and its dealers a minimum lost of $54 million per day. The first recall covered 4.2 million cars and the second recall covered 2.3 million cars. Cars recalled included the Avalon, Camry, Lexus ES350, Corolla, Matrix etc. Besides, all 2009 and 2010 Pontiac Vibes, which are mechanically identical to the Matrix and built in the same plant, are affected too. On 2nd of July 2010, Toyota announced that it will recall 270,000 vehicles worldwide that include luxury Lexus sedans to fix faulty engines.

Toyota's global sales have been declining since the incident and the effect continues until this year. According to The Washington Time (2010), Toyota's sales dropped 16% in the United States in January 2010. According to Autospies (2010), February 2010 sales dropped 10.3% as compared to February 2009 while sales of others cars such as Honda and Hyundai are increasing. According to USA Today (2010), majority of Americans think that Toyota acted too slow in resolving the problem, and 31% of American think that Toyota car is unsafe. We believe outcome of our research would share an insight on what are the factors that would influence consumers' purchase intentions. This would help UMW Toyota, and its associates in Malaysia to have a better understanding on their customers and thus increase their sales.

1.3   Research Objective

1.3.1 General Objective

The main objective of this study is to identify and determine the consumption factors that influence car buyers' purchasing intention towards Toyota

passenger cars. It is also to model customer purchase intentions toward Toyota passenger car in Malaysia.

1.3.2 Specific Objective

1.3.2.1   To investigate the relationship between perceived service quality and perceive product quality.

1.3.2.2   To investigate the relationship between perceived service quality and customer satisfaction.

1.3.2.3   To investigate the relationship between perceived product quality and perceive price fairness.

1.3.2.4   To investigate the relationship between perceived product quality and customer satisfaction.

1.3.2.5   To investigate the relationship between perceived price fairness and customer satisfaction.

1.3.2.6   To investigate the relationship between customer satisfaction and trust.

1.3.2.7   To investigate the relationship between trust and purchase intention.

1.4   Research Question

1. Does perceived service quality influence the perceived product quality?

2. Does perceived service quality influence customer satisfaction?

3. Does perceived product quality influence perceived price fairness?

4. Does perceived product quality influence customer satisfaction?

5. Does perceived price fairness influence customer satisfaction?

6. Does customer satisfaction influence trust?

7. Does trust influence purchase intention?

1.5   Significant of the Study

The contribution of this study is to understand the factors that affect customer satisfaction and trust thus increase customers' purchase intentions toward the automobile. The objective is to gain a thorough understanding on customers' purchase intention in the automobile industry.

By understanding what drives customers to make a purchase, marketer can improve and tailor their services and products to win consumer preferences, substantiate customer base and maintaining sustainable competitive advantages.

Moreover, the result of this thesis is going to be a valuable material for students and also professionals who wish to get involved in the automobile industry. The information provided is to generate a conspicuous overview of the industry so that they will be well prepared to face the challenges and obstacles in this new era of automobile industry. These findings are definitely significant for academic and research purposes.

1.6   Chapter Layout

The overall chapters of the research consist of 5 chapters which are:

Chapter 1: Research Overview

This chapter is the introductory which provides insight of the overall research context. It includes research background, problem statement, research objectives, research questions, hypotheses and significance of the study.

Chapter 2: Literature Review

This chapter consists of literature reviews gathered from journals and articles by other researchers on the relevant research area. It also includes reviews of relevant theoretical model, proposed research framework and hypotheses development.

Chapter 3: Methodology

This chapter is the overview of the research methodology. It describes how the research has been carried out, which includes research design, data collection methods, sampling design, operational definitions of constructs, measurement scales and methods of data analysis.

Chapter 4: Data Analysis

This chapter touches on data analysis of the research. It gather all the collection data and analyses it using descriptive analysis, scale measurement and inferential analysis. It also presents the results from Structural Equation Model (SEM) which are relevant to the research questions and hypotheses.

Chapter 5: Discussions, Conclusion and Implications

This chapter presents the summary and conclusion of the whole research project. It includes summary of statistical analyses, discussion of major findings, limitations and recommendations for future research.

1.7   Conclusion

As a conclusion, this chapter laid out the problem that Toyota Motor Corporation currently facing, so that we can identify the main cause of the problem. By doing so, we can find out the solutions for the problem based on the issue being identified. It

also provides us an entire guideline about the whole research process on automobile industry. Besides, the information found in this chapter serves as precedence for the following chapters. Each of the variables will be discussed in detailed in the following chapters.

CHAPTER 2: LITERATURE REVIEW

2.0   Introduction

In studying the factors that influence the buyers' purchasing behavior toward Toyota car in Malaysia, we found three independent variables and two mediators that might affect car purchase via literature review. These independent variables are perceived service quality, perceived product quality and perceive price fairness, the mediators are trust and customer satisfaction, and the dependent variable that we have identified is buyers' purchase intention.

2.1   Review of the Literature

2.1.1   Perceived service quality

Service quality is defined as "the consequence of the contrast between customer's assumptions about a service and their perception toward the way of the service has been delivered" (Lehtinen & Lehtinen, 1982; Lewis & Booms, 1983; Gronroos, 1984; Parasuraman, Zeithaml & Berry, 1985, 1988; Caruana, 2002).

In 1985, Parasuraman developed a well-known model called the SERVQUAL model for testing and measuring service quality. The elements of the model are: tangibles, reliability, responsiveness, competency, courtesy, assurance, credibility, security, access and understanding. They found that there are strong correlations among those dimensions in their research. Thus, Parasuraman et al. (1988) reduced these 10 dimensions into more advanced

level called Five-Gap Model which consists of Reliability, Responsiveness, Assurance, Empathy and Tangibles. Those five dimensions are explain below:

1. Reliability is the ability to perform the promised service dependably.
2. Responsiveness is the willingness to help the customers.
3. Assurance is the ability to inspire the customer's confidence and trust.
4. Empathy is the caring that the companies provide to their customers.
5. Tangibles are the appearance of physical facilities, equipment and personnel.

Research of Baker et al. (1991) find that service quality did not influence customers' perception of value directly rather it directly affects product quality. Which means the higher the perceived service quality, the higher the perceived product quality as well.

A lot of the researchers such as Parasuraman et al. (1985, 1988), state that the higher the service quality, the higher the customer satisfaction. Bitner (1990) also suggests that a good service quality will lead to a better satisfaction. After service quality and perceived service are being differentiated it will increase evaluation of service quality again. Thus, the path analysis of Bitner (1990) comes out with the final results supporting that service quality influences customer satisfaction and also impacts on the perceived service quality. Moreover, Teas (1993) also states that perceived service quality is the augmentation of the customer satisfaction.

However, from the customers' point of view, it is hardly differentiable between true service quality and perceived service quality. Therefore, there are a lot of researchers measure perceived service quality only and come out with the statements that higher perceived quality leads to a higher satisfaction among customers. According to Cronin & Taylor's (1992) research on the banking, pest control, dry cleaning and fast food industries, they find that service quality is one of the antecedents of customer satisfaction. There are

also same results find by others in their research area such as Anderson, Fornell and Lehmann (1994), Athanassopoulos (2000) and others. These studies suggest that there is positive relationship of perceived service quality towards customer satisfaction. In conclusion, perceived service quality will be one of the most important factors that determine customer satisfaction and loyalty.

2.1.2 Perceived Product Quality

In this era, quality of products plays a major role in the market success and profitability of firms. Dimension of product quality includes performance, appearance, life/durability, and workmanship (Aaker & Jacobson, 1994). In other words, in the marketplace, product quality plays a vital role on firm's competitiveness through affecting customers' satisfaction. When a product fulfills customer's needs and wants, the customer will be pleased and consider that the product is acceptable or is of high quality. On the other hand, price is found related to perceived product quality and consumer's product evaluations (Rao & Monroe, 1989; Dodds, Monroe & Grewal, 1991). This phenomenon leads to consumer perception that higher quality of products will lead to higher price.

It is a must for a manufacturer or a supplier to consider product quality on the list of priorities during manufacturing processes. The product quality dimension includes product quality, packaging design, product features, warranties, etc. (Abdul-Muhmin, 2002). Especially in business markets, product quality and reliability is very important to the customers because business buyers frequently select their supplier base on the basis of quality and excellence of the products (Chumpitaz & Paparoidamis, 2004). In contrast, if the supplier's company fails to meet business buyer's expectation and

requirements, the relationship between the two parties will dramatically change and supplier may lose customers too.

The quality of the product has a direct impact on performance, and product quality is one of the positioning tools of the marketers, hence, product quality is closely linked to customer satisfaction (Kotler et al., 2005). Similarly, Chumpitaz et al. (2004) provide strong empirical support that product quality is an antecedent which has a positive relationship with overall customer satisfaction and suggest that maintaining good product quality will provide satisfaction to the customers. By providing high quality of product, it will help managers to execute and develop better strategies in the business market. Hence, product quality in this research is assumed as a factor which could positively affects customer satisfaction.

Most of the previous marketing researches discussed the construction and dimension of service quality, or its relation with customer satisfaction and loyalty. In fact, most service industries provide both intangible and tangible products. Nevertheless, few researchers touched upon the issue of tangible in service industries. In Lehtinen and Lehtinen's (1991) service quality dimension, physical quality of service includes physical support-physical environment and equipment, as well as physical products. The "physical environment and equipment" was similar to the tangible dimension proposed by Parasuraman et al. (1988). Physical product was considered but treated as only part of the overall physical quality of service (Lehtinen et al., 1991).

After reviewing 32 studies about service industries, Cronin, Brady and Hult (2000) suggest that tangible quality of service products should be included in the satisfaction model in the future study. They also indicate the importance of product quality on consumer decision making. Brucks, Zeithaml and Naylor's (2000) study on the perceived quality construct of consumer durable goods finds that perceived product quality played a crucial role in affecting the

purchasing choices. In the satisfaction model proposed by Parasuraman, Zeithaml and Berry (1994), product quality is equally importance in affecting consumer satisfaction as service quality. As a result, this study shows that product quality is positively correlated to consumer satisfaction.

2.1.3 Perceived Price Fairness

From the customer's perspective, perceived price is described as what is given up or sacrificed to acquire certain kinds of services or products (Athanassopoulos, 2000; Cronin et al., 2000; Voss, Parasuraman & Grewal, 1998; Sirohi, McLaughlin & Wittink, 1998; Sweeney, Soutar, & Johnson, 1999; Zeithaml, 1988). In a customer's mind, perceived price is more important than monetary price that is the amount of money paid for service or product (Zeithaml, 1988).

Perceived price fairness may be defined as a perception of the customer's subjective evaluation of whether the difference between a seller's price and the price of a comparative other party is reasonable, acceptable, or justifiable (Bolton, Warlop & Alba, 2003; Kukar-Kinney, Xia & Monroe, 2007; Matzler, Wurtele & Renzl, 2006; Xia, Monroe & Cox, 2004).

According to Thaler (1985), customers' perceptions of price fairness derive from buyers' perceptions on the producer's internal production costs. However, customer usually have no knowledge about seller's internal production costs, therefore the price fairness may be justified by the "normatively acceptable" price along with benefits received from the seller. Customers will perceive a price as fair if there is no discrimination on price and no abuse of market power in price setting (Matzler et al., 2006). Oliver and Swan (1989a, b) find that customers' fairness perceptions depend on a supplier's commitment and the quality of the goods and services relative to

the price paid. Finding from previous studies discover that customers are likely to compare price they paid with others customers for the same products and services (Bechwati, Sisodia & Sheth, 2009). Nevertheless, Beldona and Namasivayam (2006) find that customers do not only make price comparison with others but also take into consideration of situational circumstances.

According to Bolton et al. (2003), there are three "reference prices" that consumers evoke when they assess price fairness, namely past prices, competitors' prices, and perceived costs of the provider. These researchers propose that, when a customer recalls a reference point, his or her judgment is guided by an evaluation of the gap between the reference price and the actual price. This comparison forms a consumer's perception of price fairness. Fairness is more of a subjective than an objective judgment because it is what consumers actually perceive regardless whether such perception is correct or not. Thus, price fairness perceptions may not be critical until consumers perceive a price is unfair (Xia et al., 2004).

Sinha and Batra (1999) defined perceived price unfairness as the consumer's subjective evaluation that they perceived themselves has been charged premium than that called for by the costs incurred by the seller. Negative customer reactions or emotions are likely to happen as a customer attitudinal and behavioral outcome if customer perceived that they have unfair treatment (Wirtz & Kimes, 2007). Consequently, the judgments of unfairness by the customer will cause customer dissatisfaction (Oliver & Swan, 1989b). When price differences are unfavorable to them, this will immediately lead the customers' reaction to result in more price consciousness (Sinha & Batra, 1999; Xia et al., 2004) and they will complain or ask for refund from seller (Kalapurakal, Dickson, & Urbany, 1991; Xia et al., 2004), lowered purchase intentions (Bougie et al., 2003; Campbell, 1999a, b) or will spread negative word-of-mouth (Bougie et al., 2003) and will revenge against unfair pricing (Kahneman, Knetsch & Thaler, 1986; Xia et al., 2004).

In an empirical study of automobile purchases from Herrmann, Lan, Monroe, and Huber (2007), it was concluded that customer satisfaction is indirectly influenced by the perceived price fairness. Several other recent literatures indicate that perceived price fairness is positively correlated with customer satisfaction. (Bei & Chiao, 2001; Parasuraman et al., 1994; Hanif, Hafeez & Riaz, 2010; Herrmann et al., 2007; Huffman & Cain, 2001; Yieh, Chiao & Chiu, 2007).

2.1.4 Trust

According to Ganesan (1994) and Kumar, Scheer, and Steenkamp (1995) in marketing point of view, trust is defined as the "perceived credibility and benevolence of a target of trust". This definition of trust is link in an industrial buying context. In purchase situation, a buying firm will face some degree of risk that turns to a supplier or salesperson that the buyers believe is able to perform effectively and reliably (credible) and act in the best interest of customer (benevolence). In addition, relationships that have high level of trust enable buyers and sellers to focus on the long-term benefits of the relationship (Ganesan 1994). Meanwhile, trust exists between the buyers and sellers will lower the cost of transaction and increase the competitiveness (Noordewier, John, & Nevin, 1990).

According to Anderson, Fornell and Lehmann (1994), company reputation does affect trust in a business-to-business context. Company image includes stability of the firm, social contribution for society, concerns with customers, reliability of what the firm says and does, innovative and forward looking. Meanwhile, good company image helps to reduce the uncertainty of the consumer and increases their purchase decision towards a product (Hakannson, 1982).

Trusting parties must be exposed to some level of trust to become effective which is the result must be uncertain and significant to the trustor (Deutsch 1962; Moorman, Zaltman, & Deshpande, 1992; Schlenker, Helm, & Tedeschi, 1973). In marketing, most researches believe that context of distribution channels can help to build trust (e.g., Anderson & Narus, 1990; Anderson & Weitz, 1989; Morgan & Hunt, 1994) that high degree of interdependence creates vulnerability that usually found in channel relationships (Gundlach & Cadotte, 1994; Kumar et al., 1995).

There are still lots of buyers that still preserve numerous sources of supply even though there are some buying firms that trimmed down their supplier base to run the progress of collaboration more smoothly meanwhile to enhance the quality (Emshwiller, 1991). In an automobile industrial buying context, risk occurs when purchase intention involves modified rebuys or new tasks, as opposed to straight rebuys (Robinson, Faris, & Wind, 1967). In order, to build-up current purchase intention and long-term relational commitments, buyers will choose which suppliers or salespeople that they can trust.

In a summary, the basis of previous researches that stressed on the positive influence of trust on purchase intentions (Garbarino & Johnson, 1999; Bart et al., 2005; Gefen & Straub, 2003; Yoon, 2002), the above literatures show that there is relationship between consumer trust and consumer intentions to purchase automobile.

2.1.5 Customer Satisfaction

Oliver (1997) states that satisfaction is the "emotional response follow by a disconfirmation experience". Satisfaction generally valued on the basis of customer's pre-purchase expectations and differentiating it to the perceived

product performance (Bearden & Jesse, 1983; Oliver, 1980; Westbrook, 1980). According to Kotler (2000), satisfaction also defines as "a person's feelings of disappointment or pleasure effecting from comparing a product's perceived performance towards their expectations".

Indeed customer satisfaction is a main factor in the formation of customer's desires for future purchase (Mittal & Kamakura, 2001). Customer satisfaction also expresses as a whole positive or negative feeling about the net value of services received from the suppliers (Barnes et al., 2004; Schmit & Allscheid, 1995; Woodruff, 1997). Customer satisfaction lies at the main of relationships that involve the antecedents of customer satisfaction (perceived service quality) and the result of customer satisfaction (loyalty) (Fornell et al., 1996).

The measurements of customer satisfaction have been categorized into 5 attributes by Anderson and Srinivasan (2003). These 5 attributes are overall satisfaction, customer favorite, customer loyalty, customer recommendation and priority option. A company can maintain great customer satisfaction on its product or service by understanding customer needs and wants.

According to Fornell et al. (2006) there are positive relationship between customer satisfaction and outcomes such as

 (a) Loyalty, positive word of mouth, usage behavior; and
 (b) Reduced cost of future transactions, reduced costs related to warranties, complaints, defective goods and field service.

There are several researches on the relationship between service quality and customer satisfaction. According to Parasuraman et al. (1988), satisfaction highly affected by service quality. Parasuraman et al. (1985, 1988, 1991) also suggest that service quality is one of the antecedents of customer satisfaction. Most marketing researchers such as (Chang, 2006; Dabholkar et al., 2000)

also agree with this framework which states that service quality leads to customer satisfaction.

A high level of relationship is needed between service providers and customer in the service industries. The higher the customer satisfaction with the service experienced, the higher the level of trust that customers gain from the organization itself and also the personnel that provide its service. Therefore, Van Birgelen, Ruyter & Wetzels (2001) states that satisfied customers tend to increase the use on short and in the long term by building trust with an organization compared to unsatisfied customers. The research done by Hsieh and Hiang's (2004) also supports this statement.

2.1.6 Purchase intention

Purchase intention is defined as "a person's degree who has formulated conscious plans to not perform or to perform some specified future behavior" (Warshaw & Davis, 1985). What the consumer think and will buy represents purchase intention (Blackwell, Miniard & Engel, 2001). According to Shim and Drake (1990), high level of purchase intention relates to positive belief as compared to consumers with low level of purchase intention. In conjunction, intention to purchase is often used as a metric in the prediction of purchasing behavior (Morwitz & Schmittlein, 1992).

Intention to purchase is the consumers' inclination to act toward an object and is normally measured in terms of intention to buy (Kim, 2004). The findings of Morwitz, Steckel and Gupta (2007) support that purchase intention is a vital factor for an organization because manager often used it to make strategic decisions relating to both new and existing products and the marketing program that supports them.

Past researchers acknowledged the idea that intention to purchase a particular products or services is the final cognitive step in the decision making process of purchase intention (Agrawal & Teas, 2002; Erevelles, 1993; Fishbein, 1967; Han, 1990; Pecotich, Pressley & Roth, 1996).

Plenty of studies have been carried out to explain the determinants of purchase intentions. There are several gripping reasons that interest marketers on purchase intention research such as: purchase intention help marketing manager make a decision which geographic markets and segments the product should be launch (Sewall, 1978; Silk & Urban, 1978). On the other hand, for existing products, purchase intention is used to predict future demand (Armstrong, Morwitz & Kumar, 2000).

Managers of different departments like sales department and marketing department always evaluate the validity of proposed promotions for both new and existing products by using purchase intentions (Morwitz et al., 2007). Academic researchers used purchase intentions as proxy measures for purchase behavior (Ajzen & Fishbein, 1980; Akaah, Korgaonkar & Lund, 1995; Akhter & Durvasula, 1991; Schlosser, 2003)

Ang, Lim, and Tambyah (2001) further noted that a positive attitude would lead to a higher intention to perform the behavior. Besides that, consumer will request or search for more information if they have intention to purchase. A variable that will influence purchase intention through attitude as the mediating variable is "useful" (past experience). Davis, Bagozzi, and Warshaw (1989) defined "useful" as "a person believes that using this automobile will get his or her request or need such as self-esteem".

2.2 Review of Relevant Theoretical Model

Figure 2.1: A Theoretical Framework for Perceived Quality, Customer Satisfaction, and Customer Loyalty: Customer Satisfaction Index (CSI) Model. Adopted from: Yu et al. (2005).
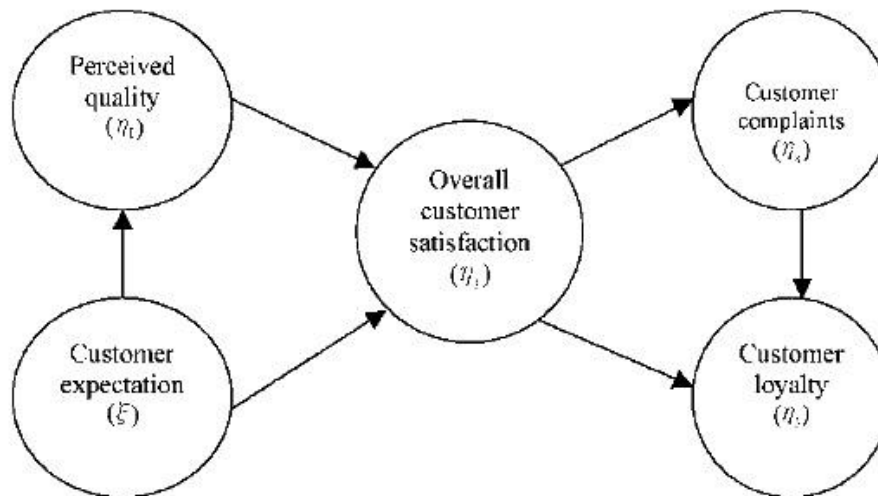
The objective of this research is to explore overall customer satisfaction associated with Toyota's Lexus automobiles in Taiwan by applying customer satisfaction index (CSI) model. Perceived quality found positively and directly influence overall customer satisfaction, and has an indirect effect on customer complaint-levels and customer loyalty.

Meanwhile, customer expectations do have positive impact on overall customer satisfaction. However, they indirectly effect overall customer satisfaction through the perception of quality. Not surprisingly, different levels of overall customer satisfaction have significant negative direct influences on customer complaints and significant positive direct impacts on customer loyalty. More importantly, the study finds that the relationship of customer complaints with customer loyalty is not negative.

Figure 2.2: A Theoretical Framework An Integrated Model for the Effects of
Perceived Product Quality, Perceived Service Quality, and Perceived Price Fairness
on Consumer Satisfaction and Consumer Loyalty.
Adopted from: Bei and Chiao (2001).
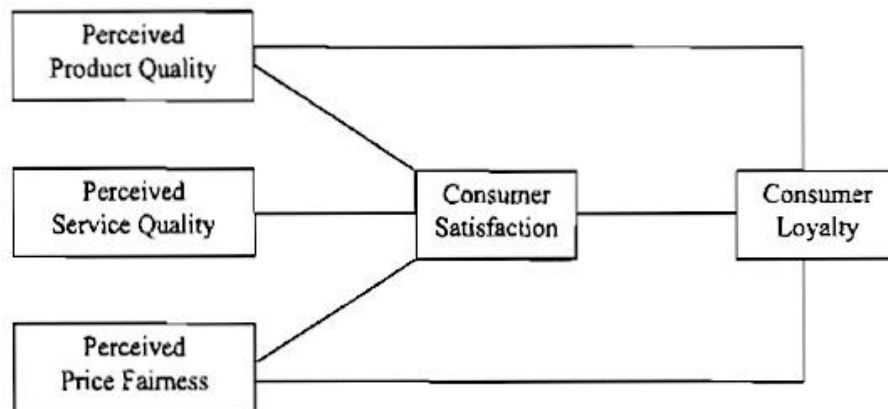
The purposes of this study are to balance service quality and product quality into an integrated model, and to investigate the effects of three consumer perceptions effects (product quality, service quality, and price fairness) on satisfaction and loyal behavior. Perceived service quality, product quality and price fairness find to have almost equally important effect on satisfaction. Based upon the model, consumer satisfaction is a mediator for perceived service quality, product quality and price fairness. Besides, perceived service quality has only indirect effect on loyalty through satisfaction.

Nevertheless, perceived product quality and price fairness both have direct and indirect effects on loyalty. The researcher find that both perceived product quality and perceived price fairness have positive relationship with consumer satisfaction as well as with perceived service quality. In conjunction, the study indicates that perceived service quality, perceived product quality and perceived price fairness are positively correlated.

Figure 2.3: A Theoretical Framework for Understanding the Antecedents to Customer
Loyalty by Applying Structural Equation Modelling.
Adopted from: Yieh, Chiao and Chiu (2007).
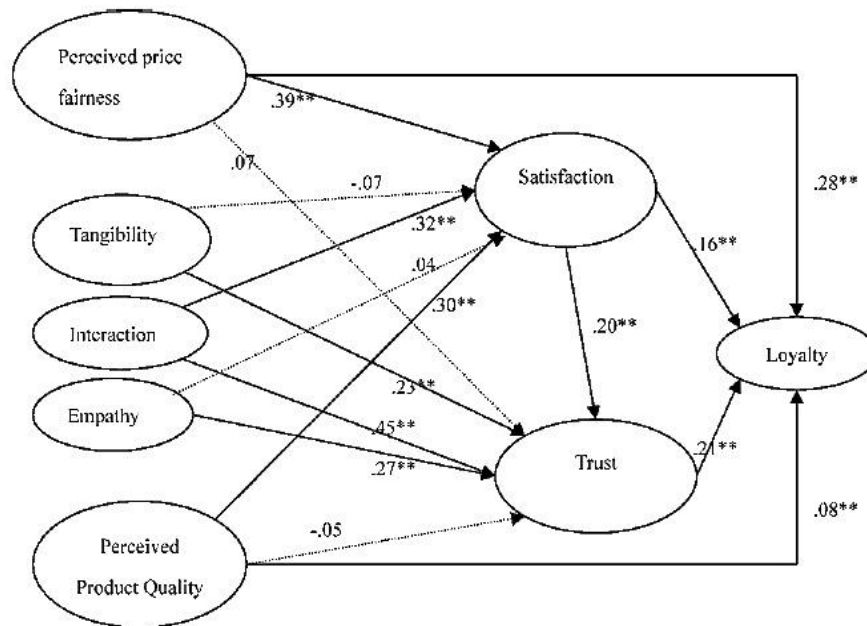
This study provides an integrated framework of customer loyalty in automobile industry. It analyses 495 car owners patronizing the automobile repair and service centre of Nissan, Toyota, and Mitsubishi. Besides that, two-step SEM approach was used in this study to confirm the construct and convergent validity of each latent construct, and the discriminate validity of the full measurement model. Moreover, the other objective of this study is to study the relationship between perceived product quality, perceived service quality, and perceived price fairness on satisfaction, trust, and customer loyalty.

Previous researcher exposed that customer satisfaction, perceived product quality, perceived price fairness, and trust all play an important role in affecting customer loyalty. The issues in the configuration of satisfaction are perceived product quality, perceived price fairness, perceived service quality (employee-customer interaction), however, the essential issue in the configuration of trust is perceived service quality (e.g. employee empathy, tangibility and employee-customer interaction).

Customers' level of trust is positively affected by the perceived service quality as examined by the authors. There are three dimensions of perceived service quality which is tangibility, employee–customer interaction, and employee empathy. In conjunction, customer satisfaction and trust as well as customers' perceptions of price fairness and product quality are positively related to customer loyalty. Furthermore, customer satisfaction can also affect customer loyalty by helping customers create trust.

The limitations of the investigation are the samples come only from three ASRs operated by best-selling brands, and all of which are located in the Greater Taipei metropolitan area. Due to the limits of sample scope and location, the research result is limited to the external validity. Furthermore, all the data collected by the researcher comes from respondents' self-managed questionnaire.

Figure 2.4: Toyota Passenger Car Purchase Intention Model
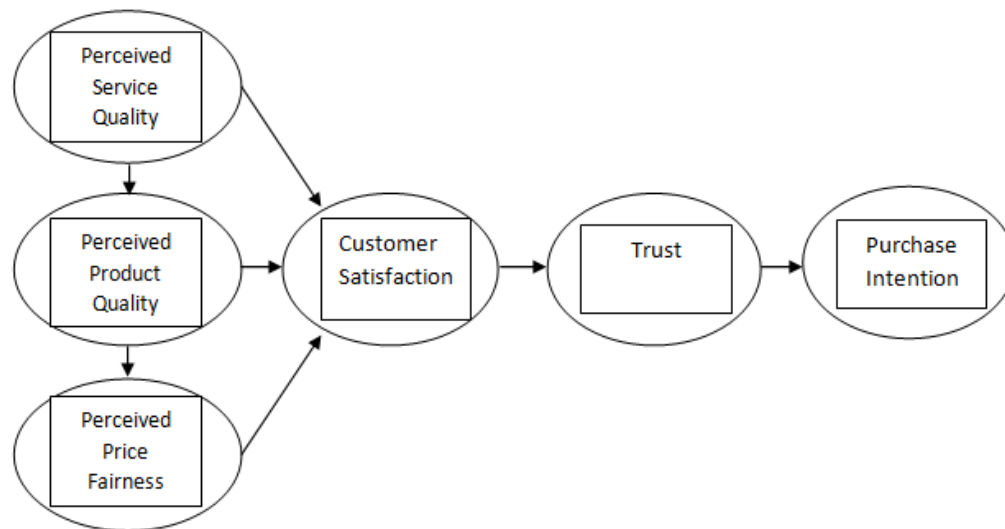
Source: Developed for the research

The conceptual model

The model developed above show the conceptual framework to serve as the foundation for this research project and it is adopted from the original model proposed by Yieh et al. (2007). The purpose of this study is to examine the relationship among the six variables of interest.

There are five variables classified as the independent variable which are perceived service quality, perceived product quality, perceive price fairness, customer satisfaction and trust meanwhile the dependent variable is purchase intention. Moreover, two of the independent variables are consider as mediating variables which include customer satisfaction and trust.

Based on the above relationship between the constructs, hypotheses below were developed.

2.3   Hypothesis Development

H1: there is significant relationship between perceived service quality and perceived product quality.

H2: there is significant relationship between perceived service quality and customer satisfaction.

H3: there is significant relationship between perceived product quality and perceived price fairness.

H4: there is significant relationship between perceived product quality and customer satisfaction.

H5: there is significant relationship between perceived price fairness and customer satisfaction.

H6: there is significant relationship between customer satisfaction and trust.

H7: there is significant relationship between trust and purchase intention.

2.4   Conclusion

It is concluded that there are five consumption factors that might influence consumers' purchase intentions on Toyota passenger car.

CHAPTER 3: METHODOLOGY

3.0   Introduction

This chapter discuss about the nature of the study, research design, data collection methods, sampling process, sampling design, questionnaire design, pilot testing, constructs measurement, data processing and methods of data analysis. After that, the sources of both primary and secondary data were being identified.

Methodology is an overall approach to the process of the research from theoretical underpinning to collection and data analysis. Instead, it defined as the degree of correlation between the independent and dependent variables ("MBA Research Methodology", 2005). The nature of our research is to find out factors that influence purchase intention toward Toyota passenger cars in Mukim Tupai, Taiping, Perak. At the same time, a consumer purchasing intention model was formulated from the data collected.

3.1   Research Design

Our research is an exploratory research. Its aim is to find out factors that influence purchase intention toward Toyota passenger cars in Mukim Tupai, Taiping, Perak. It identified the influence of perceived service quality, perceived product quality, perceived price fairness, customer satisfaction, and trust on purchase intention.

Hypotheses were set based on our research framework. The hypotheses are the main ideas and propositions where our research intends to test by using SPSS 19.0 statistical software.

We decided to use questionnaire in our research because it is fast, inexpensive, efficient, and effective method compared to others. Data collected from the questionnaire was analyzed using SPSS 19.0 statistical software. Secondary data were also collected to support this research, for example we collect the data from Majlis Perbandaran Taiping.

3.2   Data Collection Methods

Primary data and secondary data were collected for this research project. Primary data was collected through questionnaire designed referring to Teas, 1993 (perceived service quality), Kennedy, Ferrell, & LeClair, 2001 (perceived product quality), Andreas, Lan, Kent, & Frank, 2007 (perceived price fairness), Huang & Jing, 2007 (customer satisfaction) and Lin, Chen, Chiu, & Lee, 2011 (trust and purchase intention) questionnaires. Secondary data was collected data from journal articles in websites, document on the historical data and annual reports that provided by Toyota automobile companies. To answer to our research problem, we collected primary data from respondents through distribution of questionnaires.

We have distributed 450 set of questionnaires to the respondents in Mukim Tupai, Taiping, Perak who are current Toyota car users. We used 2 weeks to conduct the survey, 8 hours daily from Monday to Sunday. The survey was conducted daily from 9.00 a.m. until 5.00 p.m. The surveys were carried out from 9th May 2011 until 22nd May 2011 during our semester break.

The questionnaires were distributed in the housing area in Mukim Tupai, Taiping, Perak. Out of the 450 sets questionnaires distributed, only 300 sets are completed without error and used in data analysis. The data collected was then transformed into useful and valuable information using SPSS and AMOS 19.0 statistical software.

3.2.1 Primary Data

Primary data were collected through questionnaires for the purpose of addressing the problems at hand. Questionnaires are designed in a semi-structured form which includes open-ended questions and closed-ended questions using five point Likert scale.

3.2.2 Secondary Data

The secondary data collected consist of the articles in journals, magazines, newspapers, archives, published statistic, company' annual report and others. The main aim is to provide information that is needed to describe and explain our research. Our literature review is basically obtained from the Internet websites, articles, journals, and published statistic, as well as the statistics and documents provided by Majlis Perbandaran Taiping.

3.3 Sampling Design

3.3.1 Target Population

The population in our research is the consumers who have the intention to purchase the Toyota passenger cars in Taiping, Perak and the target sample is the current Toyota car users in Mukim Tupai, Taiping, Perak. The respondents selected are all current Toyota car user, only user selected to gather accurate information for the research. Location of the questionnaires survey is in the housing area of Mukim Tupai, Taiping, Perak. The total target sample size is 450. Only 360 sets of usable questionnaire has been collected from this exercise.

3.3.2 Sampling Frame and Sampling Location

Our data was collected in one part of Taiping area which is Mukim Tupai (refer Appendix 3.1, 3.2, 3.3, 3.4). This study was conducted in the housing area of Mukim Tupai which consists of 32 housing area which are Kawasan Perusahaan Ringan Tupai, Taman Saga, Medan Koperasi, Taman Raja Idris, Taman Sri Hijau, Rumah Hijau, Taman Sri Kota, Taman Pokok Assam, Taman Assamara, Taman Assamara 2, Taman Assamara 3, Taman Mas Kuning, Taman Kuning Sari, Taman Kuning Permai, Taman Assam Maju, Taman Merati, Taman Semarak, Taman Semarak 2, Taman Anjung Semarak, Taman Aun Say, Taman Sentosa, Taman Perak, Taman Eliatamby, Taman Tupai Mas, Kampung Aman, Kampung Potong Pinang, Taman Tasik Permai, Taman Tasik Jaya, Kampung Birch, Kampung Jambu, Taman Seri Kuning and Pokok Assam Tambahan, and 2 more apartments which are Pearl Apartment and Flat Jalan Porkeling with a total of 7569 houses (refer Appendix 3.5).

3.3.3 Sampling Elements

The sampling elements used are the residents who drive Toyota cars in the housing area of Mukim Tupai, Taiping, Perak. They are able to answer the questionnaire since they are the current user of Toyota passenger car. Generally, our respondents are all adults and above 18 years old who already get the driving licence. The respondents consist of housewives, students, retirees, professionals and unemployed person.

3.3.4 Sampling Technique

There are two types of sampling technique such as probability sampling and non-probability sampling. We used cluster sampling and simple random sampling technique in this research which are probability sampling techniques. First of all, we surveyed the 12 Mukim in the whole Taiping which have similar characteristics in terms of social background such as type of houses. Through our observation, those Mukim have same type of houses such as single-storey, double-storey and banglo. After that, we divide those Mukim into 5 clusters, and we use computer to choose one cluster randomly using computer and the area choosen was Mukim Tupai..

3.3.5 Sample Size

From the data of Majis Perdandaran Taiping, there are 7569 houses in Mukim Tupai, we made a survey in that area and find that only 1759 houses owned at least one Toyota passenger car. We used random sampling method to choose 450 houses as our sampling size for this research. After that, we distributed the questionnaires to the residents listed. Out of the questionnaires distributed, 360 of them were complete and usable, 8 of them were incomplete and 82 of them did not respond and being rejected. The data collected is acceptable since a good marketing research need to have at least 300 respondents as coined by Comrey and Lee (1992).

3.4 Research Instrument

We conduct our survey by using questionnaire because this is the most commonly used method to obtain data from huge amount of respondents. The purpose of

questionnaire is to obtain and acquire useful data from the Toyota passenger cars owners who live in housing area of Mukim Tupai. We used questionnaires in our research because it is quick, inexpensive, efficient and accurate in assessing information from the respondents.

3.4.1 Questionnaire Design

Questionnaire is a survey instrument that used to obtain the specific information form target respondents. The purpose of questionnaire is to gather information from the respondent. Our questionnaire is separated into two sections which consisted of thirty-five questions. Section A questioned on demographic profile to obtain the basic information about the target respondents, section B examining the respondents' agreement and disagreement about factors that influence purchase intention model toward Toyota passenger.

3.4.2 Pilot Test

After the early version of questionnaire design is completed, a pilot test was carried to test on reliability and validity of the questionnaire. The pilot test helped us to improve the early versions of questionnaire and prevent time wasting where questions that are not related to our research were deleted. We invited fifteen respondents from the target population to participate in our pilot test. The pilot test questionnaire consists of four pages with forty questions that the respondents need to answer. After the running of Cronbach's Alpha test on the data collected, some questions were taken out from the questionnaire in order to improve on the reliability of this research. As a result, the actual questionnaire consists of three pages with thirty-five

questions include seven questions on demographic. This pilot test allows us to refine the questionnaire before we proceed to the actual data collection.

3.5   Constructs Measurement

Table 3.1: Origins of Constructs

Constructs	**Adopted from**
Perceived Service Quality	(Teas, 1993)
Perceived Product Quality	(Kennedy, Ferrell, & LeClair, 2001)
Perceived Price Fairness	(Andreas, Lan, Kent, & Frank, 2007)
Customer Satisfaction	(Huang & Jing, 2007)
Trust	(Lin, Chen, Chiu, & Lee, 2011)
Purchase Intention	(Lin, Chen, Chiu, & Lee, 2011)

Source: Developed for the research

Table 3.2: Example of Modified Operational Definitions of Constructs

Constructs	**Sample Items**
Perceived Service Quality	1. Employees of Toyota Corporation always perform good quality car services for their customers. 2. Employees of Toyota Corporation show high responsiveness towards customers' requests when servicing their cars.

	3. Customers are very confidence with the car service provided by Toyota.
	4. Employees of Toyota Corporation show their caring to the customers when servicing their cars.
	5. Employees of Toyota always find out the cars' problems and able to solve the problem in short time.
Perceived Product Quality	1. Toyota car has the best performance on the road.
	2. Toyota car has the best outlook.
	3. Toyota car features fulfill all my expectation on product quality.
	4. Toyota car's part and accessories are very durable. (E.g.: engine, headlights & more)
	5. Toyota Corporation provides the trustable warranties to the car owner.
Perceived Price Fairness	1. The price of the new Toyota car is reasonable.
	2. Every customer pays the same price when they buy car from any Toyota car dealer. (no discrimination of price)
	3. Toyota car is not overpriced.
	4. The price of the Toyota car is acceptable compared to other car brands.
	5. There is no abuse of market power in Toyota cars price setting.
Customer Satisfaction	1. I am very satisfied with my Toyota car's overall performance.
	2. I believe that I make a good decision in purchasing Toyota car.
	3. I will spread positive word of mouth about Toyota car to my relatives and friends.
	4. I will choose Toyota car when I want to buy car in the

	future.
Trust	1. I believed that Toyota Corporation is competent at what it is doing.
	2. I believed that Toyota Corporation is trustworthy.
	3. I believed that Toyota Corporation has very high integrity.
	4. I believed that Toyota Corporation is very responsible to their customers.
Purchase Intention	1. I intend to purchase a Toyota car in the near future.
	2. I search for information about Toyota car from time to time.
	3. I always talk about Toyota car with my friends.
	4. I like to compare Toyota car to others car brands from time to time.
	5. I believed that Toyota car is the most suitable car for me to buy.

<u>Source</u>: Developed for the research

3.6   Data Processing

According to Malhotra et al. (2002), before raw data can be use in questionnaire, they must be converted into a proper form. In order to ensure that the data is in a standard quality, the data in the current research must undergo a repetitive data preparation process.

3.6.1 Questionnaire Checking

Data checking is the process of thoroughly checking the collected data to ensure optimal quality levels. All the data that had been collected was double checked in order to make sure that there is no mistake. The checking process is made during and after fieldwork. Any problems that had been detected were being corrected before the questionnaires were distributed to the respondents.

3.6.2 Data Editing

Before the data is being presented as information it must be edited first. This is to ensure that the information provided is complete, consistent and accurate. Unclear or complicated question makes respondent unsatisfied and impatient to answer the questions and this will affect the overall result. So editing is important because it helps to discard the unsatisfactory responses.

3.6.3 Data Coding

The data coding process is to categorize the numerical score or other character symbol from previously edited data. The SPSS 19.0 statistical software is chosen for data coding and analysis, for example the respondent were coded as "1" for female and "2" for male. While part two were being coded as "1" for strongly disagree, "2" for disagree, "3" for neutral, "4" for agree and "5" for strongly agree.

3.6.4 Data Cleaning

Data cleaning is the process of a raw data are verified and checked to certify that the data have accurately input from the data collection form to the

computer software program, called SPSS by Burns and Bush (2006). The checks using computer is more extensive and consistent compare to the checks during the data editing process (Malhotra, 2002). The missing responses in the questionnaire are value of variable with the unambiguous answer. Hence, we use SPSS program is to review the respondent code and also apply a consistency check to detect the out-of-range.

3.7   Data Analysis

Data analysis is the process of ordering, structuring and providing meaning to the collected data. Qualitative data analysis is a search for general statements about the relationships among categories of data where it builds grounded theory. Quantitative data analysis generates statistics through the use of large-scale survey research (Zikmund, 2003). We have used quantitative data analysis in our research.

3.7.1 Descriptive Analysis

Descriptive analysis is used to transform the raw data from the research into a form that we can interpret and understand easily. Frequency and percentage were used to describe the measurement of the data in Section A of the questionnaires. This is a process to change raw data into a form that easier to interpret and understand.

3.7.2 Scale Measurement (Reliability Test)

The reliability test under scale measurement plays an important role in determining the validity and reliability of the survey forms. Coefficient Alpha

or Cronbach's Alpha were used to measure the concept of consistency reliability. The coefficient varies from 0 to 1. It is categorize under unsatisfactory internal consistency reliability if the value is below 0.6. The variables were only categorized under satisfactory internal consistency reliability if the range is above 0.6 or almost 1.0. There are also few elements included in reliability test such as factor loading, mean and standard deviation.

3.7.3 Data Analysis Tool SEM

AMOS program has been employed in this research to test goodness of fit of the data, hypotheses development, and relationship among observed and latent variables. AMOS gives researches the power to easily perform structural equation modelling (SEM) to build models with more accuracy than with standard multivariate statistics techniques. Fit Indices for SEM such as RMSEA, CFI and Normed Chi-square establish to determine whether proposed model is acceptance. Path relationships between the latent variables were examined to determine whether significant relationships exist in the proposed model (Bacon & Inc, 1997).

3.8   Conclusion

We've conducted an exploratory research to find out factors that influence purchase intention toward Toyota passenger car in Mukim Tupai, Taiping, Perak. A set of structured questionnaires was set and a pilot test of the questionnaire was carried before actual data collection. Data obtained from our questionnaire were then examined using SPSS and AMOS 19.0 statistical software. Descriptive analysis, reliability test and inferential analysis were used to analyse the data collected.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter consists of descriptive analysis, scale measurement and inferential analysis. The statistic results of respondents were compiled by using SPSS 19.0 statistical software. All the demographics information is described in pie charts and bar charts (refer to Appendix 4.1).

Reliability is tested based on Cronbach's alpha coefficient to ensure they are reliable for further analysis. Inferential analysis using Structural Equation Model (SEM) described the crucial test.

4.1 Descriptive Analysis

4.1.1 Respondents Demographic Characteristics and General Information

Table 4.1 presents the respondents' demographic information for the 360 responses that were used in the analysis. Of the 360 responses, the majority of the participants were male (70.3%). Marital status of respondents are 42.8% single and 57.2% married.

Of all the respondents, 36.1% studied until secondary level and more than 21.7% of the respondents had a bachelor degree or professional qualification. The majority of respondents (78.3%) were employed, and 11.1% of respondents were retired.

About 33.3% of respondents had a monthly income between RM2001 and RM3000, followed by those with a monthly income ranging between RM3001 and RM4000 (19.7%), and below RM1000 (18.9%). There are 65.6% of all respondents knew about Toyota crisis.

Table 4.1: Demographic Characteristics of Survey Respondents   n=360

Category		Frequency	%
Gender	Female	107	29.7%
	Male	253	70.3%
Age	18-25 years old	29	8.1%
	26-35 years old	63	17.5%
	36-45 years old	97	26.9%
	46-55 years old	125	34.7%
	56 years old and above	46	12.8%
Marital Status	Single	154	42.8%
	Married	206	57.2%
Highest Education Level	Primary	50	13.9%
	Secondary	130	36.1%
	Diploma/Advanced Diploma	66	18.3%
	Bachelor Degree/Professional Qualification	78	21.7%
	Master Degree	29	8.1%
	PhD Degree	7	1.9%
Employment Status	Employed	282	78.3%
	Unemployed	17	4.7%
	Student	12	3.3%
	Retired	40	11.1%
	Other	9	2.5%
Personal Income	Below RM1000	68	18.9%
	RM1001-RM2000	57	15.8%
	RM2001-RM3000	120	33.3%
	RM3001-RM4000	71	19.7%
	RM4001-RM5000	33	9.2%
	More than RM5001	11	3.1%
Knew About Toyota Crisis	Yes	236	65.6%
	No	124	34.4%

Source: Developed for the research

4.2   Scale Measurement

A scale reliability test using SPSS 19.0 was conducted to test the internal consistency in measuring results using the coefficient alpha. Cronbach's alpha coefficient is the most general measure of reliability for a multi-item scale (Sekaran, 1992).

A minimum value of .70 was employed to assess the internal consistency of the construct (Hair et al., 2005), and the Cronbach's alpha coefficients for all constructs were greater than .70. The coefficient alpha estimates for each of the six constructs are listed as follows: perceived service quality ($\alpha = .923$), perceived product quality ($\alpha = .846$), perceived price fairness ($\alpha = .904$), customer satisfaction ($\alpha = .860$), trust ($\alpha = .926$) and purchase intention ($\alpha = .885$). Based on the suggested cut off points, all measures appeared to be good indicators of each construct with multiple items. The results of reliability tests including Cronbach's Alpha, factor loadings, mean and standard deviation (S.D.) are presented in Table 4.2.

Table 4.2: Factor Loadings, Mean, Standard Deviation and Reliability of the Study

Research construct and research items		Factor Loading	Mean	S.D.	Cronbach's Alpha
Perceived Service quality					.923
SQ1	Employees of Toyota corporation always perform good quality car services to their customers.	.785	3.54	0.949	
SQ2	Employees of Toyota corporation show their high responsiveness towards customers' requests when servicing their cars.	.779	3.45	1.118	
SQ3	Customers are very confidence with the car service provided by Toyota.	.725	3.48	1.102	
SQ4	Employees of Toyota corporation	.799	3.48	1.129	

	show their caring to the customers when servicing their cars.				
SQ5	Employees of Toyota always understand the cars' problems that their customers faced and able to solve the problem in short time.	.762	3.38	1.191	
Perceived Product Quality					.846
PQ1	Toyota car has the best performance on the road.	.793	3.61	0.937	
PQ2	Toyota car has the best outlook.	.731	3.76	1.065	
PQ3	Toyota car features fulfill all my expectation on product quality.	.780	3.56	1.024	
Perceived Price Fairness					.904
PF1	The price of the new Toyota car is reasonable.	.693	3.41	0.994	
PF2	Every customer pays the same price when they buy car from any Toyota car dealer.	.699	3.40	1.098	
PF3	Toyota car is not over priced.	.764	3.28	1.075	
PF4	The price of the Toyota car is acceptable compared to other car brands.	.736	3.53	1.031	
PF5	There is no abuse of market power in Toyota cars price setting.	.724	3.39	1.078	
Customer Satisfaction					.875
CS1	I am very satisfied with my Toyota car's overall performance.	.804	3.59	0.906	
CS2	I believe that I make a good decision in purchasing Toyota car.	.820	3.57	1.089	
CS3	I will spread positive word of mouth about Toyota car to my relatives and friends.	.797	3.38	1.155	

Trust					.860
T1	I believed that Toyota corporation is competent at what it is doing.	.796	3.56	0.921	
T3	I believed that Toyota corporation has very high integrity.	.775	3.55	1.006	
T4	I believed that Toyota corporation is very responsible to customers.	.779	3.55	1.060	
Purchase Intention					.926
DV1	I intend to purchase a Toyota car in the near future.	.759	3.58	1.066	
DV2	I search for information about Toyota car from time to time.	.758	3.23	1.208	
DV3	I always talk about Toyota car with my friends.	.770	3.30	1.160	
DV4	I like to compare Toyota car to others car brands from time to time.	.742	3.63	1.149	
DV5	I believed that Toyota car is the most suitable car for me to buy.	.831	3.61	1.208	

Source: Developed for the research

4.3   Inferential Analysis

4.3.1 Structural Equation Modelling

Following the evaluation of the measurement model in terms of reliability, a Structural Equation Model (SEM) was formulated. A structural model is different from a measurement model. While a measurement model accentuates the relationships between latent constructs and measured items, a structural model emphasizes the nature and degree of the relationships between

constructs (Hair et al., 2005). Therefore, SEM is used to test a hypothesized theoretical model.

Six latent constructs (perceived service quality, perceived product quality, perceived price fairness, customer satisfaction, trust and purchase intention) and 24 observed items were included in testing of the structural model. The Maximum Likelihood (ML) estimation method was applied to test the base model using AMOS 19.0 based on no violation of the normality assumption. The ML method provides unbiased, more consistent and more efficient parameter estimates (Jaccard & Wan, 1996; Kmenta, 1971). According to Browne and Cudeck (1993), RMSEA values less than or equal to .05 can be considered as a good fit.

Table 4.3: Measurements of Fit Indexes

Fit Indexes	Descriptions
Normed Chi-square	Known as relative chi-square. It equals the chi-square index divided by degrees of freedom. According to Schumacker & Lomax (2004), this index is less sensitive to sample size.
RMSEA	Root Mean Square Error of Approximation. According to Steiger (1990), RMSEA is a measure of approximate fit in the population and is therefore concerned with the discrepancy due to approximation. Lower RMSEA values indicate better fit. According to Browne & Cudeck (1993), RMSEA values below .05 can be considered as a good fit, values between .05 and .08 as an adequate fit.
NFI	Normed Fit Index. NFI values range from 0 to 1, with higher values indicating better fit. The rule of thumb for this index is that .90 is indicative of acceptable fit relative to the baseline model (Schumacker

	& Lomax, 2004).
CFI	Comparative Fit Index. It compares the proposed model with the independence model presuming there are no relationships between the measures. It indicates how much better the model fits the data. According to Byrne (2009), value of CFI should be greater than .90 for a good fit model.
Factor Loadings	Factor loadings are the correlation coefficients between the variables and the factors. The variables with the highest correlations provide the most meaning to the factor solution. (Hair et al., 2005).

As indicated in Table 4.4, the overall fit statistics for the proposed model was acceptable (χ2 = 1321, *df* = 735, χ2/*df* = 1.80, Root Mean Square Error of Approximation (RMSEA) = .033, Normed Fit Index (NFI) = .920, Comparative Fit Index (CFI) = .963. These indices show that the proposed model fits the data at good level.

Table 4.4: The Model Fit Statistics of the Proposed Model

Goodness-of-fit-Statistics	The proposed model	Desired values for Good Fit
χ2/*df*	1321 / 735 = 1.80	< 3.0
RMSEA	.033	< .05
NFI	.920	> .90
CFI	.963	> .90

Source: Developed for the research

4.3.2 Hypothesis Testing

The path relationships between the six latent variables (perceived service quality, perceived product quality, perceived price fairness, customer satisfaction, trust and purchase intention) were assessed. Hypotheses 1 to 7 were examined to determine whether significant relationships existed in the proposed model. As indicates by the path coefficient value of the model, all the proposed paths were supported. A summary of the seven hypothesized paths and the results of standardized total effects, direct effects and indirect effects are presented in Table 4.5 and Table 4.6 respectively.

Hypotheses 1 and 2 posited there are significant relationship between perceived service quality and perceived product quality (H1) as well as perceived service quality and customer satisfaction (H2). The results revealed that the consumers' perceived service quality is positively relate to their perceived product quality ($\beta = .93$, p=.000) and customer satisfaction ($\beta = .42$, p=.000). This means that perceived product quality and customer satisfaction are expected to improve by .93 and .42 standard deviations, given a change in perceived service quality of one full standard deviation, when other variables are controlled. Thus H1 and H2 were supported. In addition, the results show two indirect effect of perceived service quality on customer satisfaction via perceived product quality and perceived price fairness. The estimate of the corresponding direct effect of perceived service quality on customer satisfaction is .42 and the indirect effect of perceived service quality on customer satisfaction via perceived product quality and perceived price fairness is .52.

Hypothesis 3 and 4 proposed that there would be a significant positive relationship between consumers' perceived product quality and perceived price fairness (H3) as well as perceived product quality and customer satisfaction (H4). The results show a significant effect of perceived product

quality on perceived price fairness (β = .89, p = .000) and perceived product quality on customer satisfaction (β = .32, p = .023). Thus, H3 and H4 are supported. In addition, the indirect effect of perceived product quality on customer satisfaction (β = .25, p = .049) through perceived price fairness was found. This result indicates that there is 25% of the indirect effect of perceived product quality on customer satisfaction through perceived price fairness.

Hypothesis 5 proposed that perceived price fairness positively and significantly influences customer satisfaction. The result revealed that perceived price fairness positively and significantly affected customer satisfaction (β = .28, p = .000). Therefore, H5 is supported in that perceived price fairness is an antecedent of customer satisfaction.

Hypothesis 6 posited the relationship between Toyota car owner's customer satisfaction and their trust toward Toyota Corporation. The result revealed that trust was positively and significantly predicted by customer satisfaction (β = .99, p = .000). Thus, H6 is supported.

Hypothesis 7 proposed that there would be a significant positive relationship between customers' trust and purchase intention. The results show a significant effect of trust on purchase intention (β = .95, p = .000). Therefore, H7 is supported.

A graphical representation of the proposed model is presented in Figure 4.1. All hypotheses posited in this research are supported. Figure 4.2 and 4.3 presents the SEM model for both crisis aware group and unaware group. There is no significant differentiation between these two groups.

Table 4.5: Path Estimates for the Proposed Model

	Path	Est.	S. Est.	S.E.	C.R.	P
H1	Perceived service quality → Perceived product quality	.721	.930	.041	17.390	***
H2	Perceived service quality → Customer satisfaction	.316	.417	.075	4.191	***
H3	Perceived product quality → Perceived price fairness	.992	.893	.064	15.455	***
H4	Perceived product quality → Customer satisfaction	.309	.316	.136	2.271	.023*
H5	Perceived price fairness → Customer satisfaction	.243	.277	.064	3.819	***
H6	Customer satisfaction → Trust	1.132	.991	.061	18.586	***
H7	Trust → Purchase intention	1.038	.948	.054	18.956	***

a.   ***. Significantly different from zero at the .001 level (two-tailed).

b.   *. Significantly different from zero at the .05 level (two-tailed).

Source: Developed for the research

Table 4.6: Standardized Total Effects, Direct Effects, and Indirect Effects

Independent variables	Dependent variables	Total effect	Direct effect	Indirect effect
Perceived service quality	Perceived product quality	.930	.930	
	Perceived price fairness	.831		.831
	Customer Satisfaction	.941	.417	.524
	Trust	.932		.932
	Purchase Intention	.884		.884
Perceived product quality	Perceived price fairness	.893	.893	
	Customer Satisfaction	.563	.316	.247
	Trust	.558		.558
	Purchase Intention	.529		.529
Perceived price fairness	Customer Satisfaction	.277	.277	
	Trust	.274		.274
	Purchase Intention	.260		.260
Customer Satisfaction	Trust	.991	.991	
	Purchase Intention	.939		.939
Trust	Purchase Intention	.948	.948	

Source: Developed for the research

Figure 4.1: Results of Structural Equation Modelling Analysis (All group)
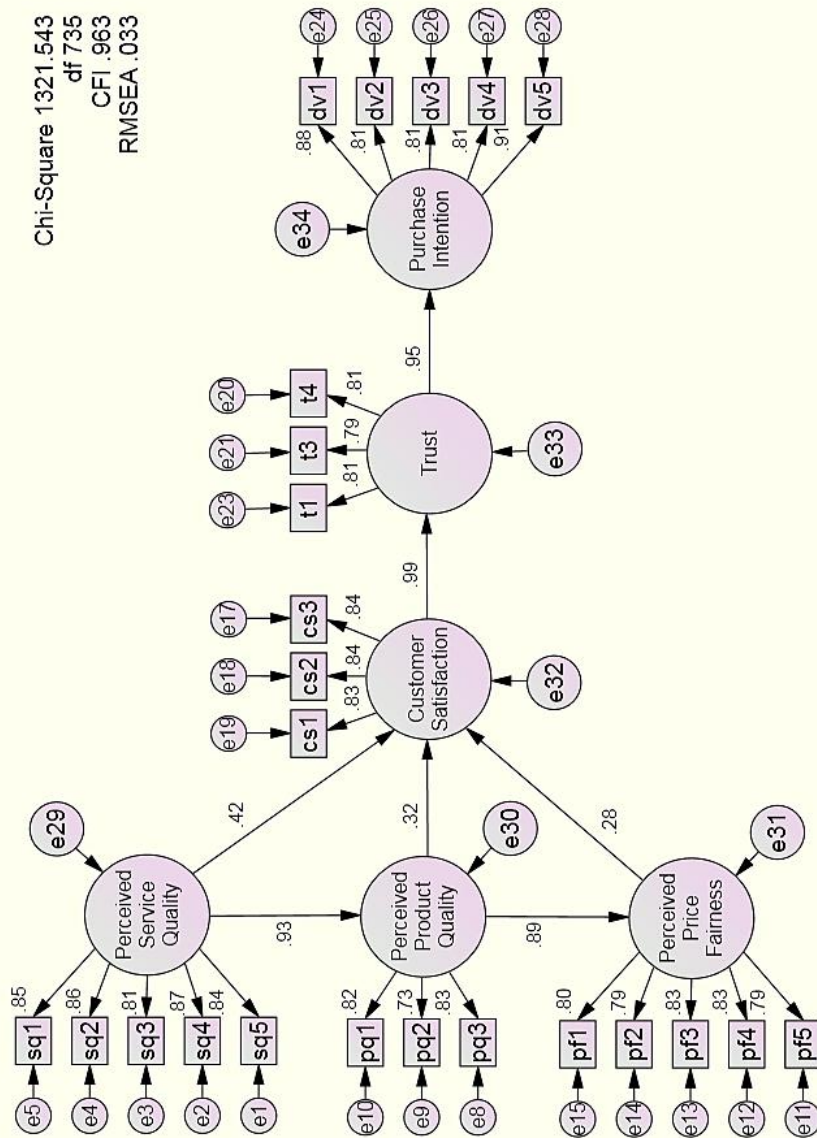
Source: Developed for the research

Figure 4.2: Results of Structural Equation Modelling Analysis

(Crisis aware group)
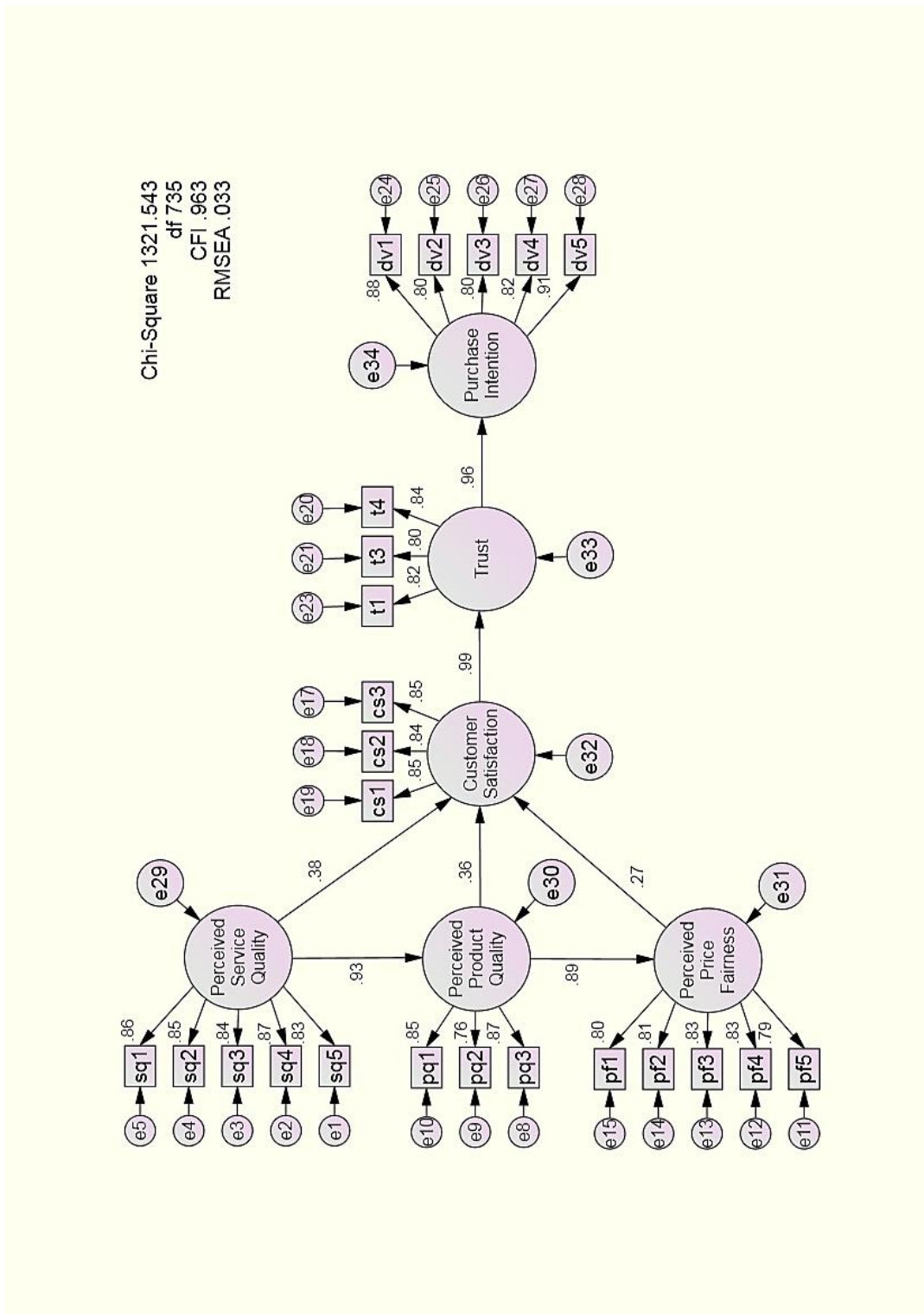
Source: Developed for the research

Figure 4.3: Results of Structural Equation Modelling Analysis

(Crisis unaware group)
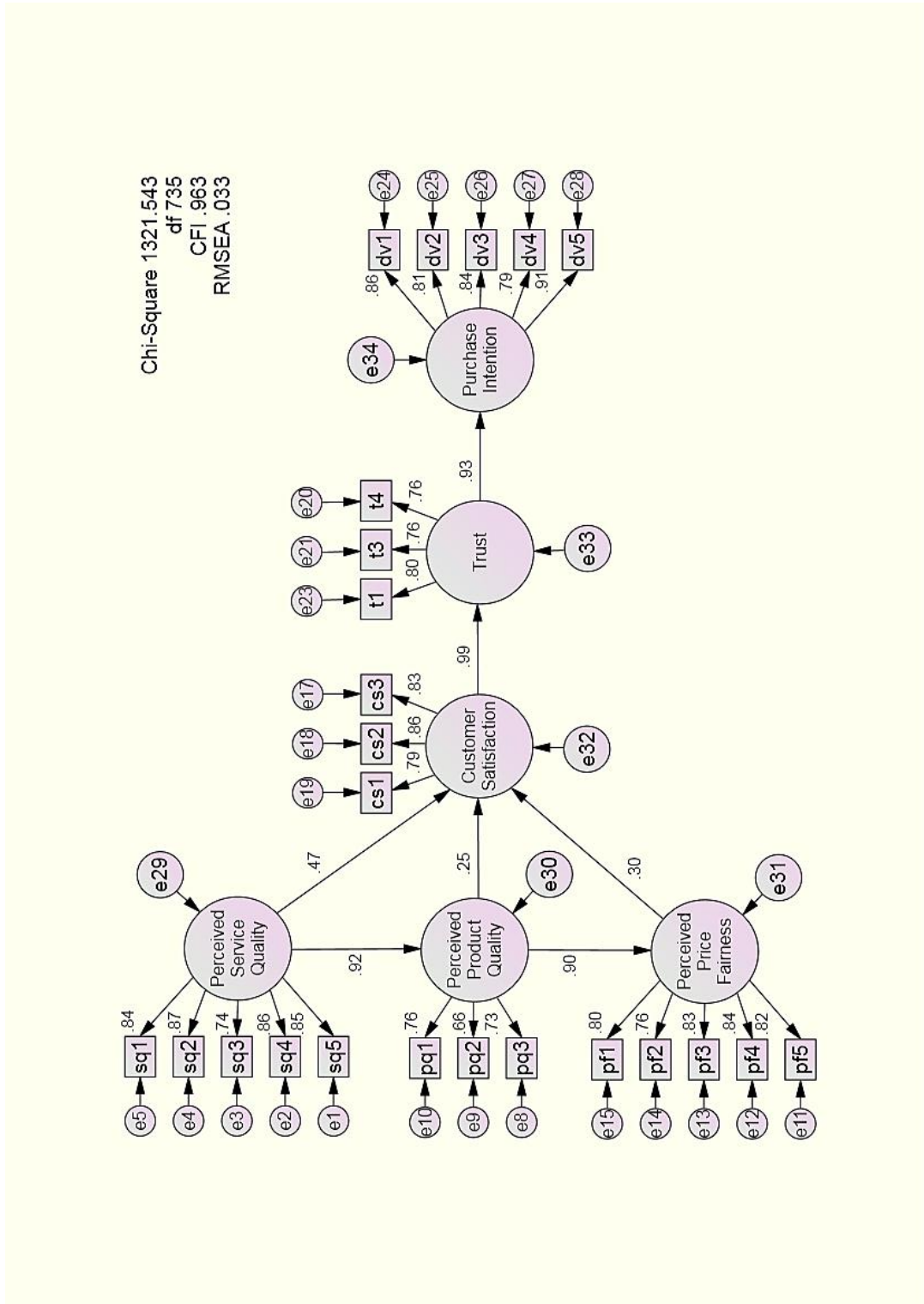
Source: Developed for the research

Table 4.7: Summary of Standardized Path Coefficients

	Path	All Group	Aware Group	Unaware Group
H1	Perceived service quality → Perceived product quality	.93	.93	.92
H2	Perceived service quality → Customer satisfaction	.42	.38	.47
H3	Perceived product quality → Perceived price fairness	.89	.89	.90
H4	Perceived product quality → Customer satisfaction	.32	.36	.25
H5	Perceived price fairness → Customer satisfaction	.28	.27	.30
H6	Customer satisfaction → Trust	.99	.99	.99
H7	Trust → Purchase intention	.95	.96	.93

Source: Developed for the research

4.4   Conclusion

As a result, we conclude that the proposed Toyota owner's purchase intention structural equation modelling (SEM) is applicable for both crisis aware group and unaware group. The invariant test conducted indicates that the hypothesized model is well fitted to both groups of customer.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATION

5.0   Introduction

The purpose of this study is to examine the impact of customer satisfaction and trust towards customer purchase intention by empirically testing a model. The subjects of this study were 450 residents who stayed at Mukim Tupai. All subjects completed through questionnaire survey instrument consisting of two sections that is respondents' demographic data for the first section while Toyota car's buyer characteristics for the second section. To answer the research questions, structural equation modelling (SEM) was conducted to explore the relationships between customer perceived service quality, perceive product quality, perceive price fairness, customer satisfaction, trust and purchase intention. The Statistical Package for the Social Science (SPSS) was also used for all descriptive analyses including the frequency distributions.

This chapter consists of four sections: (1) summary of the important findings of this study and discusses the findings; (2) the theoretical and practical implications of the study are presented; (3) directions for future research and limitations of the study; and (4) conclusion with final comments.

5.1 Summary of the important findings of this study and discussion on the findings

There are 65.6% of all respondents knew about the Toyota car recall crisis. The invariant test show that there is no effect on consumer purchase intention whether they aware or unaware about the Toyota crisis.

We came out with an integrated Toyota passenger car purchase intention model in the automobile industry (title of the model). There are five variables classified as independent variable which are perceived service quality, perceived product quality, perceived price fairness, customer satisfaction and trust meanwhile the dependent variable is purchase intention. Table 5.1 summarizes the results of the hypotheses test.

Results of the study show that, perceived service quality has significant affect on customer satisfaction and perceived product quality with the value of 0.42 and 0.93 respectively. A lot of researchers such as Parasuraman et al. (1985, 1988) state that the higher the service quality, the higher the customer satisfaction. Besides that, Teas (1993) also states that perceived service quality is the augmentation of the customer satisfaction. The researcher of Baker et al. (1991) stated that service quality did not influence customers' perception of value directly. However, they found that service quality directly affected product quality, which they found to be an interesting finding.

Meanwhile, perceived product quality significant affects customer satisfaction and perceived price fairness with the value of 0.32 and 0.89 respectively. In the satisfaction model proposed by Parasuraman et al. (1994), product quality is equally importance in affecting consumer satisfaction as service quality. While, price has found to be related to perceived product quality and consumer's product evaluations (Rao & Monroe 1989; Dodds, Monroe & Grewal 1991). This will affect the consumer to perceive that higher quality of products will lead to higher price as compare to other products.

Besides that, we also see that perceived price fairness significantly affect customer satisfaction with the value of 0.28. In an empirical study of automobile purchases by Herrmann et al. (2007), it was concluded that customer satisfaction indirectly influenced by the perceived price fairness. Several other recent literatures also indicate that perceived price fairness is positively correlated to customer satisfaction. (Bei & Chiao, 2001; Parasuraman et al., 1994; Hanif, Hafeez & Riaz, 2010; Herrmann et al., 2007; Huffman et al., 2001; Yieh et al., 2007).

In addition, customer satisfaction significantly affects trust with the value of 0.99. The higher the customer satisfaction with the service experienced, the higher the level of trust that customers gain from the organization itself and also the personnel that provide its service. Therefore, Van Birgelen et al. (2001) state that satisfied customers tend to increase the use in short and long term by building trust with an organization compared to unsatisfied customers. The research done by Hsieh and Hiang (2004) also supports this statement.

Lastly, trust has significant effect on purchase intention with the value of 0.95. On the basis of previous research that has stressed the positive influence of trust on purchase intentions (Garbarino & Johnson, 1999; Bart et al., 2005; Gefen & Straub, 2003; Yoon, 2002). The above finding encapsulates the relationship between consumer trust and consumer intentions to purchase Toyota cars.

Table 5.1: Summary of the Hypothesized Findings

Hypothesis	Finding
1. There is significant relationship between perceived service quality and perceived product quality.	Supported
2. There is significant relationship between perceived service quality and customer satisfaction.	Supported
3. There is significant relationship between perceived product	Supported

quality and perceived price fairness.	
4. There is significant relationship between perceived product quality and customer satisfaction.	Supported
5. There is significant relationship between perceived price fairness customer satisfaction.	Supported
6. There is significant relationship between customer satisfaction and trust.	Supported
7. There is significant relationship between trust and purchase intention.	Supported

Source: Developed for the research

From the Structural Equation Model (SEM) in previous chapter, we found that there are 5 factors that have significant influence on customer purchase intention towards Toyota car. The factors are perceived service quality, perceived product quality, perceived price fairness, customer satisfaction and trust. From the result, we can see that the path relationships between the six latent variables (perceived service quality, perceived product quality, perceived price fairness, customer satisfaction, trust and purchase intention). Hypotheses 1 to 7 were examined to determine the relationships exist in the proposed model. All the proposed paths were supported.

5.2 Implication of the Study

The conclusive finding of this study helps in understanding the factors that influence the purchase intention towards Toyota passenger cars in Taiping, Perak. Therefore this study is applicable in marketing the passenger cars and in improving understanding of the customer purchase intention towards Toyota cars.

5.2.1 Managerial Implications

In this study, the concept of customer purchase intention was measured by 6 constructs. The relationships between these six constructs were also tested. By identifying the consumers' perception of purchase intention toward their brand, managers need to improve in the aspect of perceive service quality, perceived product quality and perceived price fairness in marketing of their automobile in order to increase the purchase intention of the prospective customer.

This study revealed that consumers who are aware or unaware of the issue that faced by Toyota Corporation in 2009 are indifferent in term of their perception toward Toyota car and the recall issue does not affect Malaysian car buyer negatively. Rather the main antecedent of perceive service quality, perceived product quality and along with perceived price fairness have an indirect effect on trust and purchase intention through customer satisfaction; therefore, companies should develop effective marketing plans that increase customer satisfaction by improving perceive service quality, perceive product quality and perceive price fairness.

Based on this research, it may be suggested that by adding value toward the products and service along with the price setting that focuses on attracting customer towards Toyota. Besides that, Toyota companies also develop a good level of satisfaction, trust and loyalty. Meanwhile, this may help the manager in improving business performance by utilizing this model in making business decision. In others word, increase in purchase intention will helps to increase the chance of selling car of Toyota (Agrawal & Teas, 2002; Erevelles, 1993; Fishbein, 1967; Han, 1990; Pecotich et al., 1996).

5.3   Directions for Future Research and Limitations of the Study

There are several limitations in this research, which is result may not be generalized due to limitation on the samples collected are from one area in Malaysia. Meanwhile, there are more factors that will influence customer satisfaction rather than those three factors that are perceive product quality, perceive service quality and perceive price fairness that we mentioned in our research.

Lastly, we would like to recommend those futures researchers to do research on this which is to use the same model test in more places so that we can test the validity of the model and create more reliability of the result in Malaysia rather than just in Mukim Tupai, Taiping, Perak.

5.4   Conclusion

In a nutshell, we have accomplished the objective of investigating the relevant factors that influence the purchase intention toward Toyota car in Taiping, Perak in this research. The factors are perceived service quality, perceived product quality, perceived price fairness, trust, customer satisfaction and purchase intention The result revealed that perceive service quality, perceive product quality and perceive price fairness leads to customer satisfaction. Meanwhile customer satisfaction will lead to trust, and trust influence the purchasing intention Lastly, the problem of this research has been solved. The manager of the company can use the result of structural equation modelling analysis to solve their problem due to the result of the model are reliable and strong enough to prove that there are significant relationship between the five factors. On the other hand, the result of this study is applicable to the customer of Taiping area since we have a detail selection of respondents based on clustering and single random techniques.

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(Appendix 3.1)

Map of Mukim Tupai, Taiping, Perak (1)
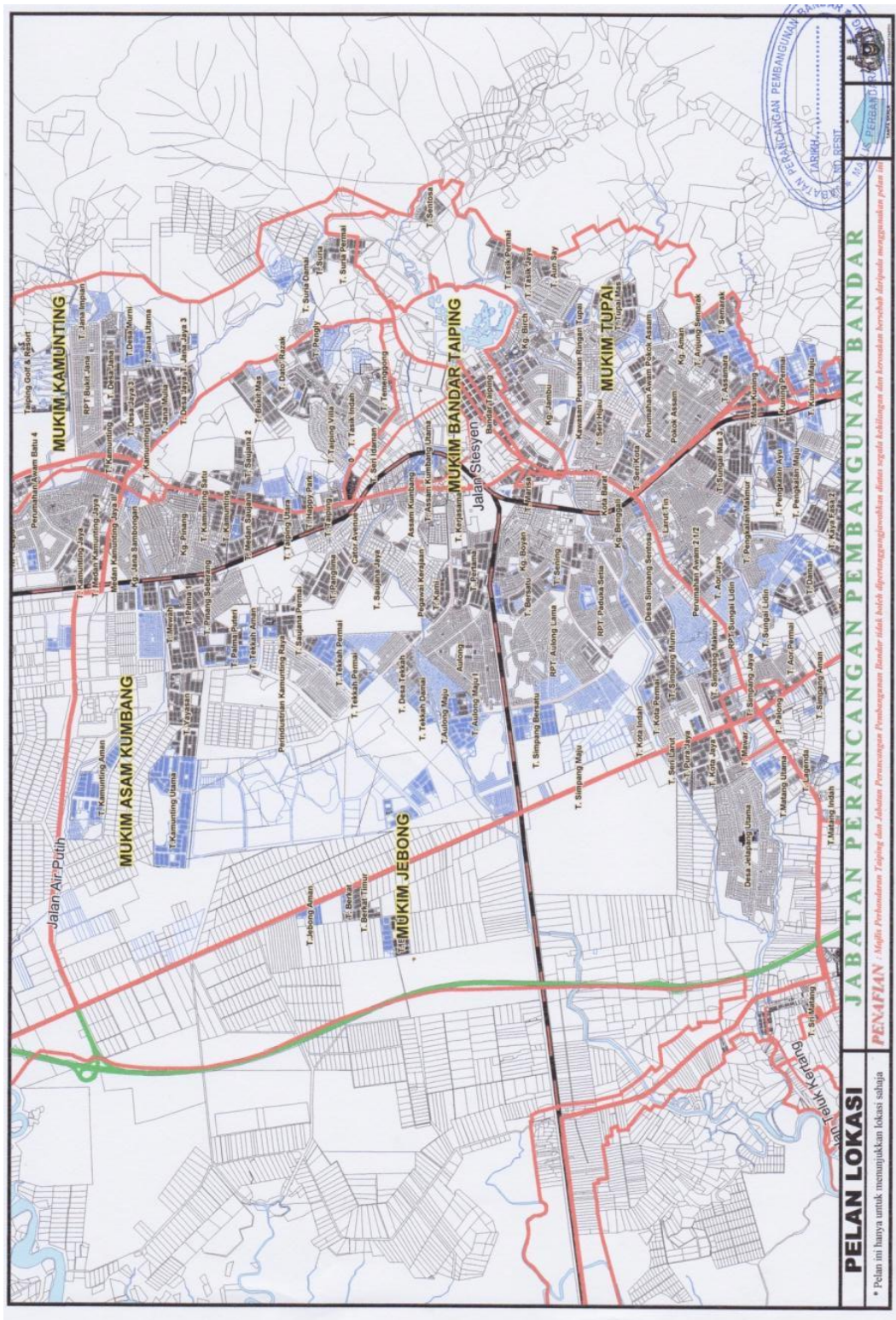
(Appendix 3.2)

Map of Mukim Tupai, Taiping, Perak (2)
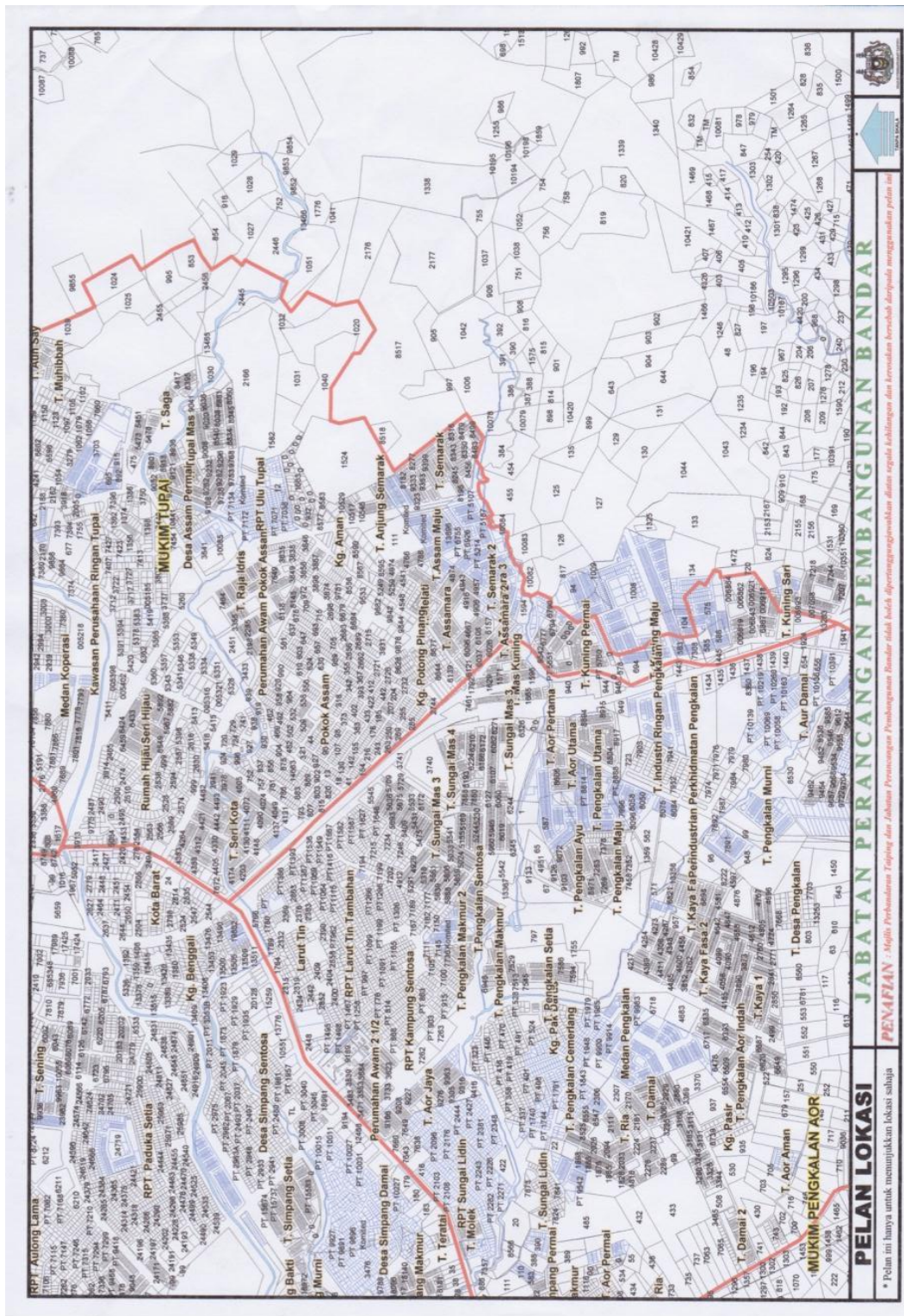
(Appendix 3.3)

Map of Mukim Tupai, Taiping, Perak (3)

(Appendix 3.4)

Map of Mukim Tupai, Taiping, Perak (4)

(Appendix 3.5)

Number of Households in Mukim Tupai, Taiping, Perak

Housing Area	Number of Households
Flat Jalan Porkeling	24
Kampung Aman	119
Kampung Birch	85
Kampung Jambu	677
Kampung Potong Pinang	116
Kawasan Perusahaan Ringan Tupai	273
Medan Koperasi	23
Pearl Apartment	32
Pokok Assam Tambahan	91
Rumah Hijau	220
Taman Anjung Semarak	175
Taman Assam Maju	136
Taman Assamara	408
Taman Assamara 2	27
Taman Assamara 3	48
Taman Aun Say	154
Taman Eliatamby	26
Taman Kuning Permai	192
Taman Kuning Sari	492
Taman Mas Kuning	102
Taman Merati	66
Taman Perak	71
Taman Pokok Assam	1096
Taman Raja Idris	504
Taman Saga	54
Taman Semarak	379
Taman Semarak 2	205
Taman Sentosa	207
Taman Seri Kuning	18
Taman Sri Hijau	372
Taman Sri Kota	556
Taman Tasik Jaya	59
Taman Tasik Permai	440
Taman Tupai Mas	122
TOTAL	**7569**

(Appendix 3.6)

<u>Certification Letter</u>

UNIVERSITI TUNKU ABDUL RAHMAN

Date: 13th April, 2011

To Whom It May Concern:

Below are our final year business students who are doing their dissertation and they need your support to complete their study. Please supply to them the related secondary information for their research purposes.

All information provided would be strictly for their research purpose only and a copy of research dissertation would be sent to you upon request.

Name	Student ID
Shim Che We	09ABB07843
Chin Yuk Hoong	09AAB06890
Khoo Kim Jing	09ABB07842
Liew Zhao Yao	10ABB00382

Thank you very much and we really appreciate your help extended to our students.

Yours sincerely,

Wong Lai Soon
Final Year Project Coordinator
(Department of Marketing, Faculty of Business and Finance)

Address: 13, Jalan 13/6, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia **Postal Address:** P O Box 11384, 50744 Kuala Lumpur, Malaysia.
Tel: (603) 7958 2628 **Fax:** (603) 7956 1923 **Homepage:** http://www.utar.edu.my

(Appendix 3.7)

Factors that Influence Purchase Intention toward Toyota Car in Malaysia

Survey Questionnaire

The purpose of this survey is to understand the factors that influence the purchase intention toward Toyota car in Malaysia. Please answer all questions to the best of your knowledge. There are no wrong responses to any of these statements. All responses are completely confidential.

Thank you for your participation.

Instructions:

1) There are **two** (2) sections in this questionnaire. Please answer **ALL** questions in ALL sections.
2) Completion of this form will take you approximately 10 to 20 minutes.
3) The contents of this questionnaire will be kept **strictly confidential**.

Section A: Demographic Profile

In this section, we are interested in your background in brief. Please tick your answer and your answers will be kept strictly confidential.

QA1: Gender: ❑ Female ❑ Male

QA2: Age: ❑ 18 - 25 years old ❑ 26 - 35 years old ❑ 36 - 45 years old
❑ 46 - 55 years old ❑ 56 years old and above

QA3: Marital status: ❑ Single ❑ Married

QA4: Highest level of academic qualification:
❑ Primary
❑ Secondary
❑ Diploma/Advanced Diploma
❑ Bachelor Degree/Professional Qualification
❑ Master Degree
❑ PhD Degree

QA5: Employment status:
❑ Employed
❑ Unemployed
❑ Student
❑ Retired
❑ Others, please specify _____

QA6: Personal Income:
❑ Below RM1000
❑ RM1001 – RM2000
❑ RM2001 – RM3000
❑ RM3001 – RM4000

❑ RM4001 – RM5000
❑ More than RM5001

QA7: Do you know about the Toyota car crisis that happened in year 2009?   YES   /   NO

Section B: Factors that influence you to purchase Toyota car

This section is seeking your opinion regarding the factors that influence your purchase intention toward Toyota car. Please indicate the extent to which you agreed or disagreed with each statement using 5 points Likert scale
[(1) = strongly disagree;   (2) = disagree;   (3) = neutral;   (4) = agree;   (5) = strongly agree] response framework.
Please circle one number per line to indicate the extent to which you agree or disagree with the following statements.

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV1	Perceived Service Quality					
SQ1	Employees of Toyota corporation always perform good quality car services for their customers.	1	2	3	4	5
SQ2	Employees of Toyota corporation show high responsiveness towards customers' requests when	1	2	3	4	5
SQ3	Customers are very confidence with the car service provided by Toyota.	1	2	3	4	5
SQ4	Employees of Toyota corporation show their caring to the customers when servicing their cars.	1	2	3	4	5
SQ5	Employees of Toyota always find out the cars' problems and able to solve the problem in short time.	1	2	3	4	5

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV2	Perceived Product Quality					
PQ1	Toyota car has the best performance on the road.	1	2	3	4	5
PQ2	Toyota car has the best outlook.	1	2	3	4	5
PQ3	Toyota car features fulfill all my expectation on product quality.	1	2	3	4	5
PQ4	Toyota car's part and accessories are very durable. (eg: engine, headlights & more)	1	2	3	4	5
PQ5	Toyota Corporation provides the trustable warranties to the car owner.	1	2	3	4	5

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV3	Perceived Price Fairness					
PF1	The price of the new Toyota car is reasonable.	1	2	3	4	5
PF2	Every customer pays the same price when they buy car from any Toyota car dealer. (no discrimination of price)	1	2	3	4	5
PF3	Toyota car is not overpriced.	1	2	3	4	5
PF4	The price of the Toyota car is acceptable compared to other car brands.	1	2	3	4	5
PF5	There is no abuse of market power in Toyota cars price setting.	1	2	3	4	5

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV4	Customer Satisfaction					
CS1	I am very satisfied with my Toyota car's overall performance.	1	2	3	4	5
CS2	I believe that I make a good decision in purchasing Toyota car.	1	2	3	4	5
CS3	I will spread positive word of mouth about Toyota car to my relatives and friends.	1	2	3	4	5
CS4	I will choose Toyota car when I want to buy car in the future.	1	2	3	4	5

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV5	Trust					
T1	I believed that Toyota Corporation is competent at what it is doing.	1	2	3	4	5
T2	I believed that Toyota Corporation is trustworthy.	1	2	3	4	5
T3	I believed that Toyota Corporation has very high integrity.	1	2	3	4	5
T4	I believed that Toyota Corporation is very responsible to customers.	1	2	3	4	5

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
DV	Purchase Intention					
DV1	I intend to purchase a Toyota car in the near future.	1	2	3	4	5
DV2	I search for information about Toyota car from time to time.	1	2	3	4	5
DV3	I always talk about Toyota car with my friends.	1	2	3	4	5
DV4	I like to compare Toyota car to others car brands from time to time.	1	2	3	4	5
DV5	I believed that Toyota car is the most suitable car for me to buy.	1	2	3	4	5

4.1 Descriptive Analysis

4.1.1 Respondents Demographic Profile

There are seven questions being asked to collect information on gender, age, marital status, highest education level, employment status, income level and awareness of Toyota crisis.

4.1.1.1 Gender

Table 4.1 Frequency Table of Gender

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	107	29.7	29.7	29.7
	Male	253	70.3	70.3	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.1 Percentage of Respondents Based on Gender
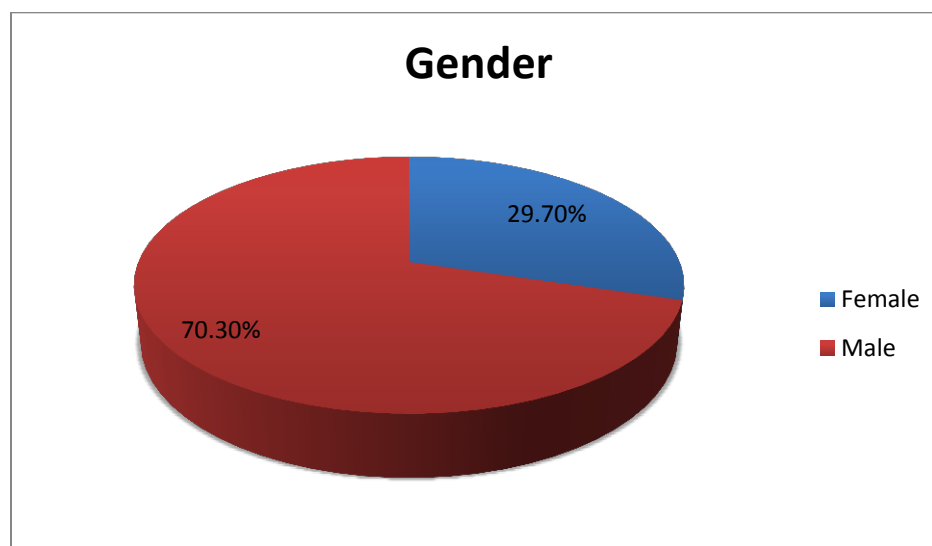
Source: Developed for the research

Based on the result, out of the total 360 respondents, it was reported that the majority of the respondents for this research are males in which there is a total of 253 respondents (70%). As for the remaining 30% are consists of 107 female respondents.

4.1.1.2 Age of Respondents

Table 4.2 Frequency Table of Age of Respondents

Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 25 years old	29	8.1	8.1	8.1
	26 - 35 years old	63	17.5	17.5	25.6
	36 - 45 years old	97	26.9	26.9	52.5
	46 - 55 years old	125	34.7	34.7	87.2
	56 years old and above	46	12.8	12.8	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.2 Percentage of Respondents Based on Age of Respondents
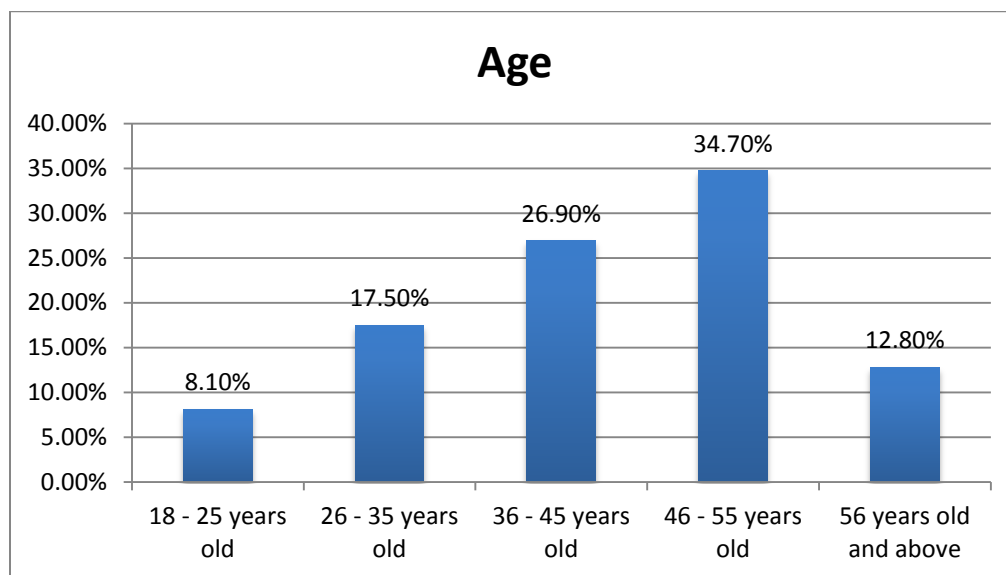
Source: Developed for the research

From the result generated, most of the respondents are in the ages of 46 to 55 years old that consist of 34.7% (125 respondents). This following by ages 36 to 45 years (26.9%), 26 to 35 years old (17.5%), 50 years old and above (12.6%) and 18 to 25 years old (8.1%).

4.1.1.3 Marital Status

Table 4.3 Frequency Table of Marital Status

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	154	42.8	42.8	42.8
	Married	206	57.2	57.2	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.3 Percentage of Respondents Based on Marital Status
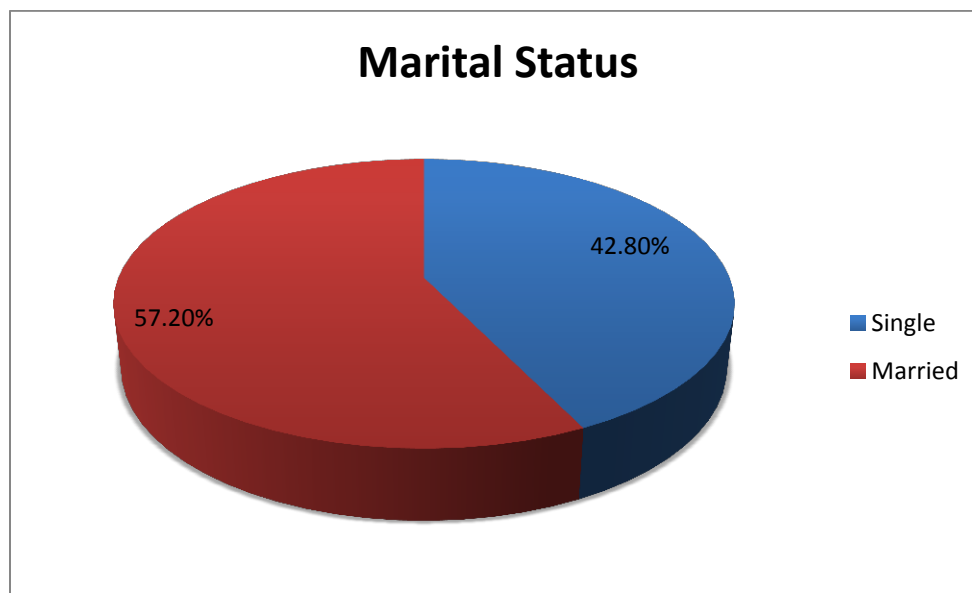
Source: Developed for the research

Marital status is part of demography. Based on the result, 57.2% or 206 of the respondents are married and 42.8% or 154 of the respondents are still single.

4.1.1.4 Education Level

Table 4.4 Frequency Table of Education Level

Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	50	13.9	13.9	13.9
	Secondary	130	36.1	36.1	50.0
	Diploma/Advanced Diploma	66	18.3	18.3	68.3
	Bachelor Degree/Professional Qualification	78	21.7	21.7	90.0
	Master Degree	29	8.1	8.1	98.1
	PhD Degree	7	1.9	1.9	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.4 Percentage of Respondents Based on Education Level
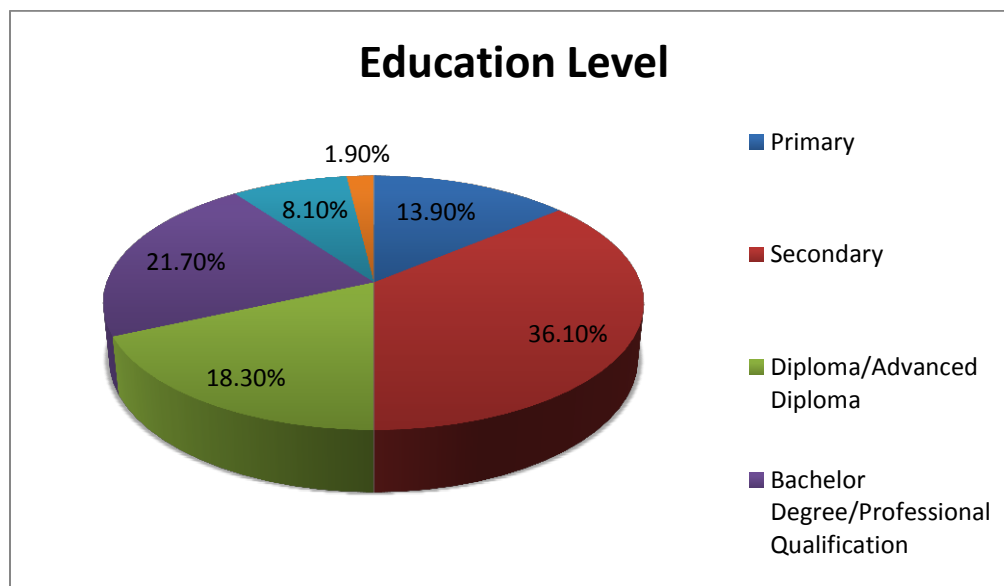
Source: Developed for the research

From the pie chart shown, most of the respondents are at the level of secondary which registered 36.1% while only 1.9% are at Doctor of Philosophy (PhD) degree holders. The second highest is Bachelor degree or professional qualification holders which made up 21.7% of all the respondents. Thirdly, 18.3% are from Diploma or Advanced Diploma holders and 13.9% are from primary education level. Data is derived from 360 respondents of Toyota owners.

4.1.1.5 Employment Status

Table 4.5 Frequency Table of Employment Status

Employment Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	282	78.3	78.3	78.3
	Unemployed	17	4.7	4.7	83.1
	Student	12	3.3	3.3	86.4
	Retired	40	11.1	11.1	97.5
	Other	9	2.5	2.5	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.5 Percentage of Respondents Based on Employment Status

Source: Developed for research

From the data we gathered, we have found out that there are 78.3% of the respondents are employees and 11.1% are retired. Respondents that are student and other status are relatively low, which consists of 3.3% and 2.5%.

4.1.1.6 Income Level

Table 4.6 Frequency Table of Income Level

Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM1000	68	18.9	18.9	18.9
	RM1001 - RM2000	57	15.8	15.8	34.7
	RM2001 - RM3000	120	33.3	33.3	68.1
	RM3001 - RM4000	71	19.7	19.7	87.8
	RM4001 - RM5000	33	9.2	9.2	96.9
	More than RM5001	11	3.1	3.1	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.6 Percentages of Respondents Based on Income Level
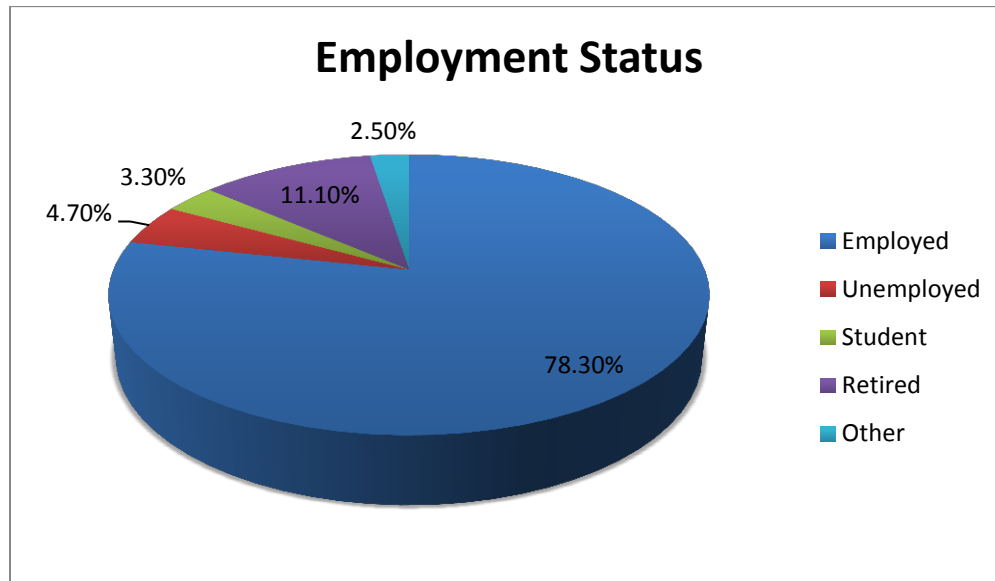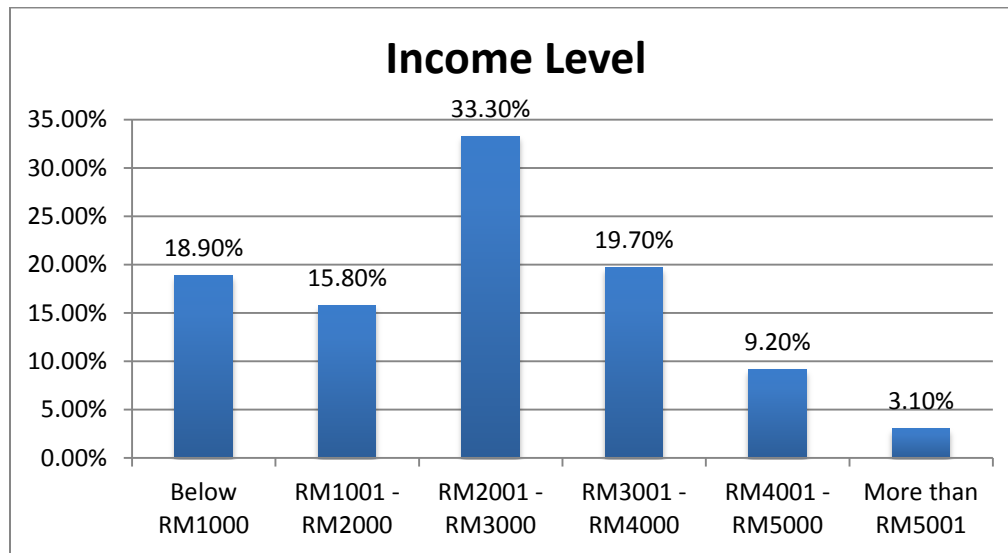

Source: Developed for the research

The bar chart has showed that there are 120 out of 360 respondents are within the range of RM2001 to RM3000. This group of people consists of highest percentages. The second highest is RM3001 to RM4000 in which 71 respondents are within the range. Followed by 68 respondents are below RM1000. The lowest percentages of respondents' income level are more than RM5001 which consist of only 3.1%.

4.1.1.7 Awareness of Toyota Crisis

Table 4.7: Frequency Table of Respondents Aware of Toyota Crisis

Aware of Toyota Crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	236	65.6	65.6	65.6
	No	124	34.4	34.4	100.0
	Total	360	100.0	100.0	

Source: Developed for the research

Figure 4.7: Percentages of Respondents Aware of Toyota Crisis
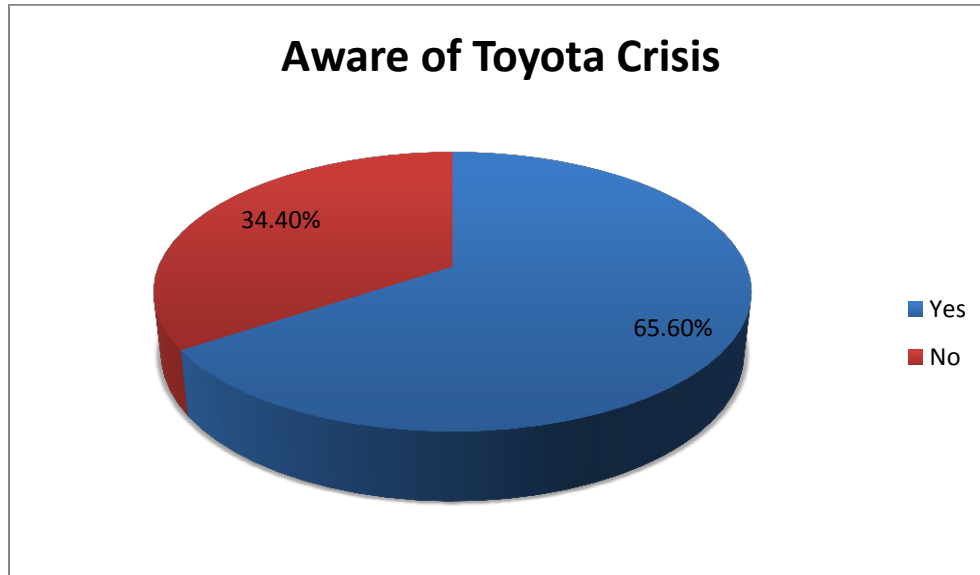
Source: Developed for the research

From 360 respondents who responded to our survey, 65.6% respondents are aware about Toyota crisis and 34.4% respondents are not.

4.2 Inferential Analysis

4.2.1 Maximum Likelihood Estimates

Table 4.8: Regression Weights: (All Group - Default model)

			Estimate	S.E.	C.R.	P
PPQ	<---	PSQ	.721	.041	17.390	***
PPF	<---	PPQ	.992	.064	15.455	***
Customer Satisfaction	<---	PPQ	.309	.136	2.271	.023
Customer Satisfaction	<---	PSQ	.316	.075	4.191	***
Customer Satisfaction	<---	PPF	.243	.064	3.819	***
Trust	<---	Customer Satisfaction	1.132	.061	18.586	***
Purchase Intention	<---	Trust	1.028	.054	18.956	***
SQ5	<---	PSQ	1.000			
SQ4	<---	PSQ	.987	.047	21.042	***
SQ3	<---	PSQ	.897	.048	18.739	***
SQ2	<---	PSQ	.961	.047	20.442	***
SQ1	<---	PSQ	.811	.040	20.241	***
PF5	<---	PPF	1.000			
PF4	<---	PPF	.997	.057	17.635	***
PF3	<---	PPF	1.037	.059	17.594	***
PF2	<---	PPF	1.016	.061	16.653	***
PF1	<---	PPF	.931	.055	16.893	***
DV1	<---	Purchase Intention	1.000			
DV2	<---	Purchase Intention	1.044	.052	20.001	***
DV3	<---	Purchase Intention	1.012	.050	20.355	***
DV4	<---	Purchase Intention	.991	.050	19.937	***
DV5	<---	Purchase Intention	1.175	.046	25.321	***
CS2	<---	Customer Satisfaction	1.222	.061	20.099	***
CS1	<---	Customer Satisfaction	1.000			
CS3	<---	Customer Satisfaction	1.289	.065	19.943	***
T3	<---	Trust	.922	.053	17.450	***
T4	<---	Trust	1.000			
T1	<---	Trust	.871	.048	18.275	***
PQ2	<---	PPQ	1.003	.065	15.484	***
PQ3	<---	PPQ	1.101	.059	18.669	***
PQ1	<---	PPQ	1.000			

a.   ***. Significantly different from zero at the .001 level (two-tailed).

b.   *. Significantly different from zero at the .05 level (two-tailed).

Source: Developed for the research

Table 4.9: Standardized Regression Weights: (All Group - Default model)

			Estimate
PPQ	<---	PSQ	.930
PPF	<---	PPQ	.893
Customer Satisfaction	<---	PPQ	.316
Customer Satisfaction	<---	PSQ	.417
Customer Satisfaction	<---	PPF	.277
Trust	<---	Customer Satisfaction	.991
Purchase Intention	<---	Trust	.948
SQ5	<---	PSQ	.836
SQ4	<---	PSQ	.870
SQ3	<---	PSQ	.810
SQ2	<---	PSQ	.855
SQ1	<---	PSQ	.850
PF5	<---	PPF	.794
PF4	<---	PPF	.828
PF3	<---	PPF	.827
PF2	<---	PPF	.793
PF1	<---	PPF	.802
DV1	<---	Purchase Intention	.876
DV2	<---	Purchase Intention	.807
DV3	<---	Purchase Intention	.815
DV4	<---	Purchase Intention	.805
DV5	<---	Purchase Intention	.908
CS2	<---	Customer Satisfaction	.845
CS1	<---	Customer Satisfaction	.832
CS3	<---	Customer Satisfaction	.841
T3	<---	Trust	.789
T4	<---	Trust	.813
T1	<---	Trust	.815
PQ2	<---	PPQ	.726
PQ3	<---	PPQ	.828
PQ1	<---	PPQ	.823

Table 4.10: Standardized Total Effects (All Group - Default model)

	PSQ	PPQ	PPF	Customer Satisfaction	Trust	Purchase Intention
PPQ	.930	.000	.000	.000	.000	.000
PPF	.831	.893	.000	.000	.000	.000
Customer Satisfaction	.941	.563	.277	.000	.000	.000
Trust	.932	.558	.274	.991	.000	.000
Purchase Intention	.884	.529	.260	.939	.948	.000
t4	.757	.453	.223	.805	.813	.000
t3	.735	.440	.216	.782	.789	.000
t1	.759	.454	.223	.807	.815	.000
cs2	.795	.476	.234	.845	.000	.000
cs1	.782	.468	.230	.832	.000	.000
cs3	.791	.473	.233	.841	.000	.000
dv5	.803	.480	.236	.853	.861	.908
dv4	.712	.426	.209	.756	.763	.805
dv3	.720	.431	.212	.765	.772	.815
dv2	.713	.426	.209	.758	.765	.807
dv1	.774	.463	.227	.823	.831	.876
pf1	.666	.716	.802	.000	.000	.000
pf2	.659	.708	.793	.000	.000	.000
pf3	.687	.738	.827	.000	.000	.000
pf4	.688	.739	.828	.000	.000	.000
pf5	.660	.709	.794	.000	.000	.000
pq1	.765	.823	.000	.000	.000	.000
pq2	.676	.726	.000	.000	.000	.000
pq3	.771	.828	.000	.000	.000	.000
sq1	.850	.000	.000	.000	.000	.000
sq2	.855	.000	.000	.000	.000	.000
sq3	.810	.000	.000	.000	.000	.000
sq4	.870	.000	.000	.000	.000	.000
sq5	.836	.000	.000	.000	.000	.000

PSQ= Perceived service quality PPQ=Perceived product quality; PPF=Perceived price fairness
Items: DV1-DV5=Purchase intention, T1-T4=Trust, CS1-CS3=Customer satisfaction,
      PF1-PF5=Perceived price fairness, PQ1-PQ3=Perceived product quality, SQ1-SQ5=Perceived
      service quality

Source: Developed for the research

Table 4.11: Standardized Direct Effects (All Group - Default model)

	PSQ	PPQ	PPF	Customer Satisfaction	Trust	Purchase Intention
PPQ	.930	.000	.000	.000	.000	.000
PPF	.000	.893	.000	.000	.000	.000
Customer Satisfaction	.417	.316	.277	.000	.000	.000
Trust	.000	.000	.000	.991	.000	.000
Purchase Intention	.000	.000	.000	.000	.948	.000
t4	.000	.000	.000	.000	.813	.000
t3	.000	.000	.000	.000	.789	.000
t1	.000	.000	.000	.000	.815	.000
cs2	.000	.000	.000	.845	.000	.000
cs1	.000	.000	.000	.832	.000	.000
cs3	.000	.000	.000	.841	.000	.000
dv5	.000	.000	.000	.000	.000	.908
dv4	.000	.000	.000	.000	.000	.805
dv3	.000	.000	.000	.000	.000	.815
dv2	.000	.000	.000	.000	.000	.807
dv1	.000	.000	.000	.000	.000	.876
pf1	.000	.000	.802	.000	.000	.000
pf2	.000	.000	.793	.000	.000	.000
pf3	.000	.000	.827	.000	.000	.000
pf4	.000	.000	.828	.000	.000	.000
pf5	.000	.000	.794	.000	.000	.000
pq1	.000	.823	.000	.000	.000	.000
pq2	.000	.726	.000	.000	.000	.000
pq3	.000	.828	.000	.000	.000	.000
sq1	.850	.000	.000	.000	.000	.000
sq2	.855	.000	.000	.000	.000	.000
sq3	.810	.000	.000	.000	.000	.000
sq4	.870	.000	.000	.000	.000	.000
sq5	.836	.000	.000	.000	.000	.000

PSQ= Perceived service quality PPQ=Perceived product quality; PPF=Perceived price fairness
Items: DV1-DV5=Purchase intention, T1-T4=Trust, CS1-CS3=Customer satisfaction,
   PF1-PF5=Perceived price fairness, PQ1-PQ3=Perceived product quality, SQ1-SQ5=Perceived
   service quality

Source: Developed for the research

Table 4.12: Standardized Indirect Effects (All Group - Default model)

	PSQ	PPQ	PPF	Customer Satisfaction	Trust	Purchase Intention
PPQ	.000	.000	.000	.000	.000	.000
PPF	.831	.000	.000	.000	.000	.000
Customer Satisfaction	.524	.247	.000	.000	.000	.000
Trust	.932	.558	.274	.000	.000	.000
Purchase Intention	.884	.529	.260	.939	.000	.000
t4	.757	.453	.223	.805	.000	.000
t3	.735	.440	.216	.782	.000	.000
t1	.759	.454	.223	.807	.000	.000
cs2	.795	.476	.234	.000	.000	.000
cs1	.782	.468	.230	.000	.000	.000
cs3	.791	.473	.233	.000	.000	.000
dv5	.803	.480	.236	.853	.861	.000
dv4	.712	.426	.209	.756	.763	.000
dv3	.720	.431	.212	.765	.772	.000
dv2	.713	.426	.209	.758	.765	.000
dv1	.774	.463	.227	.823	.831	.000
pf1	.666	.716	.000	.000	.000	.000
pf2	.659	.708	.000	.000	.000	.000
pf3	.687	.738	.000	.000	.000	.000
pf4	.688	.739	.000	.000	.000	.000
pf5	.660	.709	.000	.000	.000	.000
pq1	.765	.000	.000	.000	.000	.000
pq2	.676	.000	.000	.000	.000	.000
pq3	.771	.000	.000	.000	.000	.000
sq1	.000	.000	.000	.000	.000	.000
sq2	.000	.000	.000	.000	.000	.000
sq3	.000	.000	.000	.000	.000	.000
sq4	.000	.000	.000	.000	.000	.000
sq5	.000	.000	.000	.000	.000	.000

PSQ= Perceived service quality PPQ=Perceived product quality; PPF=Perceived price fairness
Items: DV1-DV5=Purchase intention, T1-T4=Trust, CS1-CS3=Customer satisfaction,
    PF1-PF5=Perceived price fairness, PQ1-PQ3=Perceived product quality, SQ1-SQ5=Perceived
    service quality

Source: Developed for the research