

**AN INVESTIGATION OF PRODUCT PURCHASE AND
SUBSEQUENT NON-CONSUMPTION IN MALAYSIA**

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ABSTRAK

KAJIAN TERHADAP MOTIVASI UNTUK MEMBELI DAN SEBAB TIDAK DIGUNAPAKAI DI MALAYSIA

Oleh

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Kajian ini mengkaji hubungan di antara motivasi untuk membeli dan sebab tidak digunakan; dan kesan pengantaraan seperti jantina dan pendapatan. Kajian ini dilaksanakan di seluruh Malaysia. Kajian soal selidik telah diagihkan kepada 200 responden yang telah memenuhi syarat-syarat yang ditetapkan. Cara-cara statistik untuk menganalisa hubungan diantara motivasi untuk membeli dan sebab tidak digunakan adalah 'descriptive statistic', 'factor analysis', 'reliability analysis', 'Pearson correlation coefficient', dan 'regression analysis'. Secara amnya, motivasi untuk membeli mempunyai hubungan signifikan dengan sebab tidak digunakan. Selain itu, pembolehubah pengantaraan seperti jantina dan pendapatan telah mengantarakan hubungan diantara motivasi untuk membeli dan sebab tidak digunakan. Keputusan ini akan menolong eksekutif pemasaran mendapatkan pandangan baru terhadap pengguna secara realistik. Cadangan kajian menggalakkan agar penyelidikan mengenai personaliti pembeli ke atas produk yang tidak digunakan, secara jimat dan tidak membazir. Kategori produk boleh dispesifikasi kepada kategori pakaian bagi menunjukkan keberkesanan kajian yang dilakukan.

ABSTRACT

AN INVESTIGATION OF PRODUCT PURCHASE AND SUBSEQUENT NON-CONSUMPTION IN MALAYSIA

By

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This study investigates the relationship between purchase motivation and reason for non-use and the moderating impact such as gender and income in Malaysia. This study was conducted in Malaysia, including both West Malaysia and East Malaysia. Judgemental sampling method was used, where questionnaires were distributed to 200 respondents. Statistical methods such as descriptive statistic, factor analysis, reliability analysis, Pearson correlation coefficient, and regression analysis were used to investigate the relationship between purchase motivation and reason for non-use. In general, purchase motivation has significant relationship with reason for non-use; and moderators such as gender and income have moderated the relationship between purchase motivation and reason for non-use. The findings would help marketing executives discover a new way to look at consumers not as a point on a figure but as real. It is recommended that the proposed research be investigated in regards to the personalities of consumers on product non-usage, such as frugality and wastefulness. Moreover, the category of products could be specific to the category of clothing to enhance the reliability of the study.

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CHAPTER 1

INTRODUCTION

1.1 Background

Why do people buy things that they eventually would not fully utilize or consumed? There is, however, anecdotal evidence suggesting that items are particularly likely to go unused. According to Danziger (2002), nowadays, emotional spending is an internal part of any purchases that consumers make. Spending is now based on wants, not needs. By understanding why people buy what they don't need is the key to successful marketing today. Once marketers learn how the "Why" drivers and direct consumers' behaviour, they can learn how to get people to buy more things they don't need.

Besides, it is important to identify the reasons why the purchased items were not consumed. Non-use is a characteristic of shopping that marketers need to understand, since the decision to buy a second time does depend on using the product(s) at the first time. Trying to sell more to someone who don't use the product(s) is/ are something of a waste of time and money.

This area of research is relatively untapped. Prior investigation into purchase motivation and reason for non-use have only touched on the subject area and does not fully explore the effect on either the retailer or the consumer (Troccchia & Janda, 2002).

In 1962, Stern investigated the nature and significance of impulse buying. First citing impulse buying as "unplanned buying", Stern sought to refine this

definition into one that was both accurate and descriptive. He identified four broad classifications for impulse buying which are Pure, Reminder, Suggestion and Planned impulse buying (Stern, 1962).

However, most models do not explain the situation where arousal leads directly to action, and is still not well understood. Rook (1987) sought to further explore impulse buying and took the definition to encompass sudden, powerful and persistent urge to purchase immediately with disregards to its consequences. Impulse buying disrupts the consumers' behaviour stream, and often results in the consumers being 'out of control', thereby positioning impulse buying as a negative or bad behaviour. However Rook and Fisher (1995) also made a point by stating that impulse behaviour could also be motivated by generosity, positioning it as a positive or good behaviour.

Cobb and Hoyer (1986) found that a lack of intent to buy a brand or a category of a product(s) before entering a store is basis for their definition in impulse purchasing. They researched into the motivation behind the behaviour, believing it to have a richer and a more meaningful approach.

Besides that, Hausman (2000) specifically set about using a qualitative and quantitative approach to test hypotheses related to motivations and impulse buying. She suggested that emphasis of non-economic rewards associated with impulse buying would benefit retailers as she found support for retailers to shift consumers' perceptions of negativity associated with impulse purchasing that would then lead to increased sales (Hausman, 2000).

An investigation examined an initial stage of the model proposed in this research dissertation, namely the relationship between impulse buying and non-consumption (Trocchia & Janda, 2002). The research identified a number of reasons for non-usage (non-consumption) such as self-consciousness, lack of enthusiasm, disappointing results, maintenance difficulties, concern about injury, use difficulties, unmet expectations, contingency reasons and displaced by current possessions. Trocchia and Janda (2002) demonstrated the relationships between purchase motivation and these reasons.

The research undertaken in this area can contribute to an understanding of partial components of the proposed model, a full understanding of the relationship between purchase motivation and non-consumption; and moderating variables within. In Malaysia, research of this kind is still lacking.

1.1.1 The Malaysia Scenario

The landscape of the global economy has changed dramatically as South East Asia and other regions have taken an expanded role. Malaysia is presently classified as an upper-middle income country and is considered as one of the most developed of the developing countries. In 2009, Malaysia's total population stood at 28.3 million and the average age of the Malaysian population peaked at 25.8 years old with the average life expectancy standing at over 70 years old.

Malaysia's consumer lifestyle has been evolving and changing due, in part, to rising affluence and education levels. Malaysians are becoming more affluent,

sophisticated and cosmopolitan. They have moved on from the simple need for sustenance to key leisure themes like health, beauty, lifestyle and fitness.

In the twenty-first century, owning cars, colour television sets, video recorders linked to cable, air-conditioning, and cellular phones is common for most Malaysian. With the infectious spread of discount stores like Factory Outlet Store, Mydin Mohamed Holdings, and etc., consumers everywhere can find more and more options for buying everything they need and don't even need at unthinkable discounts. According to Trocchia and Janda (2002), financial cost of a product(s) or service(s) is/are an influential factor in consumers' purchase decisions.

High and middle income households spend most of their money at hypermarkets, followed by supermarkets and traditional grocery stores. Major retail outlets in Malaysia include Dairy Farm Giant Retail, Jaya Jusco, Makro, Parkson, Carrefour and Tesco. The ongoing price war among major retailers will benefit consumer as they can enjoy lower prices of various product(s). However, this may lead the consumers into buying unnecessary product(s) at incredibly low prices. Not forget to mention, the Malaysia Mega Sales is also one of the factors that encourages the consumers to buy at the discount rate. Based on the study, many product(s) that was/ were later never been fully utilized were purchased primarily because they were inexpensive (Trocchia & Janda, 2002).

Besides that, Malaysians have a strong shopping fetish, especially during the weekends and on public holidays. "Shoppingtainment" is one of the consumer trends in Malaysia as the mall is the one-stop shopping destination and the consumers can also enjoy all the entertainment under one roof, for example, mini-cinemas, ice-skating rinks, bowling alleys, indoor theme parks, etc. Traditional retailers use

techniques such as store design, product displays and package design to try to increase the number of impulse purchases (Hoyer and MacInnis, 1997). Prior research indicates that shopping malls are major spending destinations for Malaysians, specifically Malaysian students (Ahmed, Ghingold & Dahari, 2007). In short, shopping malls tend to expand the Malaysian consumers' impulse purchasing opportunities.

Considering the scenario discussed above, this research is significant to Malaysia as it will help a company predict consumers' behaviour in a changing world by understanding consumers' purchase motivation.

1.2 Problem Statement

According to Tauber (1972), consumer behaviour consists of three distinct activities: shopping, buying, and consuming. Considerable progress has been achieved in identifying behavioural dimensions of buying and a number of theories on buying behaviour have been postulated. However, there is lack of research on the consumers' motivation in purchasing unused product(s) and their reasons for subsequent non-consumption.

Prior research has investigated the economic consequences of "Haphazard consumer purchases" (Morris & Bronson, 1970). However, they failed to address motivations for purchasing products that were subsequently unused. Similarly, LaBranche (1973) failed to address why consumers neglected objects in the first place while discussing consumers' feelings toward neglected objects.

People often purchase product(s) and service(s) that they either grossly under-consume or never use at all, although, there is anecdotal evidence suggesting that items in certain product categories such as, small kitchen appliances, health foods and supplements, health and fitness equipment, club memberships and etc. are particularly likely to go unused. There is no systematic research that has explored this phenomenon in Malaysia.

Other than the unfortunate economic consequences of such behavior, these consumers' wasteful purchases may often be associated with feelings of remorse, anger and guilt. In some cases, they may even be forced to purchase additional product(s) in order to store the unused goods.

According to Jacoby, Berning and Dietvorst (1977), the field of consumer research typically deals with three processes pertaining to individuals' relationships with goods and services: decision making, usage and disposal. Based on the consumer research which was historically examined in Western countries, motivations for purchasing unused product(s) and reasons for non-consumption represent important yet remarkably under-researched topics. Clearly, consumers in non-Western and developing countries, such as Malaysia, are also of substantial theoretical and managerial importance.

This research is to investigate consumers' motivations in purchasing unused product(s) and their reasons for subsequent non-consumption in a non-Western country, specifically, Malaysia.

1.3 Research Objectives

This study attempts to meet the following objectives:

1. To investigate the relationship between self-presentation and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury.
2. To identify the relationship between self-improvement and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury.
3. To determine the relationship between satisfaction and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury.
4. To verify the relationship between impulse purchase and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury.
5. To investigate whether gender will moderate the relationship between purchase motivation and reason for non-use.
6. To investigate whether income will moderate the relationship between purchase motivation and reason for non-use.

1.4 Research Questions

This study is guided by the following research questions:

1. What is the relationship between self-presentation and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury?
2. What is the relationship between self-improvement and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury?
3. What is the relationship between satisfaction and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury?
4. What is the relationship between impulse purchase and reason for non-use such as self-consciousness, lack of enthusiasm, disappointing results, and concern about injury?
5. Will gender moderate the relationship between purchase motivation and reason for non-use?
6. Will income moderate the relationship between purchase motivation and reason for non-use?

1.5 Definition of Key Terms

Motivation – “The forces either within or external to a person that excite enthusiasm and persistence to go after a certain course of action” (Daft, 1997).

Self-Presentation - A person constructs an image of himself to claim personal identity, and presents himself in a manner that is consistent with that image (Schlenker, 1980).

Self-Improvement - Refers to self-guided improvement (VandenBos, 2007).

Satisfaction - Is the post-purchase evaluation on the expectation before purchase given by product(s) or service(s) (Kotler, 1991).

Impulse Purchase - An immediate purchase with no pre-shopping intentions either to fulfill a specific buying task or to purchase the specific product category (Beatty & Ferrell, 1998).

Self-Consciousness - A preoccupation with oneself, as such opposed to the philosophical state of self-awareness, which is the awareness that one exists as an individual being (Lipka & Brinthaup, 1992).

Lack of Enthusiasm - Deficiency or absence in interest, desire and driving force (Sasson, 2001).

Disappointing Results - Failing to meet one's expectations, hopes, desires, or standards (Collins English Electronic Dictionary, 2008).

Concern about Injury - A personal injury occurs when a person has suffered some form of injury, either physical or psychological, as the result of an accident (Accident Consult Ltd, 2009).

1.6 Significance of the Study

This study has significant contribution in terms of theoretical development. Past studies have examined purchase motivation and reason for non-use. However, those studies have only touched on the subject area and do not explore the effects on either the retailer or the consumer (Trocchia & Janda, 2002).

Firstly, the research undertaken in this area can contribute to an understanding of partial components of the proposed model, a full understanding of the relationship between purchase motivation and non-consumption and the moderating variables within.

Based on the consumer research which was historically examined in Western countries, motivations for purchasing unused product(s) and reasons for non-consumption represent important yet remarkably under-researched topics. Clearly, consumers in non-Western and developing countries, such as Malaysia, are also of substantial theoretical and managerial importance. However, Malaysia is lacking in domain research. Therefore, secondly, this study will contribute to the number of limited literature available in the Malaysian context.

From the practicality point of view, this study is significant. Conventional wisdom in market research circles holds that past consumer behaviour is the best predictor of future consumer behaviour. Many researchers believe that by understanding the consumer's equation in "what", "how", "where", "when", and "how much", they can make predictions and projections on historical but ultimately meaningless data. This is because the researcher neglected the "why" variable. Many researchers believe it is irrelevant to understand why consumers behave as they do.

However, according to Danziger (2002), “why people buy”- is the best predictor of consumers’ behaviour in a changing, shifting world.

Consumers’ behaviour change as the consumers’ progress through different life stages: being bachelors, married young, full nesters, empty nesters, and etc. For example, the type of product(s) that they buy at each of these major life stages will change, the amount of money they may spend will change with changes in income, where they shop will change, and etc. However, the basic consumer personality that guides and directs their behaviour is fixed over time. Hence, by understanding consumers’ purchase motivation and why they behave as they do will make the predictions and projections more meaningful.

This research investigates the consumers’ motivations in purchasing unused product(s) and their reasons for subsequent non-consumption in Malaysia. By understanding why consumers behave the way they do, a company’s business strategy will be supported by consumer intelligence, not just historical figures and facts (Danziger, 2002). Without the consumers, the business is destined to become history, so they are needed desperately in a company’s business. From this study, marketing executives will discover a new way to look at the consumers not just as a point on a figure but as real.

In conclusion, this research is significant especially to the Malaysian business field. By understanding consumers’ purchase motivation, a company is able to anticipate and prepare for changes in the cultural, economic, and political environment. Last but not least, the decision to buy a second time does depend on using the product(s) the first time, so it is important to have this knowledge in the business field.

1.7 Scope of the Study

This study investigates the motivations of consumers who purchase product(s) and services that they either never use or underutilize. Consumers' responses from the survey instrument were assessed to determine the relative occurrence of motivations for purchasing items that eventually go unused, and to identify reasons why the purchased items were not consumed. This study will be conducted in non-Western country, specifically, Malaysia, including both West Malaysia and East Malaysia.

Respondents for this study must meet three criteria. First, the respondents must have purchased the product(s) themselves. Besides that, the respondents must not have used the product(s) or felt that the product(s) was/ were grossly underutilized. Last but not least, the respondents must never have returned the product(s) for a refund.

1.8 Organization of Chapters

This study examined why individuals purchase goods and services that they eventually would never fully utilize or consume, and identify reasons why the purchased items were not consumed. Chapter 1 brings out the overview of the study while Chapter 2 reviews the past related literature on purchase motivation and reasons for non-consumption where the formulation of the theoretical framework and hypotheses are presented. Chapter 3 explains the research methodology, sampling process, measurement instrument, and the statistical analysis. Chapter 4 presents the results of the statistical analysis in this study. Finally, the last chapter

discusses the findings, implications, and limitations of this study and provides directions for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Purchase motivation is an area that has had substantial research attention to it, and is the key to successful marketing today. Prior investigations into purchase motivation and reason for non-use have only touched on the subject area and do not fully explore the effects on either the retailer or the consumer (Troccchia & Janda, 2002). This is particularly true in the Malaysian context and there is no systematic research that has explored this phenomenon in Malaysia.

This chapter is further divided into various sections in order to discuss the relevant literature for each components in independent variable, dependent variable and the moderator. First, the purchase motivations such as self-presentation, self-improvement, satisfaction, and impulse purchase are discussed. Besides that, self-consciousness, lack of enthusiasm, disappointing results, and concern about injury, will be identified and explained as independent variables. In addition to that, how gender and income would moderate the relationship between purchase motivation and reason for non-use will be discussed in the reviewed literature. At the end of this chapter, the theoretical framework and hypotheses for this study are presented.