An Investigation into the Impact of Income, Culture and Religion on Consumption Behaviour: A Comparative Study of the Malay and the Chinese Consumers in Malaysia

Submitted by

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I certify that all materials in this thesis which are not my own work have been identified and that no materials have previously been submitted and approved for the award of a degree by this or any other University.

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Dedication

This study is

Dedicated to my dear wife

Kimberly Lai

For her unceasing encouragement and support

&

To my dear children

Elise and Andrew

For games yet to play and stories yet to tell

Thank you for your understanding and time given to me

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Abstract

The study of consumer behaviour has attracted much attention from researchers. Models have been postulated and re-postulated in many attempts to explain the decision process of consumers as it changes over time and space, as well as in different environments such as culture, race and religion. The growing interest in investigating the relation between psychographics and consumer behaviours with regard to their purchase preferences has helped marketers in segmenting the market more accurately so as to ensure certainty of profitability. This is especially relevant in the modern market where "crossing culture" (Davies and Fitchett, 2004, p.315) and acculturation, as well as the process of cultural integration, are common as a result of many factors such as travelling both for leisure and business, emigration and re-location, *etc*. Nevertheless, these studies have mainly focussed on a single community or ethnic group. This current study differs in that it attempts to compare two ethnic groups of diverse culture and religious background, *i.e.* the Malays and the Chinese, within a single Malaysian community. The political and social environments in Malaysia make the current study unique in that the Malays receive financial aids and incentives from the ruling Malay-dominant government while the Chinese have little or no assistance at all. Therefore, apart from looking at the psychographical aspects of consumption habit, the current study also includes source of income as a variable factor in comparing the presume differences in spending between the two ethnic groups – the Malays receive extensive financial aids and benefits from the ruling government while the Chinese work hard and save as much as possible to ensure a better future.

The current study focuses on University Technologi Mara (UiTM) and University Tunku Abdul Rahman (UTAR) because of their respective racial composition of Malay and Chinese youths.

The findings in this study elucidate that there seems to be no apparent difference in spending behaviour between the Malays and the Chinese despite their cultural and religious differences. This could be the result of the many years of co-existence and the influence of global media and culture on both the Malay and Chinese youths.

The current study also does not find any strong basis in supporting the perception that the Chinese would be more frugal in their spending because of unfavourable economic support for them in the country. On the contrary, the study shows that the Chinese are indeed financially wealthier than the Malays because of their life-long culture of prudence in savings. Another reason for this could be the failure of the government's New Economic Policy in addressing the economic needs of the masses of the Malay population. Rather, the policy only favoured the selected few with strong political link or clout.

This study also shows that there are significant differences in the spending behaviour between the genders. This study also highlights the differences in spending behaviour of the cluster groups with their respective attached inherent value-traits. The study also reveals that the Malays are no longer the homogenous group as previously thought. Rather they indicate distinct differences in their spending behaviour.

It is hoped that in future, wider and in-depth studies can be conducted to further examine the consumption behaviour of races according to their value-traits.

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Abbreviations

ASB	Amanah Saham Bumiputera
CCC	Chinese Culture Connection
FOMCA	Federation of Malaysian Consumers Association
GLC	Government-Linked Companies
IDV	Individualism/Collectivism
ITM	Institut Teknologi MARA (MARA Institute of Technology)
KLIA	Kuala Lumpur International Airport
KMO	Kaiser-Meyer-Olkin
LTO	Long-Term Orientation
MARA	Majlis Amanah Rakyat (Council of People's Trust)
MAS	Masculinity/Femininity
MCA	Malaysian Chinese Association
MIC	Malaysian Indians' Congress
MSA	Measure Of Sampling Adequacy
MSC	Multi-media Super Corridor
NDP	New Development Policy
NEP	New Economic Policy
NVP	National Vision Policy
OPEC	Organisation of Petroleum-Exporting Countries
PDI	Power Distance Index
PNB	Permodalan Nasional Berhad (National Equity Corporation)
SPSS	Statistical Package for the Social Sciences
TARC	Tunku Abdul Rahman College
UAI	Uncertainty Avoidance
UiTM	University Technologi Mara (MARA University of Technology)
UMNO	United Malay National Organisation
UTAR	University Tunku Abdul Rahman

Chapter 1

Introduction

1.1 Background

This dissertation aims to fulfil the following three characteristics. First, it is a comparative study of consumer behaviour of two major ethnic groups in Malaysia. Second, this study attempts to determine whether there are any similarities and differences between the Malays and the Chinese in their consumption patterns within the differing constructs in culture and religion. Lastly, this study is important because a comparative study of this nature between two major component races in Malaysia has never been done before.

No culture is static. This is due to the evolving global environment. In this situation, culture is ever-changing to reflect and adapt to the dynamism of the society as well as to maintain harmony within the society. Culture has immense influence on the values and lifestyles of individuals. Due to this dynamism, the psychological construct of the people changes and, therefore, their consumption patterns change too (Triandis, 1989). According to Belk (1996, p.23), "multinationalisation, world tourism, world sports and increasingly instantaneous world communication and transportation, there is a threat that cultures will be absorbed into a global commercial culture." Belk further emphasised that such scenario can lead to global consumption homogenisation. As a consequence, the homogenisation of global marketing intermediaries and marketing tools to reach out to the global masses has been prolific. This is highlighted in the case of McDonald where burgers consumed in the West are very much the same as those being sold in the East. However, this is no longer effective and applicable. The growing

awareness and recognition of religion and specific culture have been known to have strong influence on consumer decision-making and choice of products (Wong, 2007). With growing intensity in competition in recent years, marketers these days can no longer depend on stereotype marketing tools to expand their market share globally. They need to have specific, tailored marketing programmes and strategies to counter each group of consumers around the world that possesses specific behavioural and consumption patterns in order to win these selected target markets.

In a diverse market environment, a fundamental understanding of how consumers behave and react to marketing intermediaries underpins all marketing activities of an organisation. With a proper approach to this concept in consumer behaviour, a market-oriented organisation would be able to reap good profits and surpluses from the selected target markets. Thus, consumer behaviour has widely been noted to be influenced by various factors such as culture, religion and wealth - both current and perceived future income. It has also been found that personal and psychological factors play an important role in guiding this behaviour (Kotler, 2000). Personal and psychological factors mean the emotional attachment to products – both from the view of cognition and affection perspectives. In other words, the purchase of a particular product can make one think that he or she has done the right thing either for the family or the community he or she belongs to. Alternatively, he or she may feel good about the purchase of the product simply because it is the current trend to own it or because of peer pressures.

There has been increasing interest in the study of consumer behaviour across different cultures. Such growing need for understanding local consumer behaviour can partly be attributed to the globalisation of businesses as a result of rapid market acceptance of

technology, such as the internet, advance telecommunication devices and the ease of travel across the borders. In other words, the introduction of advanced technology has shrunk the world into a "global village". In addition, this paradigm shift is further enhanced by the lowering of trade barriers between nations.

However, the volume of researches in consumer behaviour has mostly been concentrated in the United States, South America and the European countries (Mooij, 2003). Moreover the researches have mostly focussed on the whites, blacks as well as the Hispanics. Several researches have been conducted recently in Asian countries such as China, Taiwan, Japan and Singapore. It is noteworthy to mention that these countries are largely racially homogenous, which means the population is largely dominated by only one race. This is very unlike Malaysia where there is a co-existence of different races such as the Malays, Chinese, Indians and other minority ethnic groups with their varied and different cultures, religions and practices within a single social system. It is in this context that Malaysia provides a good platform for further research on consumer behaviour, especially with its rich cultural heritage and religious diversity.

Malaysia is a relatively small young nation with a population of about 26 million people that comprise three main races – the Malays, Chinese and Indians – living together with other minorities even before its independence from the British Empire in 1957. This situation of acculturation of different races within the Malaysian community has prompted the current study. Hence, it is an interesting subject mainly because limited research has been explored in Malaysia and none has been conducted in comparing the spending habits of the different races. Additionally, the rapid growth of the Malaysian economy in the last few decades has transformed the consumption power of all Malaysians, thus making the subject of understanding and studying consumer behaviour

in Malaysia even more interesting and challenging. The introduction of the New Economic Policy by the pro-Malay government of Malaysia to assist the ethnic Malays to attain the economic equality with other races, particularly the Chinese, who, until today, are still in control of the economy of the country; is yet another milestone that sees the disposable wealth of the Malays increasing significantly and with much ease within a short period of time. All the factors mentioned above have undoubtedly contributed to making this study needful and useful.

1.2 Impact of Culture and Income in Consumer Spending

1.2.1 Cultural and Religious Construct

Culture is so pervasive that it bonds a particular group of people within a society and it is through this that the people in that group earn their distinctive values and identity. These shared values in turn regulate the manner and behaviour of the group that eventually influence the choice of consumption.

Cultural heritage of a particular ethnic group usually refers to the thinking, the ways of doing things and the belief systems passed on from generations to generations. It is such a potent force that it can instil such fear among the people within the group that any deviation from it may result in a member being ostracised by the group or facing imminent disastrous consequences. Such boundaries usually bind and mould the group until eventually, a set of attitude and behaviour are formed which is uniquely different from other ethnic groups.

In Malaysia, the Malays are deemed to be the natives of the land. The relocation of many Chinese and Indians from their countries of origin to the then British-occupied Malaya in the early twentieth century to meet the manpower needs of the thriving tin

mining and rubber industries respectively have added flavour to the culture of the modern Malaysia. Thus, the growth of the Malaysian market segments with diverse ethnic affiliations has catapulted the importance of research in consumer behaviour for marketers in Malaysia. Nevertheless, despite this recognition, very little has been carried out to research the differences in behaviour of the ethnic groups in Malaysia.

Religion is inherent in the life of a person and is very often the values and principles which deeply affect the behaviour of the person. Thus, in aggregate, religion is one of the basic elements of culture (Sood and Nasu, 1995). Although the impact of religion in affecting the "value system has long been recognised in sociology and psychology, it is still not fully acknowledged in consumer research" (Essoo and Dibb, 2004, p.683). Andrew Lindridge (2005) shares the same opinion in this construct that the influence of religion on consumer behaviour remains under-researched. Lindridge (2005) opines that all religions, either directly or indirectly, dictate the consumption behaviour and purchasing decision of their believers through the ethical framework of the religions which govern their ways of life. For example, the Muslims will never under any normal circumstances purchase pork or liquor for consumption; similarly, a Hindu will not consume beef as this is against his/her religion.

In the case of Malaysia, the society is not only rich in cultural diversity, it is noteworthy to emphasise that its people are also largely demarcated along the religious line – the Malays are largely Muslims while the Chinese are more diverse, with mostly embracing Taoism or Buddhism while a minority professing to be Christians. With such richness in religious backgrounds, Malaysia provides an interesting backdrop for consumer behaviour research to explore and compare the behaviourism of each ethnic group.

1.2.2 Income and Consumption Construct

Most of the marketing literature have indicated the positive relationship of income, or the availability of money, on how consumers make decisions to purchase and consequently to their willingness to part with their money in exchange for goods and services (Kurtz and Boone, 2006). There are also several current researches that affirm the relationship between increase in income and spending behaviour. Such link makes sense in that a simple transaction process is only accomplished when the vendor of the goods and services is prepared to part with what he has in exchange with the buyer who has the ability and willingness to accept the offer.

Table 1.1 below shows the official 2004/05 household expenditure survey by the Government of Malaysia. It can be noticed that households with higher income spent lesser, in percentage, on basic food items, but their expenses on leisure, transportation and recreation increased substantially. The 2004/05 survey is an aggregate of Malaysians of all ethnic races. The survey provided no comparisons to gauge any differences in consumption patterns between the Malays and the Chinese.

Table 1.1: Composition of Household Income by Quintile Income Group, Malaysia, 2004/05

	Quintile Income Group				
	First 20%	**Second 20%**	**Third 20%**	**Fourth 20%**	**Fifth 20%**
Food	34.8	33.6	29.2	23.6	18.7
Beverage and tobacco	3.4	2.2	2.4	2.3	1.6
Clothing and footwear	4.0	3.6	3.8	3.9	3.5
Gross rent, fuel and power	23.0	22.3	19.6	17.5	14.1
Furniture, furnishings and household equipment and operation	3.8	4.1	4.3	4.6	6.2
Medical care and health expenses	1.1	1.0	1.2	1.5	1.5
Transport and communication	12.0	13.7	17.3	20.8	30.5
Recreation, entertainment, education and cultural services	3.4	3.8	4.9	6.2	8.1
Miscellaneous goods and services	14.5	15.7	17.3	19.6	15.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Department of Statistics, Malaysia 2006.

Apart from religious and cultural factors, the expenditures of the Malays and the Chinese may differ from the norm above given the situation whereby a particular ethnic group has easier means of acquiring their wealth through the assistance and generous handouts from the State (Heng, 1997; Ng, 1998; Ye, 2008). The author of this thesis, being a Malaysian Chinese, observes that although the Chinese may be in control of a bigger percentage of the overall national wealth, their consumption behaviour may differ from the Malays due to the following factors:

i. The Chinese having to save for "rainy days" ahead due to lack of support from the government in areas such as education and job opportunities for their offsprings;
ii. The Chinese are rather apprehensive and uncertain of their future, especially with the country's economic and political developments that seem to favour the Malays;
iii. The Chinese, by tradition, cling on to the thrifty and prudent attitudes of their fore-fathers who had come from China to carve out a living by sheer hard work and as such, they may find it more difficult to part with their "hard-to-earn" wealth.

Base on the above constructs, it can be noted that the current comparative study of the consumption patterns and behaviour of the Malays and the Chinese in Malaysia will further provide interesting and challenging platforms to explore the pervasiveness of culture and religion within the context of consumer behaviour. From the perspective of marketers, this study will definitely provide valuable information and insights in segmenting the market for effective implementation of marketing strategies.

1.3 Significance of the Study

The understanding of consumer behaviour and proper marketing segmentation is an important process in ensuring the success of marketing strategies. However, consumers are becoming more and more sophisticated, complex and demanding. This is mainly attributed to easier access to available information and knowledge these days. This, coupled with a rising awareness of consumer rights, has placed additional demands on marketers to demarcate the different market segments more accurately. This is especially true when different ethnic and religious groups co-exist within the same geographical area. Thus, the normal practice of market segmentation based purely on demographical differences has become inadequate.

The current study is the first research attempted in Malaysia to compare the differences in consumption patterns between the two major ethnic groups. It aims to focus on the comparison of consumption behaviours of the Malays and Chinese. Although these two groups have co-existed within the same society for a long time, external forces such as the rise of Islamisation, economic incentives given to the Malays by the ruling government, differences in cultures and influence of global media as well as pressures of acculturation could have impacted the subsequent generations of these ethnic groups

in adopting different trends from their fore-fathers. They may no longer be similar to the earlier generations prior to the country's independence from the British colonialists, at least in the spheres of education, wealth, religious inclinations and exposure to global economy. All these factors are certain to have significant impacts on the patterns of spending.

The findings of the research will provide valuable insights into the Malaysian market. The knowledge and understanding of ethnic differences will help save substantial amount of money in market segmentation and select the best advertising messages and media in order to suit the targeted consumers.

1.4 Rationale of the Study

The rationale of the current study is to examine and make comparisons in order to show if there are any differences and similarities in the consumption behaviour of the Malay and Chinese students in Malaysia, given the distinctions in their culture, religion and mode of acquiring financial wealth. This will be approached by testing the values and lifestyles of the students concerned, by employing the activities, interests and opinions (AIOs) variables. An understanding of the differences and similarities of these two ethnic groups in Malaysia may be useful for marketers in developing appropriate and more effective marketing strategies to target these two consumer groups within the same economic environment but which are diverse in their socio-cultural settings.

Malaysia has continuously been promoting Vision 2020 that is hoped to spearhead the country to a developed nation status by the year 2020. In doing so, it attempts to re-distribute its wealth among its people with the aim of uniting the different ethnic races into one Malaysian identity (Mahathir, 2008). At this juncture, there is little evidence to

show any success in this racial integration mainly due to religious intolerance (Sheridan, 2006). Malaysia has always consisted of fragmented ethnic cultures that celebrate the ethnic groups' differences and successes separately and differently. This is largely due to the political structure of the country since independence, in which political leaders, in trying to gain greater support, often resort to providing material benefits to a specific group. The wielding of state wealth as political machinery at the expense of other ethnic groups has become an inevitable and tolerated practice. This has created new opportunities for wealth and income for the Malays and at the same time, lucrative employment opportunities are also provided to this ethnic group (Jesudason, 1989).

In light of the above development, this study will examine and compare any differences in consumption behaviour between the Malays and the Chinese. As stated earlier, this type of study has never been done before in a Malaysian society. This is especially so when the ease of acquiring wealth can pose some impact on the spending habits among the Malays and other races in Malaysia. On the other hand, for the Chinese in Malaysia, having to save for future commitments such as children's education may also affect their spending behaviour.

Studies on the spending behaviour of the ethnic Malays are largely unavailable or under-developed. As for the ethnic Chinese, although there have been many researches and studies conducted these mostly focussed on the Chinese in Singapore, Taiwan, Hong Kong and the Mainland China. The closest study was the one conducted on Singaporean Chinese on their attitudes and consumption value (Tan and McCullough, 1985, Kau and et al, 1990, 2004). In that research, the researchers (Tan and McCullough, 1985) pointed out that thus far, most of the studies on ethnic differences in consumer behaviour were prejudiced and they primarily focused on the Black and

Hispanics populations. Though the research of Tan and McCullough is close to Malaysia, that study largely focused on the mostly homogeneous ethnic Chinese group in the island state of Singapore, where more than 90 per cent of the population are Chinese with very little inter-racial social contact. With an obvious culture of materialism, higher educational level and little efforts from the government to inculcate a solidarity identity, Singapore remains very different and distinct from Malaysia. In this respect, the findings cannot be conclusive and representative of the Malaysian market, in which there exist influences of diverse culture, educational differences and favouritism within the political settings of the country.

As in any mixed cultures, there are differences in how an individual consumer, or perhaps even the whole society, would respond to and be affected by the diversity of product choices and media influences. In Malaysia, the cultural diversity of the people is firmly inter-twined with diverse religiosity and cultures that might have a strong impact on how individuals and ethnic groups decide and select their choices of preferences (Delener, 1994). With increasing access to the internet and other forms of media, as well as the Malaysian government's keenness and aggressiveness in expediting global trade, many young Malaysians now experience vast opportunities of exposure to cultures of the global communities. They also enjoy the luxury of abundance in product choices. It is expected that, with the rapid economic progress in the country and better education, these relatively affluent young adults, who have yet to endure hardships like their forefathers did, would have a tendency to imitate their aspiritional personalities or be pressured by their peers into conformity in order to gain social acceptance (Elliott, 1995 and 1998).

In another scenario, the vast disparities in financial capabilities and the means of acquiring money among the Malays and Chinese will no doubt influence and reflect their consumption habits. The Malays, particularly, with their newfound wealth as a result of the New Economic Policy, might attempt to remove their post-independence stigma of "backwardness and ignorance" by spending on branded and expensive goods, as symbolic resources to strengthen the post-independence modern Malay's self or societal image (Elliott, 1996). It certainly enhances their social image as well as projects them as successful and well-educated so as to gain social acceptance in every stratum of society irrespective of social barriers. The cultural and language differences also provide richness in the Malaysian way of life. It is anticipated that such differences may have a profound effect, either directly or indirectly, on all forms of media promotions of products and services (Koslow et all, 1994).

1.5 The Aims of the Research

Consequently, this thesis aims to explore the impact of religion, culture and income on the marketing context within the Malaysian society. It also embarks on a comparison of the spending patterns of the two largest racial components in the country – the ethnic Malays and Chinese.

It is common today to see the co-existence and multi-mingling of different races and ethnic groups within any society in the world, either because of work or pleasure. The relatively increasing ease of access to cross-border education, global media via satellites, internet and print materials has also further enhanced the process of acculturation. According to Merriam-Webster dictionary acculturation can be defined as the alteration or modification of the culture of an individual, an ethnic group, or people of one locality by adapting to or integrating the traits, practices and beliefs of another

culture. This defination has been supported by several researchers such as Lisa N. Penaloza (Penaloza, 1989) and Rachel Maldonado, Patriya Tansuha (Maldonado & Tansuha, 1998). In this case we see the multi-ethnic Malaysian society adapting to the many influences from outside since its independence in 1957. However, the New Economic Policy (NEP), introduced by the United Malay National Organisation (UMNO), the Malay-led largest component party in the ruling government, has been largely pro-Malay, with "perks greatly extended to the Malays as well as privileged access to public-sector jobs, university places, stock market flotation and government contracts" (The Economist, 2007, p. 11). The NEP was originally aimed at re-distributing the wealth of the nation, which had then been largely controlled by the Chinese, among the various races including the Indians and other minority races. However, in the NEP has, since 1970, improved only the wealth of the Malays. With these differences between the Malays and the Chinese, the objectives of this research are therefore presented below:

i. to find out whether the Malay and Chinese consumers respond similarly to advertising and branding;
ii. to find out whether there are any differences and similarities in the consumption patterns of the Malays and the Chinese in Malaysia;
iii. to find out whether the Malays and the Chinese in Malaysia show any preferred choices of their products because of their cultural and religious differences;
iv. to find out if there are any significant differences in the income of the Malays and the Chinese.

1.6 The Structure of the Thesis

This thesis consists of six chapters. Chapter 1 introduces the fundamental principles and settings in Malaysia that prompt the research. This chapter also furnishes an overview of the theoretical arguments and lays down the fundamental objectives of the study.

Chapter 2 provides a brief background that gives rise to the differences of the Malays and Chinese in Malaysia. It also explores the underpinning differences of these ethnic groups with the aim of investigating if there are any differences in their behaviour as consumers. It focuses on their religion, culture and wealth abilities. Therefore, it presents the readers with a background from the birth of the country to its subsequent political and economic developments that seem to segregate the ethnic groups along the religious and economic parameters, eventually giving rise to perceived different consumption patterns. The Chapter commences with historical information of Malaya under the colonial rule of the British Empire, with brief information on the emigration of the Chinese and Indians in the early years to fill in the employment gaps in the tin mining and rubber industries respectively. The chapter takes us down the memory lane to the early years during the pre- and post- independence dispensations, in exploring the economic developments of both the Malays and Chinese from the reigns of the British colonialists to the Alliance Government after the country's independence in 1957. The imbalances in the wealth distribution among the ethnic groups of this early nation state culminated in widespread racial conflicts and nationwide bloodshed in 1969 that became the turning point for the ruling government in implementing subsequent pro-Malay economic reforms. Henceforth, the shrinking economic wealth of the Chinese and the continuous economic expansion of the Malays are noted. This divergence also sees the instant creation of many upper class Malays with real spending powers.

Chapter 2 is important as it also highlights the rise of Islamisation among the Malays, a phenomenon that has a significant impact on their consumption patterns. Since the implementation of the NEP, the Chinese, on the other hand, face uphill challenges in earning and saving their wealth, and are thus perceived to be more prudent in spending.

Chapter 3 provides a review of the literature on the lifestyle of consumers with focuses on activities, interests and opinions (AIOs) from various angles. This includes the definition of culture and a quick look into Geert Hofstede's frameworks on cultural research together with several other frameworks of culture. This serves as a platform to help us to be better-informed on cultural studies and how these are tied to the different ethnic communities in Malaysia; the Malays and the Chinese in this case. In order to facilitate a better understanding of the diverse culture in Malaysia, special mention is given to the cultural values of the Malays and Chinese prior to examining Hofstede's research.

The study later proceeds to look at the relevance of previous consumer behaviour researches in other developments in light of the current research, with a purpose of elucidating similarities and uncovering differences in order to substantiate the current study. Further, the literature and prior researches on the impact of income and wealth on consumer behaviour shall also be studied.

Chapter 4 focuses on the development of the methodology and research design employed in this study. It introduces and discusses the research design and processes used in the study. It provides arguments and examines the choices of the methodology used. It also endeavours to provide justifications for the selected methodology. The chapter also gives a detailed explanation of the stages of the research, from the conduct

of qualitative focus group study, quantitative mass data collection, to the methods of analysis employed. In addition, the chapter provides a detailed summary on the outcome of the focus group discussions. The conceptual framework of the research is then presented together with the hypotheses in this chapter.

Chapter 5 presents the results of the data analysis and interpretation of the quantitative analysis of the questionnaires.

Chapter 6 discusses the findings of the current study based on the data received from the research questionnaires. The implications of the current study as well as its limitations are also discussed. This Chapter also endeavours to identify areas for possible future research as an extension of the current study.

Chapter 2

Background of Malaysia

2.1 Introduction

Malaysia is a multi-racial country of which the Malays and Chinese form the largest segments of the population. However, the Malays are largely Muslims, while the Chinese are more diverse in religions though most are Buddhists, Taoists and ancestral worshippers with a small percentage of Christians. Despite this diversity, Confucianism is seen to be deeply-rooted in the Chinese culture. As such, this chapter will explore the basis of economic and financial differences between the Malays and the Chinese in Malaysia from the time of independence. Knowledge of the diverse cultures and religions of the Malays and Chinese will help the reader gain a better understanding of the differences in consumption behaviour, if any, between these two ethnic groups. This chapter also sets the background context for the current research.

It begins with a brief introduction of the nation building from the days of Malaya's independence from the British colonialists in 1957, to the modern Malaysia, in which extensive socio-engineering was later carried out to re-structure the segregated society left behind by the colonialists (Milne, 1976; Shamsul, 1983; Ramasamy, 1993). It is along this line of nation building that the current study will focus briefly on the political and social developments, economic successes and failures, and the re-engineering of social structures through wealth re-distribution process, in order to observe government's attempt to create a fair and just society for all its people. This should guide the reader in having a basic understanding of the introduction and implementation of the New Economic Policy (NEP) that spanned 20 years, from 1971 to 1990. Such

benevolence attempt anticipated a fairer, more economically balanced society. However, the execution and administration of the NEP have always been criticised by the non-Malays mainly because the NEP was deemed to be grossly in favour of the poorer Malays (Heng, 1997; Ng, 1998; Hilton, 2007). This resulted in the Malays suddenly gaining a bigger slice of national "economic pie" at the expense of the other races in the country. Therefore, based on this context, the current study will focus on examining if there are any differences in consumption patterns between the Chinese, owing to their diminishing economic opportunity, and their Malay counterparts, who suddenly experience much assistance from the State in the form of educational, employment and financial opportunities. In other words, the Chinese, since the independence of Malaya and the introduction of NEP, have to "think of new ways not to be left out in the mainstream economic activities and to preserve their legitimate share of the nation's economic cake" (Ng, 1998, p. 107), although in many ways they are financially better off than the Malays. On the other hand, the Malays enjoy considerable increase in their wealth and financial resources as a result of government intervention via the NEP.

There will also be some brief mention of the cultural and religious backgrounds of the Malays and Chinese in Malaysia, since these elements can shape the consumption behaviour of the respective ethnic groups (Schroeder and et al, 1993; Palmer and Gallagher, 2007). These elements, together with the influence of foreign values via media, such as satellite television and the internet, and also easy access to foreign print media and other forms of cross-border interactions for both travel and businesses, result in an apparent shift in the consumption habits of Malaysians especially among the youths (Samad, 1998).

With this background information, it is hoped that a platform is provided to understand the Malaysian consumers better.

2.2 The Early Malaya

2.2.1 Geographical Location

Malaya is a small peninsular in South East Asia and is located at the southern tip of the Kingdom of Thailand. It is joined to the Kingdom by the narrow Isthmus of Kra. Towards the west, it is separated from Indonesia's Sumatra by the Straits of Malacca. Across the South China Sea on the east lies the Borneo Island, where Sabah and Sarawak are located on the island's northern territory.

2.2.2 The Colonial Malaya

The British dominance in the Malay states, in what was then called Malaya, dated back to some time in the late eighteenth century until mid-1900. The British style of administration and policies continues to thrust an indelible impact on the modern-day administration of the Malaysian government (Drabble, 2000). In fact, the British colonisation of the Far East was, on one hand, to check the rapid expansion of French powers among the South-East Asian countries. On the other hand, it was to expand to the east in search of trade opportunities for the British Kingdom particularly with the Chinese Empire. During its colonial rule in Peninsular Malaya, the British expanded into tin mining and rubber industries. In order to cope with these labour intensive activities, Chinese workers and Indian labourers were imported from Mainland China and India respectively (Roslan, 2003; Ramasamy, 1993). The Chinese initially settled down as tin miners, while the Indians were mainly located in the rubber plantations. The native Malays, who were either negative or indifferent to the presence and policies

of the colonialists, mainly remained in the coastal areas as fishermen or at the surrounding villages as farmers.

Under British rule, the native Malays were largely rural peasantry either in the coastal areas as fishermen or further inland as farmers, with a minority serving in the coveted civil service. The Chinese were mainly emigrants from China who came to work in the thriving tin mining industry while the Indians were brought in to work in the rubber plantations during the rubber industry boom. The Malays continued to harbour suspicions and displeasure of the British presence as they deemed the latter's presence as interfering with their administration as well as degrading the powers of the Malay rulers especially the Sultans. While the Malays wallowed in their dissatisfactions, the more enterprising and opportunistic Chinese and Indian emigrants began to pick up knowledge of the English Language which they saw as an indispensable factor in joining the British Administration (Ramasamy, 1993). Consequently, the social and economic divisions among the native Malays and the emigrants became wider. This scenario pleased the colonial administrators since the "British policy in the Malay States smacked of reluctance to educate Malays for fear that the British position might be challenged" (Ramasamy, 1993, p. 218). The foreign colonial power quickly capitalised on this displeasure of the Malays towards the "whites" and their fear of sending their children to English schools. As such, the British administrators were content with providing education to the Malays in their mother tongue to continue keeping them in the villages and coastal areas (Ramasamy, 1993). This resulted in the further polarisation of races that the British took to their advantage in preventing any concerted effort to oppose colonial powers from the populace. Undoubtedly, it is this policy that would subsequently have lasting implications on the re-shaping of modern social

structures of Malaysia, as well as on the re-engineering of the distribution of wealth among the Malaysian citizenry.

The pro-Malay policy of the British administration began to take shape in the early twentieth century when Mr. W. H. Treacher arrived in 1904 as the new Resident-General. Neverthless, it was R. J. Wilkinson, the Federal Inspectors for Schools, who encouraged the Malays to be educated in English in order to be absorbed into the British-Malayan Federal Service. More schools were built to cater for the needs of training the Malays. One example is the establishment of the Malay College of Kuala Kangsar in 1914. The subsequent result of these efforts would see more ethnic Malays joining the civil service while the employment of ethnic Chinese and Indians was reduced drastically. Many of these immigrants, therefore, had no choice but to look elsewhere for sources of income to provide for themselves and their families. The Chinese, with their close links with relatives and friends in Mainland China, resorted to various sorts of import and trading businesses. Many of such business would later develop into the present-day conglomerates and multi-national industries (MNI). The Indians, pressed by the shift in the British policy in favouring the Malays, either turned to petty trading or moved en-masse into the labour intensive rubber estates. Even till today, we still find the masses of the Indian community continuing to cling onto the plantations for their survival and livelihood. As such, it is not difficult to deduce that such separation became the basis of economic separation of these three main races in the modern day independent Malaysia (Ramasamy, 1993).

During the Second World War, the Japanese invaded Malaya and this threatened to end the British rule in Peninsular Malaya. During the British dominance, many developments took place in the form of effective and efficient administration system,

transportation and communication infra-structures, and most notable of which was the "momentum of reconstruction in Malaya… offered greater opportunities for grand designs which went beyond the simple replication of pre-war economics" (White, 1997, p. 103). In summary, the British brought successful economic growth and reform to Malaya.

2.3 The Independence and Formation of Malaysia

After the Second World War ended in 1945, nationalism sentiment rose among the English-educated "elite" Malays to create a Malay-nation state of Malaya. The spirit of nationalism led to the formation of United Malay National Organisation, known by its acronym UMNO, in 1946 to oppose the colonial rule (Cheah, 2002). Under the leadership of Tunku Abdul Rahman, who was later to be the first Prime Minister of independent Malaya from 1957 – 1970, UMNO worked together with its political counterparts, the Malayan Chinese Association (MCA) led by Tan Cheng Lock (1946 – 1960) and the Malayan Indian Congress (MIC) under the leadership of its fifth president, V.T. Sambanthan (1955 - 1973), to form the UMNO-MCA-MIC alliance. Through this multi-ethnic cooperation and many rounds of peaceful negotiations with the British, Malaya finally received her independence from the British colonial rule on 31 August 1957.

The Federation of Malaysia was then formed in 1963 with the inclusion of Singapore, Sabah and Sarawak. However, this peaceful alliance was short-lived and Singapore left the coalition in 1965. The main cause for the separation was mainly due to differences in the political ideologies and policies of the then UMNO leaders in Peninsular Malaysia and the founding leaders of the Republic of Singapore, particularly Lee Kuan Yew, the founder of People Action Party (PAP) and the first Prime Minister of

Singapore. The differences were particularly in the area of education policy that greatly favoured the Malay community in Peninsular Malaya (Lee, 1998).

Although the successful and peaceful process in which the country attained its independence from the British was the result of the joint efforts of the three main races – the Malays, Chinese and Indians – the Malay politicians went on to dominate the political arena while the Chinese were largely more interested in returning to their family businesses. Thus the Malays continued to control the political power. Despite this imbalance in political power, these three major ethnic races remain till today as the major ethnic components in the modern Malaysian society as the "social ethnic backbone" of the country from which many policies, statutes and Acts of Parliament were instituted. The majority members of each ethnic group continued to embrace their distinct religious and cultural practices that they brought with them from their respective native countries. To ensure continued racial harmony and integration, the nation's early founders provided each respective race the freedom to practise its own culture, values and religion. This was subsequently enshrined in the Federal Constitution of the newly established sovereign state of Malaysia.

After independence, there were little changes in the country's administration under the first Prime Minister Tunku Abdul Rahman. The then social-economy remained largely status quo.

2.3.1 Social Background after Independence

The Malays are the largest single ethnic group that accounts for more than one-third of the country's total population with a vast majority, if not all, being Muslims. The law of the country prohibits the Malays from embracing other religions. This legal restriction

on religion is noted by many as a convenient political tool to rein in the ideology of the ethnic Malays. Through this approach, the elite Malay politicians hope to secure the Malay votes in the national elections, thereby ensuring continuous victories for the Malay political sovereignty.

The official religion of the country is moderate Sunni Islam. However, religious freedom is allowed among other races as the nation promotes a theocratic society that is spelt out in the Creed of the Nation – Belief in God. Therefore, the Chinese, Indians and other minority races are free to practise other faiths such as Buddhism, Taoism, Hinduism, Christianity and Catholicism, etc. The government also promotes intermingling of races with their respective religions and cultures in the hope of cultivating a truly Malaysian nation. Such effort indeed assists in addressing the "juxtaposition and interactions of two consumer cultures and their effects on the process of acquisition of consumer values, knowledge, and behaviours" (Penaloza, 1989, p. 110). The acculturation, *i.e.* "the cultural change that is initiated by the conjunction of two or more autonomous cultural systems.....the consequences of direct cultural transmission,…modification, … and adaptation" (Social Science Research Council 1954, cited in Penaloza, 1989, p. 111), of the different races with different cultural backgrounds would undoubtedly have a definite impact on the lifestyle, philosophy and value system of every consumer ethnic group in general, particularly its consumption habits (Laroche et. al, 1993). Thus, in view of the proximity of interactions among Malaysians of every race in so many planes of their lives, it will be interesting to observe the consumption habits of the respective races.

With its racial diversity and freedom to practise the diverse cultures and religions, Malaysia's the cultural mosaic is somewhat complex and this has vastly dictated the

economic and social developments of the country in two related ways. First, the generally more industrious, opportunistic and entrepreneurial descendants of the Chinese immigrants, in their attempts to carve out a decent living, have sustained the saga of British economic failure. This further widens the chasm of wealth between the Malays and the Chinese. Secondly, in its effort to narrow this economic divide between the Malays and the Chinese, the early governments of Malaysia, which were largely dominated by the Malays, introduced economic reforms that gave much advantage to the Malays at the expense of other races. This had been the subject of much criticism that eventually led to the coalition's massive defeat in the 1969 general election. With the economic divide persisting, it culminated in the worse racial confrontation in the country.

The Federal Constitution also strictly demands that all Malays in the country be Muslims by law. Any attempt to proselytise and convert the Malays to another religion will be subjected to severe prosecution in accordance with the Federal Constitution. On the other hand, the Malay rulers would vehemently ensure the Malays remain "faithful" to the official Islamic religion through generous showering of perks, incentives and special privileges to the native Malays. The consequential effect of this policy seems to work well for the ruling Malay elites in securing the Malay support for themselves as well as in the maintaining of Malay unity. However, such paradigm reflects the "competition between the superordinate and subordinate ethnic groups in the authoritative allocation of values… it is also linked to the survival and displacement of elites within the ruling regime" (Singh, 2001, p. 42). Any Malay who commits the crime of "apostasy" – abandoning Islamic faith for other religion - would certainly be subjected to severe repercussions from the authorities; in many instances being ostracised from the community, facing detention, or having his/her judicial rights, both

material and non-material, stripped off. This was reiterated by the former premier, Dr. Mahathir Mohamd (Mahathir, 2007). In many instances, the "stubborn culprit' would be detained in a rehabilitation centre and given intensive doses of Islamic teachings, mostly via threats and coercions to conform to the "Islam's way of living". Such is the punishment against apostasy against Islam in Malaysia. The motive, however, is more being faithful to Quranic teachings than political survival as mentioned above. In spite of this severe blow, there are still a minority of Malays who opt to deviate from such imposition.

The Chinese, because of their cultural and family linkages to their families left behind in Mainland China and their practice of filial piety to ancestral tradition, remain faithful to Taoism and Buddhism while the Indians mostly embrace Hinduism, the religion of their forefathers back in their country of origin in India.

The racial riots of 1969 prompted the later ruling government, under Premier Tun Abdul Razak, the successor of Tunku, to take note that "ethnic tensions are a major source of political instability" (Klitgaard and Katz, 1983, p. 333). Therefore, there was a need to face the issue of "racial disparities" directly and to undertake aggressive social reform to ensure that the "sore-wounds" of May 13 would not recur. Thus, "variety of policies ranging from constitutional changes to preferential hiring, have been put into force" (Klitgaard and Katz, 1983, p. 333) to pave for an "unprecedented steps to improve the welfare of ethnic Malays" (Klitgaard and Katz, 1983, p. 333). Such reforms, like the NEP, were undertaken to restructure the Malaysian society with a particular interest hinging on correcting economic imbalance between the Malays and the Chinese (Lim, 1982).

The NEP diverted the State's resources to help the rural poor, which were mostly Malays, and the government made many changes to the Federal Constitution and policies to favour the Malay majority. Islam, which was embraced by all the Malays, was made the official religion of the country and the Malay language was made the official language in all government offices. Although vernacular schools were permitted in the primary schools, all government-controlled secondary schools were to conduct lessons in Malay and English. Moreover, tuition fees in Malay schools were largely waived. This greatly aroused the dissatisfactions of other ethnic groups particularly the Chinese.

2.3.2 The New Economic Policy (NEP)

Immediately after the 1969 racial riots, the ruling coalition saw the need to have drastic social and economic reforms that would help the Malays advance in commerce and industry. This displeased the Chinese who had been in control of the economy. The NEP was introduced with the Second Malaysia Plan 1971 -1975, but it was to last for twenty years from 1970 - 1990. The Policy enshrined a "two-pronged" noble intention: one was to reduce and eventually eradicate poverty for all Malaysians, irrespective of their ethnic origins; the other was to accelerate the process of social restructuring in order to correct the economic imbalance so as to eventually eliminate race identification via economic function (Salih and Yusof, 1989).

The processes to attain the objectives were through increasing employment opportunities for all Malaysians and to modernise rural life as well as to balance the rapid growth of urban activities. Special aids were given to assist the Malays to become full partners in all segments of commercial activities (Ng, 1998). Therefore, the "creation of a Malay commercial and industrial community so that the Malays and the

indigenous people will become full partners in all aspects of economic life of the nation" (Milne, 1976, p. 239) was just one of the approaches adopted to achieve the objectives.

Since independence more than two thirds of corporate equity in Malaysia was controlled by foreign entities, with the Malays then owning only slightly over two per cent. The Malays were popularly known as the "Bumiputeras", which literally translated as the "sons of the soil" or "princes of the land", and they made up two thirds of the total population of sixteen million people. In order to correct this imbalance, the NEP set the target that by 1990 the share holdings of the Bumiputeras should reach 30 per cent, other Malaysians 40 per cent and the foreigners 30 per cent (Economic Planning Unit, Government of Malaysia, 2008). The Policy also spelled out the plan to increase Malay enrolments in the universities, particularly for courses in science, technology, engineering, medicine, business and economics. The intention was to increase the quota of Malay professionals.

The original intent of NEP endeavoured to inculcate self-reliance and fairness to all races. Thus, the relevant programmes of NEP originally emphasised more on income-generating projects such as agriculture, fisheries and small businesses. Through these government-assisted activities, the NEP aimed at drawing the poor to participate in mainstream economic activities.

Most of the rural development strategies incorporated poverty eradication programmes such as new land and in-situ development, provision of drainage and irrigation infrastructure, provision of agriculture support services, encouraging the development of village/small industries, provision of rural infrastructure including roads, electricity

and water; and social services such as health, schools, food supplementary and squatters' resettlement.

This NEP was supposed to have expired in 1990. However, the government saw that it had yet to achieve its target to create a more balanced re-distribution of wealth whereby the Malays were to achieve 30 per cent of the national wealth within the 20-year period from 1970 – 1990 (Talib, 2000). As such, the NEP was subsequently succeeded by the National Development Policy (NDP, 1991 – 2000) and the National Vision Policy (NVP, 2001 – 2010). Just like the NEP, which was formulated initially to encourage the Malays to enter the modern sectors that led to the "modernisation of the Malays", the NDP and NVP, in their implementations, were basically pro-Malay policies (Roslan, 2003). With these policies and the assistance of the government many "modern wealthy urban Malays" were "created". Henceforth, many Malays experienced a sudden "boom" in their wealth.

The outline of the NEP had been quite noble but brief. Thus, as stated above, there were flaws in its implementation as the details of the policy was open to subjective interpretation and been carried out within the powers of the Malay executives in the public services of the ruling government. Thus, the following sections will elaborate on the administration and execution of NEP under the leaderships of different prime ministers in Malaysia.

2.4 Post-1970s Malaysian Economic Developments

This section will look at the economic developments of the country under the leaderships of different prime ministers since the formation of Malaysia to illustrate

how the Malays have been aided financially at the expense of other races, especially in the implementation of the NEP.

2.4.1 Tunku Abdul Rahman Putra Al-Haj ibni Almarhum Sultan Abdul Hamid Halim Shah

The polity of early Malaysia under the premiership of the first Prime Minister Tunku Abdul Rahman Putra Al-Haj ibni Almarhum Sultan Abdul Hamid Halim Shah (1957 – 1970) remained status quo since independence, in that there was relatively little involvement from the state to re-structure the colonialists' pattern of governing, both economically and socially. The numerically dominant indigenous Malays, through a minority of the elite, continued to dominate the political and bureaucratic segments, while the majority of the Malays remained in the backward villages to craft for a decent living, indifferent to the developments beyond their horizons. The more enterprising and opportunistic immigrant Chinese were quick to take control of the business environments and they thrived successfully to become the domestic capitalists that controlled more than 50 per cent of the national wealth. The few elite Malay politicians of the time failed to recognise the sensitivity of the split in political power and economic dominance between the Malays and the Chinese (Jesudason, 1989). Even today, these elite Malay lawmakers continue to exert their political superiority and claim to be the legitimate owners, or natives, of the land and therefore entitled to more rights and material wealth. The rising unhappiness among the masses of the Malays and the ignorance of early leaders led to the painful and high price that Tunku Abdul Rahman had to pay. He was made to resign from office after the 13 May 1969 bloody racial riots whereby thousands of innocent people from all races were killed during the outrage. The once cordial relationships among the different races in the country were

marred by this racial confrontation and the cause of which was mainly the unequal distribution of the national wealth.

2.4.2 Tun Abdul Razak bin Dato' Hussein

After the 13 May 1969 racial riots, the Parliament was suspended and a state of emergency was declared until 1970, when Tun Abdul Razak bin Dato' Hussien (1970 – 1976) assumed power as the second prime minister of Malaysia. The new administration responded immediately by introducing new economic development policies aimed at diverting racial animosity via re-distributing the wealth and political power among the three major races. Thus, the NEP was formulated immediately after the riots. Under Tun Abdul Razak's regime, the country continued to strife on an aggressive economic revamp "designed to increase the percentage of Malays employed in non-agricultural occupations, particularly at managerial level, and to increase the Malay share of ownership of the national wealth" (James Morgan, 1972, cited in Milne, 1976, p. 235). Henceforth, the nation began to see a small minority of the Malays joining the private corporate sectors. The Alliance, and later to be renamed National Front Coalition with the inclusion of many other political parties representing various ethic and social groupings, was now in strong political power and control. It introduced many economic successful reforms that saw rapid economic growth of the young nation. For example, in 1970, the economic growth was eight per cent with a population growth of only two per cent (Chen, 1981).

2.4.3 Tun Hussein Onn bin Ja'afar

Tun Hussein Onn bin Ja'afar took over the helm of the nation's power as Prime Minister in 1976 after the demise of Tun Abdul Razak. He kept the position until 1981, when he relinquished the position to Mahathir bin Mohammad due to health reasons.

Tun Hussein Onn was fondly remembered as the "Father of Unity" for his efforts to unite the people of Malaysia through the setting up of various bonds and unit trusts investment schemes which benefited the common folks irrespective of their ethnic origins.

2.4.4 Tun Dr. Mahathir bin Mohammad

Under the premiership of the fourth Prime Minister of Malaysia, Tun Dr. Mahathir bin Mohammad (1981 – 2003), the modern Malaysia aspired to be a developed nation by the year 2020. Economic growth was impressive until the 1997 Asian currency crisis that threw many Asian countries off balance. Whether this Asian currency crisis had any impact on this vision, this is hard to be determined at this point in time. Nevertheless, Dr. Mahathir's aggressive economic determination to put the country on par with other developed nations saw the government continuing to strive on with many projects and embark on multi-billion dollar activities in the heavy industries such as the Perwaja Steel, the Proton and Perodua national car manufacturing industries, the new capital township of Putrajaya and the new Kuala Lumpur International Airport (KLIA), just to name a few. In order to prepare Malaysia to face the challenges of developed nation ahead, Dr. Mahathir envisioned the necessity to equip a pool of knowledge-based workers. Thus, the Multi-media Super Corridor (MSC) township was established in Cyberjaya. These were just a few mega projects during the reign of the Prime Minister to put this small country in the global map. These agendas helped to improve the economy of the country in comparison to some neighbouring countries. Under his uncompromising and unorthodox economic approach, all Malaysians were able to share a bigger slice of the economic pie. All of these accomplishments, however, could not have been accomplished without the efforts of his predecessors.

However, under his administration, many "towering Malays" were created who depended on the government handouts of contracts on mega projects. These were the associates or "cronies" closely linked to the current UMNO administration.

2.5 Implication of NEP

The economy of the Malaysia grew at a relatively fast pace in comparison to its neighbours such as Thailand, Indonesia and Philippines. The per capita income at US$860 in 1960, shortly after the independence, was twice as high as these countries (Drabble, 2000). The efficient bureaucratic administrative system left behind by the British and the smooth transition in achieving independence undoubtedly contributed a great deal to the early economic developments of the country. For example the established legislative policies, the colonial export economy, the education system and the presence of many British companies had been the impetus to initial growth. The demand for natural rubber brought much external income to the young nation and this led to further emphasis in other primary industries such as oil palm and pineapple plantations in the southern state of Johore. The discovery of petroleum and natural gas off the shores of Terengganu, a north-eastern state of the peninsula, further enhanced the already robust economy in the 1979s. This led to the establishment of State-owned National Petroleum Company, Petronas.

The NEP mentioned above was administered by the Economic Planning Unit within the Prime Minister's Department, with the aim of eradicating poverty as well as bridging the gap between the "haves and the have-nots". The most obvious target of NEP was, with the help of the Malay dominant ruling government, to achieve at least 30 per cent, from a mere two per cent, of the corporate wealth for the Malays in the country. The stakes for other Malaysians were to be increased from 35 per cent to 40 per cent while

the stakes of the foreigners were to be reduced from 63 per cent to 30 per cent. However, in the implementation of the NEP it was grossly lob-sided to benefit the Bumiputeras with many economic, educational and employment benefits attached with it. This sentiment was expressed by Jesudason (1989) where the government deliberately "by-passed" other races in most joint ventures with foreign enterprises (Ng, 1998, Page 102). For example, new businesses wanting to secure tax and other advantages had to obtain the approval of the Ministry of International Trade and Industry (MITI), whereby there must be a minimum of 30 per cent Malay equity and prescribed number of Malays at the managerial and administrative levels (Milne, 1976).

The target set to attain the Malay economic shares led to many indiscriminate re-distributions and administrations of the NEP that gave preferential treatment and the providing of special rights and benefits to the Malays (Heng, 1997). Consequently, through the NEP, many Malay corporate figures were created overnight, resulting in the aggressive acquisition of many British companies - Guthrie, Harrisons and Crosfields, Dunlop, etc. – via the various government agencies and machineries such as Permodalan Nasional Berhad, or the National Equity Corporation and the State Economic Development Boards.

There were many expressed resentments from the Chinese with respect to the implementation of NEP that seemed to favour the Malays. Nevertheless, they had little choices, especially since the tragedy of May 13, 1969 was still fresh in their memories and through which their representation in the government was diminished. The Chinese, who until then had been the second largest ethnic group, had remained loyal to their homeland, where the majority of them came from Southern China. They left China during World Wars I and II as well as during the Cultural Revolution in China in the

1940s to join the British Colonial Empire. Thus far, because of their hard works and frugality for decades, they had been in control of the nation's wealth and they mostly shunned political involvement. But they then began to realise that they were the losing party in this new process of economic engineering under the new premiers that encompasses the following issues:

i. Economic Policy

Ideally, the New Economic Policy was aimed at restructuring the Malaysian society to bridge the gap between the rich and the poor with the aim of eliminating racial identification such as the Malays, Chinese and Indians, with eventual creation of the Malaysian race. The Policy also explicitly spelled out that the Malays were to attain at least 30 per cent share of national wealth by 1990. However, after 1990, this Policy was replaced by National Development Policy where the Malay share of national wealth in stocks and equities were re-adjusted upwards from the original 30 per cent. Thus, in the actual execution of the policy it was observed that the focus was intentionally lop-sided and channelled to benefit the Malay community. Special land allotment for agriculture and development were given to the Malays and generous loans were made available through specially-established Malay-owned agencies such as Majlis Amanah Rakyat or the People's Trust Council, to start off their own businesses.

Business licences were generously given and government's developments and multi-million-dollar contracts were reserved for the Malays only. Many Malays were appointed to corporate directorships in both government-linked companies (GLCs) and private corporations. These resulted in the creating many "towering Malays" who became instant millionaires among the Malay community.

Within a short period of twenty years from 1970, the overall wealth and financial resources of the Malays improved tremendously. During the same period there was also a large percentage of Malays migrating to the major cities compared to the pre-1970s period wherein most of the Malays were mere simple village folks or fishermen residing around the coastal areas.

ii. Education Policy

The education policy was revamped. The Malay language, Bahasa Malaysia, was officially affirmed as the national language. All English medium schools previously built by the colonialists were restructured and converted into government-funded schools where the medium of teaching was to be Bahasa Malaysia, or the Malay Language. Since then many new institutions of higher learning were founded to cater particularly for the Malays. Entries into public universities were strongly guarded by admission quotas to benefit the Malays, thus putting aside the practice of meritocracy. Moreover, many financial aids and institutions were specially set up and installed to provide scholarships and loans for these Bumiputera to pursue courses of their choice in the local institutions of higher learning. For example, Institute Teknologi Mara, which was later upgraded and re-named University Technologi Mara, or UiTM, was one of the institutions of higher learning specially set up to cater for the Malay community.

Further to the above, many Malay scholars also benefited from the new scholarship schemes offered to them to pursue higher education overseas.

Under these circumstances, the Chinese and Indians began to realise that, with limited government support and assistance, they had to fend for themselves and save up to provide education funding for their children. Most of their children had to seek

education in the more expensive local private institutions or enrol for overseas education. Undoubtedly, this would have reduced their disposable income and financial resources.

iii. Employment Policy

The New Economic Policy also made provision for the employment of the Malays in all private commercial sectors. Under the current stipulation, every private enterprise in Malaysia is required to have at least 30 per cent participating shares being owned by the Malays. It also maintains that 30 per cent of managerial and supervisory positions in the companies must be held by Bumiputera. With these, it aimed to achieve a 40 per cent employment quota for the Malays in all employment sectors.

For many of the non-Malays who owed businesses with handsome returns, such as banking and finance institutions, stock-broking firms and property sectors, conformity to the quotas was a must in order to ensure continuous approval of licences or permits to operate. Consequently, as a result of this government intervention, the largest telecommunications and energy companies in Malaysia, Telekom Malaysia and Tenaga Nasional Berhad, have, since independence, been controlled by the Malay elite and supported by the ruling government.

In fact, all top positions in the government agencies, from the armed forces, civil services down to the education sectors, were all dominated by the Malays. Under this adverse situation, the Chinese were left to compete for the limited employment vacancies left. This resulted in many leaving the country in search of greener pastures while the others turned to becoming petty traders. The rest paid dearly from their savings to ensure a good education for their children with the hope of being able to

compete in the job market in order to secure a comfortable employment. This would have a serious impact on their consumption ability compared to their Malay counterparts.

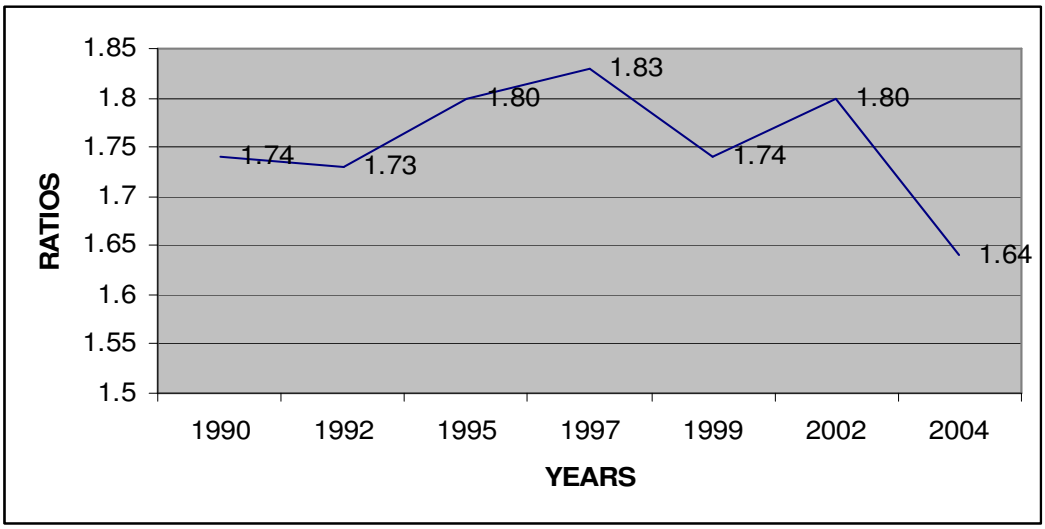
iv. Financial Policy

Various financial institutions were established to assist the Malays to excel in business. Generous assistance and loans were handed out via financial institutions such as the Council of Trust (Majlis Amanah Rakyat) or the MARA, and Permodalan Nasional Berhad (PNB) (National Equaity Corporation). These financial aids were given either with or without collateral and with minimal interest charges.

The efforts of the government intervention in the economy of the country resulted in the bridging of the wealth gap between the Malays and the Chinese. This narrowing of gap can be represented graphically in Figure 2.1 below.

The chart shows further disproportionate apportionment of material gains between the Malays and non-Malays. The bridging or narrowing of income ratios in Malaysia between the Malays and Chinese over a period of more than a decade from 1990 – 2004 are clearly illustrated. In 1994, the Chinese possessed about 74 per cent more in terms of income when compared to the Malays. This figure was gradually diminished to a mere 64 per cent in 2004, a drop of ten per cent within a period of fourteen years. With this diminished income level, coupled with the increasing costs for housing and education for the children, it is expected that the disposable income of the Chinese would reduce drastically. On the other hand, the Malays seem to be better off with the assistance and aids from the government. They are expected to have an increase in disposable income.

Figure 2.1 Inter-Ethnic Income Ratios in Malaysia – Malays: Chinese (1990 – 2004)



Source: Economic Planning Unit, 2006

In Table 2.1, the private share ownerships of the Malays increased tremendously over a period of thirty years from 1975 to 2005. From a mere 5.5 per cent in share ownership in 1975, it surged to 51.7 per cent in 2005 – a ten-fold increase of more than RM14 billion. At the same time, the ownership of the non-Malays and foreigners decreased from 92.2 per cent in 1975 to 17.1 per cent in 2005.

Such a large change would only clearly indicate that, since independence, the Malays have gained substantially in their wealth as compared to the Chinese. Inevitably, this change would have a proportionate impact on the consumption behaviours of both the Malays and the Chinese. Previous studies have indicated that the changes in income and wealth, presence or future, would affect the spending attitude.

Table 2.1 Peninsular Malaysia: Ownership of Share Capital in Limited Companies, 1975 and 2005

	Par Value (December 1975)		Par Value (December 2005)	
	RM million	% of total	RM million	% of total
Government	541.0	2.3	9,013.8	31.2
Bumiputera / Malays	227.1	5.5	14,901.5	51.7
Non-Bumiputera / Non-Malays	3,687.3	37.3	2,573.0	8.9
Foreign	5,434.7	54.9	2,368.5	8.2
Total	9,890.1	100.0	28,856.8	100.0

Source: Economic Planning Unit, 2006

The above imbalances have somehow affected the growth rate of the ethnic population. The population proportion of the Chinese dropped from 32 per cent in 1957 to a mere 23 per cent in 1991 and is expected to drop further to only 15 per cent in 2020 when Malaysia achieves the developed nation status. On the other hand, the overall population of the Malays in the country increased from 45 per cent to 63 per cent in the same period. This is expected to increase to 75 per cent in 2020. The phenomenon can be explained by many causes but the most obvious cause is that the Malays face less financial strain with larger families. This is due to the favourable financial treatments from the government in the form of free education, accessible scholarships, preferential admission into government run public universities, easier availability of loans and financial assistance and preferential share allotments of public listed companies in initial public offers (IPO's) and many others.

The administration of the New Economic Policy was obviously lop-sided. In its implementation, many ambitious Malay executives, bureaucrats and politicians wanted to strengthen the Malay economic power and expand their political might. They aimed

to achieve the objective of gaining 30 per cent corporate wealth for the Malays within the shortest possible time frame. Unfortunately this controlling stake was not equally and fairly distributed among all the Malays but instead benefited only a minority having strong political links with Malay political elite. The majority of the rural Malays remained poor at status quo. Consequently, to maintain and enhance their political might, many of these politicians resorted to providing materials concessions within their reach to the mass of poor Malays in exchange for their political support and loyalty (Mahathir, 1970). Of course, the continuous growth in the economic stake of the Malays could only be realised via the "state-push" policy at the expense of the Chinese and the foreigners. For instance, as mentioned earlier, it was targeted that by 1990, the Malay corporate ownership would be 30 per cent, non-Malays 40 per cent and foreigners 30 per cent; as compared to two per cent, 35 per cent and 63 per cent, respectively, in 1970 (Mid-Term Review of the Second Malaysian Plan 1973 cited by Jesudason, 1989). From then on, the country saw many major government-initiated re-structuring and management-buy-outs (mbo) of financial institutions and corporations, through which many more Malay corporate figures were born with very limited efforts of their own. At the same time many government agencies were established throughout the country to assist the Malays, particularly the rural folks, to participate more actively in this "interventionist economy". Under this economic development, the indigenous Malays continued to enjoy the most benefits – be it in education, employment or business – as it was the Malaysian government's objective to "accelerate the economic progress of the Malays" (Ling, 1995, p. 6).

Gaining from this new found wealth, the Malays thus enjoy a higher disposable income. One example of the many benefits is the Amanah Saham Bumiputera, or literally translated being the Unit Trust Fund for the Prince of the Soil, which can only be

subscribed by the Malays. It has been giving out dividends as high as 11 to 15 per cent per annum while the normal banking interest rate is only between 3 to 4 per cent. The subsequent impact of this manoeuvring and intervention to re-distribute national wealth result in the Malay community in Malaysia having a greater tendency to indulge in spending (Halim, 1999), a phenomenon which is in agreement with many recent findings and studies on consumption, savings and wealth effects. These studies indicated the close positive relationship between increase in labour income and consumption (Anonymous, 2000; Davey, 2001; Lantz and Sarte, 2001). The work by Alvin Tan and Graham Voss further indicated the positive correlation between consumption and labour income in Australia (Tan and Voss, 2003). Although the above observation is more acute among the metropolitan Malays, this hedonistic lifestyle has also spread to the vicinity rural villages. Parallel to the above observation, there is also a growing "culture of permissiveness and freedom" among the Malay parents towards the spending habits of their children, particularly the adolescents.

However, it is clear that the ingrained cultures and religious piety as well as influences from a mixed society, too, will play a major role in moulding the individual behaviour and attitude. It would be interesting to study the spending culture and habits among the Malays in their selection of the choice of products as in values, attributes, brands and pricing, *etc* as compared to other races, in particular the ethnic Chinese. The government provisions of scholarships for thousands of Malay students to study overseas in the West such as in countries like the United States, United Kingdom and Australia will inevitably subject these young adults to the cultures and consumption habits of their host countries upon their return to Malaysia (Haque, 1985; Penaloza, 1989; Laroche et al, 1993). The impact of modern mass media such as internet and

satellites television cannot be ignored as they play an even more subtle control and moulding in the consumption habit of this ethnic group (Noor, 1998).

The Indians in the country represent only five per cent of the total population with a very small proportion of them living in the more developed cities, thriving as petty traders or professionals such as doctors, lawyers and engineers. The majority of the Indians still work as labourers or estate workers in estates, plantations and villages. Their meagre disposable income and small population, therefore, have little bearings on the consumption of the overall population.

On the other hand, the Chinese, with an overall population of 22 per cent out of the total population of 24 million in Malaysia, a substantial decline since independence, remain the second largest ethnic group in the country. They take up a sizeable amount of consumption volume in the country. Since the 1969 racial conflict, the government has not failed to try to integrate the three major races through various programmes with the hope that there may emerge a true Malaysian identity with its unique values and philosophy. However, the Chinese are a very close-knitted community so attached to the habits and lifestyles of their forefathers that notwithstanding any inter-mingling with other races in the country for so many decades and, they still adhere loyally to their ancient manners and customs (Vaughan, 1977; Ye, 2008). Even in this modern era, filial piety continues to be a value highly-revered by both the Chinese young and old. This exerts a strong impact even on the young adults in their spending. Taoism and Confucianism continue to have a firm grip on many Chinese families and impose upon the many young adults reverence and respect for the elderly. Within the Chinese family, the burden of major decision-making often rests on the head of the household and, like it or otherwise, the decisions will be abided by all. No doubt most of the Chinese

families in Malaysia are financially better off than the Indians and a vast number of rural Malays, thriftiness in life have been their motive since they have to work and labour hard to achieve what they have today. Many Chinese of the earlier generation who were immigrants from Mainland China still consider lavish spending and wastefulness as a " grievous sin" and totally unacceptable. However, it is observed that the second generation Chinese, who are now in their fifties and above, tend to be more permissive with their younger children. This is probably to compensate for their difficult childhood. As such, the similar scenario of being thrifty may not be applicable to the younger generation who are amply provided for by their parents and have not experienced the difficulties like their forefathers. Such circumstances provide an interesting ground to study and make comparisons with the Malay youths.

In this new millennium, the economic re-distribution of the national wealth continues to be pro-indigenous Malays even though the implementation of the New Economic Development Plan has long past its due date. In many instances, business opportunities and government contracts continue to favour the Malays while the Chinese and Indians have to continue seeking other means and opportunities either domestically or outside the country. Domestically, many non-Malay entrepreneurs would team up with "politically well-connected" Malays to secure government tenders and contracts.

The economic developments of Malaysia in the last few decades have, in one way, fulfilled the economic objective of the Malays. On the other hand, they have also created a totally new breed of the Malay race who are less competitive and very dependent on the government for support. Despite the Mahathir government's repeated exhortations to the Malays that they have to be more self-reliant in view of the

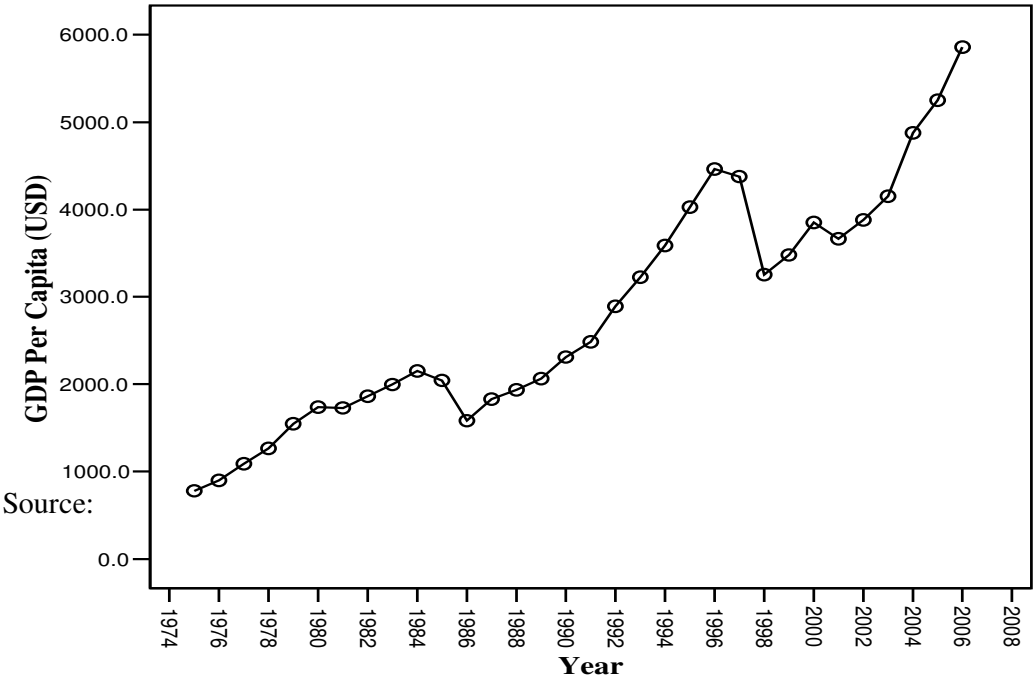
government's inability to support their rights and benefits *sine die,* these have always fallen on deaf ears and instead received vehement objections and defiance.

In spite of the continuous handouts by the government to the Malays, the other races in the country, including the Chinese, have not been totally neglected. This can be observed from the overall economic growth of the country. The economic situation of the other races, in general, has also improved ever since the country attained its independence in 1957. This can be noticed from the figures shown below.

Figure 2.2 shows the steady increase in Gross Domestic Product (GDP) per capita in Malaysia from 1975 – 2006. Such impressive rise from just below US$1,000 in 1975 to about US$6,000 in 2006, a tremendous growth of six times, would mean that, overall, Malaysians are more affluent. This, coupled with a consistent national GDP growth of about six to seven per cent per annum across a period of thirty years from 1975 – 2006 (Figure 2.3), would strongly indicate that there will be a strong impact on the growth in consumption and the patterns of consumption among Malaysian consumers. This has been affirmed in many researches which will be discussed further in Chapter 3.

Figure 2.2 Gross Domestic Product (GDP) Per Capita in US$

1975 – 2006 Malaysia



Source:

Source: Ministry of Finance, Malaysia, 1975-2006

Figure 2.3 Real Gross Domestic Product (GDP) Growth

1975 – 2006, Malaysia

Source: Ministry of Finance, Malaysia, 1975-2006

2.6 The Rise of Consumerism and Globalisation in Malaysia

This section intends to explore briefly the rise of consumerism in Malaysia since the day of independence from the British rule partly due to the affluence experienced by the citizens because of the rapid economic growth and the instigative growth brought about by the NEP.

Consumerism has generally been recognised as a social movement in many counties globally, with its primary objective of improving the well-being and rights of consumers. This is done through educating and providing better information that may be critical to any decision to make a purchase. The word "consumerism" was first used by American industrialists in the 1960s to refer to the rising consumer awareness of their rights (Adnan, 2000). However, with the passage of time, the societies that we live in become more complex, while business dealings become lacking in transparency as a result of competition and pressure to make profits. As such, many consumer organisations around the globe have now adopted a more aggressive approach to protect the ordinary consumers within their jurisdiction.

In the later half of the twentieth century, there was a rising interest in consumer rights globally. This was especially attributed to the promotion initiated by the International Organisation of Consumers Unions (IOCU). Prompted by this, the consumers' movement in Malaysia began to take shape in the island state of Penang as early as in late 1964, to combat against rising prices, particularly the delivery charges of newspaper (Hilton 2007). However, due to the lack of interest from the population, it did not initially develop into a formal body. However, the effort caught the attention of several professionals and thus the Selangor Consumers' Association (SCA) was the first consumer asssociation to be registered on January 23, 1965. The SCA now operates in

the Malaysian state of Selangor, which also houses the national capital, Kuala Lumpur. The activities of SCA include consumer protection, education, representation, research and reference. In 1970, with the assistance of SCA officials, the Consumers' Association of Penang (CAP) was established. Like the SCA, the CAP shared similar fundamental objectives in fighting for fair prices, good quality products and service, so as to ensure the right of every consumer to basic needs such as food, housing, health care, sanitation facilities, public transport, education and a clean environment. Further to the above, they also endeavoured to protect the right of the poor whose needs often went unnoticed and to represent the poor's case to the government, the public and the private companies that oppressed them. These activities helped the associations gain prominence from the public. The movements' nature of maintaining political neutrality led the state to tolerate and lend support as a way to divert attention from hostile political opposition (Hilton, 2007). In addition, the persistence in operating as non-governmental agencies allowed the consumer associations to be more vocal in dwelling on non-governmental activities and issues close to the needs of the public.

The racial riots in 1969 prompted the government under the Razak's regime to scrutinise the activities of the consumers' groups as they then took on issues which were more social, economic and political in nature; and in many instances, they seemed to be opposing the ruling regime. For example, in one case, the CAP questioned the government's prudence in spending such huge amount of public funds in building the Penang Bridge (Utusan Konsumer 1974, cited in Hilton, 2007). The formation of the Federation of Malaysian Consumers' Association (FOMCA) with close links to the state was a mean for the government to curtail the seemingly oppositional approach in politics of the consumers' movement. Nonetheless, the consumer grassroots were undeterred and they viewed the CAP as a better movement to defend their civil rights.

This was especially so when the NEP had brought about positive economic impact among many Malaysian households which in turn experienced affluence for the first time since independence.

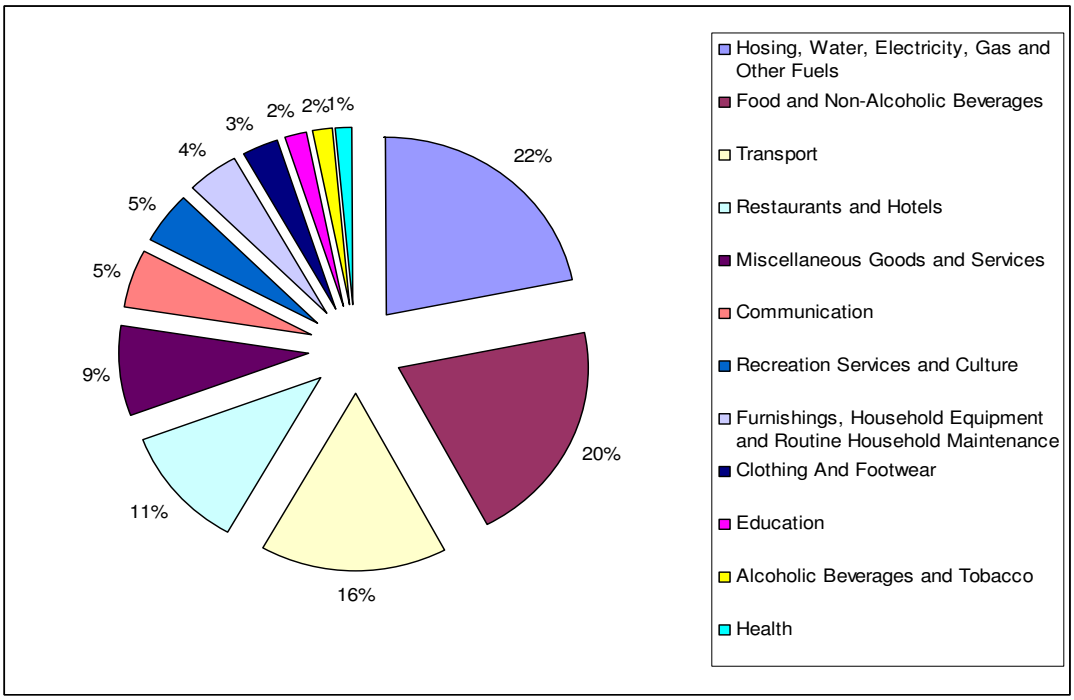
Thus far the consumer movement had been quite successful in meeting the needs of Malaysians particularly in the areas on consumer rights pertaining to information and values. In October 1990, the government established the Ministry of Domestic Trade and Consumer Affairs with the aim of encouraging ethical trade practices and protecting consumer interest.

With the rapid growth in affluence, there also emerged many other civil societies in the eighties to champion human rights issues. Moreover, since the 1969 racial riots, reference to civil societies in Malaysia could no longer be devoid of reference to race, culture and religious multiplicity of the Malaysian society. Thus, various civil societies were established to further entrench racial and communal matters. This only complicated the matter further and it prompted the Mahathir Administration to exert tighter controls on the civil societies. Despite the controls, ugly racial tensions peaked in 1987 and that prompted a swift action from the government, via "Operation Lallang", to clamp down racial activists and prevent yet another recurrence of racial riots.

Since the implementation of NEP, Malaysia has generally enjoyed more than twenty years of rapid economic growth. This, coupled with political stability after 1969, has resulted in nearly full-employment, prosperity and rising standards of living (Noor, 1998). Despite reminders from the consumer organisations with regard to prudence in spending, the volume of consumption has increased. Based on the household expenditure survey report of 2004/2005, published by the Malaysian Department of

Statistics, the average monthly consumption expenditure of households in Malaysia was RM1,953. This indicated an increase of 19.7 per cent as compared to that of 1998/99 which recorded RM1,631 (Department of Statistics Malaysia, 2006). The findings showed that the average households in Malaysia spent 22 per cent of their monthly expenditure on housing, water, electricity, gas and other fuels, about 20 per cent spent on food and non-alcoholic beverages, 16 per cent on transport and three per cent on clothing and footwear (Figure 2.4).

Figure 2.4: Composition of Average Monthly Household Expenditure by Expenditure Group, Malaysia 2004/05



Source: Department of Statistics Malaysia, 2006.

On an average, Chinese households spent 1.5 times higher than the Malay households. The average monthly consumption expenditure for the Chinese households was RM2,578 per month and RM1,747 for the Malay households (Table 2.2). The expenditure composition by expenditure group showed that the Malays households

spent more money on food and non-alcoholic beverages, transport; furnishings, household equipment and routine household maintenance, clothing and footwear; and miscellaneous goods and services as compared to the Chinese households.

Table 2.2: Average Monthly Household Expenditure by the Malays and Chinese, Malaysia 2004/05

Expenditure Group	Total		Malays		Chinese	
	RM	(%)	RM	(%)	RM	(%)
Hosing, water, electricity, gas and other fuels	30	22.0	368	21.1	592	23.0
Food and non-alcoholic beverages	393	20.1	376	21.5	452	17.5
Transport	314	16.1	298	17.1	359	13.9
Restaurants and hotels	213	10.9	173	9.9	337	13.1
Miscellaneous goods and services	167	8.5	153	8.8	218	8.5
Communication	103	5.3	88	5.0	144	5.6
Recreation services and culture	92	4.7	684	3.9	161	6.2
Furnishings, household equipment and routine household maintenance	83	4.2	81	4.6	101	3.9
Clothing and footwear	59	3.0	61	3.5	58	2.2
Education	38	1.9	30	1.7	61	2.4
Alcoholic beverages and tobacco	35	1.8	29	1.7	48	1.9
Health	27	1.4	22	1.3	47	1.8
Total	**1,954**	**100.0**	**1,747**	**100.0**	**2,578**	**100.0**

Source: Department of Statistics Malaysia, 2006.

With the increased wealth, Malaysians are not sheltered from the influence of global consumption culture. Globalisation refers to the situation whereby goods and services, people, information and technological expertise from one culture in one country are transported and made available on a worldwide basis. This process has immense impact on the development of human societies throughout the world. It follows that the practices and life-styles of the people will change and be affected. Thus, the culture of the time will never be the same as it was before, either negatively or positively. From

the perspective of consumer spending, globalisation has caused substantial increase in consumption and purchases (Tong, 2001). This is especially true in Malaysia at a time when the country has been keenly promoting world trade, technological innovations and development in the use of information technology that includes electronic devices and computerised instruments.

Many multinational corporations have now set up their operations in Malaysia. The country's aggressive promotion of world trade caused Malaysians to be more globally minded and the national information technology agenda result in a generation that is internet-savvy. The move by Prime Minister Mahathir to establish the multimedia super-corridor in the new township south of the capital city of Kuala Lumpur truly enhances the move into globalisation. This development led Malaysians to be exposed to the global consumerist cultures through the media that find their way into Malaysian homes and affect the mindsets of many Malaysian youths, irrespective of their ethnic and religious backgrounds. The rapid increase in the number of multinational companies in Malaysia saw many young people, including women, being attracted to the major towns to seek employment. Figure 2.5 below shows the steadily declining unemployment rate in the country. The sharp rise in unemployment rate from 1984 to 1986 was largely attributed to the global recession of that time. Nevertheless, the rate declined again from 1987 when the country recovered from the global recession, until it dipped below four per cent in 1993. Despite the fiercest Asian currency crisis in 1993, the country continues to enjoy full employment until today. With this setting, it has made the study of consumer behaviour in Malaysia, particularly the comparison of the two major race components – the Malays and the Chinese – more challenging. It follows that many young people in Malaysia leave their villages to seek for higher income. With this new found financial freedom, coupled with the prolific increase in the

choices of products, new trends and culture that place higher value on material satisfaction over spiritual contentment are slowly beginning to evolve (Tong, 2001).

Figure 2.5 Unemployment Rate, 1975 -2006, Malaysia

Source: Ministry of Finance, Malaysia, 1975-2006

On the religious aspect, the Malays, who are Muslims in particular, now face the dichotomy of pursuing modernity and yet remaining faithful to their traditional culture and Islamic beliefs, whereby the teachings of Prophet and the fundamental principles and tenets of Islam are of paramount significance in their lives. Similarly the Chinese youths are not spared from the subtle power of consumerist culture that besieges the country. Like their Malay counterparts, the teaching of Confucianism, Taoism and Christianity have little impact now to negate this flow of consumer spending.

Consequently, it is not surprising to see many Malaysian youths, Malays and Chinese alike, hanging around McDonalds munching burgers, drinking Coke as they stroll along the shopping complexes or sipping coffee at Starbucks or Coffee Beans outlets.

It is without doubt that Malaysians are getting more affluent and heading towards a developed nation status (Global Lifestyles, 2002). With the successive years of economic boom, Malaysians' annual household income increased from US$5,217 in 1990 to US$8,900 in 2001 (Asian Demographics Ltd as cited in Global Lifestyles, 2002). Similarly, the number of affluent households with earnings exceeding US$15,000 per annum is also rising. In 2001, the affluent households accounted for 13.4 per cent of total Malaysian households with a total contribution to 41 per cent households' expenditures. This is expected to increase to 17.7 per cent in 2006 with contribution to 48.2 per cent of all households consumptions 2001 (Asian Demographics Ltd as cited in Global Lifestyles, 2002). This phenomenon of higher consumption rate accompanied by higher income is consistent with several similar studies conducted previously. With this rapid increase in the disposable wealth, there is undoubtedly a growing awareness of values and rights.

2.7 Demographic Background of Malaysia

This section will present the demography of Malaysia from the year 1970 onwards. Therefore, the intention of this section, apart from giving a better understanding to the reader concerning the basic information of the Malaysian population, is also aimed at showing the changes in population, particularly that of the Malays and the Chinese, over a period of thirty-five years from 1970 - 2005. This section will also include the population density of Malaysia in general and that of the state of Selangor in particular. This is to indicate that the state of Selangor is the densest location in Malaysia which

houses two universities selected for the current study – University Technologi Mara (UiTM) and University Tunku Abdul Rahman (UTAR). Among the thirteen states in Malaysia, the state of Selangor is the most affluent, with a large concentration of commercial activities, industries and education institutions. Thus, this encourages the mass migration of population from other parts of the country to the state to seek employment and education. With this, Selangor therefore presents itself as a good distribution of Malaysian population and is ideal for the current study.

This section will also study the increase in the number of youths attending tertiary education in both private and public institutions, as broken down according to racial composition. From these statistics, it will be possible to deduce the government's policy in assisting the Malays to obtain better education opportunities. Other areas include distribution of job preferences among the races.

2.7.1 The Population Growth in Malaysia

Table 2.3 below shows that the Malaysian population increased from just about 10.81 million in 1970 to 24.36 million in 2005. According to the Malaysian Department of Statistics, the Malaysian population is estimated to be about 26.79 million by the year 2010. In future, it is believed that the larger population will not only enhance Malaysia's productivity output but also create good potential market, with larger domestic market for local and international marketers.

From Table 2.3, the overall average annual population growth rate rises by 2.6 per cent for two consecutive periods from 1980 – 1991 and 1991 – 2000 compared to only 2.3 per cent for the period 1970 - 1980. According to the census reports, the population growth is the result of two demographic factors: a.) the natural increase factor, which is defined as the excess of births over deaths, and b) the net migration that results from the

difference between in-migrants and out-migrants. However, for the period from 2000 – 2010, the rate is estimated to decline to 2.0 per cent. This is partly due to the decline in total fertility rate. According to the census report, the total period fertility rate measures the average number of live-born children per woman that would result if women survive to the end of their reproductive period and throughout that period, are subject to the current prevailing age-specific fertility rates. The rates have been derived by summing the age-specific fertility rates of women aged between 15 to 44 and multiplying by the factor five, resulting in an increase from 4.03 in 1980 to 2.76 in 2005. The other possible reasons for the decline are explained in the following section.

Table 2.3: Population Size and Growth Rates, Malaysia, 1970 to 2010

Year	1970	1980	1991	2000	2005	2010
Population size (millions)	10.81	13.75	17.57	21.89	24.36	26.79
Average annual growth rate (%)						
1970 – 1980	2.3					
1980 – 1991		2.6				
1991 – 2000			2.6			
2000 – 2010				2.0*		

Source: Department of Statistics, Malaysia, 1980, 1991 and 2000
Economic Planning Unit, 2006
Note: * Forecast

2.7.2 Population Distribution by Ethnic Groups

Table 2.4 shows that more than half of the population in Malaysia is classified as 'Bumiputera' or literally translated as the "Princes of the Soil", popularly referring to the Malays who are Muslim. For this Malay population, the percentage of the population increased to 65.9 per cent of the total population in 2005, or nearly two thirds, as compared to only 55.6 per cent in 1970. The ethnic Chinese group is the next largest ethnic group in Malaysia. But its percentage of the population growth declined from 34.4 per cent in 1970 to 32.1 per cent in 1980. Since 1991 to 2005, the percentages

have been declining steadily to 25.3 per cent in year 2005. As a third largest ethnic group in Malaysia, the Indians are in the same predicament as the ethnic Chinese. From 1970 to 2005, the percentage of the population was less than 10 per cent. The percentages of population continued to drop from 9.2 per cent in 1970 to 7.5 per cent in 2005.

Table 2.4 Percentage Distribution of Population of Malaysian Citizens by Ethnic Group, Malaysia, 1970 to 2005

Year	1970	1980	1991	2000	2005
Population size (millions)	10.81	13.75	17.57	21.89	24.36
Ethnic groups					
Malays	55.6	58.6	60.6	65.0	65.9
Chinese	34.4	32.1	28.1	26.1	25.3
Indian	9.2	8.6	7.9	7.7	7.5
Others	0.8	0.7	3.4	1.2	1.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Department of Statistics, Malaysia, 1980, 1991 and 2000
Economic Planning Unit, 2006

There are at least two main factors that may account for the decline in the percentage of Chinese population. The first factor is attributed to late marriage. The mean age for the first marriage among the male Chinese is 30.6; while the mean age for first marriage for the female Chinese is 27.0. When comparing this to the Malays, the Malays appear to be married off earlier, with a mean age of 27.9 for the male Malay and 24.8 for the female Malay in the year 2000. The second factor is that the Chinese's total fertility rate dropped from 6.9 in 1957 to 2.1 in 1990 (Leete, 1996). One can simple explain this phenomenon as the Chinese, with little assistance from the government, having to secure their own financial resources by working longer years before considering setting up a family unit. Many resorted to pursuing better education with their savings after

many years of employment, with the hope of getting better paid jobs upon their completion of adult education. With the rising cost of education, many Chinese also resorted to having only one to two children per family. This is a stark contrast to their parents who usually had half-a-dozen or more. The Malays, however, are much easier going with the substantial government support in education, employment and other financial subsidies.

2.7.3 Malaysian Population Density Distribution

According to the Population Census Report, Malaysia, 1991, the population density of persons per square kilometre was calculated as the ratio of the population of a given geographic area to the number of square kilometres for the same area. Table 2.5 shows that the population density in the state of Selangor is the highest as compared to the entire Peninsular Malaysia. In year 1970 and 1980, the number of persons per square kilometre in Selangor was about double the density of the entire Peninsular Malaysia. The gaps became larger in 1991 and by the year 2000 it was slightly below four times the Malaysian overall density. Base on the higher population density in Selangor, 303 persons per square kilometre in 1991 and 526 persons in 2000, it may be concluded that the Selangor is an urban state. Therefore, it leads to the selection of the sample universities for the current study, as explained in the earlier section.

Table 2.5 Population Density by Region, Malaysia, 1970 to 2000

Region	Area in square kilometres	Number of persons (per square kilometre)

		1970	1980	1991	2000
Peninsular Malaysia	131,689	67	87	113	141
Selangor	7,956	123	190	303	526
Sabah	73,620	9	13	25	35
Sarawak	124,449	8	11	14	17
Malaysia	329,758	32	42	56	71

Source: Department of Statistics, Malaysia, 1980, 1991 and 2000

2.7.4 Dependency Ratios by Ethnic Group

According to the Population Census Report, Malaysia, 1991 the dependency ratio, which is usually expressed as per 100 persons, is the ratio of the number of persons below age 15 years and the number of persons aged 65 years and above to the number of persons in the working age group of 15 - 64 years.

In 1970, the dependency ratios for all the races in Malaysia are quite close to each other and ranging around 88 – 94. This is indicated in Table 2.6. However, in 1980, the dependency ratio for the ethnic Chinese declined below the Malaysian average of 75 to 72, from 88 in 1970. These figures declined further to 55 and 46 in 1991 and 2000, when the averages were 69 and 62, respectively. The dependency ratios of the Malays have been consistently above the Malaysian average. One explanation for this is that many Malays are formerly employed in the public sectors and are forced to retire at the age of 55 with a monthly pension scheme. The Chinese, on the other hand, are largely self-employed entrepreneurs who are largely financially independent well into their retirement age. Thus, with the lower dependency ratio, it implies that the Chinese ethnic group may afford to spend more money and time for their children and elder members in the family like the Malays who enjoy the support from the government.

Table 2.6 Dependency Ratios by Ethnic Group, Malaysia, 1970 to 2000

Ethnic	**1970***	**1980***	**1991**	**2000**
Malays	94	78	78	70

Chinese	88	72	55	46
Indian	89	68	60	51
Others	67	61	84	84
Average	**91**	**75**	**69**	**62**

Source: Department of Statistics, Malaysia, 1980, 1991 and 2000
Note: * 1970 and 1980 only for Peninsular Malaysia

2.7.5 Population Distribution by Religion

The Table 2.7 shows that Islam is the most widely-professed faith in Malaysia. In 1970, half of the population reported themselves as Muslims and by the year 2000, 60 per cent are Muslims. This is because all Malays in Malaysia are Muslims by definition of law. Another reason for the rapid increase in the percentage of Muslim population in Malaysia is because of the declining population of other races such as the Chinese and Indians, while the Malay population has increased substantially.

Malaysia, being a multi-religious nation, also has a fair share of those embracing other religions such as Buddhism/Confucianism/Taoism as well as other traditional Chinese religions. These form the second largest religious grouping in Malaysia. However, its percentage decreased from 26 per cent in 1970 to 22 per cent in 2000. There were two factors that contributed to the drop in this percentage. First, there were many urban educated Chinese who converted to other religions such as Christianity. More likely, the same situation also happened to the Indians who mostly professed Hinduism. As a result, Christianity increased to 9 per cent in 2000 as the third largest religion in Malaysia.

Table 2.7 Percentage Distribution of the Population by Religion, Malaysia, 1970 to 2005

Religion	1970	1980	1991	2000

Islam	50	53	59	60
Christianity	5	6	8	9
Hinduism	7	7	6	6
Buddhism/Confucianism/Taoism/other traditional Chinese religion	26	29	24	22
Others	12	5	3	2
Total	**100**	**100**	**100**	**100**

Source: Department of Statistics, Malaysia, 1980, 1991 and 2000

2.7.6 Population Distribution by Gender and Race

From the Population Census Report, Malaysia, the sex ratio of a population is normally defined as the number of males per 100 females. In general, the sex ratio is determined by sex ratio at birth, the differential mortality of two sexes throughout their lives as well as differentials in net-migration. Table 2.8 summarises the trend in Malaysian from 1970 to 2000. The ratios show that from 1970 to 2000, the majority of Malaysian populations are males. In Census 2000, the sex ratio for the Chinese ethnic group is 105 or above the average of 102 while for others ethnic group are 102 for the Malays and 101 for Indians.

Table 2.8 Gender Ratio by Ethnic Group, Malaysia, 1970 to 2000

Ethnic Group	1970*	1980*	1991	2000
Malaysia	102	101	102	102
Malays	99	98	101	102
Chinese	102	100	103	105
Indians	114	106	102	101
Others	110	106	107	101

Source: Department of Statistics, Malaysia, 1980, 1991 and 2000
Note: * only for the Peninsular Malaysia

2.7.7 Population Distribution by Tertiary Education

According to the Population Census Report, Malaysia, 1980, any persons who were still at school at the time of the census were classified according to their current level of schooling; it was assumed that they would complete that level by end of the year. Persons who had not completed a full year at a given level were classified at the next lower level to that at which they left school.

Table 2.9 Percentage Distribution of the Population with Tertiary Qualification (University Degree and Other Tertiary Diplomas) in Peninsular Malaysia, 1970 and 1980

Ethnic group	1970 (number of persons in '000)	1970 (%)	1980 (number of persons in '000)	1980 (%)
Malays	9.9	28	39.1	44
Chinese	17.0	48	34.7	39
Indians	5.7	16	9.8	11
Others	2.8	8	5.3	6
Total	35.4	100	88.9	100

Source: Department of Statistics, Malaysia, 1980

The total population in Malaysia who acquired tertiary qualification level (university degree and other tertiary diploma) increased by more than two-folds from 35 thousand persons in 1970 to 89 thousand persons in 1980. This is shown in Table 2.9 above. The Malay ethnic group showed the highest increase in number; the percentage with the tertiary qualification for this group increased from 28 per cent in 1970 to 44 per cent in 1980. This reflected an increase of more than 29 thousand Malays; whereas the Chinese only registered a decrease from 48 per cent in 1970 to 39 per cent in 1980. This is equivalent to an increase of only 18 thousand persons. This is clearly indicative of the government's pro-Malay education policy.

Table 2.10 below further elucidates the percentage of population distribution according to ethnic group for those who attended tertiary education in Malaysia in the year 2000. It can be noted that, while the Malays gained much in the education sector, the percentages of the Chinese and the Indians decreased in turn. Once again this could be attributed to the pro-Malay New Economic Policy.

Table 2.10 Percentage Distribution of the Population with Tertiary Qualification (University Degree and Other Tertiary Diplomas) Malaysia, 2000

Ethnic group	**2000 (%)**
Malays	60
Chinese	33
Indians	7
Others	1
Total	**100**
Number of persons	**1,381,200**

Source: Department of Statistics, Malaysia, 2000

According to the Population Census Report, Malaysia, 2000, for the persons who were still schooling, the highest certificate obtained was based on that which was acquired prior to the level of schooling currently attending at the time of the census. For those who possessed certificates other than those issued under the education system in Malaysia, the equivalent to such certificate was used.

From the Table 2.10 above, the number of Malaysian who obtained tertiary qualification jumped from 889,000 persons in 1980 to about 1.4 million in 2000. But this number was not evenly distributed among the races. The highest being the Malays with a jump from 44 per cent in 1980 to 60 per cent in 2000. On the other hand, the Chinese and the Indians registered a drop in percentages from 1980 to 2000. The Chinese dropped from 39 per cent in 1980 to only 33 per cent in 2000 while the Indians dropped even further

from 11 per cent to only 7 per cent within the same periods. From 1970, the year NEP was introduced, until the year 2000, not only the overall population of different races who attended tertiary education had changed, the choice of courses offered to different races had also varied. In general, the most popular and demanded fields of study in Malaysia were social science, business and law, which accounted for about 35.4 per cent of the total enrolment in local universities. This was followed by engineering, construction and skill training, at 22.5 per cent. The less popular fields of study were health and welfare, agriculture, forestry and fishery, and services.

From Table 2.11 below, the Malays had the highest percentages in all fields of study as compare to other races. Most notably was health and nursing, which included medical degree, where the Malays dominated with almost 60 per cent of the available places. Next are the Engineering and Architecture courses where the Malays also took up the majority of the places.

The Malays, until today, continue to perceive that teaching is a noble profession while the Chinese opine that the profession does not guarantee a good income to secure their future. Thus, this could explain the exceptional high number of Malays enrolled in the teaching and education programmes.

Table 2.11 Percentage Distribution of Population (aged 15 years and over) by Selected Main Field of Study and Ethnic Group, Malaysia, 2000

Ethnic group	Business & Administra-tion	Law	Engineering	Architecture & Building	Teacher training & education science	Computer & Information Technology	Art & humanities	Health & Nursing
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Malays	50.6	47.7	56.8	67.9	76.6	46.4	74.4	57.8
Chinese	42.7	29.5	34.3	29.3	16.7	43.2	20.8	25.7
Indians	6.0	21.2	8.2	2.5	6.0	9.8	4.2	15.0
Others	0.7	1.6	0.6	0.4	0.7	0.7	0.7	1.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Number of persons '000	**225.1**	**16.1**	**126.8**	**20.5**	**113.5**	**58.0**	**61.4**	**34.1**

Source: Department of Statistics, Malaysia, 2000

2.8 Conclusion

Malaysia has gone through a long history of being subjected to foreign rule under the British Administration. Through this administration, the fundamental governing policies and administration were properly installed; basic infra-structures such as education and foreign trades were put in place. It was also through colonial rule that other races were brought into the country. Many developmental projects were undertaken by the British that still bore their legacy until today. Nevertheless, the British had segregated the three main races of the country, and of course their economic status, during their presence – the Malays either remained in the coastal areas as fishermen or farmers in the interior; the Chinese grabbed the opportunity to be traders while the majority of the Indians remained as labourers in the estates. These situations pleased the colonialists who wished to prevent imminent revolts against their rule from the local Malays or the Chinese and Indian immigrants.

However, after the independence from the British in 1957, the Malay-dominated political coallition, The Alliance, recognised the need to correct these imbalances to ensure continuous peace and harmony in the newly-founded nation. Aggressive policies were then undertaken to rectify the current condition which saw the Malays benefiting the most from this new Malay administration. With the gain in lucrative wealth and income and comfortable employment assisted by the ruling government, the Malays were noticeably adopting changes in their lifestyles (Talib, 1998). The Chinese, on the other hand, received little or no assistance whatsoever from the government, and were therefore, more prudent and thrifty in their spending.

The rapid economic growth in the country in the recent years has helped to improve the economic well-beings of both races substantially (Ninth Malaysia Plan). The current research's interest is in finding out how the economic well-beings affect their respective consumption pattern. At the same time, this study will also focus on whether there are any differences in their spending in view of their differences in religion and culture.

2.9 Summary

This chapter provides the background information on the birth of Malaysia as a result of its independence from the British colonial rule to the stages of its social engineering to re-structure the society especially from the economic perspective. It also highlights the economic development of the country that resulted in the differences in incomes and wealth, given the diverse religions and cultures between the Malays and the Chinese. The fact that these two ethnic groups have been living together in the same country for more than a decade and how this co-existence affects their consumption behaviour has given rise to the present study in consumption behaviour.

Malaysia celebrated its fifty-three years of independence from the British on 31 August 2009. The living standard of the country has grown tremendously from what it was fifty years ago, with easier access to the following basic needs: education – both local and overseas, health care and services, sanitation, water and electricity supply to almost all its people. The income of the work force has also risen many folds over these five decades that saw the parallel prolific increase in the number goods and services offered ranging from local and foreign branded sports-wear, designer clothing, fine dining and many others.

Most notable of all, with the help of the Malay-dominant government, there is this continuous rapid rise of the majority of the ethnic Malays to middle-class status amidst the growing sentiment of Islamisation and globalisation. The Chinese, meanwhile, continue to enjoy the freedom of co-existence with the other races. Although the Chinese are unhappy with the over-bearing assistance given to the Malays at their expense, they continue to remain largely in the private sectors (Ng, 1988, Heng, 1997).

In the next chapter, this study will focus on the available literature and researches on consumer behaviour, notably on races and religions that have been conducted to provide helpful bearings to this study.

Chapter 3

Literature Review

3.1 Introduction

The purpose of this thesis is to explore the consumption behaviours of the Malay and the Chinese consumers in Malaysia with respect to their cultural and religious differences and diversity. Furthermore, given the disparity in the means by which they acquire their wealth, this study also intended to determine how the lifestyles and values of these two ethnic groups - their preferred choice of products - can have any bearing in their consumption patterns.

Consumer behaviour varies from individual to individual as well as from group to group of people. Although it has been known that income level is an important variable in determining the consumers' behaviours, other factors such as cultures, religions and geographical locations have strong impact on spending patterns (Wu, 1997). Thus, this chapter will provide a review of the literature on consumer and marketing researches that have been carried out in relation to the current study. Although there have been many studies conducted on the consumption habits pertaining to the values and life styles of different consumers around the world, studies conducted on the Malaysian consumers, particularly a comparative study between the ethnic Malays and the ethnic Chinese, have been limited and largely unexplored, especially within the scope of race, religion and income. There are some studies similar to the current research on Asian consumers with respect to the Chinese consumers on their activities, interests and opinions (AIOs) (Jung and et al, 1999; Wu, 1997; Tai and Tam, 1996; Kau and Yang 1991; Kau, 1990; Kau and Ling, 1990). Nonetheless, most of these have been focussed

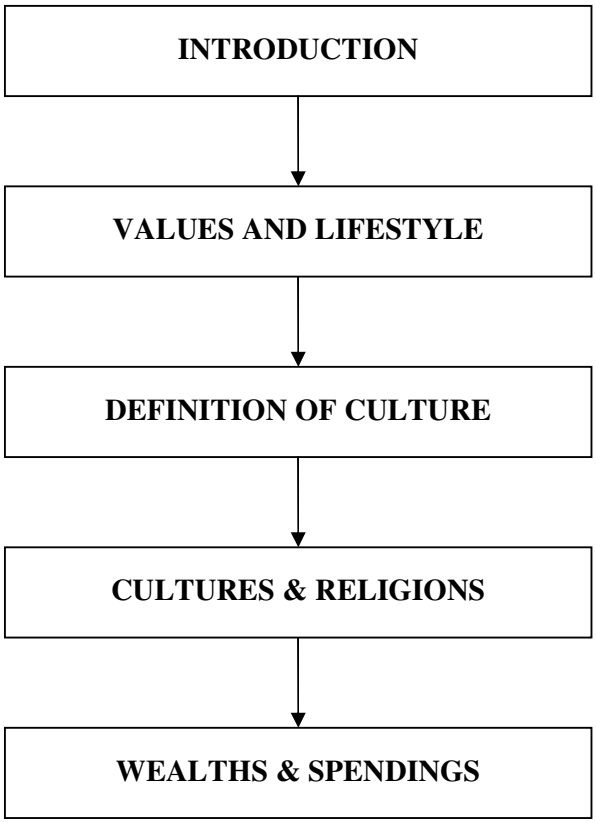
on more homogeneous Chinese society such as in China, Taiwan, Hong Kong and Singapore.

This chapter consists of five sections as indicated in Figure 3.1. It begins with the introduction and followed by discussion on the concept of values and lifestyles and its relationship in marketing and consumer behaviour.

The third section will draw various definitions of culture, cross-culture, acculturation and socialisation from several researches conducted previously to introduce the terms so as to explicate their values and concepts in cultural studies in relation to consumer behaviour. From here, the section will draw us into Geert Hofstede's frameworks on cultural research that will help us to examine the differences in the traits of the Malay and Chinese consumers in Malaysia. The fourth section will cover available researches that have been conducted previously with respect to consumer behaviour in relation to cultures and religions (Tan and McCullough, 1985; Pan and Vanhonacker, 1993; Chan and Rossiter, 1998), the impact of cross-cultural experience and acculturation experience of consumers (Hirschman, 1981; Shao, Bao and Gray, 2004; Davies and Fitchett, 2004), etc. This will be compared against the Malaysian consumers, particularly the Malays and the Chinese. It is hoped that from here, the lifestyles and values can be better understood as a summary construct in which people spend time and money.

The fifth section will attempt to focus on the recent developments and researches on how income, the means in acquiring income and the availability of wealth can have impact on consumer spending.

Figure 3.1: The Outline of the Review of the Theoretical Framework



3.2 Values and Lifestyles

In today's market, many consumers are becoming more demanding as a result of growing affluence, wider exposures to media since the introduction of internet, the rise of consumerism, and cross-cultural influence due to global accessibility. Thus, traditional market segmentation according to age, gender, education, income and other demographic and geographical considerations have rendered this mode as insufficient. Hence, according to Plummer (1974, p.24), "refinements have been made over the years to adjust to the increasing complexity in the marketplace and the rise of mass marketing". One of these new developments is the lifestyle segmentation.

The study of lifestyles in marketing was first introduced by William Lazer in 1963 (Tai and Tam, 1996, 1997). Since then there have been growing recognition and interests in researches on the lifestyles of consumers in marketing, especially in relation to consumption. From Lazer in 1963 the methods of measuring life style patterns have been modified and refined. The life style statements propounded by Joseph T. Plummer (1974) determined how people spend money in terms of activities, interests and opinions (AIOs). In brief, this can be summarised as (i) activities: how consumers spent their time and money; (ii) interests: what they deemed as importance on their immediate surroundings; and (iii) opinions: their perception about themselves and the world they live in.

According to Wells (1975), lifestyle research using AIOs variables is a quantitative research. Since then, this approach has received supports from other researchers (Tai and Tam 1996). Among some of these are Wells and Tigert (1971) and Plummer (1974, 1977). This is because these variables are useful for products segmentation as they "provide a unique and important view of the market. It begins with the people – their lifestyles and motivations – and then determines how various marketing factors fit into their lives" (Plummer, 1974, p. 37). In the spread of globalisation, it also helps the international organisation to better understand the consumers regardless of culture (Plummer, 1974, 1977). Therefore, it is helpful in designing appropriate marketing strategies to target the selected market. However, unlike the factors in demographic, lifestyle variables are not static but change with time and even exhibit difference preference from one product to another (Wells, 1975). The importance of lifestyle segmentation cannot be denied and this has been shown in the increasing numbers of researches conducted in this field. Recent works of Hur, Kim and Park (2010) in lifestyle segmentation of kitchen appliance market in US among female consumers

using the AIOs discovered six additional segments - Wellbeing-oriented, Social-and dining-oriented, Family-oriented, Innovation-and action-oriented, Price-conscious, and Convenience-oriented - theseh were useful to identify the motivation in making the purchase. Pellegrini and Fabrinello (2009) also carried out a survey on lifestyles and consumption patterns but in this case on organic goods in Italy. New purchasing actors were identified. The study demonstrates that the acceptance of organic products is strongly associated with behaviours and attitude that orientate different lifestyles among types of consumers. Further more, Vyncke (2002) investigated the association of lifestyle in attitudes, interests and opinions, or AIOs, with respect to preferences for media. In this study it was shown that lifestyles have strong influence on consumption patterns and the processing of marketing communication. In another development, the study of lifestyle and values appear to be more complementary than redundant (Florence and Jolibert, 1990). Thus, lifestyle concept has become the core of a special kind of market segmentation research (Vyncke, 2002).

Despite the growing interests and the importance in lifestyle research, these researches remain focussed in the West and Europe. There have been some studies conducted in the recent years among the Asian cultures, but these are centred mostly among the homogeneous groups like the Chinese, Koreans and the Japanese. Similar studies within a mixed-culture in Malaysia between the Malays and the Chinese, however, still remain largely under-explored.

Malaysians have experienced rapid growth in affluence as shown in Chapter 2 previously. This results in the rapid developments in infra-structure that draw in many foreign workers. Moreover, the growth in media and information technology also provide them with easier access to information and news abroad. These would have an

impact on the lifestyles of the consumers as reflected in the increasing numbers of fast-food outlets such as McDonalds, Burger King and Kentucky Fried Chicken, fine dining restaurants as well as rapid increase in the number of golf-courses, exclusive clubs and branded departmental outlets such as Nike, Adidas and many others (Talib, 1998). In another development, previous research conducted by Tan and Farley (1987, cited in Tai and Tam, 1996) showed that Singaporeans generally perceived foreign-made products to be better and they showed strong western beliefs and lifestyles. This was because of growing affluence and exposures to foreign interactions. However, although Singapore is very close to Malaysia, its vast majority of about 80% Chinese with only about 14% Malays distinguishes itself from Malaysia, in which the Malays form more than 65% of the total population and the Chinese comprise about 25%. In addition, the Malaysian Malays receive extensive hand-outs in the implementation of NEP. The Hofstede's cultural dimension discussed in the next section also indicated that there are differences in the behaviours of the Malays and the Chinese in Malaysia and Singapore.

3.3 Culture

Culture is a potent force in any social group whether it is an ethnic group, religious group or special interest group. Researches generally agree that culture has a profound impact on individual values and life style, and it cannot be underestimated as it actually affects their thoughts, motives and value systems (Kim, Forsythe, Gu and Moon, 2002). A particular value in one culture market can be very different from another country's culture mainly because of the differences in the cultural belief and practices. Consequently, the consumer values affect the consumption patterns and product attitudes of people in a given culture which differ from one culture to another (Yau, 1994). Geertz (1973) emphasised that no human nature can live independently of culture. Without culture people would have difficulty living together because culture

defines human community (Mooij, 2003) and it is the "social heritage and the distinctive life style of a society" (Tan and McCullough, 1985, p. 122). Thus, culture has a deep impact in moulding and shaping the outward behaviour of every member within a group that is unique only to themselves. From the marketing perspectives, since culture explicates the value systems of the consumers that subsequently governs the interpretation of environment around the consumers, it plays an immense role in affecting the consumers' affective and cognitive choices of consumption and spending (Briley and Williams, 1998).

There has been increasing recognition of the power of ethnic groups in determining the behaviour of consumers among marketers (Holland and Gentry, 1999). However, despite this, there is still very little research being carried out on how consumer values in different ethnic cultures influence consumer behaviour, especially among the Asians. Most of these studies have been confined to the Blacks in North America, the immigrants in South America and certain European countries and the Hispanics populations (Briley and Aaker, 2006; Penaloza, 1994; McCracken, 1986) with very limited studies on other ethnic groups, particularly among the Asians (Tan and McCullough, 1985; Ward, Pearson and Entrekin, 2002). However, lately, there have been some researches on the oriental ethnic cultures such as the Japanese, the Koreans and the Chinese in Singapore, Hong Kong, Taiwan and Mainland China. For example, there was an earlier study conducted by Tan and McCullough (1985) on the culture orientations of Chinese in Singapore with respect to their consumption values across products. The study concluded that those with high culture orientations tended to emphasise more on price and quality while those with low culture orientation were more inclined towards image and prestige. This discovery thus affirmed Hofstede's Long Term Orientation discussed in Chapter 5. In addition Tai and Tam (1996) conducted a

study by means of AIOs variables to compare the lifestyles of Hong Kong and Singapore respondents. The result of the study indicated similarity in positive attitudes towards advertising and preferences towards quality of products over pricing. These two societies were chosen because of their ethnic Chinese background but it was revealed that the the former are more traditional and conservative and adhered strictly to cultural values like "face saving" and "fate"; while the Singaporeans are more concerned with education and environment. Tai and Tam had also conducted another lifestyle study in 1997 focussing on female consumers in China, Hong Kong and Taiwan. Inspite of the strong influence by Confusianism, women in these three regions, nevertheless, differ in many areas as a result of exposure to Western culture in different degrees.

Kau and et al (2000) had conducted a largely Chinese based Singapore using large scale values and lifestyles survey of consumers. The study had developed a scale of materialistic inclination where the respondents were divided into two distinct groups, namely high and low level of materialistic inclination. The result revealed that the level of materialistic inclination differed significantly between respondents of different gender as well as those with different religious affiliation. However, it was noted that people with different level of education, gross personal income, ethnic group or marital status did not differ significantly in their level of materialistic inclination.

None of the above studies have borne any similarities in the current research that portrayed a mixed-culture like Malaysia to compare the consumption behaviour between the Malays and the Chinese still remain largely under-explored.

However, a comparative study of two ethnic cultures, such as the current study on the Malays and Chinese in Malaysia, and their impact on consumption behaviour, has been unprecedented.

The study of consumer cultures and the impact on consumers' behaviour has far reaching implications for designing marketing strategies for any organisation with intent of cross-cultural or cross-border investment. Ethnic cultural study has also aroused the interest of many consumer researchers, for example, as cited in Kacen and Lee (2002, p. 163 -164), Maheswaran and Sharon (2000) emphasised that

> "A recent special issue of the *Journal of Consumer Psychology* dealt with cultural issues demonstrating the growing interest in cultural differences in consumer behaviour and highlighted the importance of understanding the cultural context of consumer behaviour in an increasing globalised market place".

Again, Kacen and Lee (p.163 – 164), in the same article, went on to emphasise that

> "we believe that cultural factors significantly influence consumers' impulsive buying behaviours. Specifically, the theory of individualism and collectivism holds important insights about consumers' behaviour that will help us to gain a better, more complete understanding of the compulsive buying phenomenon."

3.3.1 Definition of Culture

In 1952, Kroeber and Kluckhohn devoted an article to a review of as many as 164 definitions of culture (cited in Usunier and Lee, 2005). Despite this, there have been varied definitions on culture by different researchers and scholars. The plethora of definitions of culture brings to our attention that culture is indeed multi-faceted linking every area of our lives. Table 3.1 below, adapted from Lieh-Ching Chang (2005) provides a summary of definitions on culture.

From Table 3.1, it can be noticed that culture is not static but rather, it is very dynamic. It changes and transforms over time. Indeed, culture is a corporal value system that encompasses the members' personalities, expressions, thinking patterns as well as the manners in problem-solving. As the environments in which the members of the culture group interact continue to re-construct themselves in order to adapt to the rapid changes of various factors, culture changes accordingly.

From the above varied definitions, culture can actually be summed up as "the system of shared beliefs, values, customs, practices, behaviours, symbols and artefacts that the members of a group commonly use to interact and associate with one another within their environments and this system and values are transmitted from generation to generation through learning and instructions."

Geert Hofstede (2001) defines culture as "the collective programming of the mind that distinguishes the members of one category of people from those of another." Other social scientists have also interjected that culture also manifests itself in other forms such as language and the styles of communication. This is particularly true in that people in one geographical region express themselves differently from another group in another region. For example, the ethnic Malays in Southern Peninsular Malaya converse in a different accent from those in the Northern part; whereas the Chinese in the cities speak differently from those living in the villages.

Table 3.1: Definition of Culture

Scholar	Argument
Taylor (1987)	Culture is a complex universe, including knowledge, beliefs, arts, morals, laws, customs, and any capabilities and habits a member of society can obtain.
Hofstede (1980)	• Culture is the whole thing demonstrated by people's soul in a certain society; • Culture is a collective plan to distinguish group members and people from other places. The group may be country, profession, or business forms.
Adler (1983)	As a collection of thoughts, culture is used to distinguish different group of people. When one's living style is different from others, he will be perceived as coming from another culture.
Pai Tsung-Chieh (1981)	Culture is the common behaviour and the results of the behaviours in a certain society. Those behaviours and results will mutually transmit and save. Behaviours include the actions of the body and psychological attitudes, beliefs, values, knowledge, and social organisations and languages. The methods to transfer culture include imitation and formal education.
Chang Pao-Hua (1987)	From the perspective of sociology, culture is social heritage, including all knowledge, life skills, languages, social systems, morals, beliefs, customs, values, etc.
Chen Chi-Lu (1994)	Culture is a set of fixed life patterns derived by a group when adapting to an environment.

Source: Adapted from Chang (2005)

3.3.2 Framework for Cultural Dimensions

The importance of understanding culture in consumer behaviour cannot be denied especially in the international business environments, where consumer behaviour and values are recognised as a powerful force in shaping consumers' motivation, life-styles, and product choices (Lowe and Corkindale, 1998; McCracken, 1986; Kwon and Kau,

2004). Anthropologists and researchers are continuously trying to simplify, organise and generalise their own views of culture from the construct of their own environments (Grunert and Scherhorn, 1990). Therefore, in the study of culture, inevitably, one will be confronted with myriads of cultural values. Among them are Kluckhohn and Strodtbeck, Pearsons and Shils, Inkeles and Levinson. Hence, it is necessary to localise these values to limited cultural dimensions in order to facilitate comparison across the cultures of different ethnic groups, nationality and geographical boundaries.

It is with this concern that many other researchers have raised the issue on the need to have commonly-accepted definitions. The conceptual and methodological issues in the study of culture must be resolved in order to have a comprehensive framework. Auklah and Kotabe (1993), and Samiee and Jeong (1994) are some of the social scientists who agreed with this issue.

Among the social scientists and anthropologists, it cannot be denied that the work of Hofstede is probably the most popular in cultural research. It is easily understood and the framework of the outcomes of his research reduces the complexities of culture into five dimensions, which can easily be applied to our daily lives. As such, the current study will focus on Hofstede's model of five dimensions of cultural values. This model is the most accepted by many marketers and researchers in cultural studies. The model was the result of extensive quantitative survey over a period of thirty years with the IBM employees of all categories throughout the world. The survey was attempted to find an explanation with respect to the fact that certain concepts of motivation did not yield similar outcomes in some countries. 116,000 questionnaires, translated into 20 languages, were used in 72 countries. There were 150 questions in each questionnaire, of which 60 dealt with the respondents' values and belief in relation to motivation,

hierarchy, leadership, *etc*. The results were comparable with about 50 countries after being validated by a systematic comparison with the results of 140 other sources.

Base on the above survey, the first four dimensions were identified: power distance (PDI), individualism/collectivism (IDV), masculinity/femininity (MAS), and uncertainty avoidance (UAI). The fifth dimensions – long-term orientation (LTO) – was discovered later in cooperation with Michael Bond in a Chinese Value Survey. In that survey, a group of researchers named "Chinese Culture Connection" (CCC) presented a sampled domain of values formulated by Chinese scholars, called "Confucian Work Dynamism" by Bond, to a group of students from 23 countries (Mooij, 2003).

In fact, Hofstede's works have been widely cited and he is the most popular author of cross-cultural researches (Sivakumar and Nakata, 2001). Thus, given the relevance of his works in consumer behaviour, the next section shall endeavour to discuss in detail the five dimensions of culture to shed some lights on the similarities and differences among the Malays and the Chinese. These initial four dimensions of Hofstede's works are summarised in Table 3.2.

Table 3.2: Hofstede's Dimensions of Cultural Values

Dimensions	Description
Power Distance (PDI)	The extent to which members of a group who are less powerful is willing to accept that power is unequally distributed
Individualism (IDV)	Those individuals who only take care of their interest and that of their immediate family as compared to those who are collectivist who belongs to a group that care for them in exchange for loyalty
Masculinity (MAS)	Those who are dominant in values and are achievement and success oriented. The opposite is femininity and are those who exhibit caring for others and concern for the quality of life
Uncertainty Avoidance (UAI)	It deals with a society's tolerance for uncertainty and ambiguity. Uncertainty avoiding cultures try to minimise the possibility of unknown and unusual situations by strict laws and rules.

In the section below, detailed explanations of the dimensions are elaborated:

3.3.2.1 Power Distance Index (PDI)

This index identifies the "extent to which the less powerful members of organisations, institutions (like the family) and social group accept and expect that power is distributed unequally" (Hofstede and Hofstede, 2005). It suggests that the level of inequality is endorsed by the followers as much as by the leaders. It also influences the way the leaders dispense power and execute authority as well as the manner in which the followers accept power.

In large power distance cultures, or the cultures that ranks high in the index, everybody accepts his/her place in the social hierarchy and accepts the fact that those with power have the right to dispense authority and that it is natural to do so (Triandis, 1989). Japan is a typical Asian country with high Power Distance Index where submission to

authority, such as the absolute submission to the Emperor is a good example. Similarly, the Malaysian society exhibits high power distance (Hofstede, 2001).

In high power distance, the relationship among the members is one of dependency and support, such as the relationship between parents and children, teachers and students and employers and employees. The state of dependency naturally affirms the superior-inferior concept of authority.

On the other hand, for cultures with low Power Distance Index, like in the United States of America, authority does not come naturally and is often challenged. The people there stress on equal opportunity and rights. They are independent and do not need each other as much as those in the high power distance.

In summary, power distance indicates the society's readiness to accept hierarchy and it has implications on consumer behaviour. Mooij (1998, p. 129) mentioned that elders in high power distance cultures play important roles in buying and consumption decision-making than those in lower power distance cultures.

3.3.2.2 Individualism (IDV)

Individualism is a direct opposite to collectivism. Individualism means the degree to which individuals are integrated into groups. The individualist usually maintains the philosophy of "minding his/her own business" and he/she looks after his/her own welfare as well as those of his/her family or others that belong to the same group in exchange for their loyalty. Thus, the individualists maintain very loose bonds and the interests of individuals precede that of the group or the organisations they belong to

(Kluckhohn and Strobeck, 1961; Triandis, 1989). The people here are mostly "I"-conscious and self-centred.

On the collectivist side, it refers to societies in which the people are integrated into strong and cohesive in-groups since the day they were born. These people are highly inter-dependent and the norm or social system evolves out of group identity. In such society, people from birth onwards are integrated into strong, cohesive in-groups, often with extended families (with uncles, aunts and grandparents) who continue protecting them in exchange for their unquestioning loyalty. The people here promote harmony and avoid "loss of face" since their identities are borne out of the social system they are in. They promote interdependence with each other and aim for the welfare of the group as against independence in the individualistic culture (Triandis, 1993). Further more, the collectivist culture is "we"-conscious and group opinion is more important than individual decision.

Hofstede's study shows that most Western societies are individualistic while the Eastern and the Latin cultures are inclined towards collectivistic culture.

3.3.2.3 Masculinity (MAS)

According to Hofstede (2001) in the IBM studies, this dimension of culture can be explained in the way that higher masculinity refers to the values men and women in the same jobs differ more than those in lower masculinity.

The dominant values in a masculine society are achievement, competitiveness and success-oriented. This is reflected in status consciousness as a symbol of achievement (Randall, 1993). Big and fast are considered good, while striving to be "winner" is of

paramount importance. The children learn to be strong. On the other hand, feminine cultures reflect an attitude of caring for others and quality life (Randall, 1993). The children are more likely to be people who are caring and service-oriented.

A society with low masculine index – feminine culture – exhibits sympathy towards the needy and the underdog. In this culture, there is no fuss over the inter-changing of roles between typical male jobs and female jobs, and no job will be seen as "sissy". Japan is a typical masculine society with strong role differentiation between the sexes.

Women in feminine cultures have the same modest, caring values as the men; in masculine cultures, the women are somewhat assertive and competitive, though not as much as the men. As such, these cultures show a gap between men's values and women's values.

In conclusion, people in masculine cultures are more concerned with brand names and expensive products; whereas those in feminine cultures tend to shun expensive consumption and status symbols (Mooij, 1998).

3.3.2.4 Uncertainty Avoidance Index (UAI)

Life can be uncertain and unpredictable. There are some people who shun unpredictability and uncertainty, while there are others who do not mind such ambiguity and uncertainty. Uncertainty avoidance refers to "the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations." (Hofstede, 2001, p. 161). It indicates the extent to which a culture programmes its members to feel either comfortable or uncomfortable in unstructured situations.

A society with high uncertainty avoiding culture tries to minimise the possibility of such situations by imposing strict laws and rules, safety and security measures and seek advice from experts, and at the philosophical and religious level, it believes in the absolute Truth. People in a high uncertainty avoiding society accept outward expressions of emotion and they view conflicts and competitions as threatening. There is more formal communication. These people are also more tolerant of unfairness in the work place (Murphy, 1999).

A society with low uncertainty avoidance index is also a society which is more uncertainty accepting. People here are more result-oriented over process-oriented. They are more tolerant of opinions that are different from what they are used to. They try to have as few rules as possible, and at the philosophical and religious level, they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and are not expected by their environment to express emotions.

In relation to consumer behaviour, Mooij (1998) found that cultures with high uncertainty avoidance index will avoid investing in risky portfolio such as stocks; and they prefer to invest in precious metals and gems. Thus, there is a direct inference to link these people to those who tend to search for safety.

3.3.2.5 Long-Term Orientation (LTO)

This fifth dimension was found in a study in cooperation with Michael Bond (Hofstede and Bond, 2001) who called it “Confucian Work Dynamism”. The research was carried out among students in 23 countries around the world, using a questionnaire - the Chinese Value Survey - designed by Chinese scholars. This resulted in the dimension

now referred to as “Long Term Orientation” as opposed to “Short Term Orientation” in life.

Values associated with Long Term Orientation are related to respect for tradition, fulfilling social obligations, persistence and perseverance, thriftiness and a strong sense of shame. On the other hand, people with low index in Long Term Orientation, commonly referred to as Short Term Orientation, tend to be more willing to spend in order to keep up with the trend and social pressures of having to save “face”. They also have less saving and are more impatient as they demand quick results.

In her studies in 1998, Mooij believes that the combination of collectivism and long-term orientation result in closely-knitted family ties where family decisions surpass that of the individual. Base on Mooij’s research in Europe, it is also discovered that those in long-term orientation culture use less credit card than those in short-term orientation culture (Mooij, 1998, p. 139). Thus, people in long-term orientation culture are less likely to be compulsive buyers.

The key differences between short-term and long-term orientation societies are shown in Table 3.3.

Table 3.3: Key Differences between Short- and Long-term Orientation Societies

SHORT-TERM ORIENTATION	*LONG-TERM ORIENTATION*
• Efforts should produce quick results	• Perseverance, sustained efforts toward slow results
• Social pressure toward spending	• Thrift, being sparing with resources
• Respect for traditions	• Respect for circumstances
• Concern with personal stability	• Concern with personal adaptiveness
• Concern with social status and obligations	• Willingness to subordinate oneself for a purpose
• Concern with "face"	• Having sense of shame

Source: Hofstede, 2005.

3.3.3 Hofstede's Dimensions of the Malays and Chinese in Malaysia

3.3.3.1 The Malays in Malaysia

Before we examine Hofstede's (2006) dimensions of the Malays in Malaysia it will be useful to have a glimpse of the general background, such as religion, culture and practices of the Malays in Malaysia. This will assist in studying whether the Malays here fit in particularly with the findings of Hofstede's research.

In Malaysia, the Malays are mostly Muslims. This is equivalent to about 65 per cent of the total Malaysian population of 24 million people. Most of these Muslims belong to the *Sunni* sect in practice. This is one of the sects of Islam whereby the believers are much more mild-mannered, tolerant, friendly, submissive to authority, peace-loving and place the well-being of the group as more important than personal desires. By definition under Section 160 (2) of the Federal Constitution of Malaysia, it is explicitly spelled out that a Malay is "a person who professes the religion of Islam, habitually speaks the Malay language, conforms to Malay customs…" By practice it means that the culture and customary practices such as wedding, festivals and funerals of this ethnic group are

very much blended with the teaching of the religion. This is because the tenets of the Islamic faith require its followers' behaviour to be "a complete submission to the will of Allah (God)" (Kling, 1995, p.44). Thus it follows that there is a very strong likelihood that even in the situation of deciding to purchase certain goods and services, the guiding principles of the religion play a very significant role.

Islam is the unifying factor of the family (Kling, 1995). Consequently, in a macro-scale it is also the unifying element that binds the entire Malay race in Malaysia. The Malays are also a cohesive group in the Malaysian society where the younger ones are expected to follow and abide by the leadership of the elderly people according to the unwritten *adat isti'adat,* or custom and norms, with respect to individual behaviour. Relationships among the Malays are largely hierarchical and collective. But in the modern lives of the Malays, especially among the young adults, with increasing affluence, they are now exposed to influences of other cultures that portray different patterns of lifestyles and behaviour, particularly the Western cultures. The exposure is through various media such as television, film, internet and a large assortment of foreign print materials like the magazines and books.

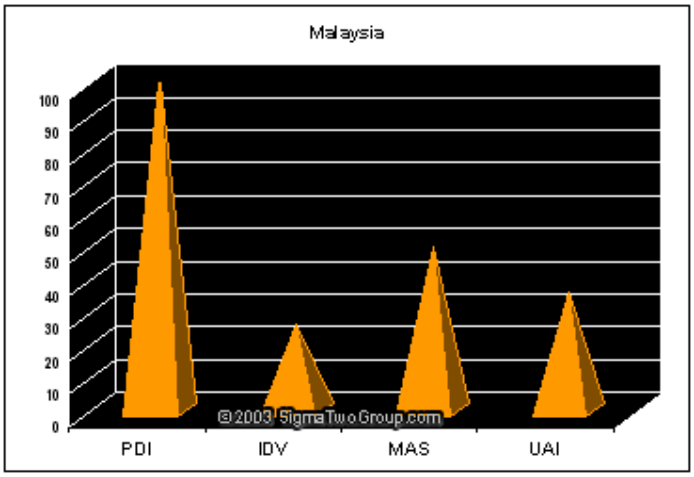
Essentially, the masses of the Malays in Malaysia are not confrontational and they are usually easy-going and a bit laid-back with their lives. They prefer to leave major issues of the community to the leaders and seldom question their positions. Until today, there are still many who would rather seek the quiet and peaceful life in the villages, oblivious to the happenings outside their group.

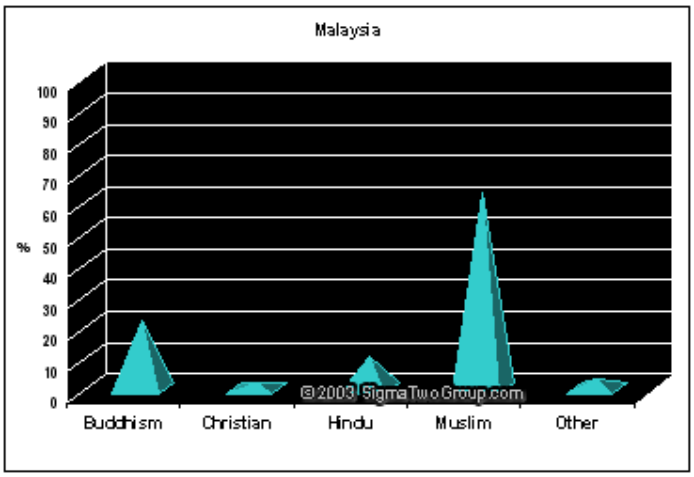
Consequently, in Hofstede's cultural dimensions for Malaysia shown in Figure 3.2, the findings are consistent with the culture and customs of the Malays in Malaysia. With

this majority of the Malay population, the results are also consistent with the research findings of Lim and Itakura (2003). In Hofstede's analysis shown in Figure 3.2, this predominantly Muslim community has a very high regard for authority and are willing to subject themselves to those in power, as reflected in the very high PDI. This explains the Malays' dominant culture of respect for the elders and parents. Furthermore, the Malay community is generally communal in basis rather than individualistic. The spirit of belonging takes precedent over private well-beings. Thus, decisions-making is often based on group interest over individual ideas. It is also interesting to note that both the Malays and the Chinese exhibit consistently high in the masculinity index as reflected among the oriental nations.

The marked distinction between the Malays and the Chinese lies in the UAI. This can be explained by the fact that the Malays are usually resigned to entrust their lives to fate or treat their lives as being ordained by Allah, over which they, as mortal-beings have no control at all.

Figure 3.2: Hofstede's Cultural Dimensions for Malaysia





Source: (Hofstede, 2003)

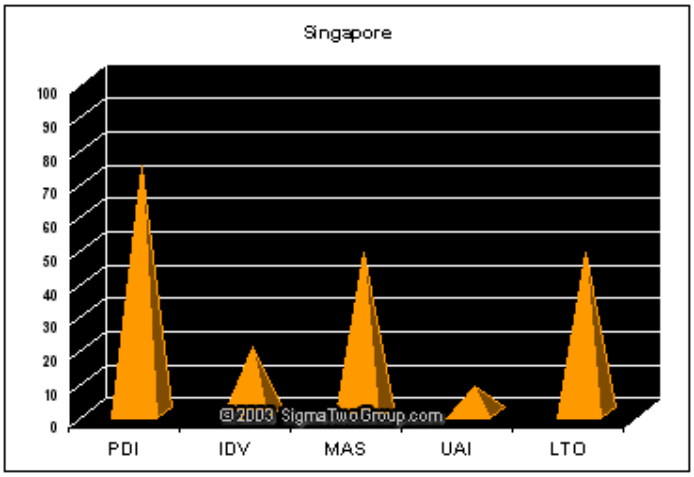
3.3.3.2 The Chinese in Malaysia

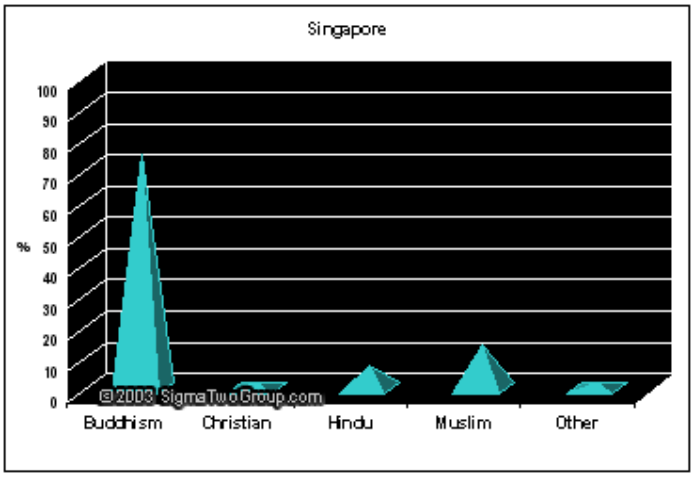
The Chinese in Singapore and the Chinese in Malaysia are very closely-related, with many Malaysian Chinese having close relatives and friends in Singapore. Moreover, Singapore has close proximity to Malaysia – at the southern tip of Peninsular Malaysia - and is separated only by a one-and-a-half kilometre wide Straits of Johore. This island State is also linked to Malaysia by a causeway by which many people from both sides commute daily for work and leisure. As shown in Figure 3.3, this section will use the cultural dimensions of the Chinese in Singapore from Hofstede's study as a mirror-image to deduce the cultural traits and practices of the Chinese in Malaysia, since these

cultural traits and practices bear many resemblances with those of the Singaporeans. Apart from the similarities in racial and religious compositions, the languages used are predominantly English, Mandarin and other Chinese dialects. The economic background and the wealth of the Chinese in these two regions are also quite similar in the sense that both have to strive very hard to carve a comfortable living presently for themselves and their descendants and, at the same time, to save for the future.

Although the Chinese cultural values have evolved and undergone rapid changes due to various factors such as economic advancement, social changes and acculturation, the values and system of most overseas Chinese have not changed. The overseas Chinese remain conformed to the doctrine of orthodox Confucianism with a tint of Taoism (Yau, 1998). It follows that the Chinese still highly regard values such as face-saving. This is where the pervasive influence of interpersonal relations like "*Guan Xi*", particularly in business environment, demands that one behaves honourably to safeguard the good name of his/her family and clan. Since young, the Chinese are taught to respect authority without question. They also hold a strong belief in "Yuarn" or fate, where it is believed that every event is pre-planned and beyond their control. Generally, like the Malays, the Chinese are cohesive, or clannish, and also collective. They too very often allow the leaders, or elders to make many major decisions for them.

Figure 3.3: Hofstede's Cultural Dimensions for Singapore





Source: (Hofstede, 2003)

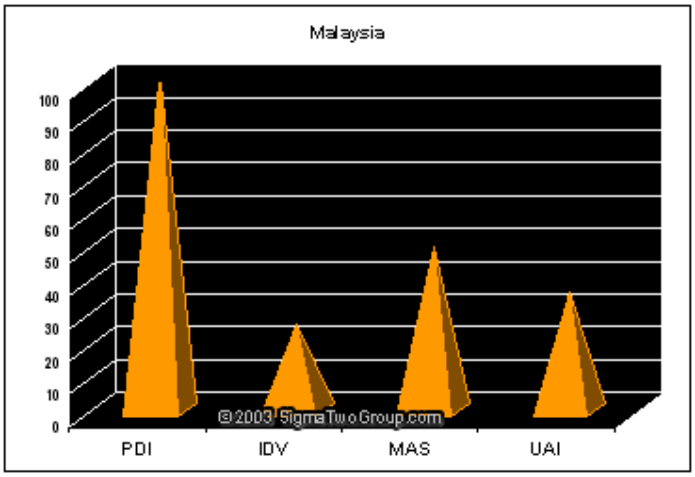
Yau (1998) cited Yang's research in 1979 which found that there were changes in value systems of college students in China. Yau, however, also maintains that some of the traditional Chinese values are still held by these students. This observation is also true of the Malaysian Chinese youths (Ong, 1993).

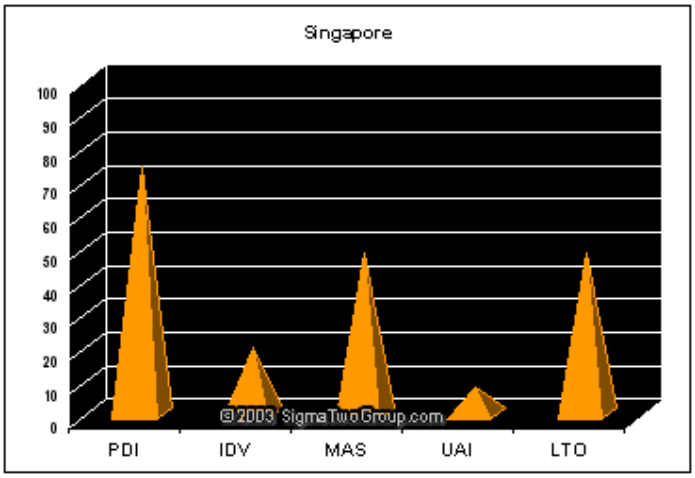
3.3.4 Differences of the Cultural Dimensions of the Malays and the Chinese

Putting Hofstede's cultural dimensions of the Malays and the Chinese side-by-side as shown in Figure 3.4 above, it is noted that the first three dimensions - PDI, IDV, MAS - are very much similar for both races. This could be due to the general eastern

orientation that exemplifies living in harmony with others, obeying rules, giving respect, subjecting to authority and seeking order and stability in society (Gong, 2003). Generally, the Asians are also more inclined towards cohesive lifestyle, where collectivism supercedes individualism, and group welfare is more important than individual's interest. In the case of masculinity, both the Malays and Chinese display a very strong male-dominated society. However, the Chinese score rather low in UAI as compared to the Malays. Thus, this could explain the highly-motivated and competitive spirit of the Chinese. This evolves mainly as a result of the direct social, economic and political environments they are in. They have come to terms with their legal position in the country and accepted the uncertainty of their future. Nevertheless, they also believe that they can bend this fate by working hard. The Chinese in Malaysia have also accepted the fact that they have no one to turn to for their economic future. As such, they have to be practical in their approach of gathering and saving as much wealth as possible for themselves so as to ensure a stable and bright future both for themselves and their children.

Figure 3.4: Comparison of the Cultural Dimensions of the Malays and the Chinese





Thus, base on the above observation, the following general propositions can be constructed:

Proposition 1:

The Malays score slightly higher in PDI than the Chinese, and this indicates that the society is more structured than the Chinese and everyone, even within the family unit, has a clear assumption of his/her respective role. From the angle of consumer behaviour, the Malays tend to refer and submit to the decision of the elders of the family more than the Chinese.

Proposition 2:

Both the Malays and the Chinese score almost the same and quite low in individualism/collectivism, meaning the ethnic groups are highly coherent and collective. The consumers in these two ethnic groups are more willing to follow the group that they belong to in making purchasing decisions.

Proposition 3:

There seems to be no difference in the score for masculinity for both ethnic groups. The low score in this case may indicate that branded stuff do not matter much to them.

Proposition 4:

There is a clear distinction in UAI, with the Chinese scoring much lower than the Malays. Thus, the Chinese would be more ready to assume risk and, therefore, would be more willing to try new products.

Proposition 5:

There is no LTO score for the Malays. The LTO score for the Chinese is about the same with that of the global average of about 40, although it is much lower than the Asian average of 85. Because of the lower score in LTO, the Chinese might possess more impulsive consumer behaviour and have less concern about the environment.

3.3.5 Impact of Acculturation on Consumer Behaviour

The mass migration of people in the last decade or more has been a crucial social event where people travel freely either for leisure, education, for business or for work relocation and as well as for political reasons. The consequences of this migration can either lead to acculturation of groups or individual (Sam and Berry 2006) or emergence

of a new pluralistic society (Kymlicka, 1995). In each of the above cases, the individuals or group within the society need to work out how to live together (Berry et al., 2006) in order to maintain stability, peace and harmony to avoid conflicts. Consequently, this phenomenon would have a strong impact on societies being transformed to adjust to the arrival of new-comers. Inevitably, the consumption patterns of the people would also be affected (Ustuner and Holt, 2007).

The mobility of people moving from one culture to another in the last two decades has long been the interests of social science researchers researching on cultural adaptation and acculturation, as well as being the focal point in consumer research (Ustuner and Holt, 2007). Many researchers have devoted considerable efforts to the understanding of acculturation and the process of alterations in attitudes and adaptations to new environments. This has resulted in much literature on acculturation and consumer research. Among these are researchers like Sam and et al (2007), Berry and et al (2006), Oswald (1999), and Penaloza (1989, 1994).

The Social Science Research Council has defined "acculturation" as:

> "Cultural change that is initiated by the conjunction of two or more autonomous cultural systems…it may be the consequences of direct cultural transmission; it may be derived from non-culture causes, such as ecological or demographic modifications induced by an impinging culture; it may be delayed, as with internal adjustments following the acceptance of alien traits or patterns, or it may be a reactive adaptation of traditional modes of life. Its dynamics can be seen as the selective adaptation of value systems, the processes of integration and differentiation, the generation of developmental sequences, and the operation of role determinants and personality factors."
>
> (Social Science Research Council, 1954, cited in Penaloza, 1989, p. 111).

More recently, John W. Berry defined acculturation as "the process of cultural and psychological change that follows intercultural contact" (Berry et al, 2006, p. 305).

John W. Berry put forward four-fold typology acculturation attitudes in consumers and these are summarised below:

i. Assimilation – this is where migrants actively adopt the dominant culture and rid themselves of the minority culture;
ii. Separation – in this case the migrants reject the dominant culture and retain their minority culture;
iii. Integration – the migrants combine both the dominant and minority culture to form a hybrid culture;
iv. Marginalisation – this is where the migrants opt to distance themselves from the dominant culture and keep to themselves.

In another development, Liria Barbosa and Angelina Villarreal reported in Marketing News (15 February 2008) that there are three segments of acculturation – unacculturated, bicultural and acculturated of migrants. Unacculturated refers to those migrants whose values, attitudes and behaviour most closely resemble to those of their country of origin. Bicultural refers to individuals or groups who live in both worlds and adapt to both cultures according to their convenience. The acculturated are those who are almost totally immersed in the culture of the host country. The above research on the American Hispanics indicates that there is a need to have different marketing platforms for each of these segments of acculturation.

Therefore, the growth in cross-border trade and competition, due to the rapid rise in globalisation in businesses as well as the frequent travelling of people (Penaloza, 1989; Liu, 2000; Luna and Gupta, 2001; Davies and Fitchett, 2003, 2004), are indications to

marketing managers of the need to re-define their marketing approach, with special attention to a more dynamic consumer behaviour studies and be more cultural specific (Barbosa and Villarreal, 2008). This sentiment has been consistent with the concerns of many researchers like Belk, Bahn and Mayer (1982), McCracken (1986), Penaloza, (1989), Rosenthal, Doreen and Shirley (1990), Laroche, Kim, Hui and Joy (1993), Gong, (2003), Belk and Kozinets, (2005). Marketers have often relied on complicated general models and abundance of marketing principles and constructs which are more in general terms rather than meeting the specific needs of any particular culture or ethnic group. Even if they do exist, many of these models and principles do not attempt to offer an explanation as to how cultural factors can influence the way a consumer makes a decision. In other words, there is a lack of integrative study on how cultures can have impact on consumer behaviour (Luna and Gupta, 2001; Kau et al., 2004). Again, it is noteworthy to mention that cultural studies have also taken on many facets of changes. The era of globalisation has opened up whole new opportunities for modern-day consumers such as in the mobility of travelling either for work or for leisure, the ease of relocating and short-term staying for various purposes. These have brought about a new breed of consumers who are multi-cultural with unique behaviours. Certainly, it will also affect the behaviour of the consumers of the host country. Malaysia is not exempted from this effect since the country adopts a free trade policy and in the last three decades, the government has been vehemently promoting Malaysia as a tourist destination with much success.

A good understanding of acculturation of migrants in any social group is necessary in approaching cross-cultural consumption behaviour and understanding their importance and implications when formulating marketing strategy (Barbosa and Villarreal, 2008; Lindridge and Dibb, 2002; Kacen and Lee, 2002; Jamal, 2003; Kwon and Kau, 2004;

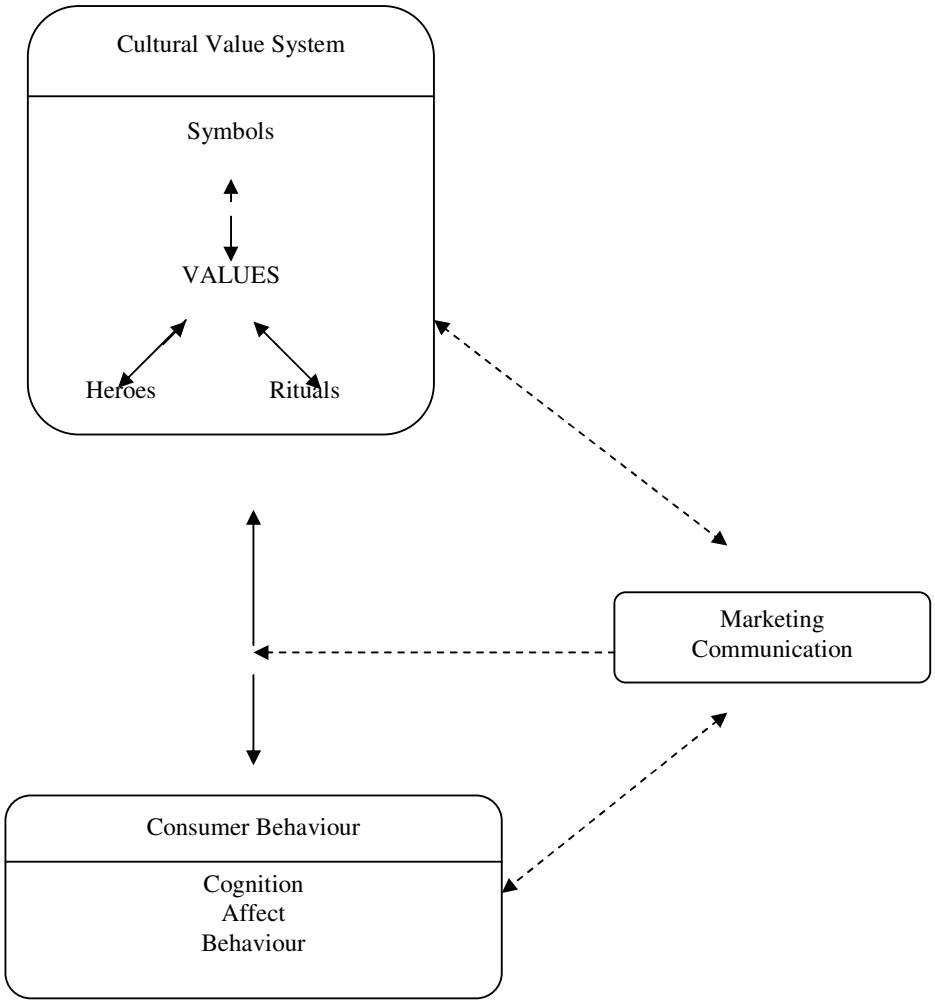
Belk, Devinney and Eckhardt, 2005). However, despite the rapid growth in this field of studies, the studies have been limited to Western countries like the America and European countries. Although there are increasing numbers of researches that focus on Asian consumers, these researches have largely been on homogenous societies such as in Japan, Korea, China, Taiwan and Singapore. Comparative study of ethnic culture on consumers like the Malays and Chinese within a mixed society in Malaysia is still largely under-explored.

The current study is also unique for the reasons stated below:

i. It is a comparative study of two major races, namely the Malays and the Chinese, who have co-existed in the same country for more than a hundred years, with their distinctive cultures and religions. Many of the current generations of these two races are born here.
ii. Both the Malays and the Chinese are allowed to continue to maintain their distinctive cultural and religious practices and identities;
iii. There are vast differences in the modes by which the Malays and the Chinese acquire their wealth. The Malays, particularly, enjoy much of the benefits under the government-driven New Economic Policy, as mentioned in the previous chapter. Although the wealth and incomes of the Malays are comparable to that of the Chinese, albeit their modes of acquisition differing very much from that of the Chinese, the implications on consumption have been interesting.

The preceding section looked at the impact of culture and acculturation on consumer behaviour. The following section will examine a model constructed by Luna and Gupta (2001) in order to have a closer understanding of the framework "of mutual influence of culture and consumer behaviour" as in Figure 3.5 below.

Figure 3.5: The Interaction of Culture and Consumer Behaviour



Source: Adapter from Luna and Gupta, 2001, p 47

A consumer's outward behaviour is controlled by his/her cultural value systems. As such, the outward behaviour of an individual, in part, is the manifestation of that invidual's cultural values, which are invisible. The value system of the group is thus common only to themselves with their own set of unique idiosyncrasies. As depicted in Figure 3.2, these dynamic cultural value systems are constantly being affected by the social and cultural groups in which the consumer is engaged. However, the social group to which the consumer belongs is not shielded or protected from other external environmental factors, such as the value systems of other social groups, evolution of

education, impact of science and technologies, *etc.* These factors will slowly but surely influence the culture and value systems over time. As a result, the outward behaviour of the consumer will be shifted and the paradigm of beliefs and practices may be changed without compromising on the core value. Consequently, this outward behaviour may further exert its pressure on the rudiments of the unique culture of the group. Based on this assumption, the cultural background of the consumer is mutant and is constantly evolving to adapt to external environments. Regularly and periodically, the marketing media attempts to moderate the behaviour of the group and its culture, using various forms of intermediaries to transfer meanings or values from in-group culture to the consumer goods (McCracken, 1986, Elliott and Wattanasuwan, 1998). By this approach, it aims to achieve positive action or response in the actual purchasing of the products.

3.4 Religion and Consumption

Religion imposes a significant impact on consumers' behaviour since it has considerable control on individual's values, habits and attitudes and consequently the lifestyles. It is closely linked to the culture of people and therefore their purchasing decisions. According to Delener (1990, 1994) religion is one of the most important factors in shaping the culture of a person or a group of people, which in turn would have an influence on consumers' decision-making. This development is further confirmed and supported by the study conducted by Andrew Lindridge (2005). Indeed psychologists have suggested that religion permeates not only the individual's psyche, but his or her social and cultural spheres of life (Spilka and et al, 2003, cited in Stodolska and Livengood, 2006).

In Malaysia, being a Malay is explicitly defined in the Federal Constitution as one who practises the Malay culture, upholds Malay language as his/her mother tongue and adopts Islam as his/her religion. In other words, when a Malay ceases to uphold one of the above tenets he/she ceases to be a Malay legally. On the other hand the majority of Chinese in Malaysia, like many of their counterparts in Singapore, Hong Kong, China and Taiwan, are still deeply rooted in the Confucian tradition irrespective of their religious backgrounds or sub-ethnic groupings like the Hakka, Hokkien or Cantonese. This means the majority of the Malays in Malaysia are Muslims while the Chinese are mostly Buddhists and Taoist with a small number of Christians and other faiths.

As such, the Malays and the Chinese would portray different consumption habits due to their religious differences as discussed earlier (Delener, 1990). This dichotomy between the races, most notably, makes Malaysia a good place for this research. In addition, its advantages of being a country with free-interaction of multi-ethnic, multi-religious and multi-cultural society due to its diverse citizenry promise to be a unique platform for research in consumer behaviour.

Many major religions in the world are against excessive consumption and prohibit greed, wastefulness as well as indulgent in hedonism (Belk, 1983, Ross, 1991). However, consumption has transcended spiritual values in many spheres of our lives especially in the age of growing affluence and increasing commodities. This can be seen in the wide availability of religious souvenirs. Religious souvenirs, home decorations, clothing, devotional objects and music have been pervasive lately (Ger, 2005). One tenable explanation could be that there is an attraction to consumption as an extension of self, notwithstanding the constraints imposed by religion (Tian and Belk, 2005). Wallendorf and Arnould (1988, p. 532) also discussed the phenomenon whereby

consumers are attached to certain particular favourite things "because objects serve as personal storehouses of meaning, losing all of one's material possessions is experienced as a tragedy and violation of self".

It is noteworthy to observe that in the modern society, the culture of consumption with its abundant commodities in the market place has immense attractions for the young consumers where the pursuit of material goods for personal gratification has replaced the pursuit of religious goals. This view is supported by Maia Beruchashvili and Eric J. Arnould (cited in Ger, 2005, p.80), where it is expressed that

> "the ease of acquiring things that symbolize abundance, convenience, and comforts of the good life is seductive. These two aspects raise the issue of what levels of attachment, what kinds, and what quantities of possessions would be sanctioned by religious consumers without perceived violation of the commitment to moderation and simplicity."

Although much works and researches have been done to address the issues posed by religions on consumer acquisitiveness and possessiveness, the results have not been conclusive, since religion, to a large extent, really depends on individual perceptions and commitment. In Malaysia, the Malays and the Chinese, with their respective faiths in their respective religions, may not reflect similar trend in consumption and buying decision as their counterparts in other places. The aggressive push towards islamisation by the UMNO government could have strong repercussions on the Malays to exercise constraints as well as to be careful in spending especially when it goes against the tenets of teaching in Islam. Similarly, the Chinese with its roots in Confucianism may prefer to maintain harmony in the family and society rather than compromise on the pervasiveness of buying and spending.

3.5 Wealth and Spending

From the discussions on culture and religion we will now look at the attributes of availability of wealth on consumption. The availability of wealth here refers to both present income and wealth which can be realised or something to be obtained in the near future. Thus, liquidity is generally referred to cash or non-cash but realisable monetary assets, both present and future, as mentioned earlier. Generally it refers to wealth.

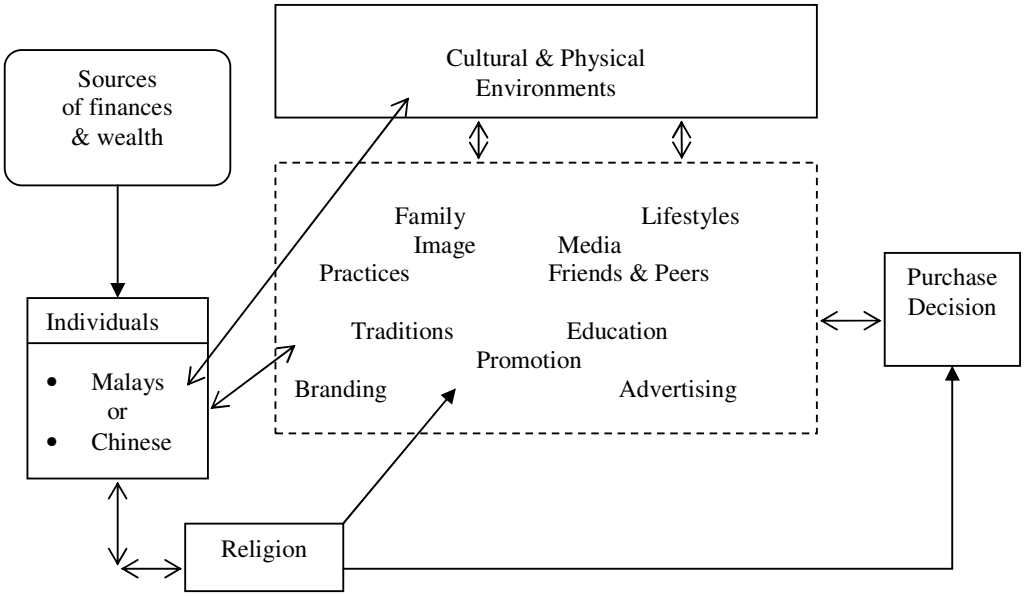
As mentioned earlier, both cultures and religions do play a role as beacons in the consumption patterns of the consumers. However, the other significant point that cannot be overlooked in this current comparative study is the influence of wealth and the availability of financial resources. Money has always been the obvious commodity that can shape and moderate the behaviour of the group. Many studies have been conducted on the impact of wealth on consumption patterns of individual. Most notably is the research carried out by Wu (1997) on wealth and spending patterns in China. In that research, Wu affirmed that, with the rapid economic growth in China, consumers' income increased consequently. The consumption pattern of the Chinese changed accordingly, with the percentage spent on food decreasing while the percentage spent on housing, health and recreation increasing.

Initial observations at the market-places and major retail outlets such as hypermarkets in Kuala Lumpur have shown that the ethnic Malays tend to be more lavish in their spending as compared to the ethnic Chinese. This is despite the teaching of the Islamic faith to be thrifty and prudence in order to save and provide for the needy. The shift from simple to opulent lifestyles, with conspicuous occupation of big modern mansions, possession of expensive motor vehicles and memberships in exclusive golf and country clubs, is a testament of the new found wealth of the modern Malays in Malaysia.

Another interesting observation is during the fasting month of Ramadan, where many Malays indulge themselves in posh and expensive restaurants. It is not difficult to deduce from this setting that, indeed, wealth plays a big role in shaping the behaviour of consumers. Besides the availability of wealth, religion also plays an integral part in defining in the lifestyles of both races. Base on these assumptions, a more comprehensive consumer behaviour model to specifically illustrate the Malaysian consumer environment is shown in Figure 3.6.

In Figure 3.6, the sources and the availability of finances or wealth are added. This includes whether wealth has been or yet to be realised. Wealth is an important consideration in a consumer's decision-making process since this element can have strong influence on the individual consumer's behaviour within a socio-cultural grouping. It transacts across all cultures. Wealth contributes directly to the consumer's perception of his/her cultural and physical environments, but this may have very little effect on the deep-rooted principles of religions. As such, when a group of individuals come together as a conglomerate of people, an integrated unique social group is formed. This new social group can further affect the behavioural system of the group. Over time, its religious rites, practices and its cultural norm can slowly be subjected to evolution.

Figure 3.6: Research Conceptual Framework: A Comprehensive Consumer Purchasing Decision Process



In the Malaysian context, particularly referring to the ethnic Malays, wealth means assistance provided for them by the ruling government. This is via the NEP that spanned across a twenty-year period from 1970 -1990, and which was subsequently succeeded by the New Development Policy. Assistance comes in the form of redistribution of wealth to prevent domination of the economy by a particular ethnic race. For the Chinese and the Indians, it means a "legally-enforced stripping" of their share of wealth to benefit the Malays towards achieving a minimum of 30 percent share in national equities for the Malays. These redistribution of wealth may be introduced in the form of high interest rates from the "Amanah Saham Bumiputera" (ASB), or the "Trust Fund for the Princes of the Soil", managed by Permodalan Nasional Berhad, the National Trust. Other forms include unconditional allotment of shares in initial public offerings (IPO) of public-listed companies, free education for the Malay children, preferences for the Malays in the offering of government contracts and the compulsory unconditional offer and acquisition of 30 per cent shares in companies owned by non-

Malays that desire to list on the Malaysian stock exchange bourse, Bursa Malaysia. In this regard, the current section will examine how the possession and the ease to acquire this liquid wealth will have on consumer decision-making and their spending behaviour. According to Talib (1998, p.53) "the effect of NEP combined with the relative new wealth had enabled the Malay to increase their consumption".

Money has always been the most common medium of modern transactions. In the modern context, the base unit of the measure of one's wealth in whatever forms, financial or non-financial, has always been converted into monetary value. It is in this sense that the possession of wealth, whether realised or unrealised, plays a significant role in commanding the consumption behaviour of any culture or ethnic groupings. Like Wu (1997) mentioned above, there have also been many other studies on the relationship of wealth, and perceived windfall incomes, with consumption across the world. These studies have unequivocally affirmed the consistent positive relationship between the two factors. For example, Tan and Voss (2003, pp.55 & 56) examined the relationship between consumption and wealth in Australia spanning over a period from 1988 – 1999. In their research they found strong evidence to confirm the direct correlation "between consumption, labour income and aggregate household wealth". They concluded that the "the change in aggregate consumption is predictable, with changes in net wealth measures having a consistent role in this regard."

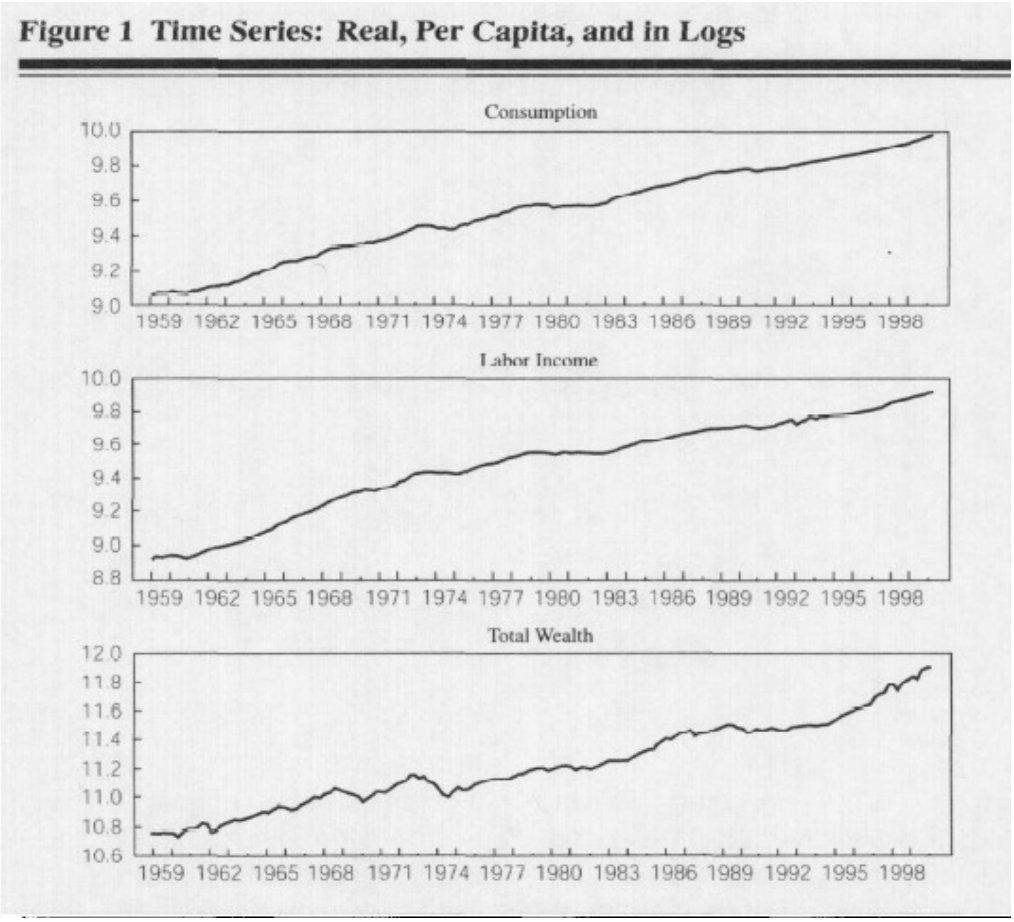
In another study conducted in United Kingdom it was pointed out that "the level of income and its distribution of income are important determinants of aggregate consumption" (Borooah and Sharpe, 1986, p.449). In another development the research conducted by Han and Ogaki (1997) further enhanced the theory of the long-run relationship between consumption and income.

The research by Tan and Voss (2003) highlighted a scenario in Australia in the 1980s, wherein consumption grew much faster than labour income. This phenomenon could be attributed to an interesting situation wherein the event actually coincided with the deregulation of financial markets in Australia that made access to credit markets much easier. The research of Tan and Voss is consistent with the research by Mehra (2001). Mehra in his research also affirmed that wealth has a significant effect on consumer spending and it serves as a good predictor for future consumption. In fact Mehra went on to examine the sensitivity of spending in the light of stock market wealth and found that on the contrary, the decline in equity wealth would most likely depress consumer expenditure. Figure 3.7, extracted from Mehra's comprehensive empirical research on the relationship of total wealth and consumption, graphically depict the relationship. Close to Malaysia within the Asian region, Yanrui Wu (1997) carried out a study on the relationship between wealth and spending patterns in Mainland China. The study affirmed the belief that economic reforms and growth in income have a direct impact in changing the behaviour of consumers in the country.

In another comprehensive study conducted by Davey (2001, p.94), also in the United Kingdom, the study further defined and included various compositions of household wealth, included "financial assets, houses, jewellery and other valuable". It attempted to determine the relationship of household wealth and consumption. Interestingly, in another development, Davey's composition of wealth included windfall payments which were likely to have provided funds for household spending. Although the study highlighted the difficulty to link consumptions directly to any of the compositions of wealth, consumer confidence with respect to their wealth "is an important determinant of the household willingness to spend". This correlation bears much resemblance in the

current study on the effect of wealth on the spending behaviours of both the Malays and Chinese in the rapid expanding economy in Malaysia.

Figure 3.7: The Effect of Consumption and Wealth
(Time Series: Real, Per Capita, and in Logs)



Source: Mehra (2001)

Several other studies have also found empirical support for the effect of wealth on consumption which is consistent with the current discussions. Among them are Ling and McGarrity (2005), Fama (1981, 1990), Schwert (1990), and Huang and Kracaw (1984). Ling and McGarrity (p. 379) affirmed that "higher expected future wealth will lead to more consumption in the current period, while lower expected future wealth decrease will decrease current consumption." This complies with Engel's Law cited

above that when household income increases there is a proportionate decrease in the expenditure on food; at the same time, the amount of expenditure on other non-essential goods tends to increase.

The above researches and studies confirmed the scenario in Malaysia with respect to its multi-racial consumers. In a recent report in the local tabloid, The Starbiz, it was reported that private consumption expenditure grew by 13.1 per cent in Q2 as compared to second quarter in 2007. "This increased spending is due to a combination of a level of employment and a wealth effect from higher share prices on the stock market from a year ago" (C. S. Tan, 2007). More notably, this could also be contributed by the increase in the salary of civil servants by 25 per cent to 70 per cent. Of all the civil servants, more than 90 per cent are of Malay origin. Generally, with the Malaysian economic path marching toward a developed nation status by the year 2020, which "emphasises on infrastructure, information technology, education and the expansion of the middle class" (Global Lifestyles, 2002), Malaysians are becoming wealthier faster than expected. With this newfound wealth the lifestyles of the people are changing – taking more vacations, staying in better homes, purchasing more and better cars per family, spending on luxury goods, and dining in exclusive restaurants and club houses (Talib, 1998; Global Lifestyles, 2002).

3.6 Summary

Culture is a set of acquired or learned values, beliefs, customs and attitudes that moulds an individual and a homogenous group of people within a society. These variables create a behavioural norm unique only to the group and perpetuate to the next generation. This norm usually manifests itself in the life-styles and values of the consumers in the group. Culture is dynamic and determines the behaviour of consumers

as a cohesive group. In the modern era all societies are exposed to cultures from all over the world due to pervasive mobility of people and are, therefore, subject to varying degree of acculturation.

Similarly, religion, being an aspect of culture, also influences the behaviour of consumers and this subsequently determines the way consumers make decision in their purchases. However, with the rapid proliferation of consumer goods and personal affection to material things, coupled with the growing affluence in the modern society, religiosity has not deterred consumption, except in specific instances where prohibition is obvious; such as against consumption of liquor and pork by the Muslims.

With the co-existence of multi-racial communities for a long period of more than five decades, there may be some form of influences via inter-exchanges in values and cultures among the different communities in the Malaysian society. The reality of acculturation, due to frequent cross-border travelling for both leisure and business, exposure to media and mobility of migration of people from one culture of a nation to another, has deep implications on consumers behaviour, especially the young adults who are more susceptible to change as well as to emulate their "idols".

Finally, from the above discussions, the following hypotheses can be designed and this will be further elaborated in Chapter 4, Section 4.3.3. The Development of Hypotheses in pages 149 as follow:

Hypothesis Statements

H1: There are differences between the Malay and the Chinese students in terms of their roles in the family (Testing for power distance).

Hypothesis Statements

H2: ***There are differences between the Malay and the Chinese students in maintaining family harmony (Testing for Individualism/Collectivism).***

H3: ***There are differences between the Malays and the Chinese in terms of brands preference (Testing for Masculinity/femininity).***

H4: ***There are differences between the Malay and the Chinese students trying out new things (Testing for Uncertainty Avoidance).***

H5: ***There are differences between the Malay and the Chinese students in terms of their social status (Testing for Long Term Orientation).***

H6a: ***There are differences between the Malay and the Chinese students in responding or reacting to product branding.***

H6bi: ***There are differences between the Malay and the Chinese students in responding or reacting to Foreign Brands.***

H6d: ***There are differences between the Malay and the Chinese students in responding or reacting to Brand Loyalty.***

H6e: ***There are differences between the Malay and the Chinese students in responding or reacting to quality.***

H7a: ***There are differences between the Malay and the Chinese students in responding or reacting to product advertising.***

H7b: ***There are differences between the Malay and the Chinese students in responding or reacting to sales promotion.***

H8: ***The perception towards price is different between the Malays and the Chinese.***

H9: ***The perception towards location is different between the Malays and the Chinese.***

Hypothesis Statements

H10: ***The impact of ethnic cultures and religions on the Malays and the Chinese's consumption behaviours is different.***

H11: ***There is significant difference between the Malays and Chinese's monthly spending.***

H11a: ***There is significant difference between the Malays and the Chinese's monthly spending (excluding rental and food cost).***

H11b: ***There is significant difference between the Malays and the Chinese in the monthly spending on rental.***

H11c: ***There is significant difference between the Malays and the Chinese in the monthly spending on food.***

H11d: ***There is significant difference between the Malays and the Chinese in the monthly spending on transportation.***

H11e: ***There is significant difference between the Malays and the Chinese in the monthly spending on telephone, mobile phone, internet bills***

H11f: ***There is significant difference between the Malays and the Chinese in the monthly spending on books, magazines, new paper, and stationery.***

H11g: ***There is significant difference between the Malay and the Chinese students in the monthly spending on entertainment.***

H11h: ***There is significant difference between the Malay and the Chinese students in the monthly spending on clothing, footwear and personal items.***

H12: ***The impact of ethnic cultures, religions, gender, cluster group, income and wealth on the Malays and the Chinese's consumption behaviours.***

Chapter 4

Research Methods and Design

4.1 Introduction

The research design is a master plan for a research and it provides a framework for the data collection and data analysis (Bryman, 1989). The research design specifies the methods and procedures for collecting and analyzing the information (Zikmund, 1997; Aaker, Kumar and George, 2001; Churchill, Gilbert and Iacobucci, 2002). It also details the methodology, the location or population of interest, the precise methods for collecting data and a preliminary discussion of strategies for analysing the data (Marshall and Rossman, 1999).

The purpose of this study is to compare the consumption behaviours of the Malays and the Chinese in Malaysia given their differences in cultures, religions and wealth acquisitions. This study is particularly needed because research of this nature has not yet been conducted in Malaysia especially in the scope of comparing the behaviours of the populations of the two largest ethnic groups in the country. The research questions underpinning the current study are restated below:

i. to find out whether the Malays and the Chinese consumers respond similarly to advertising and branding;
ii. to find out whether there are any differences and similarities in the consumption patterns of the Malays and the Chinese in Malaysia;
iii. to find out whether the Malays and the Chinese in Malaysia show any preferred choices of their products because of their cultural and religious differences;

iv. to find out if there are any significant differences in the income of the Malays and the Chinese.

This chapter consists of seven sections. It begins with the introduction and followed by a brief discussion on the research paradigm and the assumption of the different approaches to the subject of social science, positivist and interpretive. The third section will present the research design and the development of studied model. The fourth section will cover research methodology from sample selection and sampling technique to data collection and questionnaire design. The fifth section will attempt to focus on the analytical procedure used in this study. The details of univariate, bivariate and multivariate analysis will be discussed in this section as well. Then, some limitations on the study will be discussed and this is followed by the conclusion.

4.2 Research Paradigm

The idea of 'paradigm' has its ancient origins in the history of philosophical thought and its use has been confused by different meanings, especially in the social sciences. To Plato, paradigm meant model while Aristotle utilised the paradigm as example. In the social sciences, the meaning of paradigm can refer to, for example, a theory, a subdivision of a theory, a system of ideas of a pre-scientific nature, a school of thought, an exemplary research procedure or method (Corbetta, 2003). In another development, Thomas Kuhn (1960) refers paradigm to a theoretical perspective that is founded on the previous acquisitions of specified discipline and that perspective is accepted by the community of scientists of that discipline. He also means a theoretical perspective that directs research through the specification and choice of what to study, the formulation of hypotheses to explain the phenomenon observed and the identification of the most suitable empirical techniques (Corbetta, 2003, p10). It is noted that the paradigm

referred to by Kuhn is a characteristic feature of the 'mature' science. However, in the field of social sciences, there is a lack of a single paradigm broadly agreed upon by the scientific community, except perhaps the economics (Corbetta, 2003). Nevertheless, the interpretation of the thinking of Kuhn has been refined by Friedrichs (1970). The redefined thinking maintains all the element of the original definition except the paradigm is agreed upon by the members of the scientific community. This paves the way for the presence of multiple paradigms in the social science discipline. Thus, the concept of the paradigm seems useful in analyzing and evaluating the various basic frames of reference in the fields of social research methodology. Indeed, one of the functions of a paradigm is to establish acceptable research methods and techniques in discipline. As Hughes writes:

> "Every research tool or procedure is inextricably embedded in commitments to particular versions of the world and ways of knowing that world made by researchers using them. To use a questionnaire, an attitude scale of behaviour, take the role of a participate observer; select a random sample… is to be involved in conceptions of the world which allows instruments to be used for the purposes conceived. No technique or method of investigation… is self validating: its effectiveness, its very status as a research instrument…is dependent, ultimately, on philosophical justification. " (Hughes, 1980, p. 13)

It is a broad agreement among scholars that two general frames of reference have historically oriented in social science research - the positivism and interpretivism. Positivism is one of the most common and predominate approaches in gaining knowledge in not only the social sciences but also in consumer research (Anderson, 1986; Hudson and Ozanne, 1988). Positivism approaches social science as an organized method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity (Neuman, 1997). The positivism approach captures a number of positions, such as, logical positivism, the received view,

logical empiricism, modern empiricism, neopositivism, foundationalism, and objectivism (Hudson and Ozanne, 1988).

Interpretivism can be traced to German sociologist Max Weber and German philosopher Wilhem Dilthey. Interpretive social science is the social research approach that emphasizes meaningful social action, socially constructed meaning, and value relativism (Neuman, 2006, p. 87). A number of positions can be grouped under interpretivism, such as, subjectivism, phenomenology, symbolic interactionism, hermeneutics and others.

In order to answer the research question, it is essential to explore their philosophical origins and to clarify the assumption of the different approaches to the subject of social science. The following sections are to explore three assumptions and questions that underlie the approaches to gain knowledge in consumer research (Burrell and Morgan, 1979, p. 1-5). The underlying philosophical assumptions include beliefs about the ontological assumptions (nature of reality and of social beings), epistemological assumptions (of what constitutes knowledge) and methodology assumptions. These also can be traced to three questions: Does reality (social) exist? Is it knowable? How can we acquire knowledge about it? In summary: Essence, Knowledge and Method (Corbetta, 2003).

4.2.1 Ontological Assumptions

All research approaches in the social sciences make ontological assumptions about the nature and form of social reality (Hudson and Ozanne, 1988; Corbetta, 2003). This is the question of 'what'. The positivists tend to assume that the world of social phenomena is a single, real, objective endowed with the autonomous existence outside

the human mind and independently of what individuals perceive (Hudson and Ozanne, 1988; Corbetta, 2003). Reality exists as a structure composed of relationships among its parts and this reality is divisible and fragmentable; therefore, precise, accurate measurements and observation of this world are possible (Bagozzi, 1980; Burrell and Morgan 1979; Morgan and Smircich 1980). In other words, the positivist approach holds deterministic view where the human behaviour is determined.However, some positivists modify this view and take a more stochastic approach (Hudson and Ozanne, 1988) in that behaviour or the system's subsequent state is determined both by the process's predictable actions and by a random element which is analyzable in terms of probability.

To the interpretivists, the knowable world is that of the meanings attributed by individuals or the product of an individual cognitive. Some of the interpretivists exclude the existence of an objective world while some of them do not ask whether a reality external to individual construction exits. They adopt the relativism or multiple realities. There are multiple and different perspectives from which people perceive and interpret social facts (Corbetta, 2003).

4.2.2 Epistemological Assumptions

This is the question of relationship between the 'who' and the 'what' and the outcome of this relationship. It regards the knowability of social reality and focuses on the relationship between the observer and the reality observed (Corbetta, 2003). Positivists take a generalizing approach to research. The positivists endeavour to identify time and context free generalisations, or nomothetic statements (Keat and Urry, 1975). The positivists, with their goal of explanation and predication, place a high priority on identifying causal linkages. They believe that human action can be explained as the

result of a real cause that temporally precedes the behaviour (Hunt, 1983). The deterministic assumption regarding the nature of man further supports their effort to identify the cause of individuals' behaviours (Corbetta, 2003). The positivists' position regarding the relationship of researcher to the subject is to assume a pronounced separation in which the researcher does not influence and is independent from the subject. The positivists believe that it is possible for researchers to stand outside their object of inquiry and minimise or control for their own influence on it (Corbetta, 2003). With this view, science is supposed to be characterised by precision and the absence of ambiguity, and the language of science is assumed to be corresponding precise and unambiguous (Ortony, 1993, p. 1).

In contrast to the positivist, interpretivism or social research is defined as "not an experimental science in search of law, but an interpretive one in search of meaning" (Geertz, 1973, p. 5), in which the central categories are to determine the value, meaning and purpose. To the interpretivist, the reality is only relative and there is actually no real world or absolute to discover. Thus, objective knowledge, as upholds by the positivist, does not exist and all knowledge is relative to knower (Gabriel, 1990). With this view, science is making sense of the world, rather than to generate universal theories (Liao, 2005, p. 116).

4.2.3 Methodology Assumptions

Positivism assumes that the only true knowledge is scientific knowledge which describes and explains observable phenomena. Thus, the positivists' approach to research upholds the scientific protocol, the step-by-step organisation as the principle of research design (Campbell and Stanley, 1963). The research design is fixed structure of the research, and adherence to this stricture allows for "accurate answers' to research

questions. This is not to ignore the use of pre-test and pilot test that allows the structure of the study to evolve, but at some point the questions to be addressed, the design, and the hypotheses become fixed, at least until the next study. Although different research designs exist, "the ideal of science is the controlled experiment" (Kerlinger, 1973, p.315).

In the case of interpretist approach, the interaction between the researcher and the object of study is judged on the cognitive process. The qualitative or subjective research methods are employed to understand the meanings that subjects attribute to their own actions. This implies that the findings will vary from case to case depending on the form taken by the interaction between the researcher and the object studied. Hirschman and Holbrook (1986) suggest that to investigate and comprehend the consumption experience the researcher needs to be involved with the phenomenon. Knowledge is obtained through a process of induction (Corbetta, 2003).

Consumer research is a multidisciplinary field and is well suited to fostering diversity (Hudson and Ozanne 1988). Based on the work of Anderson (1986), Churchman (1971), Feyerabend (1975), Manson and Mitroff (1981) and Morgan (1983), Hudson and Ozanne (1988) had illustrated some of the ways of dealing with the diversity within consumer research. There are supremacy alternative, synthesis alternative, dialectic alternative and relativistic alternative. This study believes in relativistic alternative that every approach to consumer research may have something to offer and there is no single set of standards that can be used across research programs. The aim of this study is to compare the consumption behaviours of the Malays and the Chinese in Malaysia given their differences in cultures, religions and wealth acquisitions. Thus, this research takes an objectivist oriented approach and a positivistic epistemological position.

Table 4.1: Characteristics of the Two Basic Paradigms of Social Research, Positivist and Interpretive

Assumptions	Positivist	Interpretive
Ontological		
Nature of reality	Objective, tangible	Socially constricted
	Single	Multiple
	Fragmentable	Holistic
	Divisible	Contextual
Nature of social beings	Deterministic	Voluntaristic
	Reactive	Proactive
Epistemological		
Knowledge generated	Nomothetic	Idiographic
	Time-free	Time-bound
	Context-independent	Context-dependent
View of causality	Real causes exist	Multiple, simultaneous shaping
Research Relationship	Dualism, separation	Interactive, cooperative
	Privileged point of observation	No privileged point of observation
Methodology	Experimental-manipulative or modified experimental-manipulative	Empathetic interaction between scholar and object studied.
	Observation	Interpretation
	Observer-observed detachment	Observer-observed interaction
	Mostly deduction (disproof of hypotheses)	Induction (knowledge emerges from reality studied)
	Analysis 'by variables'	Analysis by 'cases'

Source: Hudson and Ozanne (1988:2), Corbetta (2003:14), and Guba and Lincoln (1994:109)

Positivistic social scientists in marketing research usually define their research goal as the discovery of 'lawlike generalizations' (Sheth and Sisodia, 1999). Marketing is recognised as a scientific discipline (Sheth and Sisodia, 1999) and marketing researchers and scholars have utilised scientific approaches to discover and document a number of regularities pertaining to consumer behaviour and marketing exchanges (Hunt, 1976: Liao, 2005). In addition, many of these regularities have been empirically validated and have achieved the status of 'lawlike generalizations' (Hunt, 1976). Bass (1995: G7) defined empirical generalisation as

> "a pattern or regularities that repeat over different circumstances and that can be described simply by mathematical, graphic or symbolic methods. It does require a pattern but the pattern needs not be universal over all circumstances".

However, Sheth and Sisodia (1999) pointed out that there is a distinction between 'lawlike generalizations' and 'truth'. Since marketing is rooted in human behavior, which is 'mutable, unpredictable and reactive', it is unreasonable to seek fundamental truths in marketing (Zinkham and Hirschhem, 1992). Zinkham and Hirschhem (1992: pp. 80-81) stated that:

> *"Conventional philosophical wisdom now holds that knowledge is not infallible but conditional; it is a societal convention and is relative to both time and place. Such knowledge claims may become unaccepted as further information is produced in the future. The objects marketers attempt to understand are in a constant state of flux (from generation to generation, for example), and any "marketing truths" that are discovered are not immutable."*

Thus, Sheth and Sisodia (1999) concluded that marketing is a context-driven discipline and the changing is due to the environment for marketing practice such as, electronic commerce, market diversity, new economics, and cooperation (Kerin and Sethuraman, 1999). There is need for marketing academics to question and challenge well-accepted lawlike generalizations in marketing (Sheth and Sisodia, 1999, p. 84). The concept of

‘truth’ is time and context relevant and it remains ‘true’ only for a finite period and in a specific context. In addition, Sheth and Sisodia (1999: p. 72) commented that

> “*when a concept or framework has outlived its usefulness and serves more to impede and inhibit us than to illuminate reality in a meaningful and useful way, it becomes a set of blinders that prevents scholars and practitioners from seeing the bigger picture*”.

Even though, there are many criticisms related to the permanent approach of the ‘lawlike generation’ of marketing theory (Brownlie and Saren, 1992; Sheth and Sisodia, 1999; Liao, 2005), Kerin and Sethuraman (1999) urged rather to take the views so as to energise marketing academics to continue to quest for lawlike generalisation that explains and facilitates the prediction of marketing phenomena. It is in this context that the current study attempt to draw some generalisations on the pioneer study in Malaysia to compare the differences in consumption patterns between the consumption behaviours of two major ethnic groups - the Malays and the Chinese. These two ethnic groups have co-existed within the same society for a long time and it is expected that they portray many similarities. However, due to the government’s aggressive inculcation of Islamisation and providing economic incentives to the Malays, the differences in cultures and the influence of global media as well as the processof acculturation due to ease in cross-border travelling, there could have impacts on subsequent generations of these ethnic groups in adopting different trends different from their fore-fathers. All these factors are certain to have significant impacts on the patterns of spending.

The findings of the research will provide valuable insights into the Malaysian market. The knowledge and understanding of ethnic differences will help save substantial amount of money in market segmentation and select the best advertising messages and media in order to suit the targeted consumers.

4.3 Research Design

Basically, there are two major research paradigms which are often being used. These are the positivist and the interpretivist research paradigms. The positivist is usually associated with the quantitative methods; while the interpretivist is related to qualitative research. The current research attempts to compare the consumer behaviour of the Malays and the Chinese in Malaysia from using the quantitative method (Tai and Tam, 1996, 1997).

The quantitative method uses questionnaires to collect mass data. The data gathered are later analysed using the Statistic Package for Social Science (SPSS) version 12. Consequently, this section will go on to describe the research framework of the analysis. These are:-.

i. to develop the hypotheses to be tested in this study; and
ii. to describe the methodology of quantitative study.

The literature review presented in Chapters Two and Three has set the background for the development of a framework and hypotheses for the present study. Some of the relevant theoretical issues will be reiterated for the development of the framework and hypotheses in order to achieve greater coherence in the presentation of the study.

Quantitative research is a research approach that emphasises measurements in data collection and data analysis. The quantitative approach is underpinned by a distinctive epistemological and ontological nature (Barron, 2006, pp. 212-213). The epistemological basis for quantitative research is typically, but not exclusively, characterised as positivists. The general principles of the positivist paradigm are that only phenomena and therefore knowledge, confirmed by the senses, can genuinely be

warranted as knowledge; that the function of theory models is to generate hypotheses that can be tested and that will allow explanations of law to be considered. Underlying quantitative research methods is the belief or assumption that we inhabit a relatively stable, uniform, and coherent world that can be measured, understood and generalised about. Bryman (1989) summarised the differences between quantitative and qualitative and this is shown in Table 4.2 below.

Table 4.2: The Differences between Qualitative and Quantitative Research

Orientation	Quantitative Research	Qualitative Research
Principal	It entails a deductive approach to the relationship between theory and research, in which the focus is placed on the testing of theories	It focuses an inductive approach to the relationship between theory and research in which the emphasis is placed on the generation of theories.
Epistemology	Incorporated the practices and norms of the model of nature science and of positivism.	The emphasis is put on how individuals interpret their social world.
Ontology	Social reality as an external reality	Social reality as constantly shifting emergent property of individuals' creation

As stated earlier, this study is to explore and compare if there are any similarities and differences in the spending habits of the two largest component races in Malaysia, namely the Malays and the Chinese. This study has demonstrated a deductive orientation as it is built upon existing theories and current researches related to

marketing concept. However, there is a lack of available information on the consumption behaviour and pattern of the Malays and the Chinese on the ground.

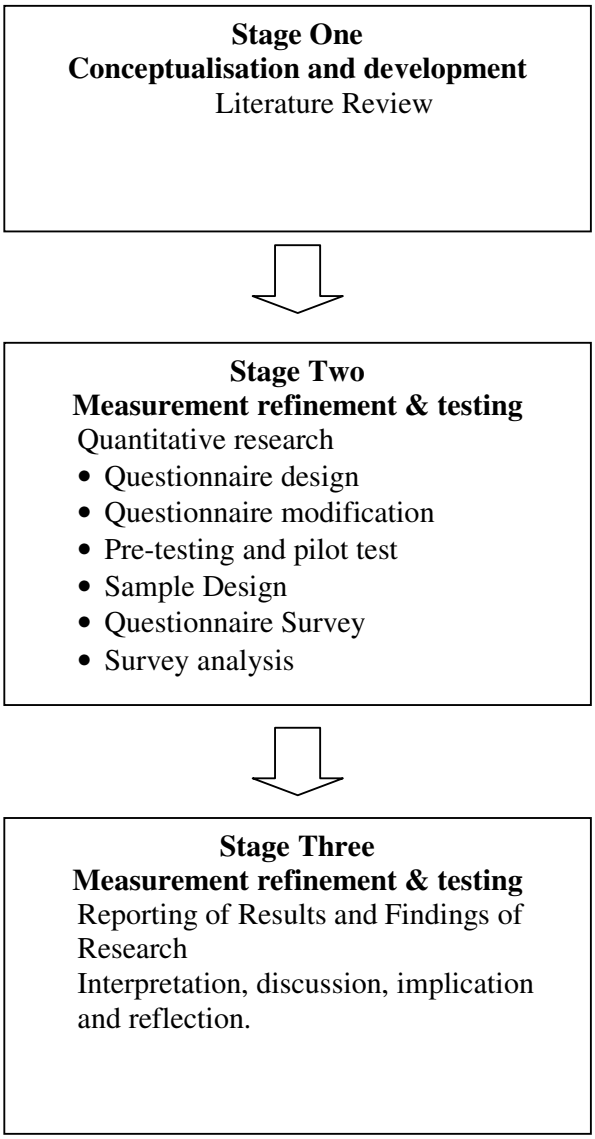
In order to obtain a reliable and valid measurement for the comparison of the consumer behaviour between the Malays and the Chinese, this study takes on a three-stage research design of quantitative methods. Stage One is a literature review that explores the literatures on the possible differences between Malays and Chinese towards consumer behaviour and their attitude towards branding and advertisement. Following this, Stage Two looks at statistical relationships between ethnicity with some consumer behaviour lifestyles and marketing mix. The three stages are shown below and graphically expressed in Figure 4.1:

Stage One : Conceptualisation and construct development;

Stage Two : Measurement refinement and testing; and

Stage Three : Discussion of findings and its implications.

Figure 4.1: Research Processes



4.3.1 Research Model and Research Hypotheses

The rapid growth of global businesses and trans-boundary expansion of localised enterprises have exerted much pressure on many organisations to recognise the importance of culture on consumer behaviour. With globalisation there are also rapid increases in cross-cultural travelling and exchanges (Davies, Fitchett, and Shankar, 2003). This, eventually, leads to an increasing amount of interest and research across cultures (Sojka and Tansuhaj, 1995; Jung et al., 1999). Many studies have also

succeeded in establishing links between culture and consumer behaviours (McCracken, 1986).

Over the years, there have been many researches being conducted in the field of consumer behaviour. Subsequent to these researches, theories as well as models are being developed to assist us in better understanding the concept of consumer behaviour (Engel et al., 1968; Engel et al., 1995). Still, as Raju (1995) correctly indicated, there are many other models which have also been developed to suit specific disciplines, for example in the areas of family decision-making (Sheth, 1974) and information processing (Bettman, 1979). "These theories and models have played an important role by detailing how various factors can influence consumer behaviour. However, "the complexity of these models and the difficulties inherent in the operationalisation of the numerous concepts has made their application in the international context especially difficult" (Raju, 1995, p. 38). This is mainly due to the lack of a framework to study consumer behaviour (Raju, 1995).

4.3.2 Proposed Model

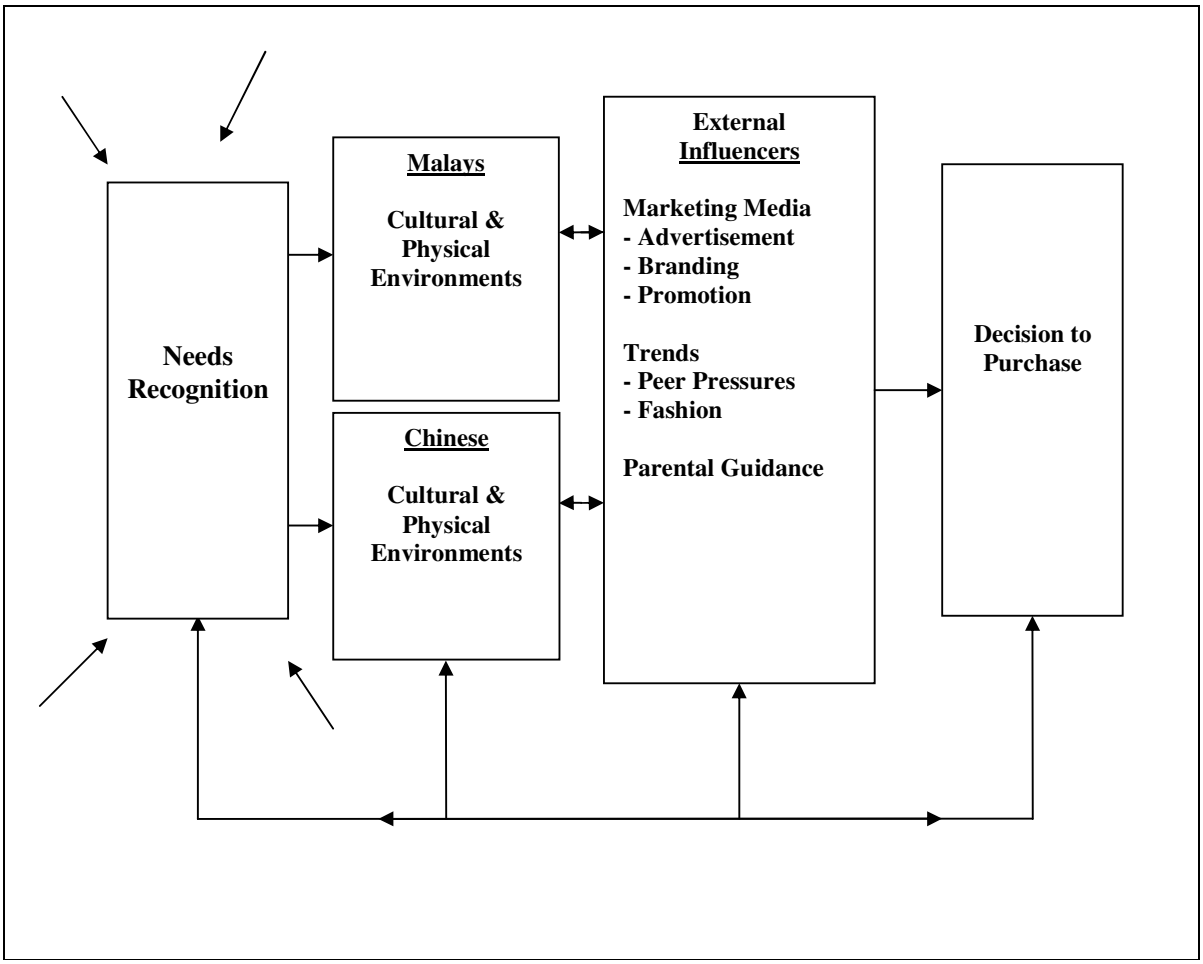
The traditional decision-making model for a consumer, whether Malay or Chinese, can be simplified in Figure 4.2 below. This model can be found in most marketing literature.

In the Figure 4.2, a consumer lives within an open system where he/she is continuously being exposed to various forms of stimuli that prompted him/her to recognise a need or desire for something. These stimuli can either be internal or external. Internally triggered stimuli stems from within the consumer such as hunger, thirst, or even consciousness for image. On the other hand, a need can be stimulated by external factors such as from advertisements, friends and family members. In addition, this need

can be regulated by the culture and the physical environments a consumer belongs. In the current research, the Malays and the Chinese do not share a common cultural and physical environment. The Malays here are predominantly Muslims and they adhere strictly to the code of teachings as prescribed in the *Quran* for the Muslims and the Malay States. The Chinese, on the other hand, do not profess any particular single religion. However, whether they are Christians, Taoists or Buddhists, they share a common denomination in the Chinese culture with similar resemblance universally. In other words, the Chinese generally adopt the teachings of Confucianism that espouse filial piety, respect for the elders and working-hard as a virtue. Nonetheless, both the Malays and the Chinese live within entirely different and distinct cultural and religious environments although they may share very similar physical environments and being exposed to identical influencers such as common marketing communications and messages. With this framework it can be deduced that the Malays and the Chinese will conceive different purchasing decisions (Delener, 1994).

In another development, the decision on consumption is primarily dependent upon the availability of finances and how easily these resources are being secured. In the above model, this aspect of finances has not been taken into consideration. This prompted this study to model the research questionnaires with respect to the purchasing process of the consumer as shown in the Figure 4.3 whereby the sources and the availability of finance has become the primary factor or stimulator for a rationale consumer to make a decision to consume.

Figure 4.2: Traditional Consumer Decision Making Process

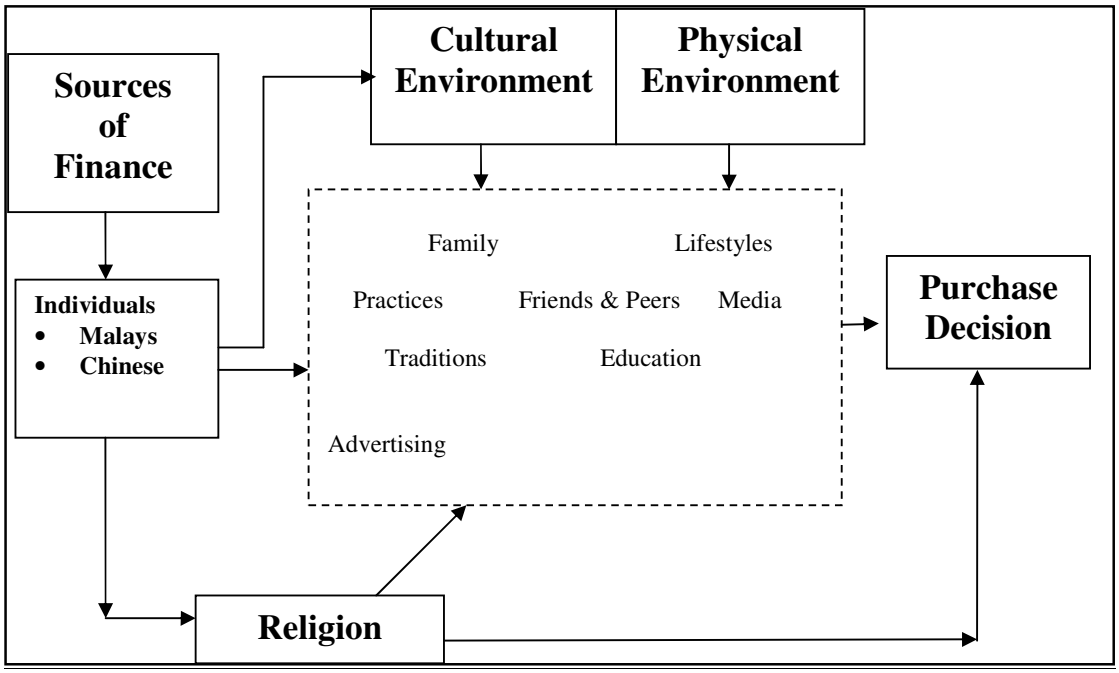


For the sake of current research which focuses on the two major components of Malaysian community the current study has re-constructed the research framework to include religious bases of the two races. These religious bases would bear significant ingredients that will have a strong impact on the purchase decision. This can be graphically represented in Figure 4.3 below.

The construct below has assumed that the consumption motive is dependent on the source and availability of the finance. This unique financial situation reflects the economic background of the Malays and the Chinese in the Malaysian society in which the economic growth of the nation in the 1990s had been most impressive, ranging from six percent to seven per cent annually. The resulting effect is that the nation is much

wealthier and thus this warrants the research to gauge the spending behaviour of the people in Malaysia. The one factor that differentiates the situation is that, in the socio re-structuring exercise under the NEP scheme, much assistance and aids were given to the ethnic Malays in the implementation of the NEP by the executives within the Malay dominated government. This effort was intended to bridge the chasm between the rich and the poor in the post-independence era.

Figure 4.3: Proposed Consumer Decision Making Process



The process of economic redistribution of wealth saw many Malays gaining financially. This increase in wealth among the Malays prompts the Malays to be more willing to consume, thus increases their propensity to spend and changes their behavioural patterns in the market place (Talib, 1998). The author has also made several observations at major retail outlets in Kuala Lumpur, the capital city of the country, and these observations somewhat affirm the above postulations. Moreover, when compared to the Chinese, it is noted that there has been a greater shift among the Malays in their lifestyles, as seen especially in the luxury cars they possess, the houses and

condominiums they own, the club memberships they hold, as well as the posh restaurants they frequent (Talib, 1998).

Again, in the Malaysian context, like many other oriental countries, religions have been pivotal guiding beacons in the lives of many peoples. This is reflected in the words of Delener (1994, p. 36), "religion, being an aspect of culture, has considerable influence on people's values, habits and attitudes, and it greatly influences lifestyle, which in turn affects consumer decision behaviour." However, religion can have direct implication in purchasing decision irrespective of culture. For example, both devout Christian and Muslim will not indulge in any sexual activities which are prohibited by their religions irrespective of the culture of the ethnic group they belong to.

4.3.3 The Development of Hypotheses

Malaysia is a multiracial society in which the Malays and the Chinese are the two major ethnic groups. Others are the Indians, indigenous tribal groups and other minority races. It is the focus of this study to examine and compare the effects of ethnicity on the patterns and spending behaviour of two of these ethnic consumer groups. Different ethnic groups are expected to have different interests, attitudes, behaviour, values and other aspects of life-styles. The psychographics is an approach employed to define and measure the lifestyle and value of consumers. It is a popular method used by advertisers and marketers because it can provide more detail information about consumers than basic demographical variables. The psychographics studies on people's values and lifestyles have gained increasing interest from both social scientists and marketers all over the world (Kau, 1990; Kau and Ling, 1990). The analysis will identify a few value-based cluster group based on the factor and cluster analysis. Then, based on these value-

based cluster groups, the further analysis is done to examine whether the identified value-based clusters could also be used to differentiate the Malays and the Chinese.

As economic development progresses, resulting in the increasing of the personal wealth of the average Malaysians, leisure activities would be expected to attract much attention. It is expected that within ten to twenty years time, the leisure industry would have developed enormously (Schutte and Ciarlante, 1998). Thus, it will be interesting to know how the Malays and the Chinese spend their leisure time and respond to their favourite leisure activities and their types of leisure activities. Furthermore, there are also other studies (Othman and Ong, 1993 and 1995) that supported the different lifestyles of ethnic groups in Malaysia, showing the different patterns of consumption-related lifestyles. Therefore, it is also interesting to examine whether identified value-based cluster groups could also be differentiated in terms of favourite leisure activities and leisure activities types.

It is assumed that consumption motive is dependent on the source and availability of the finance which reflect the unique economic background of the Malays and the Chinese. This study will also take note of the profile and differences of the background of the family wealth, perception towards availability of income and saving between the Malays and the Chinese.

In Malaysia, religion has profound effect on why and how people buy and consume products and services. It affects the products people buy as well as the structure of consumption, individual decision-making and communication in society. It also plays a vital role in shaping the values of Malaysians. In this country, both the Malays and the Chinese enjoy the freedom to practise their respective cultures and religions. The Malay

culture is strongly related to their Islamic faith and much of the cultural values are fundamentally inter-twined with the religion. For the Chinese, Confucianism is the guiding beacon in their culture although religious affiliations may be different among the Chinese. A substantial proportion of the Chinese practices ancestral worship is based in Taoism while a large number are Buddhists and Christians. Yet there are others who are atheists. Thus, the ethnic subculture is expected to exert an influence on consumption patterns of both the Malays and the Chinese.

The family unit and values is also important to both the Malays and the Chinese, as is the case for most Asian families. The family remains to be the major influence in nurturing the attitude and behaviour of individuals. This is true even though many of the students have moved out of their childhood homes to major cities to live separately or away from their families in the pursuit of their education. These individuals continue to consume the household's preferred products and brand names like shampoo, even at their current stage at university. However, the influence of materialism and strong impact of Western values and cultures may have reduced these two ethnic groups' attachment to family values.

Product attributes deliver benefits through tangible aspects of the product. A brand is a way to identify and differentiate goods or services through use of name or distinctive design element. Product attributes could mean different things to different cultures. The use of product attributes in marketing communications has been established for a long time. Branding and brand management have become vital mode and tool for marketers to communicate effectively to targeted customers and to ensure sustainable competitiveness. Thus, it is important to examine the effect of ethnicity on product attributes and branding. Few goods or services, no matter how well developed, priced,

or distributed, can survive in the marketplace without effective promotion. This study showed how the respondents access information through the media and the impact of advertisements on the Malays and the Chinese. This study also looked into the effect of price and location on the Malays and the Chinese students.

As one purpose of this thesis is to explore and compare the consumption or spending habits of the Malays and the Chinese, it also seeks, at the same time, to determine whether there is or are any marked differences in the spending habits of these two ethnic groups in Malaysia. Research on social values has been shown to be beneficial in market segmentation (Kahle and Kennedy, 1998).

The consumer behaviour has widely been noted to be influenced by subcultures. Subculture is defined as cultural subgroup differentiated by ethnicity, gender, religion, income status, wealth or other factors that functionally unify the group and act collectively on each member. From sociology, anthropology and cultural studies, a subculture is a splinter group of people with their own set of behaviours, beliefs and practices that could be distinct or hidden and different from the larger culture to which they belong. For example, the Malays in Southern Peninsular Malaysia are different from those coming from the north of the peninsular, because they have different practices, whether in wedding, birth or death. They also speak different dialects and have different culinary preferences, etc.

The thesis aims to explore the impact of demographic variables like ethnicity, gender, religion, income status and wealth on the young adult consumption behaviour of the ethnic Malays and the ethnic Chinese in Malaysia. The ethnic Malays and the ethnic Chinese from the different family background such as religion will affect the

consumption behaviour or their spending behaviour. Value systems of different religions have a strong effect on children's behaviour. Male and female young adults have different spending behaviour because of their daily activities. Students from wealthy families are able to have a better quality life, spend on quality goods or services and live in a safe and secure environment.

Based on the literature review in Chapter Three and the above discussions, the hypothesis statements in Chapter 3 are re-presented as below. The development of the hypotheses is also summarised in Figure 4.4.

Hypothesis Statements

H1: ***There are differences between the Malay and the Chinese students in terms of their roles in the family (Testing for power distance).***

H2: ***There are differences between the Malay and the Chinese students in maintaining family harmony (Testing for Individualism/Collectivism).***

H3: ***There are differences between the Malays and the Chinese in terms of brands preference (Testing for Masculinity/femininity).***

H4: ***There are differences between the Malay and the Chinese students trying out new things (Testing for Uncertainty Avoidance).***

H5: ***There are differences between the Malay and the Chinese students in terms of their social status (Testing for Long Term Orientation).***

H6a: ***There are differences between the Malay and the Chinese students in responding or reacting to product branding.***

H6bi: ***There are differences between the Malay and the Chinese students in responding or reacting to Foreign Brands.***

Hypothesis Statements

H6d: ***There are differences between the Malay and the Chinese students in responding or reacting to Brand Loyalty.***

H6e: ***There are differences between the Malay and the Chinese students in responding or reacting to quality.***

H7a: ***There are differences between the Malay and the Chinese students in responding or reacting to product advertising.***

H7b: ***There are differences between the Malay and the Chinese students in responding or reacting to sales promotion.***

H8: ***The perception towards price is different between the Malays and the Chinese.***

H9: ***The perception towards location is different between the Malays and the Chinese.***

H10: ***The impact of ethnic cultures and religions on the Malays and the Chinese's consumption behaviours is different.***

H11: ***There is significant difference between the Malays and Chinese's monthly spending.***

H11a: ***There is significant difference between the Malays and the Chinese's monthly spending (excluding rental and food cost).***

H11b: ***There is significant difference between the Malays and the Chinese in the monthly spending on rental.***

H11c: ***There is significant difference between the Malays and the Chinese in the monthly spending on food.***

H11d: ***There is significant difference between the Malays and the Chinese in the monthly spending on transportation.***

Hypothesis Statements

H11e: ***There is significant difference between the Malays and the Chinese in the monthly spending on telephone, mobile phone, internet bills***

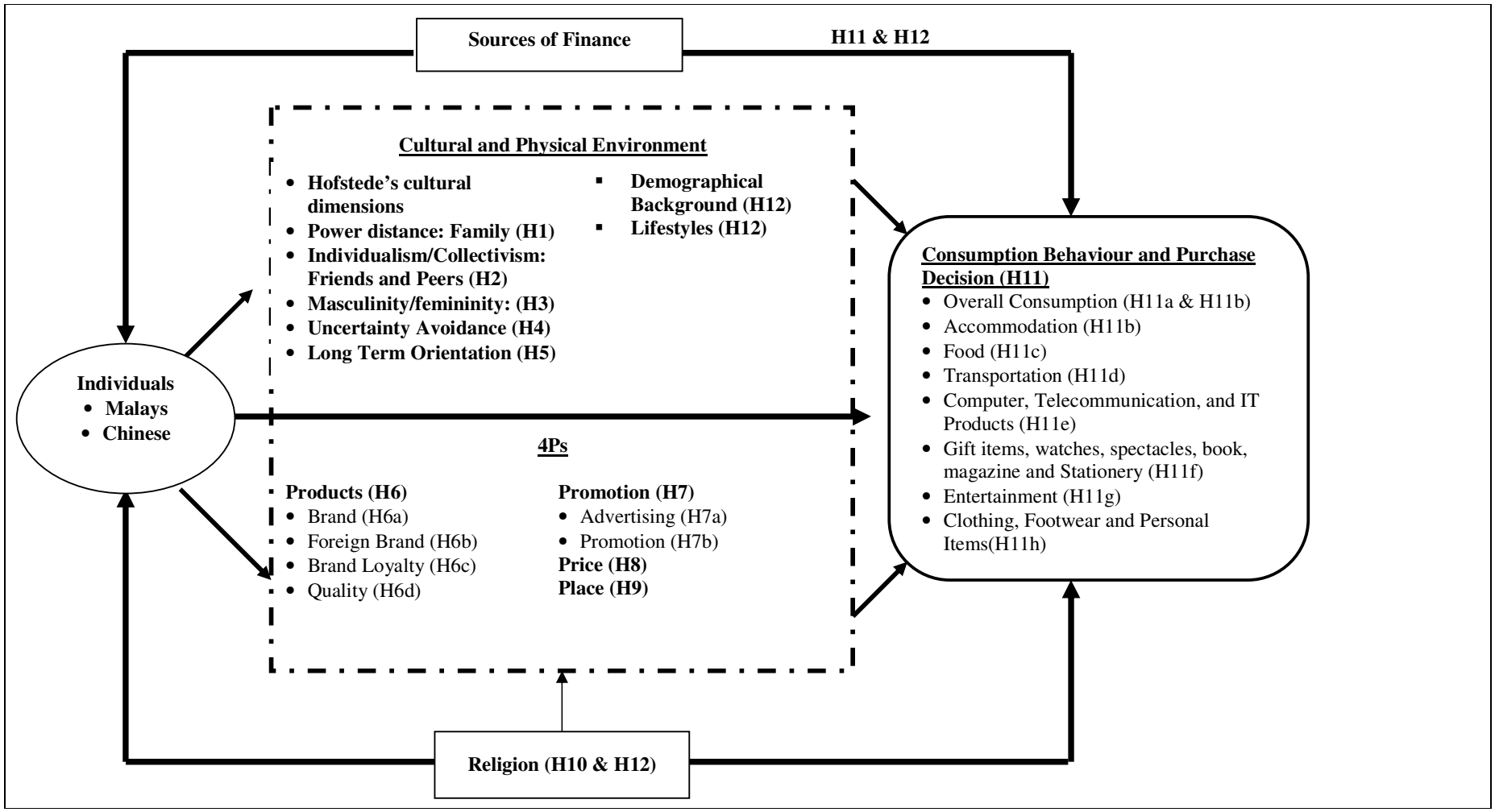
H11f: ***There is significant difference between the Malays and the Chinese in the monthly spending on books, magazines, new paper, and stationery.***

H11g: ***There is significant difference between the Malay and the Chinese students in the monthly spending on entertainment.***

H11h: ***There is significant difference between the Malay and the Chinese students in the monthly spending on clothing, footwear and personal items.***

H12: ***The impact of ethnic cultures, religions, gender, cluster group, income and wealth on the Malays and the Chinese's consumption behaviours.***

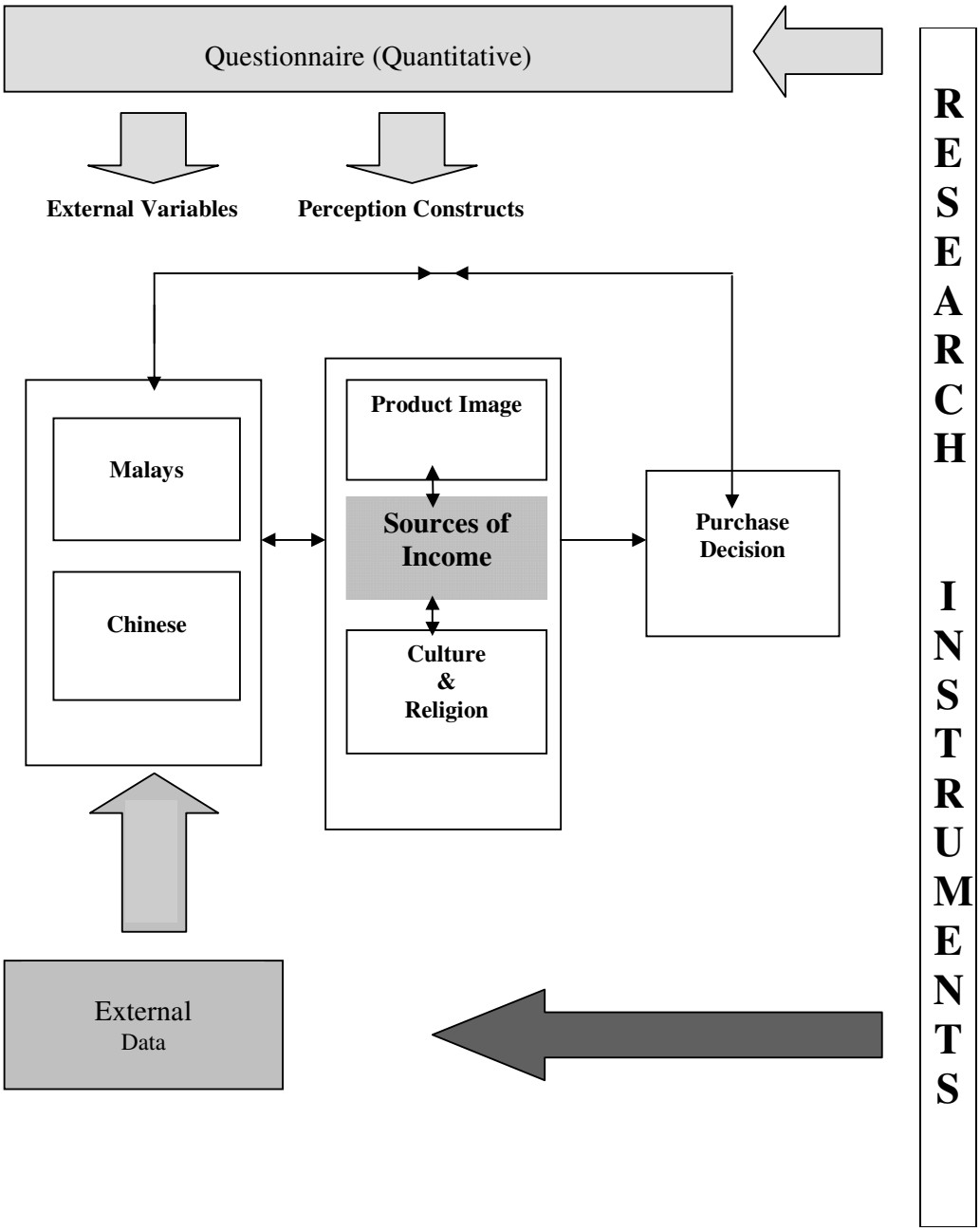
Figure 4.4: The Development of Hypotheses of the Study



4.3.4 Research Approach

Figure 4.5 presents the simplified schematic diagram for the current research approach.

Figure 4.5 Overview of the Application of Research Instruments



This current research attempts to employ the triangulation method by using external literature, available statistics, qualitative focus group approach as well as quantitative mass data collection. By employing this method, the research aims to project the

outcomes by looking at it from different perspectives. In this way the results will be more credible and reliable.

Consequently, the research would utilise secondary research and primary research in studying the consumption behaviour of the Malays and the Chinese within the constraints of the cultures and religions and availability of income.

i) Secondary Research

Data will be obtained from the Departments of Statistics, Malaysia, and other published literature, books and journals on the similar topic but providing a wide coverage of the disciplines.

ii) Primary Research

The research will be triangulated both at method and subject in an attempt to capture the realistic situation with depth and breadth. Quantitative research approach will commence with pilot study of a small group of randomly selected participants to test the validity of the research questionnaires to minimise sampling error. A total of 150 students from each institution will be randomly selected

Both method and subject triangulation are employed to overcome the weaknesses or the intrinsic biases and the problems that may come from a single method. Therefore, a multiple mixed data collection method will be employed to cross verify the research data and accuracy of interpretation. Gender bias can also be minimised by randomly selecting a cross-section of both male and female participants both in the initial qualitative survey as well as in the mass quantitative interviews/questionnaires.

However, due to the wide choices of products available in the market and the constraints of time and finances, the scope of the research will be narrowed down in the choices of products to focus on the following six categories of products, which are deemed to reflect their behavioural context in view of the costs of the products:

i. Spending behaviour on food and type of restaurant frequented;
ii. Type of accommodation;
iii. Mode of transportation;
iv. Electrical items and communication devices;
v. Personal items and
vi. Gift items.

4.4 Methodology of the Quantitative Study

4.4.1 The Sample

The undergraduates represent the better-educated group in the country, and they come from diverse socio-economic background from all over the country. Undergraduates from two education institutions located at the Klang Valley will be investigated in order to compare across cultures among the Malay and Chinese students with regard to their decision-making, consumption intention and behaviour. Some studies have been conducted on the consumption pattern of Muslim immigrants in North America (Haque, 1985). Whether this will have any bearing on the Malay Muslims in Malaysia is rather questionable as the Malaysian Muslims are the natives of the country protected by various statutes and laws of the country unlike the Muslim immigrants of North America and Europe. It is also important to note that the Muslims here have no language barrier as that faced by their counterparts in North America. In consideration of the unique circumstances of the Malaysian Muslims, it is believed that the current study will be unprecedented and different from other previous researches.

In any research, due considerations have to be taken into account with respect to the choice of the samples as well as the spread of the sample population. In the current study on the comparison of the consumers' behaviour between the Malays and the Chinese, it would be ideal to have a random selection of population that is representative of the entire population across the whole nation. This proposition is considered since the Malays and the Chinese from the northern part of Peninsular Malaysia could have significance differences from their counterparts in the state of Johore which is located at the southern tip of Peninsular Malaysia – a distance of more than 805 kilometres from the north. The differences are even more apparent with East Malaysia, with a distance of more than a thousand kilometres from the northern-most state of Sabah, and separated from Peninsular Malaysia by the South China Sea. This is evident from the accents of the spoken language as well as the ethnic cultures they practise. The Chinese also face similar differences as the Malays as described above.

Although Malaysia is a relatively small country, due to time and resources constraints, it would be difficult to criss-cross the country to collect the desired data. Consequently, it was decided to narrow the scope by focussing on two institutions of higher learning located within the vicinity of Kuala Lumpur with the required criterion of having mainly the Malays and the Chinese youths. Educational institutions of higher learning were the choice of sample selection because these youths fairly represent the cross spectrum of the people of Malaysia from different geographical regions within the country and they converge to study in these institutions. Subsequently, after much consideration, University Technologi Mara (UiTM) and University Tunku Abdul Rahman (UTAR) were selected.

These two are singled out for the current study because they are the two largest institutions of higher learning with the highest concentration of Malay and Chinese youths, respectively.

This study will focus on two tertiary institutions:

i. University Technologi Mara (UiTM) is predominantly a Malay educational institution with more than 30,000 Malay students in the Kuala Lumpur campus;
ii. University Tunku Abdul Rahman (UTAR) consists of 99 per cent Chinese students with a total enrolment of about 17,000.

4.4.1.1 University Technologi Mara (UiTM)

The history of University Technologi Mara (UiTM) dates back to the establishment of the Training Centre of the Rural Industries Development Authority (RIDA) by the Malayan government in 1956. The purpose of its establishment was to emphasise on the economic development of the rural society, particularly the Malays, where the majority of them were left behind in the economic developments brought about by the British. With the enactment of the Majlis Amanah Rakyat Act in 1965 this Training Centre was renamed MARA College. Since then it progressed steadily both in education and research. Two years later, in 1967, MARA College became officially known as Institute Technology MARA (ITM) with its first campus being built in Shah Alam, the capital of the state of Selangor.

In 1999 the fourth Prime Minister of Malaysia, Dr. Mahathir Mohammad, announced that the Institute was upgraded to university status with power and authority to confer its own degrees and conduct postgraduate degree programmes. Thus, University Technologi Mara, or UiTM, would be the new name for ITM.

Since its inception, UiTM has been the only educational institution in Malaysia that enrols only Malay students who are all Muslims from the whole country, thus making up its unique homogenous racial composition. Moreover, most of the students are on scholarship schemes provided either by the Federal Government or the State governments. These scholarships are generously given, which include monthly living expenses. For those who fail to receive the scholarships, the tuition fees, like many other costs such as food and accommodation, are heavily-subsidised.

The University has also expanded rapidly nationwide with twelve branch campuses which are located in every state in the country, and also twenty-five franchised colleges with more than 100,000 thousands students throughout the country. The majority of these students are ethnic Malays. The Shah Alam main campus is selected for this study mainly because of its proximity to Kuala Lumpur and to University Tunku Abdul Rahman. This choice ensures that the environments in which these UiTM students are to be researched are similar to those of the Chinese students from UTAR. Thus, this minimise the effects of other factors such as differential costs of living and choices of products that may affect the outcomes of the results.

4.4.1.2 University Tunku Abdul Rahman

The establishment of UTAR dates back to the formation of Tunku Abdul Rahman College (TARC) more than 35 years ago. In 1964 the Malaysian Chinese Association (MCA), one of the largest political component parties within the ruling Coalition government of Malaysia that mainly represented the Chinese community, mooted the idea of setting up a college which was subsequently named after the first Prime Minister of Malaysia, Tunku Abdul Rahman. This college, although open to admission of all races, nonetheless ends up with a majority of students who are mainly Chinese, with

only about one percent comprising Indian students. In 1972, the Instrument of Government to the College was officially given, although the college had its initial intake of students in 1969. A 191-acre piece of land in Kuala Lumpur was allocated for the construction of the TARC Campus. Today, TARC has an enrolment of about 33,000 students taking 110 diploma and advanced diploma courses. The College has six campuses in Kuala Lumpur, Penang, Perak, Johor, Pahang and Sabah.

In 1999, when ITM was upgraded to university, UiTM, there was a vehement demand from the more than 95,000-strong TARC alumni and the Chinese community in Malaysia that the College be upgraded to a university; or alternatively, that a separate Chinese-based university be established under the leadership of MCA. After much deliberation, in July 2001, the government finally extended an invitation to the MCA to set up a university, University Tunku Abdul Rahman, endowed with the authority to conduct degree programmes and postgraduate courses.

The maiden intake of students in June 2002 saw 411 students joining the new university, with the majority being Chinese and only one Malay student. Today, UTAR has a total enrolment of about 17,000 students with only about five percent Indian students. There are less than one hundred Malay students. The majority of the Chinese students in UTAR can also be considered to rate high in their Chineseness (Yau, 1988), on the grounds that most of them still maintain Mandarin, the Chinese spoken language, as their mother tongue and they commonly communicate in this language. In addition, they also uphold all the Chinese festivals and celebrations. Being largely-educated in Chinese medium in their early school days, they highly regard filial piety, integrity and honesty – values strongly advocated by Confucius. This definitely augurs well for our selection as samples for our current study.

Consequently, the contrast in the racial composition between UiTM and UTAR makes these two institutions ideal selection to conduct the current comparison on consumer behaviour research between the Malays and the Chinese. In addition their locations within the vicinity of Kuala Lumpur also provide a common backdrop for the sole purpose of comparison in terms of cultural, religiosity and availability of finances in consumption behaviour.

4.4.2 Data Collection Technique

There are four main methods of administering survey questionnaires to a sample of respondents: (a) self-administered questionnaires, in which respondents are asked to complete the questionnaires themselves either through mail or personally administering questionnaires to groups of individual (Sekaran, 2003); (b) face to face interviews; (c) surveys by telephone and (d) on-line survey (Babbie, 2007).

The most common form of self-administered questionnaire is the mail survey. This method collects the data by sending the questionnaire via mail. It is accompanied by a letter of explanation and a self addressed, stamped envelop for returning the questionnaire. The respondent is expected to complete the questionnaire, put it in envelop, and return it. The mailed questionnaire survey is best suited as information is to be obtained on a substantial scale through structured questions, at a reasonable low cost, from a sample that is widely dispersed geographically (Babbie, 2007; Sekaran, 2003). On the negative side, mailed questionnaires usually have a low response rate and one cannot be sure if the data obtained are biased since the non-respondents may be different from those who did respond (Babbie, 2007; Sekaran, 2003).

Personally administering questionnaires is carried out to groups of individuals. It administers the questionnaire to a group of respondents gathered at the same place andf at the same time. The researcher explains the questionnaire and is present to answner any queries. In this case, the completion rate tends to be higher than the straight-forwarded mail surveys (Babbie, 2007; Sekaran, 2003; Collis and Hussey, 2003). The technique is best suited when data are collected from organisations that are located in close proximity to one another and groups of respondents can be conveniently assembled in the lecture halls or tutorial (or other) rooms. This technique is likely to improve completion rates while reduced costs (Babbie, 2007; Sekaran, 2003). On the negative side, administering questionnaires personally is expensive, especially if the sample is geographically dispersed (Babbie, 2007; Collis and Hussey, 2003).

The face to face interview is another alternative data collection method. Rather than asking respondents to read questionnaires and enter their own answers, interviewers are sent to elicit the questions orally and recorded respondent's answers. This technique provides rich data, offer the opportunity to establish rapport with the interviewees, and help to explore and understand complex issues (Sekaran, 2003). Many ideas ordinarily difficult to articulate can also be brought to the surface and discussed during such interviews. Face-to-face interviews are best suited at the exploratory stages of research when the researcher tries to get a hand on concepts or the situational factors (Babbie, 2007; Sekaran, 2003). On the negative side, face-to-face interviews have the potential for introducing interviewer's bias and can be expensive and time consuming if a large number of subjects are involved (Babbie, 2007; Sekaran, 2003). Adequate training becomes a necessary first step, where several interviewers become necessary.

Telephone interviews help to contact subjects dispersed over various geographic regions and obtain immediate responses from them. This is an efficient way of collecting data when one has specific questions to ask, need the responses quickly, and has the sample spread over a wide geographic area (Sekaran, 2003). Telephone interviews are best suited for asking structured questions where responses need to be obtained quickly from a sample that is geographically spread. On the negative side, the interviewer cannot observe the non-verbal responses of the respondents, and the interviewee can block a call (Babbie, 2007; Sekaran, 2003).

An internet survey is a self-administered questionnaire posted on a web-site. The survey involves the use of the internet and the World Wide Web. Some on-line surveys are conducted completely via e-mail; others are conducted via website (Babbie, 2010). Respodnents provide answers to questions displayed on screen by hightighting a phrase, clicking on icon, or keying an answer (Zikmund, 2003). Many survey researchers believe that internet surveys are the wave of the future.

However, there is 'no' best form of data collection methods. Each has its own advantages and disadvantages. To determine the appropriate data collection methods, the criteria of cost, speed, anonymity, and the like need to be considered (Babbie, 2007; Sekaran, 2003). In this study, there are constraints of time and funding. In addtion, this study aims for moderate speed of data collection while to mininise the non-response rate and improve completion rates. Thus, based on the criteria listed in Table 4.2, personally administering questionnaires to groups of individual selected as mean to collect data.

Table 4.2: Advantages and Disadvantages of Typical Survey Methods

	Mail Survey	Group administered	Face to face Interviews	Telephone Interview	Internet Survey
Speed of data collection	Slow; researcher has no control over return questionnaire	Moderate	Moderate	Very fast	Instantaneous
Respondent Cooperation	Moderate; poorly designed questionnaire will have low response rate	Excellent	Excellent	Good	Varies depending on Web site; high from panels.
Questionnaire length	Varies depending on incentive	Long	Long	Moderate	Moderate; length customized based on answers
Item non-response rate	High	Low	Low	Medium	Software can assure none
Possibility for respondents misunderstanding	High; no interviewer present for clarification	Low	Low	Average	High
Degree of interviewer influence on answers	None; interviewer absent	Moderate	High	Moderate	None
Anonymity of respondents	High	Moderate	Low	Moderate	Respondent can be either anonymous or known
Ease of call-back or follow up	Easy but takes time	Difficult	Difficult	Easy	Difficult; unless e-mail address is known
Cost	Lowest	Low to moderate	Highest	Low to moderate	Low

Source: Zikmund, 2003, p228; Sekaran, 2003 and Babbie, 2007.

4.4.3 Sampling Technique

It was not possible to carry out the survey for the total list of more than 117,000 students from both the institutions mea\ntioned above. Therefore, it is necessary to use a sample. Representative data is one of the most important considerations in the search to ensure representation of the findings to the population but the use of random sampling is diffculty in this study due to difficulties in getting the student lists that are representative of the students of the two universities. In addition, there are limation of funding and time. Sauders et al (1999) noted that the non-probability sampling techniques is used when generalization of the research findings is not the main concern of the researcher and is often used in exploratory studies. The decision about which sampling technique to use is dependent on the research questions and the objectives of the research (Saunders et al., 1999). In addition, this should not in any way influence the findings or their value as the objective of this research was not to estimate population parameters but to study relationship (Kessler and Neighbours, 1986; Mathur and Moschis, 1999; Mathur and Lee, 1999). When the sample being selected for an exploratoory purpose, a high priority may not be placed on accuracy because a highly respresentative sample may not be nessarcy (Zikmund, 2003). In addition, the costs associated with the dfferent sampling techniques vary tremendously. Sine there are constraints in financial resources, human rersources and time, these limitations thus eliminate the the prossiblity of proabability sampling (Zikmund, 2003; Sekaran, 2003). As mention earlier, this study is exploratory in nature and primary concerned with exploration of consumption patterns of the Malays and the Chinese in Malaysia in term of theirs perspectives on cultural and religious differences and income. Hence, non-probability sampling was the choice and a judgemental sampling method is used. Judgement or purposive sampling is non-probability sampling techniques in which an experienced individual selects the sample based on his or her judgement the appropriate

charateristics required of the sample (Zikmund, 2003). The researcher selects a sample to serve a specific purpose, even if this makes a sample less fully representative.

However, judgemental sampling cannot be considered to be statistically representative of the total population. It is used based on the researcher's judgement regarding the research objectives. Thus, it is important to bear in mind that the implications of the findings on the results may not be generalisable (Zikmund, 2003) but it does explore the issues in relation to the consumption behaviour between Malays and Chinese.

To elicit the information, a total sample of about 300 respondents was recruited between January to February 2006 in these two universities. The objective was to obtain an adequate sample size for this study. The sample size and coverage were determined to a large extent by the desire to obtain meaningful results to meet the objectives of the study and the fairly-limited budget available. Thus, the sampling method used was non-probability sampling using judgemental sampling. Since the proportion of gender was imbalanced among the universities, it was decided that gender was to be used as the criteria to select the respondents to avoid over-sampling the female respondents. Thus, the ratio of three male respondents to seven female respondents was chosen. The sample was therefore drawn to comprise university undergraduate students who studied in the accountancy, business, management and economics-related courses in University Tunku Abdul Rahman (UTAR) and University Technologi Mara (UiTM). The targeted number of cases for the survey is shown at Table 4.3.

Table 4.3: Targeted Number of Cases for the Study

	UTAR		UiTM	
	Male	**Female**	**Male**	**Female**
Chinese	50	100	-	-
Malay	-	-	50	100

Although representative data is one of the most important considerations in the search to ensure representation of the findings to the population, the use of random sampling is not possible in Malaysia due to difficulties in getting student lists that are representative of the two universities' students. Moreover, the study was also limited by financial constraint. Hence, non-probability sampling was the choice. This is considered acceptable and appropriate in accordance to the objective of this research. In addition, this should not in any way influence the findings or their value as the objective of this research was not to estimate population parameters but to study relationship (Kessler and Neighbours, 1986; Mathur and Moschis, 1999; Mathur and Lee, 1999).

4.4.4 Pilot Testing and Data Collection Technique

A pilot study was carried out and the questionnaire was subsequently revised according to the feedbacks received. The survey was carried out from January to February 2006. Judgemental sampling was then used to select eligible respondents for the survey. During the days of survey, self-administered questionnaires were distributed to the respondents by the lecturers of the respective universities. These questionnaires were collected back upon completion. The lecturers were requested to encourage the students to fill in all the items in the questionnaires. This method was designed to improve response rate. Two trained field assistants were present to answer any inquiries regarding the questionnaires. The field assistants were also asked to stay in the selected area to facilitate planning, allocation of work and checking of the questionnaires.

Recalls and revisits were carried out during the fieldwork to rectify omissions or inconsistencies.

4.4.5 Data Processing

The completed questionnaires were checked and re-checked again prior to coding. For the open-ended questions, a tally count of the answers was made before categorizing and determining the relevant codes. The information was then entered into the computer and consistency runs were carried out by applying the frequency and cross-tabulation method to check the data for errors. Based on the error reports, the answers in the questionnaires were checked with the interviewer or respondents (if needed) concerned to rectify any inconsistency that might have occurred during coding or data entry. The data set was then cleansed and prepared for analysis using *Statistical Package for the Social Sciences* (SPSS) statistical package.

4.4.6 The Questionnaire

The survey questionnaire was drafted in English and pre-tested among a small group of potential respondents. Based on the feedbacks collected, some ambiguities or inconsistencies were checked, rephrased or eliminated. Ultimately, the final questionnaire consisted of 13 pages (refer to Appendix 3) and divided into four main sections, was used to collect the following information from respondents:

Section I	Respondent and respondent's family background
Section II	Respondent's lifestyle, values, attitudes and their opinions on 4Ps
Section III	The response of respondents towards some selected products
Section IV	General opinions on advertisings, branding and daily lifestyle

In the first part, Section I, the demographic characteristic of the respondents and some of the family background of the respondents was collected. In addition, the financial status of the respondents' family was explored in this section.

In section II, 50 statements on the attitude and values were included; covering value orientation such as, self-confidence, brand consciousness, economizer, fashion conscious, family value oriented, social consciousness, traditionalism, materialism, status consciousness and E-oriented. In the same section, the 35 marketing mix statements were presented. Respondents were required to indicate the importance of each statement listed using "1" for "strongly disagree" to "7" for "strongly agree". The description on the attitude and values were mainly adopted based on the studies of Yip (2004) and Kau et al (2004) as described below:

i. Self-confidence reflects individuals who are strong believer in their personal ability and are likely to display leadership characteristic. They also tend to be very highly confident in nature.

ii. Impulsiveness portrays individuals who prefer to make consumption choices on the spur of the moment. It is also likely that these individuals consume spontaneously from accidental exposure, curiosity or fad about new things.

iii. Family value oriented depicts consumers who are very concern with the well being of their family members. They are filial, responsible and tend to put the importance of their family above everything else.

iv. Brand consciousness, portrays those who like to experiencing new brands in the market. They are risk takers by nature and love to take the chance with new products.

v. Economizer portrays those consumers that pay close attention to prices and special sales to benefit from bargain purchase.

vi. Variety seeking portrays individuals who are innovative enough to try new and different things in life. They are also love to travel and seek adventurous outings.

vii. Social consciousness portrays those who are concern about social welfare and justice in the society. They are environmentally-conscious and caring for the underprivileged groups.

viii. Traditionalism depicts consumers who are very conservative in doing things and follow the traditional and religious practice. They cannot accept very western practice such as, sex before marriage and divorce.

ix. Materialism portrays individuals who treasure money in their life. They tend to believe that money can solve most problems in their life.

x. E-oriented portrays those who have integrated their life in internet. They do a lot of their daily activities through the internet.

The statements utilised were derived from several consumer lifestyle research studies that were deemed relevant to measuring the lifestyles of the Malays and the Chinese. The relevant lifestyle constructs employed are "self-confidence", "brand consciousness", "variety seeking", "impulsiveness", "economizer", "fashion consciousness", "family value", "social consciousness", "traditionalism", "materialism" and "E-orientation" (see Table A4.1 in Appendix 2).

In the same section, the list of the marketing mix and opinion statements is presented in Table A4.2 in Appendix 2. The list included advertisement, brand loyalty, branding, family view, fashion, location, peer pressure, price, promotion, quality, religious, saving and so on. Respondents were asked to rate the importance of each statement using the 7-point scale. All the questions were randomly mixed in respective sections in order to avoid any provision of hints to the respondents.

Focus was placed on the responses of the respondents on some selected products as examined by questions listed in Section III. However, due to the large choices of products available in the market and the constraints of time and finances, the research narrowed down the choices to focus on the following six categories of products which were deemed to reflect their behavioural context in view of the costs of the products:

i. Accommodation and Mode of transportation;
ii. Spending behaviour on food and type of restaurant frequented;
iii. Computer, Telecommunication, IT Product and Others;
iv. Clothing, Footwear and Personal Items and;
v. Gift Items and Others.

In the same section, the possession and consumption behaviour of some selected common products used by undergraduate students were gauged (Table 4.4). The products were divided into three groups, computer, telecommunication and information technology (IT) related products, clothing, footwear and personal items related products, and gift items and other products.

Table 4.4: Ownership and Consumption behaviour of Some Selected Products of Respondents

No	Computer, Telecommunication and IT Product	Clothing, Footwear and Personal Items	Gift Items and Others:
1.	Personal Computer	Clothing	Gift Items
2.	Notebook	Slipper	Watch
3.	Mobile phone	Leather Shoes	Decoration Items
4.	Camera	Sport Shoes	Spectacles
5.	MP3/MP4	Wallet/purse/handbag	Sunglasses
6.	Thumb drive	Shampoo	Book (exclude text books)
7.	-	Cosmetics	Magazines

Values are characterised by importance of product attributes in buying. It has been documented that consumers derive different values from consuming the same product. Hence, in buying, different attributes in importance is usually used (Tan and McCullough, 1985). Briefly, product attributes are determined and five-point scales are used to measure the importance of attributes. In this research, fifteen generalised products attributes were decided and nine of them were used for all products. The attributes are price, good services, image, physical appearance, serve the purpose, prestigious, quality, comfortable, easily available, durability, fashionable, brand name, free gift/gift voucher, attractive, and packaging.

In section IV, a variety of questions on sourcing for information, brand purchasing criteria, respondents' leisure activities and their monthly expenditure were asked. Firstly, the respondents needed to share the sources of the information for them to get to know the promotion or advertising. Then, some selected attributes of products to gauge the brand purchasing behaviour of respondents were included in this section. The selected attributes were listed in Table 4.5.

A variety of leisure activities were provided and the respondents were required to indicate if these activities were their leisure activities. These activities included, shopping, travelling, attending theatre / musicals, internet surfing / chatting, sport activities, beauty treatment, playing video/computer games, playing or watching football, motoring, dancing, cooking, eco-tourism, reading, clubbing, attending live music, eating out, plying gym, watching concerts, gardening, watching TV, listening to music and cinema and others.

Table 4.5: Attributes of Products

Attributes of Products	Attributes of Products
1. Trustworthy	11. A well-known brand name
2. Energy-saving	12. Modern
3. Recyclable	13. Personalised of customised products
4. Socially responsible	14. Organic
5. Using the latest technology	15. Spiritual
6. Offers personalised and attentive service	16. Elegant
7. Offer customer service that makes an effort to keep in contact with you	17. Traditional
8. Simple	18. Hip
9. Small or space-saving	19. Multinational
10. Fun	20. Extreme

This section also explored the average monthly expense of some of the selected items such as, Rental, water and electricity bills, Foods, Transportation, Telephone, handphone, internet bills, Books, magazines, newspaper, stationery and photocopying, Entertainment, (Internet Café, disco, karaoke and others), Clothing, Footwear and Personal Items and others.

4.5 Analytical Procedures

4.5.1 Univariate and Bivariate Analysis

The univariate analysis was, firstly, carried out to describe the profile of respondents, value and attitudinal statements of respondents towards the lifestyles of the respondents, and profile and spending behaviour of respondents on selected products. Frequencies and descriptive statistics such as mean and standard deviation were performed on the descriptive data. Those techniques helped in establishing the percentages and means of the respondents for each demographic variable or questions asked.

Bivariate analysis is used to assess the importance of certain independent variables, ethnic group, in relation to various dependent measures such as profile and spending behaviour of respondents on selected products. Bivariate data analysis is used to simultaneously measure the association between the psychographics dimension and within the psychographics.

Apart from bivariate analysis, multivariate analyse is also utilised. Factor analysis is performed on the lifestyle statements to identify the underlying patterns or relationship of the lifestyle statement that can be condensed or summarised into smaller set of factors or dimensions.

4.5.2 Factor analysis and cluster analysis

The principle component factor analysis is an interdependence technique to define the underlying structure among the variables in the analysis (Hair, el. at, 2010) and it is also used as data simplification techniques (Hackett and Foxall, 1999). The aim of principle component factor analysis is to summarize patterns of correlations among observed variables, to reduce a large number of observed variables to a smaller of factors, to provide an operation definition (a regression equation) for an underlying process by using observed variables, or to test a theory about the nature of underlying processes (Tabachnick and Fidell, 2008). There is considerable parsimony as the number of factors produced is usually far fewer than the number of observed variables. As the scores on factors are estimated for each subject, they are often more reliable than scores on individual observed variables.

Cluster analysis has most frequently been employed as a classification tool. It is a way of sorting items into a small number of homogenous groups, whether they are

individual, firms, or even behaviours (Saunders, 1999; Hair, el. at, 2010). Researchers use this technique to search "natural" structure among the observation based on a multivariate profiles (Hair, el. at, 2010). Cluster analysis is a purely empirical method of classification and as such is primarily an inductive technique (Gerard, 1957). This technique is an interdependence method where the relationship between objects and subject are explored without a dependent variable being indentified. In addition, it makes no prior assumptions about important differences within a population (Punj and Stewart, 1983). This technique uses to develop empirical groupings of persons, products, or occasions which may serve as the basis for further analysis (Punj and Stewart, 1983). In marketing, the most common application is to cluster customers into segments but is has also been used to group similar products (Wild, 1978; Srivastava, Leone and Shocker, 1981; Saunders, 1999). Cluster analysis is differs from factor analysis, however, in that cluster analysis groups objects, whereas factor analysis is primarily concerned with grouping variables (Hair, el. at, 2010). In addition, factor analysis makes the groupings based on patterns of variation (correlation) in the data whereas cluster analysis makes groupings on the basis of distance (proximity) (Hair, el. at, 2010). In this study, principle component factor analysis and cluster analysis are carrying out to identify a meaningful typology of Malays and Chinese students. Firsly, factor analysis was performed to identify underlying dimensions of their value system and then, cluster analysis was carried out to identify clusters using the results of factor analysis.

In this study, principal component factor analysis was applied on the lifestyle and values variables for each group to assess the stability of the dimension across the groups. The Bartlett test of sphericity and the Kasier-Meyer-OIkin measure of sampling adequacy were used to evaluate the correlation among the variables. Next, the appropriate number

of factors was determined by scree tests and eigenvalues. The scree tests and eigenvalues greater than one were selected as the criteria for determining the number of factors to be extracted. Then, the varimax rotation procedure was performed to ease the interpretation of each factor and variables that had low loadings (less than 0.4) on the factors were removed. Furthermore, those items that did not load on any factors or made up a single factor that was difficult to interpret, or loaded on several factors simultaneously were deleted from scale. After examination of the loading on the factors, a name was assigned to each factor according to the content of the variables making the greatest contribution to each of the dimensions. Cronbach's alpha coefficient was computed to assess the internal consistency among the set of items on each factor. The purpose of conducting the factor analysis at this stage was to extract the underlying lifestyles and values dimensions, and then use the factor scores in cluster analysis.

Based on the factor scores, cluster analysis was conducted to identify major clusters of students. There is no universal standard to decide the appropriate number of final clusters. The study followed the validation approach suggested by Punj and Stewart (1983) to determine the appropriate number of clusters. The approach divided the sample into halves and carrying out cluster analysis on each half. The first half is used as a test sample, and the second half is used as an internal validation sample. The test sample is used based on the hierarchical cluster analysis using Ward's method and Euclidean distances, to generate the possible alternative cluster solutions. Then, using the initial cluster centre estimates from hierarchical cluster analysis, k-means cluster analysis was performed on the internal validation sample to select the best solution based on stability and reproducibility of membership of test sample. The cross-validation procedure utilising constrained and unconstrained for each alternative number was performed on internal validation sample. For a given number of clusters,

the constrained solution classified all cases in internal validation sample based on the cluster analysis results of the test sample, whereas the unconstrained solution generated without any restrictions. The cluster solution that had the closest agreement between the constrained and unconstrained solutions of internal validation sample was selected as the final solution. The chance corrected coefficient of agreement, *k*, was computed on two solutions of internal validation sample for each possible alternatives. The decision criterion was based on the maximum value *k*. Finally, a brief description of the value orientation of the clusters is presented.

Analysis of variance (ANOVA) was undertaken to assess the internal validity of the cluster results. Since the variables were used to perform the cluster analysis, there should be significant differences among the clusters (Saunders, 1994). Crosstabulation and chi-squared were performed.

4.5.3 Independent t-Test

To establish significance between the Malays and the Chinese, the t-test test was used. The t-test helped to test the differences exist between the Malays and the Chinese on the effect of religious, family views, peer and friends, and perception towards marketing mix. The means of the attribute were used to determine the order of importance. The higher the mean, the more important a prescribed statement is to the respondent. A probability level of 0.05 was used.

4.5.4 Logistic Regression

Apart from bivariate analysis, multivariate analysis is also utilised. As the dependent variables of these models are mostly dichotomous, that is associated with two qualitative choices, logistic regression analysis is used. Logistic regression is used when

the dependent variable is binary, but it can be useful for other dependent variables if they are recorded to binary form. In addition, highly skewed variables, such as respondents' monthly expense on respective items in this study, are not well suited for linear regression analysis, because linear regression requires the assumption of a normal distribution. This technique transforms the problem of predicting probabilities within a (0,1) interval to the problem of predicting the odds of an event occurring, given a set of conditions. Logistic regressions predict likelihoods, measured by probabilities, odds, or log-odds (Sweet, and Grace-Martin, 2003). The odds describe the ratio of the number of occurrences to the number of non-occurrences.

The logistic regression model may be specified as follows:

$P(Y_t = 1) = 1 / (1 + e^{-z})$

Where

$$Z = B_0+B_1X_1+B_2X_2+B_3X_3+\ldots\ldots\ldots\ldots\ldots+B_kX_k+\varepsilon i$$

Y_t is assumed to depend on k explanatory variables, X_k, k=1,2,3,…..K. The parameters of the model are estimated using the maximum-likelihood based on SPSS Logistic Regression procedure. The model Chi-Square value indicates whether the estimated coefficients are significantly different from zero, while the χ^2 Goodness of fit shows the fit of the model on the data.

Logistic regression will be used to explain spending behaviour of respondents. Nine models will be built based on the logistic regression. In the first model, a respondent is categorised into two spending groups, low and high based on the amount that they spent on their monthly expenses. Median of monthly spending expenses is used as the cutting point for low and high expenditure group. Thus, those who spend less than RM600 are categorised as low group and those who spend more than RM600 are grouped as high

spending group. Socio-economic variables such as, gender and ethnic group, and total amount of financial support per year and wealth score would be used as explanatory variables.

In the second model, a respondent is measured based on two spending groups, low and high based on the amount that they spent on their monthly expense, excluding rental, water and electricity bills and food costs. Median of monthly spending expense, excluding rental, water and electricity bills and food costs, is used as the cutting point for low and high expenditure group. Thus, those who spend less than RM250 and below are categorised as low group and those who spend RM250 and more are grouped as high spending group. Same explanatory variables used in the first model are also applied in this model.

For the model three to model nine, a respondent is also grouped based on two spending groups, low and high based on the amount that their spending on their rental (including, water and electricity bills), transportation, telephone, hand-phone, internet bills, foods, books, magazines, newspaper, stationery and photocopying, entertainment (internet café, disco, karaoke and others), and clothing, footwear and personal items respectively. Median of monthly spending expense of the respective items, are used as the cutting point for low and high expenditure group respectively. Thus, those who spend less than median amount on the respective groups are categorised as low group and those who spend median amount and more on the respective groups are grouped as high spending group. The same explanatory variables used in the first model are also applied in these models.

Like linear regression, logistic regression coefficients can be used to make predictions. In this study, the likelihood that Malay's and Chinese's monthly spending on the high status will be calculated based on the logistics regression models. Thus, the mean value of financial support received per year (X_1), wealth background (X_2), commitment toward the religion (X_5), the value of Male (X_3), and Cluster One (X_6) will be inserting into regression equation to compare the Malays and Chinese (X_4) likelihood of high monthly spending status. Then, the relationship between odds and probabilities are applied to find predicted probabilities.

$$\text{Log-odds} = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 + B_6 X_6 + B_7 X_7$$

$$\text{Odds} = \text{Exp}(B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 B_6 X_6 B_7 X_7)$$

$$\textbf{Probability} = \frac{\text{Odds}}{1 + \text{Odds}}$$

4.6 The Limitation of Study

The current study, however, does pose some limitation which includes:

i The theoretical framework and research model of the current study have been confined only to the university students who are not financially independent but depend on sources from family members and loans, et cetera. Thus, this is not reflective of Malaysian youths at large where many are already earning their own incomes.

ii By selecting the youths in the selected universities as listed above, the study has not taken into consideration the substantial number of young adults within the same age group who have been studying overseas. Thus, the impact of cross-cultural influence, acculturation, among a large segment of these young adults has been ignored. This should be considered in future research.

iii Lastly, the limitations of questionnaires should be taken into account. The questionnaire was only limited to some of the products deemed to be preferred by the students. However, there are large numbers of choices of products available in the market and the number of choices is increasing.

4.7 Conclusion

This Chapter describes the research design and methods employed for the current study. The next chapter will endeavour to focus on the analysis of data from the participants.

Chapter 5

Data Analysis

5.1 Introduction

This chapter presents the findings from the analyses that were conducted through the Statistic Package for Social Science (SPSS) version 12. It is divided into the following key sections:

i. it provides the demographic characteristics of the respondents.;

ii. it reports descriptive statistics of the value and attitudinal statements;

iii. it presents the scale purification process of the value and attitudinal statements, using reliability analysis and factor analysis. After which the cluster analysis will be used to classify the six major groups by using the regression scores based on the factor analysis;

iv. it examines profile and spending behaviour of respondents on some selected products;

v. it analyses the pattern of the leisure activities of respondents;

vi. it explores the source of income of respondents;

vii. it studies the effect of religious, family views, peer and friendship pressure on respondents;

viii. it analyses the pattern of the respondents' expenditures on selected products and it examines the responses of the Malays and the Chinese and different lifestyle cluster groups towards monthly expenditures on some selected items through the independent t-test; and finally,

ix. nine models of monthly expenditure on selected items will be formed to link the relationship of ethnic cultures, religions, gender, cluster group, income and wealth on the Malays and Chinese consumption behaviours

5.2 Profile of the Respondents

A total of 300 questionnaires were distributed to two selected universities within the capital city of Kuala Lumpur with each university having equally 150 sets of the questionnaires. These two selected universities are: University Tunku Abdul Rahman (UTAR) – which is predominantly Chinese with only a small number of Malay and Indian students; and University Technologi Mara (UiTM) – which consists of almost 100 per cent of the Malay students with less than one per cent of tribal natives from East Malaysia. Out of the 255 questionnaires that were returned, 18 were incomplete and were not used in any of the analyses. As a result, only 237 completed questionnaires were received from two universities and were used for the analysis. This represented a response rate of approximately 85 per cent.

Consequently, there are 237 valid responses from both of these universities for the current survey. Nearly 40 per cent of the students are of ethic Malay from University Technologi Mara (UiTM), Shah Alam, Selangor and about 60 percent are Chinese students from University Tunku Abdul Rahman (UTAR) in Bandar Sungai Long, Kajang, Selangor. This is summarised in Table 5.1 below.

Table 5.1: Percentage Distribution of Respondents by Ethnic Group

University	Number of Cases	Total (%)
University Technology MARA (Malays)	92	38.8
University Tunku Abdul Rahman (Chinese)	145	61.2
Total	**237**	**100.0**

According to the pre-classification criteria of the gender proportion, two-thirds are female while the remaining one-third is male. Therefore, the sample collected also reflected this proportion that consists of two-third females and one-third males. This is

presented in Table 5.2. In UiTM, more than 67 per cent of the students are female and the rest are male students. On the other hand, there are about 63 per cent of female student and 37 per cent male student in UTAR. The purchasing power of a consumer is correlated highly with the disposable income and disposable income is correlated highly with the level of higher education the consumer attained. Thus, it is anticipated, in the near future, females will have a greater purchasing power as compared to their males' counterpart since more females have attained tertiary education.

The findings show that about 40 per cent of the respondents are in the first year of their tertiary education while the other 60 per cent of the respondents are distributed quite evenly in year two and year three of their studie. Year two students make up of 44 per cent of the total population and are the majority among the Malay students. The majority, or 41 per cent, of the Chinese students are in the first year of their tertiary education.

In Malaysia, all the Malays are Muslims as required by the Federal Constitution. As such, all the Malay students in the sample population of the current study are legally deemed to be Muslims. However, the religious beliefs of the Chinese are much more diverse. For example, about 87 per cent of Chinese students professed their religions to be Buddhism or Taoism, some 12 per cent of them are Christians and the rest profess their faiths as Hinduism and other religions.

The two main financial sources for education are financial assistance from loans and supports from the immediate family. Table 5.2 shows that, to finance their higher education, the Malay students mainly rely on loans and scholarships provided by the government. On the other hand, the Chinese students are mainly depending on their family for financial supports in pursuit of their higher education.

About 44 per cent of the Malays are from rural areas. It is quite common that nearly half of them stay in simple wooden houses in the villages. On the contrary, the majority of the Chinese are from the urban areas - about 73 per cent of them reside in better housing condition such as single-storey or double-storey concrete terrace houses or shop houses.

However, there are about 14 per cent of the Malays and 18 per cent of the Chinese residing in apartments, condominiums and bungalows, respectively. On the average, the Chinese seem to have better living conditions as compared to the Malays.

Further analysis on the respondents' family background shows that the Malay parents, on the average, are older than the Chinese by about four years (Table A2.1 in Appendix 2). About 45 per cent of the fathers of the Malay respondents are aged 56 and above. In comparison, only 24 per cent of the fathers of the Chinese respondents are aged above 56 and above (Table A2.2 in Appendix 2). The statutory retirement age in Malaysia is 56 years old. Thus, this may imply that the Chinese students have better financial support from their fathers since they are still gainfully employed and economically active income earners as compared to the Malay students. On the average, the Malay families have 6 children; this is more than the Chinese families which, on the average, are reported to have 3.5 children per family.

Table 5.2: Demographic Characteristics of Respondents by Ethnic Group

Demographic Characteristics	Malays (%)	Chinese (%)	Total (%)
Sex			
Male	23.9	37.2	32.1
Female	76.1	62.8	67.9
Year of Study			
Year 1	38.0	40.7	39.7
Year 2	43.5	23.4	31.2
Year 3 and beyond	18.5	35.9	29.1
Religion			
Islam	100.0	-	38.8
Christianity	-	11.7	7.2
Buddhism/Taoism	-	86.9	53.2
Others	-	1.4	0.8
Financial Support			
Own	4.3	10.3	8.0
Family	41.3	59.3	52.3
Loan	82.6	72.4	76.4
Scholarship	8.7	2.1	4.6
Location of Home Town			
Rural	43.5	19.3	28.7
Urban	56.5	80.7	71.3
Type of Living Quarters (housing)			
Attap/village/squatter type house/flat	48.9	9.0	24.5
Single/double storey terrace/shop house	37.0	73.1	59.1
Apartment/condominium/bungalow	14.1	17.9	16.5
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

From the samples collected, more Malay parents had attained higher education levels than the Chinese parents. About 45 per cent of the Malay fathers have attained at least pre-university education level or above; whereas only 32 per cent of the Chinese fathers have reached the equivalent education levels of the Malay parents (Table A2.2 in

Appendix 2). It is also noted that nearly half of the mothers who are Malays attained education at pre-university level or above. However, majority of these mothers did not utilise their qualifications and knowledge in the employment market as 73 per cent of them reported that they are full-time mothers or housewives.

About 86 per cent of the Chinese fathers are still working whereas only 67 per cent of the Malay fathers are still working. This finding strengthens the point that Chinese students received better financial supports from their families as compared to their Malay counterparts.

On the average, the Malay families have slightly more assets such as houses or land and motorcycles as compared to the Chinese (Table A2.3 in Appendix 2). The Malays reported that they have 1.2 units of houses or land as compared to 1.1 units of houses or land for the Chinese. In general, more Malays own land as compared to the Chinese and conversely for the ownership of houses (Table A2.4 in Appendix 2). For example, 46 per cent of the Malays declared that they own land as compared to the Chinese where only 19 per cent claims to own land; while 86 per cent of the Chinese claim to own more than one house as compared to 79 per cent of the Malays. This could be due to the reason that the majority of the Malays resides in the rural areas whereby the lands are basically the cheaper agricultural land with minimal commercial value.

The Chinese are better off than the Malays in the ownership of vehicles such as cars. They are not only having better cars but are also are having more cars than the Malays. This finding may reflect that the Chinese families are financially better-off than the Malay families.

5.3 Value and Attitudinal Statement

This section examines the value and attitudinal statements of the respondents towards the lifestyles of the respondents. These value and attitudinal statements were divided into six factors, as the respondents could rate the degree to which series of the statements is appropriately applicable to them. The details of the analysis are listed in Table A5.5 in Appendix 2.

The responses were entered in the SPSS program as scale type data. Each statement was labelled according to the potential factor they represent, i.e., B1 to B22 belonging to the "Brand Conscious" factors, D1 to D3 belonging to the "Impulsive" factors, E1 to E31 belonging to the "Economizer" factors, G1 to G29 belonging to the "Family" factors, H1 to H7 belonging to the "Social Consciousness" factors, I1 to I12 belonging to the "Traditionalism" factors, J1 to J3 belonging to the "Materialists" factors, and K1 to K6 belonging to the "E-orientation" factors. These labels will be used to address the value and attitudinal statements for all the discussions in the section. All the statements are based on the mean view of the respondents on a 7-point Likert scale with scale "1" as strongly disagree and scale "7" as strongly agree.

The means of "Brand Conscious Factor" ranged from 5.1 in B6 to 3.3 in B2 and B5. Nearly 60 per cent of the respondents agreed that the statements applied to attitude towards branding, which have means of over 4.0. The highest mean value for B6, "An important part of my life and activities is dressing smartly", shows that students nowadays put more attention on their external appearances. However, they still uphold the need for comfort over fashion, this is supported by the lowest mean of B5, "When I must choose between the two, I usually dress for fashion not for comfort". The means of B2, B3, B7 and B9 scored below 4.0; thus, it shows that majority of the respondents are

more concern with quality than product. They also do not mind purchasing local products. However, to a certain extent, respondents think that the “Branded items are better than ‘Non-branded’ ("off-brand")” ones. This can be deduced from B21 = 4.4 and they are willing to pay higher prices for well-known brands (B1 = 4.2).

The respondents disagreed that most of the statements applied to their perception towards “impulsiveness”; this is indicated by the means of below 4.0. The mean values of “Impulsive Factor” ranged from 4.3 in D1 to 3.5 in D2. This indicates that the majority of the respondents take a neutral or negative perception towards impulsiveness statements.

It is clear from the Table that the respondents agreed that all the statements applied to their perception towards “Economizer Factor”, which have mean values of above 4.0. The mean values of “Economizer Factor” ranged from 5.3 in E31 to 4.1 in E4. This indicates that the majority of the respondents took a neutral or positive perception towards “Economizer Factor” statements. Most of them agreed that they usually compare prices before buying (E31=5.3) and they always look out for product on sales (E14 = 5.1).

It is expected from the Table that the respondents agreed that all the statements applied to their perception towards “Family Value”, which have mean values of above 4.0. The mean values of “Family Value” ranged from 6.3 in G1 to 4.4 in G9. This indicates that the majority of the respondents took very positive perception towards “Family Value” statements. Most of them agreed that their family is the most important thing to them; one should support one's parents in their old age and family members should cherish one another and show mutual love. These are explicit in G1, G2 and G4 = 6.3.

The respondents agreed that most of the statements applied to their perception towards "Social Consciousness", except statement H3 which has a mean of below 4.0. The mean values of "Social Consciousness" ranged from 5.0 in H6 to 3.8 in H3. This indicates that the majority of the respondents took positive perception towards "Social Consciousness" statements. Most of them felt that they should do their parts to help raise funds for charity (H6 = 5.0). Therefore, they do not mind to pay more for products that are friendly to the environment (H7 = 4.7) and stop buying their favourite brand if they knew the company producing the product is polluting the environment (H2 = 4.5). However, they are still unwilling to bring their own take-away bags, like it has been practised in other Western countries, for shopping in order to reduce the use of non-recyclable packaging (H3 = 3.8).

It is clear from the Table that the respondents agreed that most of the statements applied to their perception towards "Traditionalism", except statement I2 which has a mean of below 4.0. The mean values of "Traditionalism" ranged from 5.5 in I5 to 3.9 in I2. This indicates that majority of the respondents are very "traditional". Most of them reported that religion is an important part of their life (I5 = 5.5) and "Spiritual values are more important to me than material values" (I11 = 4.9). Thus, they believed that "It is wrong to have sex before marriage" (I1 = 5.1) and they opine that divorce is unacceptable (I4 = 4.6). Religious principles have always been their guide in their spending decision (I12 = 4.6). They celebrate festivals in the traditional way (I3 = 4.8) but dislike to stick to traditional ways of doing things (I2 = 3.9).

The respondents agreed that most of the statements applied to their perception towards "Materialism", which have means above 4.0. The mean values of "Materialism" ranged from 5.0 in J2 to 4.8 in J1 and J3. This indicates that the majority of the respondents

took a positive perception towards "Materialism" statements. Basically, money is very important in respondents' life.

The respondents agreed that all the statements applied to their perception towards "E-Orientation", which has a mean of above 4.0. The mean values of "E-Orientation" ranged from 5.5 in K2 to 4.5 in K4. This indicates that majority of respondents are very "E-Orientated". They enjoy exploring web pages on the internet, use the internet to learn about their hobbies and interests, they meet people and make new friends on the internet and the internet has become an integral part of their life.

5.4 Factor Analysis and Cluster Analysis

In this section, the procedures to identify a typology of the selected university students are carried out. First, the reliability analysis is performed on 48 values and attitudinal items to decide which should be eliminated, in order to improve the responding Alpha value. Based on the reliability result, factor analysis was utilised to find out the underlying dimensions of values and attitudes of the variables. Then, cluster analysis was performed to identify meaningful clusters of the selected university students. Finally, cross-tabulation with the chi-squared analysis was conducted to assess the differences among the clusters of some selected key demographic variables.

5.4.1 Reliability Analysis

In order to check the reliability of the scale, reliability tests were carried out in order to maximise the alpha value of the constructs. "Alpha if item deleted" is used as guideline whether to delete or to retain the value and the attitudinal statements.

Brand Conscious Factor

There were thirteen statements assigned to collect the respondents' tendencies such as to experience purchasing new brands in the market. After the analysis, B20 is eliminated to maximise the alpha value. The remaining twelve items retained were subject to principal components analysis (PCA) for further testing.

Impulsive Factor

There were three statements assigned to collect the respondents' tendencies in making consumption choices on the spur of the moment. These statements tested the extent of likeliness of the individual consuming spontaneously as a result of accidental exposure, curiosity or fad about the new things. All the items are retained after the analysis.

Economizer Factor

There were seven statements used to examine the respondents' responses toward the price sensitivity and the attention towards special sales promotion. After the analysis, all the items are retained.

Family Values Factor

There were seven statements designed to explore the meaning of 'Family Value'. After the analysis, all the items are retained.

Social Consciousness Factor

There were seven statements used to examine the respondents' values towards the materialism. All the items are retained after the analysis.

Traditionalism Factor

There were seven statements designed to explore the meaning of 'traditionalism'. All the items are retained after the analysis.

Materialism Factor

There were three statements used to examine the respondents' values towards the materialism. All the items are retained after the analysis.

E-Orientation Factor

There were six statements assigned to collect the respondents' attitudes towards the internet usage in their life. All the items are retained after the analysis.

5.4.2 Factor Analysis

A principal components analysis, or factor analysis, was conducted on the correlations of the 52 items, after B20 was eliminated (Table A2.6 in Appendix 2). Prior to performing the factor analysis, a strong conceptual foundation is needed to support the assumption that a structure does exist. The critical assumptions underlying factor analysis are more conceptual than statistical. One of the basic assumptions is that some underlying structure does exist in the set of selected variables. It means that the sample is homogenous with respect to the underlying factor structure. All the underlying structure had been proven in the set of selected variables through the literature review.

5.4.3 Sample Size

Correlation coefficients fluctuate from sample to sample, much more so in small samples than in large. Therefore, reliability of factor analysis is also dependent on sample (Field, 2005). There is a lot of 'rule of thumb' established on the ground. The common rule proposed that at least 5 to 15 cases per variables (Nunnally, 1978, Kass

and Tinsley, 1979). Tabachnick and Fidell (2001) recommended that at least 300 cases for factor analysis and Comrey and Lee (1992) classify 1000 as an excellent sample size, 300 as good sample and 100 as poor sample. The empirical research done in the form of experiments using simulated data or known as Monte Carlo studies, have provided better comments on sample size. Arrindell and van der Ende (1985) concluded that changes in the cases and variables ratio made minor difference to the stability of factor solutions. Guafagnoli and Velicar (1998) discovered that the absolute sample size and magnitude of factor loadings were the most important factors in determining reliable factor solution. Their findings argued that as long as a factor has four or more loadings greater than 0.6 then it is reliable regardless of the sample size. In addition, factors with 10 or more loadings greater than 0.4 are deemed to be reliable if the sample size is greater than 150. Finally, factors with low loadings of less than 0.4 should not be interpreted unless the sample size is more than 300 cases. MacCallum, Widamann, Zhang and Hong (1999) have shown that the minimum sample size or sample to variable ratio depend on other aspects of the design of study (Field, 2005). In short, the study discovered that communalities have reverse relationship with sample sizes, that means as communalities become lower the importance of sample size increases. They concluded that with communalities above 0.6, relative small sample size of less than 100 is needed, sample between 100 and 200 may require communalities in the 0.5 range and whereas low communalities of well below 0.5 is recommended to have sample size of above 500. Hair et al (2006) commented that researcher should not perform factor analysis on a sample size of fewer than 50 observations, and preferably the sample size should be 100 and larger. They proposed that the minimum is to have at least five times as many observations as the number of variables to be analysed. The sample size of this study (N = 237 observations) has met the minimum requirement of 50 observations and achieves the minimum proposal of 5 observations per variable (Hair et al, 2006).

5.4.4 Overall Measure of Inter-correlation

Factor analysis is a process of identifying the structure of inter-relationship among a large number of variables by defining a set of common underlying dimensions (Hair et al, 2006). Thus, some degree of correlation among the variables is desirable because the objective is to identify interrelated sets of variables. Two measures can be used to test the correlation among the variables. They are the Bartlett test of Sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. The Bartlett test of Sphericity is a statistical test for the presence of correlations among the variables. It provides the statistical significance that the correlation matrix has significant correlations among at least some of the variables. The rule of thumb is a statistically significant Bartlett's test of Sphericity (sig. > 0.05) indicates that sufficient correlations exist among the variables to proceed.

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA) is to quantify the degree of inter-correlations among the variables and the appropriateness of factor analysis. This KMO statistics varies between "0" and "1". Hair (2006) has provided the following guidelines:

KMO Index	Comment	KMO Index	Comment
0.9 or above	Superb	0.6 or above	Mediocre
0.8 or above	Meritorious (Great)	0.5 or above	Miserable
0.7 or above	Middling (Good)	Below 0.5	Unacceptable

(Source: Kaiser, 1974 and Hair et al, 2006)

Based on the rule of thumb, MSA value must exceed 0.50 for both the overall test and each individual variable.

Anti-image correlation matrixes contain measure of sampling adequacy for each variable along the diagonal and the negatives of the partial correlation and covariances on the off-diagonals. The diagonal elements, like KMO, should all be greater than 0.5 at a bare minimum if the sample is adequate for a given pair of variables.

The factors were rotated with varimax orthogonal rotation. Varimax attempts to maximise the dispersion of loadings within factors. Therefore, it tries to load a smaller number of variables highly onto each factor resulting in more interpretable clusters of factor (Field, 2005). Once a factor structure has been found, it is important to decide which variables make up which factor. Typically, a loading of an absolute value of more than 0.3 is important. However, the significance of a factor loading will depend on the sample size. Stevens (1992) has recommended the following guidelines:

Sample Size	**Loading**
50	> 0.722
100	> 0.512
200	> 0.364
300	> 0.298
600	> 0.210
1000	> 0.162

Source: Stevens (1992)

This study utilised the suppressed loading less than 0.4 based on suggestion of Steven's (1992). Finally the factor scores generated by the factor analysis were utilised to determine the initial cluster groups.

The preliminary analysis shown that the Bartlett test of sphericity was significant ($p < 0.001$) and the Kaiser-Meyer-Olkin measure of sampling adequacy (0.91) was superb and greater than the acceptable level of 0.50 (Kaiser, 1974). Hence, factorability was assumed.

The next step is to determine the appropriate number of factors based on two criteria, latent root criterion, Kaiser's method and scree test**.** Kaiser (1970) recommends retaining all the factors that meet the eigenvalues greater than one. This criterion is based on the idea that the eigenvalues represent a substantial amount of variation explained by factor and that eigenvalues of 1 represents a substantial amount of variation (Field, 2005). Research has indicated that Kaiser's criteria is accurate when the number of variables is less than 30 and the resulting communalities (after extraction) are all greater than 0.7. In addition, Kaiser's criterion is also accurate when the number of sample size exceeds 250 and the average communalities greater or equal than 0.6. Cattell (1966) has plotted the scree plot (the graph of each eigenvalue against the factor) to review the importance of each factor. Cattell (1996) proposed that the cut-off point for selecting factors should be at the point of inflexion of the curve, which known as elbow point. With a sample of more than 200 cases, the scree plot provides a fairly reliable criterion for factor selection (Steven, 1992 and Field, 2005). In short, it is advised to use a scree plot provided the sample size is greater than 200 (Steven, 1992 and Field, 2005).

This study is combining the latent root criterion and scree test to identify an optimum number of factors that can be extracted. Based on the latent root criterion, factors that had an eigenvalue greater than one were identified. The results showed that 16 factors had an eigenvalue of greater than one. Since, the latent root criterion generated too

many factors; hence a scree test was applied to find a smaller set of meaningful factors. The scree test helps to identify an optimum range of number of factors that can be extracted, before the amount of unique variance begins to dominate the common variance structure. The elbow point, at which the curve first begins to straighten out, is considered to indicate the maximum number of factors to extract (Hair et al. 2006). The scree plot identified an elbow point around the eighth factor. However, the number of factors identified by the elbow point is only an approximation. Any number around the elbow could potentially be the best solution. Therefore, the interpretability of a seven, eight, and nine factor solution was compared by examining variables that were highly loaded to each factor. The result showed that the eight factor solution provided the highest consistent interpretability among the three solutions; thus, it was selected as the final factor solution.

Among 52 items, 18 items were deleted from the scale due to low communality and inconsistency in factor loadings (Table 5.3). Preliminary factor analysis found that some of these items either did not load on any factors (i.e., had low communalises), or made up a single factor that was difficult to interpret, or loaded on several factors simultaneously. Thus, 34 items were used to obtain the final eight-factor solution using principal component analysis together with orthogonal rotation. The eight factors explained 57.2 per cent of the variance. The rotated factor matrix was examined to interpret and name the factors. Since the sample is greater than 200, factor loadings greater than 0.40 were identified as significant (Hair et al. 2006). The items loaded on each factor and their loadings were summarised in Table 5.3. Based on the examination of the factor loadings of each variable, the eight factors were named as shown in Table 5.3. Finally, eight factor scores generated by factor analysis are subjected to further

analysis in identifying major clusters of the university students. The formula of factor scores is shown as follow:

$$Yi = b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + B_6X_6 + b_7X_7 + b_8X_8 \ldots\ldots b_iX_i + \varepsilon_i ,$$

Where Y_i = factor, b_i = factor loading and X_i = variables

Table 5.3: Factor Loadings

No	Items	Factor Loadings
	Factor 1: Brand conscious oriented (α = 0.80)	
B22	I usually buy branded product (i.e. well known brand)	0.753
B1	I am willing to pay higher prices for famous brands	0.726
B3	I prefer to buy foreign brands then local brands	0.675
B9	I spend a lot of time talking with friends about products and brands.	0.669
B21	Branded items better than "Non-branded" ("off-brand".)	0.624
B2	I care for well known brands rather than their quality	0.615
B10	I like to keep up-to-date with the latest trends, fashion, and technology.	0.561
	Factor 2: Family Value Oriented (α = 0.82)	
G3	One should honour one's parents and grandparents	0.822
G1	My family is the most important thing to me.	0.770
G2	One should support one's parents in their old age.	0.723
G4	Family members should cherish one another and show mutual love.	0.698
G5	Family should be prepared to make sacrifices to help each other.	0.675
	Factor 3: E-oriented (α = 0.78)	
K1	I use the internet to learn about my hobbies and interests.	0.772
K6	The internet has become an integral part of my life.	0.694
K2	I enjoy exploring web pages on the internet.	0.670
K3	I use the internet to enhance my work productivity.	0.644
K4	I use E-mail to regularly keep in touch with my friends.	0.614
K5	I meet people and make new friends on the internet.	0.563

No	Items	Factor Loadings
	Factor 4: Traditional Value Oriented (α = 0.70)	
I12	My religious principles have always been my guide in my spending decision.	0.750
I5	Religion is an important part of my life.	0.679
I2	I like to stick to traditional ways of doing things.	0.602
I3	I celebrate festivals in the traditional way.	0.552
I11	Spiritual values are more important to me than material values.	0.527
I1	It is wrong to have sex before marriage.	0.453
	Factor 5: Social Consciousness Oriented (α = 0.65)	
H5	I often donate money for charitable causes.	0.740
H4	I often find time to be involved in community or charity work.	0.736
	Factor 6: Economizer (α = 0.55)	
E31	I usually compare prices before buying.	0.730
E1	I find myself comparing the prices in the grocery stores even for small items.	0.688
E12	When buying goods, I tend to go for the cheaper alternatives.	0.521
E14	I always look out for product on sales	0.443
	Factor 7: Materialism Oriented (α = 0.64)	
J2	Money can solve most people's problems.	0.824
J1	Money is the most important thing to consider in choosing job.	0.709
	Factor 8: Impulsive (α = 0.49)	
D2	I frequently buy things when I can't afford them.	0.720
D3	I pretty much spend for today and let tomorrow bring when it will be.	0.691

Factor 1 - Brand Conscious Oriented: This factor consisted of seven variables and explained 15.6 per cent of the variance. It was labelled 'brand conscious oriented', as most of the highly loaded items represent people's desire to purchase the branded products rather than their quality. Thus, their preferences are to buy branded and foreign

branded products for the sake of it than "non-branded" (off-brand) or local brands products.

Factor 2 - Family Values Oriented: This factor consisted of five variables and explained 10.8 per cent of the variance. It was given this name because most of the highly loaded items were related to the family values and respect for elders, such as honouring one's parents and grandparents, supporting parents financially in their old age, family members should cherish one another and show mutual love and even prepared to make sacrifices to help each other. Those in this group also put family as their first priority.

Factor 3 - E-oriented: This factor had six variables and explained 7.4 per cent of the variance. It was named 'E-oriented' because most of the highly loaded items were related to aspects of the internet savvy such as internet has become an integral part of their lives and they enjoy exploring and surfing the internet. They use internet to do most of their daily activities from sustaining the friendship to learning about hobbies and interests.

Factor 4 - Traditional Value Oriented: This factor consisted of six variables and explained 6.6 per cent of the variance. It was labelled 'traditional value oriented' as the loaded items were related to importance of preserving traditional values like the traditional ways of doing things, observations and celebrations of traditional festivals, as well as to uphold the religious principles and practices.

Factor 5 - Social Consciousness Oriented: This factor consisted of two variables and explained 5.0 per cent of the variance. It was named 'social consciousness oriented', as the loaded items were related to the involvement in community or charity work, and contributions towards charity donations.

Factor 6 - Economizer: This factor consisted of four variables and explained 4.4 per cent of the variance. It was called 'economizer' because the loaded items represented a desire to save money and they are extra careful in their spending.

Factor 7 - Materialism Oriented: This factor consisted of two variables and explained 3.9 per cent of the variance. It was labelled 'materialism oriented' as the loaded items represented emphasise on materialistic aspect of life. For example, the importance of money and high remuneration are the most important consideration in finding job.

Factor 8 - Impulsive: This factor consisted of two variables and explained 3.3 per cent of the variance. It was named impulsive since the loaded items represented the impulsiveness in spending such as being wasteful and uncontrolled buying behaviour.

5.4.5 Cluster Analysis

Based on the eight-factor scores generated through factor analysis, cluster analysis was conducted to identify major clusters of the university students. There is no absolute standard or guideline to determine the appropriate number of final groups of clusters. Thus, the validation approach recommended by Punj and Stewart (1983) is used to determine the appropriate number of clusters. Based on this approach the sample is divided into halves, and then, carrying out cluster analysis on each half. The first half of the sample is used as a test sample, and the second half of the sample is used as an internal validation sample. Cluster analysis is first carried out on the test sample to identify a statistically significant clustering solution and to obtain clusters' centroids. Then, objects in the internal validation sample are assigned to one of the identified clusters on the basis of the smallest Euclidean distance to cluster centroid vector. The degree of agreement between the nearest-centroid as assignments of internal validation

sample and the results of a cluster analysis of internal validation sample is an indication of the stability of the solution. A coefficient of agreement, kappa, may used an objective measure of stability (Punj and Stewart, 1983).

The preliminary screening of cluster analysis discovered that three cases are identified as outliers. After assessment, these three outliers are deleted because they are deemed unrepresentative. The remaining 234 cases were randomly divided into two sets of data, Pl and P2, containing 116 and 118 cases, respectively. Pl was used as a test sample, and P2 as an internal validation sample. Hierarchical cluster analysis using Ward's method and Euclidean distances was initially utilised to obtain the possible numbers of clusters. The stopping rule is based on assessing the changes in heterogeneity between the cluster solutions. The basic rationale is that when large increases in heterogeneity occur, the prior cluster solution is selected. The agglomeration coefficient is particularly amenable for use in this stopping rule. The changes in agglomeration coefficients, which represented increases in within cluster variance for each step of combining clusters, were examined to identify initial alternative cluster solutions. A big change in the agglomeration coefficient was an indication of a combination of two heterogeneous clusters (refer to Appendix 4). The big jump in the agglomeration coefficient was observed around the six cluster solution. Therefore, three to six clusters were identified as alternative cluster solutions to be considered.

Table A2.7 and Table A2.8 (refer to Appendix 2) contain the clustering variable profiles for three-, four-, five-, and six-cluster solutions. The focus of this stage is to ensure distinctive rather than to provide the interpretation of the cluster. The increased number of clusters provides for a more well-defined structure and more variation in terms of clustering variables.

The examination of the three-, four-, five-, and six-cluster profiles reveals a pattern of high versus low values. All the clustering variables differ in a statistically significant manner across the three groups (p-values < 0.05) (Table A2.8 in Appendix 2).

For the next stage, the cross validation procedure utilizing constrained and unconstrained solutions for each alternative number of clusters was performed on P2. The constrained solution classified all cases in P2 based on the initial seed points from the results of the test sample, P1. These are cluster centroids on the eight clustering variables (F1 to F8) for three-, four-, five- and six-cluster. Then, the unconstrained solution generated clusters allowing the procedure to randomly select the initial seed points for three-, four-, five- and six-cluster solutions. The cluster solution that had the closest agreement between the constrained and unconstrained solutions of P2 was selected as the final solution. The chance corrected coefficient of agreement, Kappa (k_i), was computed on two solutions of P2 for each of the five alternatives. The *k* values for three-, four-, five-, and six-cluster solutions were -0.119, 0.082, 0.181 and 0.154, respectively. As the decision criterion is to maximise *k*, the six-cluster solution was selected as the optimal solution. Then, a final six-cluster solution was developed using the polled data. The cluster centres on each of the six factors are presented in Table 5.4.

Table 5.4: Cluster Centroids and Number of Cases

Factors/ Clusters	C1	C2	C3	C4	C5	C6
Brand conscious oriented	0.162	-0.284	-0.103	0.278	***0.708***	-1.287
Family Values Orientation	-0.001	0.420	-1.695	0.162	***0.757***	0.054
E-oriented	0.590	-1.251	-0.46	0.203	0.221	***0.681***
Traditional value oriented	-0.899	0.028	-0.178	0.537	-0.037	***0.843***
Social consciousness oriented	-0.394	-0.051	***0.362***	0.266	0.287	-0.384
Economizer	0.201	0.106	-0.368	***0.609***	-1.189	-0.351
Materialism	***0.500***	0.413	-0.455	-0.254	-0.286	0.324
Impulsive	-0.035	-0.37	0.117	***0.725***	-0.359	-0.758
Number of Cases	**45**	**41**	**32**	**61**	**31**	**24**
Percentage of Respondents	**19.2**	**17.5**	**13.7**	**26.1**	**13.2**	**10.3**

5.4.6 Characterisation and Description of the Clusters

Based on the cluster centres of the eight factor scores (presented in Table 5.3.5), the clusters were labelled as:

i. New Age Materialists (C1),

ii. Family Value Oriented (C2),

iii. Independence (C3),

iv. New Pragmatic Family Oriented (C4),

v. Status (C5) and

vi. New Age Traditionalist (C6).

These clusters are described in the following paragraphs with their distinct demographic characteristics. The detailed demographic make-up of the clusters is shown in Table 5.5.

- New Age Materialists (C1): This cluster characterises by those who are high on materialism orientation (highest) and quite high on brand consciousness but low on society orientation (lowest) and traditional value (lowest). They are also very E-oriented (second highest). They are named as materialists because of its tendency to seek materialistic values and are internet savvy. Demographically, this group is dominated by the Chinese (93 per cent) with slightly more male (53 per cent) than female (47 per cent). The cluster is relatively younger and one third of them are aged about 21 years old. Most of them are from the urban areas and with moderate living quarters.

- Family Value Oriented (C2): This group represents those who are highly "family oriented" (second highest), upholds "traditional value". They also tend to compare prices when shopping. This group shows no-materialistic tendency and are least bothered about branding and surfing on the internet. Demographically, this group is also dominated by the Chinese (88 per cent) with the majority represented by female (85 per cent). Many of them are relatively very young (32 per cent).

- Independence (C3): This cluster has no positive relations with respect to "family", "traditional value", branding and materialism. It is highly "social consciousness" and "impulsive". Demographically, this group is also mostly Chinese (72 per cent) with slightly more female (63 per cent). They are relatively older and slightly more than one third of them aged above 23 years old.

Table 5.5: Demographic Characteristics across Six Clusters[@]

Characteristics	Overall	C1	C2	C3	C4	C5	C6
Gender**							
Female	67.5	46.7	85.4	62.5	73.8	61.3	75.0
Male	32.5	53.3	14.6	37.5	26.2	38.7	25.0
Ethnic group**							
Chinese	60.7	93.3	87.8	71.9	23.0	61.3	33.3
Malays	39.3	6.7	12.2	28.1	77.0	38.7	66.7
Age group**							
19 and 20	20.5	26.7	31.7	21.9	8.2	25.8	12.5
21	19.2	33.3	29.3	15.6	8.2	19.4	8.3
22	27.8	13.3	19.5	28.1	45.9	29.0	20.8
23 +	32.5	26.7	19.5	34.4	37.7	25.8	58.3
Urban**							
Rural	28.5	15.8	27.1	18.8	44.2	40.0	28.5
Urban	71.5	84.2	72.9	81.3	55.8	60.0	71.5
Type of living quarters**							
Attap/kampong/squatter house/flat	12.9	11.1	4.9	21.9	52.5	12.9	33.3
Single and double storey house/shop house	45.2	80.0	75.6	62.5	41.0	45.2	45.8
Apartment/condominium/ Semi-detached/detached house (bungalow)	41.9	8.9	19.5	15.6	6.6	41.9	20.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Number of Cases	**(234)**	**(45)**	**(41)**	**(32)**	**(61)**	**(31)**	**(24)**

Note: [@] C1, New Age Materialists; C2, Family Value Oriented; C3, Independence; C4, New Pragmatic Family Oriented, C5, Status; C6, New Age Traditionalist. Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

- New Pragmatic Family Oriented (C4): This cluster is highly "brand conscious" and "impulsive". It is also highly "economizers" in comparing prices. Moderately high on upholding "traditional value" with good "societal consciousness". Demographically, this group comprises of mostly Malays (77 per cent) with the relatively more female (74 per cent). Most of them are from the rural areas.

- Status (C5): This cluster reflects the high status consciousness consumers in that they are mostly "brand conscious" (highest) and low on economizer orientation (lowest). They also maintain the "family value" (highest) as in “face-saving”. They are also very computer savvy. Demographically, this group is also mostly Chinese (61 per cent) with relatively more male (39 per cent) when compared with other cluster groups except group one. Relatively high percentage of them is living in better living quarter (42 per cent).

- New Age Traditionalist (C6): This group is characterised by high traditional value (highest) and E-oriented (highest). This group is also quite brand conscious but shows a non-materialistic inclination (lowest). Demographically, this group is mostly Malays (67 per cent) with relatively more female (75 per cent). They are relatively older with two thirds of them are from urban towns (72 per cent).

The chi-squared test (χ^2) on the differences across the cluster groups shows that there are significant difference among all the selected demographical variables, such as, gender, ethnic group, age group, urban or rural and type of living quarters. Drawing from this cluster analysis, both the Malays and the Chinese students in Malaysia do demonstrate some differences in their lifestyles and behaviour. Nonetheless, this does not mean that there will be no differences between individual within the same culture. Further more, different gender within the same culture has also shown to have differing lifestyles.

5.5 Profile and Spending Behaviour of Respondents on Selected Products

5.5.1 Living Conditions

The living quarters of Malaysian students in government universities, of which UiTM is one, on the average, are much better off when compared to those students who are from the private universities, of which UTAR is one. The latter usually have to rent their accommodation on their own outside the university. Most of the living quarters in the Malaysian government universities are equipped with televisions with satellite TV (Astro), sofas, refrigerators and washing machines. The findings showed that 69 per cent of the Chinese students lived in rented private apartments, condominiums or bungalows within the vicinity of the university compound without the above facilities; whereas 51 per cent of the Malay students reside in residential hostels (Table A2.9 in Appendix 2). Thus, the Malays are expected to live in better condition as compared with the Chinese. For example, the living quarters of the Malays are more likely to be equipped with a lot of items listed in the questionnaire, such as, televisions, VCD (Video Compact Disc)/DVD (Digital Video Disc), satellite televisions, sofas, fridges and washing machines, as compared with the Chinese who are lacking in these items. In addition, the living condition of the Malays significantly possessed higher percentages of televisions, satellite televisions, sofas and washing machines whereas the living condition of the Chinese are more likely to be equipped with air-conditioning only.

Nearly 90 per cent of the respondents are renting their current accommodation. On the average, the respondents are paying a monthly rental of about RM158.80 with a standard deviation of RM102.50 for their monthly rental (Table A2.10 in Appendix 2). The result shows that the Chinese respondents are paying higher monthly rental as compared to their Malay counterparts. The Chinese and the Malays respondents paid rental amounting to about RM168.59 per month (standard deviation = RM90.47) and

RM131.78 per month (standard deviation = RM127.37), respectively. This means Chinese students need to pay higher for their cost of living. This is because the housing for the Malay students in UiTM are subsidised by the government.

Location and price of the accommodation are two main factors that the students take into consideration when renting the room or house. About 83 per cent and 82 per cent of the respondents listed location and price, respectively, as their first priority in choosing the accommodation (Table 5.6). Another two factors that are considered by the respondents are the facilities, environment (70 per cent) and safety (67 per cent). Only 40 per cent of the respondents considered the factor with respect to their family members, relatives or friends. It is also noted that the order of importance of factors in considering the accommodation is the same for both the Malays and the Chinese. However, the Malay students (46.3 per cent) have much higher regard for the views of family members, relatives or friends with regard to the choice of accommodation than the Chinese students (35.7 per cent).

Table 5.6: Percentage of the Factors Considered when Rent the Room or House by Malays and Chinese

The factors considered when rent the room/house:	**Malays (%)**	**Chinese (%)**	**Total (%)**
Price	76.8	84.5	81.5
Location	79.3	86	83.4
Safety	64.6	69	67.3
Facilities and Environment	70.7	69.8	70.1
Family members/Relatives/Friends	46.3	35.7	39.8
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(82)**	**(129)**	**(211)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

5.5.2 Transportation

In general, more Malays take bus to go to their campus as compared to the Chinese. The Chinese are more likely to walk to their campus. On the average, the respondents spent about RM72.10 (standard deviation = RM6.11) in the cost of transportation with the Chinese spending slightly higher than the Malays because most of the Malays reside in the hostels within the campus which are adjacent to their faculty (Table A2.11 in Appendix 2). More Chinese (33 per cent) travelled by car when compared to the Malays (16 per cent). On the other hand more Malays own and ride their bikes to go to the faculty as compared to their Chinese counterpart. This explains why the cost of transportation of Chinese is higher when compared to the Malays.

5.5.3 Food and Beverages

Malaysians, irrespective of their race, prefer to consume food of their own ethnic cooking. For example, the findings showed that about 98 per cent of the Malays prefer Malay food and about 97 per cent of Chinese prefer Chinese food. The types of favourite food enjoyed by the Malays and the Chinese are varied among the ethnic group. The three most popular foods of the Malays are Malay food (98 per cent), Thai food (57 per cent) and Chinese food (32 per cent) (Table A2.12 in Appendix 2). In the case of the Chinese, the four most popular favourite foods are Chinese food (97 per cent), Japanese food (61 per cent), Thai (48 per cent) and Indian food (48 per cent). The Chinese have more variety in selecting their meals as compared to the Malays because there is no religious prohibition. For example, quite a number of the Chinese respondents indicated their likes for Italian, French, and Korean foods.

About 47 per cent of respondents have their meals regularly at non-fast food restaurant; on the contrary, only about one-quarter, or 25 per cent, of the respondents visit fast food

restaurants regularly (Table A2.13 in Appendix 2). The Malays visit the fast food restaurants and non-fast food restaurants more regularly than the Chinese.

Majority of the respondents tend to spend between RM10 to RM19.99 in the fast food restaurant (65 per cent) and spend less than RM10 at non-fast food restaurants (60 per cent) (Table A2.13 in Appendix 2). About 9 per cent of the Malays spent RM20 and above in fast-food restaurants when only 5 per cent of the Chinese does the same. In term of spending in non-fast-food restaurant, about 15 per cent of the Chinese spent RM20 and above while only 10 per cent of Malays would spend the same amount.

In general, the Chinese are more likely to be adventurous in their spending, to exploit the opportunity provided by promotions or discounts and are more willing to pay higher price for better environment or ambience as compared with the Malays when having their meals (Table 5.78). For example, some 64 per cent and 70 per cent of the Chinese are willing to pay higher price for the better shop features of fast food restaurant and non-fast food restaurant, respectively. The promotion or discount given by both fast food restaurants and non-fast food restaurants attracted more Chinese than the Malays. Likewise, the Chinese are more adventurous to try out new types of food in both fast food restaurants and non-fast food restaurants.

Price, location and facilities and environment are three main factors considered by both the Malays and the Chinese respondents in choosing the restaurant (Table 5.8). The Malays are more likely to be cautious in selecting the food that suits their religious needs. They will look for those restaurants with the '*Halal*' signage which means it is permissible by the Islamic religion or those restaurants operated by the Malays. Thus,

more Malays considered 'safety' as more important in making their decision on which restaurant to dine in.

Table 5.7: Percentage of Respondent's Meal Profile by Ethnic Group

Characteristics	Malays (%)	Chinese (%)	Total (%)
Pay higher price for better in shop features:			
Fast Food **	51.1	64.1	59.1
Non-fast Food *	53.3	70.3	63.7
Restaurant having a promotion/discount, will go there more often:			
Fast Food **	68.5	79.3	75.1
Non-fast Food ***	66.3	76.6	72.6
Restaurant have a new type of foods, I will try:			
Fast Food ***	78.3	87.6	84
Non-fast Food **	67.4	80.0	75.1
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table 5.8: Percentage of the Factors Considered by Respondents When Choosing the Restaurant by Ethnic Group

The factors when choosing the restaurant	Malays (%)	Chinese (%)	Total (%)
Price	94.6	89.7	91.6
Facilities and environment	70.7	78.6	75.5
Location	69.6	75.2	73.0
Safety *	46.7	29.0	35.9
Family members/relatives/friends	30.4	29.7	30.0
Taste	18.5	12.4	14.8
Total	**100.0**	**100.0**	**100.0**
Number of cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

5.5.4 Telecommunication and Internet

Nowadays, mobile phone has become a necessity for most of the university students either to communicate with their fellow friends, families or their counterparts in other institutions for the purpose of networking or sharing information. In this study, the respondents, on the average, have in their possession 1.2 mobile phones with the Malays have slightly higher possession of this item (Table A2.14 in Appendix 2). On the average, some 94 per cent of the Malay respondents are the owners of prepaid network users as compared with only three quarters, or 75 per cent, of the Chinese respondents. On the average, the respondents spent RM55.13 per month on their mobile phone bills. The Malay students spent RM55.87 per month and averagely paid slightly higher bills then the Chinese who spent monthly expenses of RM54.60. The post-paid network services are much more expensive as compared with prepaid network services. This is because the post-paid service charges a monthly service charge. About 82 per cent of the respondents are using prepaid service, 12 per cent of the respondents are using post-paid service and about six per cent using both paid services. The findings show that the Malays are more likely to register their mobile phones under prepaid service scheme as compared with the Chinese. On the other hand, the Chinese are more likely than the Malays to use the post-paid service.

Most of the respondents in this survey claim to have access to the internet. However, there are about nine per cent of the respondents who still do not have access to the internet. A big proportion of the respondents do not utilised internet facilities in the university (Table A2.15 in Appendix 2). Only about two-third of the respondents accesses the internet through their respective universities. The Chinese are more likely to access the internet in their home whereas while more Malays students gain access to the internet at internet café.

5.5.5 Computer, Telecommunication and IT-Related Products

Mobile phone, personal computer and computer thumb-drive are three most common products owned by the respondents. About 96 per cent, 77 per cent and 64 per cent of the respondents possessed mobile phone, thumb-drive and computers respectively (Table A2.16 in Appendix 2). However, only 38 per cent of the respondents owned personal computer notebooks.

In general, there are no significant difference in the possession of computer, telecommunication and IT product between the Malay and the Chinese, except MP3 (MPEG-1 audio layer 3) or MP4 (MPEG-4 Advanced Video Coding) or thumb-drive. At $\alpha = 0.05$, more Chinese respondents owned MP3 or MP4 as compared to the Malays whereas more Malays respondents possessed thumb-drive as compared with their Chinese counterparts.

Majority of the respondents hold the decision in purchasing computer, telecommunication and IT related products (Table A2.17 in Appendix 2). The percentages of the respondents who hold the purchasing decision making power ranges from 75 per cent for computer notebook to 85 per cent for thumb-drive. There are no significant differences between the Malays and the Chinese in holding decision power to purchase computer, telecommunication and IT related products.

In general, the respondents spent RM2,641.92 on computer, RM3,955.25 on computer notebook, RM767.30 on mobile phone, RM988.42, RM322.96 on MP3 or MP4, respectively, and RM111.68 on thumb-drive (Table A2.18 in Appendix 2). The Chinese, on the average, spent more on all the computer, telecommunication and IT products than the Malays. For example, the Chinese, on the average, spent RM2,741.74 as

compared to the Malays who spent only RM2,468.89 on computers. Further analysis on the differences of spending on computer, telecommunication and IT products through independent t-test showed that the significant differences of spending between the Malays and the Chinese are observed on notebook, mobile phone, camera and MP3 or MP4. The Chinese averagely spent RM545.26 more on the computer notebook than their Malays counterparts. In addition, the Chinese also spent about RM586.68 higher on camera as compared to the Malays. The Malays averagely spent about RM205.75 and RM121.77 on mobile phone and MP3 or MP4 and this is lesser than the Chinese. In this study, the Chinese have demonstrated a very strong purchasing power on computers, telecommunication and IT products as compared to the Malays.

5.5.6 Clothing, Shoes, Shampoo, Cosmetics and Others

In general, higher percentage of the Malays owned most of the clothing, shoes, shampoo and cosmetics as compared with the Chinese (Table A2.19 in Appendix 2). However, there are no significant difference in the possession of clothing, shoes, shampoo and cosmetics between the Malay and the Chinese, except leather shoes and cosmetics. More Malay respondents owned leather shoes and cosmetics when compared with the Chinese.

Majority of the respondents hold the decision in purchasing clothing, shoes, shampoo and cosmetics (Table A2.19 in Appendix 2). The percentage of the respondents holds the purchasing decision range from 86 per cent for wallet or purse or handbag to 98 per cent for clothing. There are no significant differences between Malays and Chinese in holding decision power to purchase clothing, shoes, shampoo and cosmetics.

On the average, the respondents spent RM96.61 on clothing, RM29.92 on slippers, RM116.89 on leather shoes, RM128.83 on sport shoes, RM63.51 on wallet or purse or handbag, RM25.18 on shampoo, and RM88.84 on cosmetics (Table A2.21 in Appendix 2). Again, the Chinese, on the average, spent more on all the clothing, shoes, shampoo and cosmetics related products than the Malays. Further analysis on the difference in spending on clothing, shoes, shampoo and cosmetics through independent t-test showed that the significant difference in spending between the Malays and the Chinese are observed for sport shoes, shampoo and cosmetics and related items. The Chinese averagely spent 1.7 times more than the Malays on sport shoes (RM150.90 compared to RM90.40). The Malays averagely spent less with about RM10.00 and RM74.40 on shampoo and cosmetic related products. The Chinese, again, have demonstrated a very strong purchasing power on the clothing, shoes, shampoo and cosmetics related products as compared to the Malays.

In general, higher percentage of the Malays owned watches, books and magazines as compared to the Chinese (Table A2.22 in Appendix 2). However, there are no significant difference in the possession of the gift items, watches, spectacles, books and magazines between the Malay and the Chinese, except spectacles, books and magazines. About 56 per cent of the Chinese respondents owned spectacles compared with only 42 per cent of the Malays owning the same item. On the other hand, 86 per cent and 77 per cent of Malays owned books and magazines, as compared to 62 per cent and 58 per cent of the Chinese owning the same items, respectively.

Majority of the respondents hold the decision in purchasing gift items, watches, spectacles, books and magazines (Table A2.23 in Appendix 2). The percentage of the respondents holds the purchasing decision range from 74 per cent for watches to 95 per

cent for magazines. There are no significant differences between the Malays and the Chinese in holding decision power to purchase gift items and watches.

On the average, the respondents spent RM91.23 on gift items, RM227.49 on watches, RM262.67 on spectacles, RM94.74 on books (excluding text book) and RM21.07 on magazines (Table A2.24 in Appendix 2). It is interesting to note that the Malays respondents spent more on books and magazines as compared to the Chinese respondents. Further analysis on the difference of spending on gift items, watches, spectacles, books and magazines through independent t-test, showed that there is no significant difference in spending between the Malays and the Chinese are observed for these items.

5.6 Leisure Activities of the Respondents

The types of leisure activities enjoyed by the Malays and the Chinese students varied little among them. In general, they appear to be more inclined towards activities that are passive rather than participative. Table A2.25 (in Appendix 2) shows the list of the leisure activities participated by the Malay and the Chinese students. In the case of the Chinese students, the first three most popular activities are listening to music, shopping and watching television (TV). For the Malays, their first three most popular activities are listening to music, watching TV and surfing the internet or chatting. This suggests that it may be more effective to reach both the Malays and the Chinese students through mass media such as the radio and the televisions.

Although, the types of leisure activities participated in are similar between the Malay and Chinese students, the level of participation in terms of frequency shows some significant differences. For example, the Chinese tend to listen to music, shopping,

going to cinema, travelling, watching concerts, workout at the gym, and going clubbing more frequently than the Malays. The activities enjoyed a great deal by the Malays are gardening (16 per cent).

The 22 activities in this study can be re-grouped into the following six categories:

i. Sporting activities – all activities related to sports such as, sport activities, football and gym.
ii. Entertainment activities – such as listening to music, watching television and cinema.
iii. Cultural activities – such as, going to theatre / musical concerts, attending live music concerts, watching concerts.
iv. Recreational activities – such shopping, surfing internet / chatting, playing video or computer games, gardening, travelling, eco-tourism, and motoring.
v. Social activities – Dancing, eating-out and clubbing.
vi. Self – improvement Activities – such as reading, cooking and beauty treatment.

Table A2.26 (in Appendix 2) shows the types of activities undertaken frequently by respondents of the Malay and the Chinese students. It is noted that the recreational and entertainment activities received active participation. The variations exist between the Malay and the Chinese students, ranging from 98 per cent for the Chinese to 90 per cent for the Malays for recreational activities and for entertainment activities, ranging from 98 per cent for the Chinese to 89 per cent for the Malays. For all other activities, the Chinese are reported to be relative more frequent in participation.

Some significant difference can be observed in the activities participated by the six cluster groups among the respondents (Table A2.26 in Appendix 2). The following findings are observed:

i. More respondents from New Age Materialists group (cluster one) are surfing internet (89 per cent), going to cinema (82 per cent), cooking (42 per cent) and watching concerts (44 per cent) more often as compared to respondents of other clusters.

ii. Similarly, New Pragmatic Family group (cluster four) (72 per cent) relatively played more computer or video games as compared to other cluster groups.

5.7 Wealth Status, Source of Income and Perception towards Ease of Income Level and Savings

This section provides the analyses of the condition of wealth situation of the families of the respondents and their attitudes toward ease of receiving income and the quantum of their personal saving. Three variables - "income of the respondents' parents", "types of living quarters" and "the number of house or houses owned" - are used to evaluate the level of family wealth of the respondents. The variables - "types of living quarters" and "the number of house or houses owned" - are needed to assess the wealth of the respondents because about 30 per cent of the respondents did not report their parents' income and in most cases the parents' incomes have been under-reported. Prior to the analysis, wealth scores were calculated (refer to Table 5.9) by taking into account the total of the above three variables. In calculating the wealth scores, a value of "1" was allocated for the first category of each variable; a value of "2" for the second category of each variable; and subsequently more weight is added with the value of "4" is assigned for "third category of each variable". Higher scores indicate respondents come from more wealthy background. Then, the total value of wealth scores of "3" and "4"

are collapsed to become the "normal" wealthy group, the values of "5" to "6" wealthy group are collapsed to form the "rich" and the values "7" to "12" are collapsed to construct the "very rich" wealthy groups, respectively.

Table 5.10 reported that the Chinese are wealthier as compared with the Malays, with 36 per cent of them are grouped under the 'very rich' category as compared to only 30 per cent of the Malays being categorised in the same group. In addition, nearly 40 per cent of the Malays are from the 'normal' wealthy background while there is only 12 per cent of the Chinese from this category. The Chi-squared test showed that there is significant relationship between the ethnic groups and their wealthy scores.

Table 5.9: The Construct of Wealthy Score

Score of Wealth	Score
Household Monthly Income (RM)	
(a) Less than RM36,000	1
(b) RM36,000 – 80,000	2
(c) RM80,000 and more	4
Types of Living Quarters	
(a) Atap/kampong/squatter type house (full brick/full wood/half wood or brick) or flat	1
(b) Single/double storey terrace house or Single/double storey shop house	2
(c) Semi-detached/detached house (bungalow) or apartment / Condominium	4
The number of owned house (unit)	
(a) None	1
(b) One unit	2
(c) Two units and more	4

Table 5.10: The Percentage Distribution of Wealthy Group by Ethnic Group

Wealthy Group	Malays (%)	Chinese (%)	Total (%)	Chi-squared
Normal	39.1	12.0	22.6 (53)	24.7***
Rich	30.4	52.1	43.6 (102)	
Very Rich	30.4	35.9	33.8 (79)	
Total	100.0 (92)	100.0 (142)	100.0 (234)	

Note: Significant level, *** (0.01), ** (0.05), * (0.10), ( ) = Number of Cases

This section employs the independent t-test to examine the difference in the total amount of financial supports received between the Malays and the Chinese. The financial supports come either from the respondents, family members, education loans, scholarships or other means. Table 5.11 below shows that, the Chinese on the average, received about RM7,500 more in financial supports than their Malay counterparts. The finding is significant at one per cent level. The difference may be due to the fact that the Chinese are studying in a private higher education institution and needed to pay much higher tuition fees than the Malay students who study in the government owned higher education institution where the fees are subsidised. For example, UiTM students pay about RM4,000 in fees a year for accounting and business related courses while UTAR students pay about RM10,000 per year for the same courses.

It is assumed that consumption motive is dependent on the source and availability of the finance. The perception on the ease of acquiring income may encourage respondents to spend more money and more freely. In general, the respondents somewhat agree that income level and ease of acquiring the income determine their spending behaviour. However, there is no difference on perception toward ease of acquiring the income between the Malays and the Chinese (Table 5.11).

Both the Malays and the Chinese respondents share the strong Asian virtue that saving is an important characteristic. Even though the Malays score slightly higher mean score on perceptions toward the importance of saving as compared to the Chinese. However, the difference is not significant at five per cent level (Table 5.11).

Table 5.11: Test of Differences of the Total Amount of Financial Support Received and Perception towards Ease of Income Level and Savings between the Malays and Chinese

Statement	Malays	Chinese	t-test
Total Amount of Financial Support Received			
Mean	6,414.13	13,904.51	-17.66***
Standard Deviation	1,612.41	4,641.15	
Income level and ease of receiving it determines my spending			
Mean	5.57	5.38	1.23
Standard Deviation	1.11	1.13	
Savings for the future is very important to me			
Mean	5.98	5.78	1.3
Standard Deviation	1.1	1.14	
Total Sample Size	92	142	

Note: Significant level, *** (0.01), ** (0.05) and * (0.10)

5.8 Important Attributes for Making Brand Purchase and Source of Information

5.8.1 Important Attributes for Making Brand Purchase

In general, the top-five attributes for making brand purchases are trustworthy, simple, modern, well-known brand name and latest technology (Table 5.12 or Table A2.27 in Appendix 2). Nevertheless, there are some differences in the top-five attributes between the Malays and the Chinese. The top-five attributes of the Malays are:

i. simple,

ii. modern,

iii. fun,

iv. trustworthy, and

v. latest technology.

Whereas the top-five attributes of the Chinese are:

i. trustworthy,

ii. modern,

iii. well-known brand name,

iv. simple, and

v. personalised or customised products.

Some significant differences can be observed in selecting important attributes for making brand purchases by the Malays and the Chinese. This is tabulated in Table 5.12. The following findings are observed:

i. More Chinese than the Malays selected product quality such as, trustworthy and well-known brand as important attributes for making brand purchases.

ii. On the other hand, the Malays are more likely to choose the attributes that emphasised on visual presentation of product, packaging, sizes and environmental such as simple, fun, small, elegant, energy saving, recyclable, extreme and traditional as important attributes for making brand purchasing decision.

Table 5.12: The Selected Attributes for Making Brand Purchases by Ethnic Group

Attributes	Malays (%)	Chinese (%)	Total (%)
Trustworthy *	57.6	75.2	68.4
Simple **	71.7	55.9	62.0
Well-know brand name **	43.5	57.2	51.9
Fun *	58.7	39.3	46.8
Small / Space-saving ***	50.0	37.9	42.6
Elegant ***	48.9	36.6	41.4
Energy-saving ***	45.7	34.5	38.8
Recyclable **	31.5	19.3	24.1
Extreme **	27.2	15.9	20.3
Traditional **	16.3	7.6	11.0
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, *** (0.01), ** (0.05) and * (0.10), N = Number of Cases

5.8.2 Source of Information

It is important to know the how information on promotion or advertising reached the university students. This will enable marketing planners to select the appropriate channels for the information university students. Other than mass media and electronic media such as, newspaper, magazines, brochures, posters, flyers pamphlet, television, radio, information is also obtainable from the internet, short message servicing (SMS) via mobile phones, friends and others.

Two major channels of promotion or advertising information are the newspaper and friends (Table 5.13). About every four out of five respondents obtained their information through the newspaper and friends. About three quarter of the respondents also received promotion or advertising information through magazines and television. Internet has also been other useful as sources of information. About 64 per cent of the respondents reported that they learned about the promotion or advertising information through the internet. Brochures, posters, flyers and pamphlet also reached about 62 per

cent of the respondents. Half of the respondents admitted that family members do influence them. SMS is not a common channel of promotion or advertising information even though almost all the respondents owned one or more mobile phones. Only one-third of respondents find out the information of promotion or advertising information through SMS. The Malays and the Chinese do not significantly differ in ways of getting promotion or advertising information. However, it is noted that more Malays than the Chinese receive the promotion or advertising information through internet, brochures, posters, flyers and pamphlet.

Table 5.13: Percentage of Respondent Learned about Promotion / Advertising Information

Sources/channels	**Malays (%)**	**Chinese (%)**	**Total (%)**
Newspaper	85.9	87.6	86.9
Friends	81.5	84.8	83.5
Television	78.3	77.2	77.6
Magazines	75.0	72.4	73.4
Internet	67.4	62.1	64.1
Brochures/ Posters/ Flyers/ Pamphlet	65.2	60.0	62.0
Radio	58.7	55.2	56.5
Family	50.0	48.3	48.9
SMS	31.5	32.4	32.1
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

The Table 5.14 shows that about 81 per cent of the respondents purchased the goods as a result of advertisement. The variation is observed between the Malays and the Chinese respondents in purchasing the goods as a result of advertisement. The Chinese are more likely to be influenced by advertisement and resulted in purchasing certain products as compared to the Malays. About 85 per cent of the Chinese reported that they purchased

certain products because of the influence of the advertisement while only 75 per cent of the Malays are so influenced. Further analysis on the respondents who responded to advertisement showed that newspaper and television are the main marketing tools to reach the respondents. About 82 per cent and 79 per cent of the respondents reported that they purchased certain products are as the result of reading newspaper and watching television advertisements, respectively.

Table 5.14: Percentage of Respondents Purchased the Goods as a Result of Advertisement

Advertisement	Malays (%)	Chinese (%)	Total (%)
Bought any brand as a result of advertisement *	76.1	84.8	81.4
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**
Channel of advertisements:			
Newspaper	80.0	83.7	82.4
TV programmes	80.0	78.0	78.8
Magazines	68.6	69.9	69.4
TV/Radio commercial	68.6	62.6	64.8
Posters/Flyers/Pamphlet	58.6	55.3	56.5
Internet	47.1	47.2	47.2
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(65)**	**(115)**	**(180)**

Note: Significant level, *** (0.01), ** (0.05) and * (0.10), N = Number of Cases

Both the Malays and the Chinese need to have a great deal of information about the products before making purchasing decision with the Malays tending to need to have even more information before deciding to make a firm purchasing decision (Table 5.15). Quite a number of the respondents do not mind spending a lot of time shopping for information but there seems to be no significant difference between the Malays and the

Chinese. The Chinese has a tendency to be attracted by fashion as compared with the Malays.

Table 5.15: Mean Scores on the Information Statements by Ethnic Group

Statement (Information)	Ethnic Group	Mean	SD	t
I like to have a great deal of information before I buy.	Malays	5.42	1.21	2.61*
	Chinese	5.00	1.21	
I do not mind spending a lot of time shopping.	Malays	4.60	1.57	0.38
	Chinese	4.52	1.49	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

5.9 Comparison between the Malays and the Chinese Consumer Behaviour base on the Cultural Dimensions

Base on Hofstede's cultural dimensions mentioned in Chapter 3, 5 propositions were developed to compare the similarities and differences of the Malay and the Chinese consumer behaviours. The items in the questionnaires were reviewed to reflect each of the cultural dimensions.

<u>Proposition 1:</u>

Power Distance Index (PDI) measures the extent to which a country tolerates and accepts inequality of powers. This explains the highly hierarchical nature of the society. Country with high PDI is more tolerance to structure in leadership and more readily to accept assumed power and authority in the hierarchy.

From Table 5.16 it shows that the Malays scored higher than the Chinese in all the three items. This signifies that the Malays regard the hierarchy in the family as more important than the Chinese and, therefore, the Malays are more willing to accept their

position in the family and society. This could be explained from their Islamic worldview where everything is pre-ordained by *Allah – insha Allah, or God's will.*

From this finding, in the Malay family, the parents have greater decision making rights than the Chinese family. Thus, the marketer knows the decision maker in the family and the marketing message must appeal to them.

Hypothesis Statements		***Result***
H1:	***There are differences between the Malay and the Chinese students in terms of their roles in the family (Testing for power distance).***	***Partially supported***

Table 5.16: Comparison of the Malay and the Chinese Consumer Behaviour base on the Power Distance

Cultural Dimensions	**Ethnic Group**	**Mean**	**SD**	**t-value**
Power distance				
One should honour one's parents and grandparents	Malay	6.33	1.00	1.20
	Chinese	6.15	1.11	1.23
One should support one's parents in their old age.	Malay	6.37	1.00	0.98
	Chinese	6.22	1.25	1.02
I always follow in what my parent believed.	Malay	5.07	1.282	5.88***
	Chinese	4.05	1.296	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

<u>Proposition 2:</u>

Individualism/Collectivism refers to how one regards self and others. Collectivistic society has higher regard for the interest of group over that of self-interest. They are inter-dependence. Individualistic society is more concerned with independence and personal freedom. Members in the collectivistic society are more willing to submit to

the group and allow the group to determine the course of action to be taken in their lives.

In the Table 5.17, the Malay families are shown to be more cohesive than the Chinese families. This is consistent with the teaching in Islam, where all the Malays in Malaysia are deemed to be, that they are all brotherhood in the faith and they all belong to the "Allah's chosen family". The Malays are also more concerned with the well-being of the family and take efforts to maintain harmony within the family.

Hypothesis Statements		***Result***
H2:	***There are differences between the Malay and the Chinese students in maintaining family harmony (Testing for Individualism/Collectivism).***	***Supported***

Table 5.17: Comparison of the Malay and the Chinese Consumer Behaviour base on the Individualism/Collectivism

Cultural Dimensions	**Ethnic Group**	**Mean**	**SD**	**t-value**
Individualism/Collectivism				
Family members should cherish one another and show mutual love.	Malay	6.533	0.762	3.90***
	Chinese	6.070	1.049	
Family should be prepared to make sacrifices to help each other.	Malay	6.467	0.777	4.53***
	Chinese	5.859	1.275	
I am more independent than most people.	Malay	5.130	0.997	3.19***
	Chinese	4.662	1.237	
When making decisions, views of family member are important.	Malay	5.652	1.190	2.55**
	Chinese	5.232	1.253	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

Proposition 3:

Masculinity/femininity refers to the extent the society is characterised by either "masculinity" as seen in being dominance and assertiveness or "femininity" as reflected in caring, loving and interdependence. People in the masculine society will tend to strive for personal success and achievement (Markus and Kitayam, 1991). Outwardly, this is usually reflected in preference for branded stuff which is linked to status and success (Aaker, 1997).

The finding in this section is to a large extent consistent with the cultures for both the Malays and the Chinese (Table 5.18). This may be because both these ethnic groups are largely male-dominance. This is in-line with Hofstede's cultural dimensions for countries as stated in Chapter 3.

The item "I am willing to pay higher prices for famous brands", the Chinese scored slightly higher than the Malays. However, in the second item "I don't care about the brand of most products I buy" the Malays scored significantly higher than the Chinese. The third item – "I usually buy branded product (i.e. well known brand)" – the scores for both the Malays and the Chinese are almost the same with the Chinese still score higher than the Malays.

The findings affirm that the Chinese are more masculine than the Malays.

Hypothesis Statements		***Result***
H3:	***There are differences between the Malays and the Chinese in terms of brands preference (Testing for Masculinity/femininity).***	***Partially supported***

Table 5.18: Comparison of the Malay and the Chinese Consumer Behaviour base on the Masculinity/Femininity

Cultural Dimensions	Cultural Dimensions	Ethnic Group	Mean	SD
Masculinity/Femininity				
I am willing to pay higher prices for famous brands.	Malay	4.00	1.60	-1.60
	Chinese	4.32	1.40	
I don't care about the brand of most products I buy.	Malay	4.66	1.38	4.72***
	Chinese	3.83	1.21	
I usually buy branded product (i.e. well known brand)	Malay	4.02	1.52	0.70
	Chinese	3.89	1.38	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

Proposition 4:

Uncertainty avoidance reflects the culture's willingness to take risks and, thus, the tolerance for uncertainty. According to Hofstede's cultural dimension, the society with lower index in this category is more ready to accept risky situation. On the contrary, in a society with high uncertainty avoidance, unfamiliar and ambiguous situations, risky ventures are to be avoided at all costs.

Four items were tested for comparison and the Chinese emerged to be more acceptable to uncertainty than the Malays (Table 5.19). The scores for the Chinese are significantly lower than the Malays and therefore they are more tolerance to uncertainty and unfamiliar environments. Consequently, the Chinese are more willing to try on new products.

Hypothesis Statements		*Result*
H4:	***There are differences between the Malay and the Chinese students trying out new things (Testing for Uncertainty Avoidance).***	***Supported***

Table 5.19: Comparison of the Malay and the Chinese Consumer Behaviour base on the Uncertainty Avoidance

Cultural Dimensions	**Ethnic Group**	**Mean**	**SD**	**t-value**
Uncertainty Avoidance				
I am usually among the first to try new products.	Malay	4.46	1.43	3.74***
	Chinese	3.78	1.29	
I find myself comparing the prices in the grocery stores even for small items.	Malay	4.74	1.56	2.18**
	Chinese	4.30	1.49	
I like to buy new and different things.	Malay	4.85	1.33	0.35
	Chinese	4.79	1.20	
I like to stick to traditional ways of doing things.	Malay	4.32	1.30	3.85***
	Chinese	3.68	1.20	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

Proposition 5:

Long Term Orientation is related to respect for tradition, fulfilling social obligations, persistence and perseverance, thriftiness and a strong sense for shame. On the other hand, people with low index in Long Term Orientation, commonly refers to Short Term Orientation, tends to be more willing to spend in order to keep up with the trend and social pressures in order to save "face", thus, they are more concern with their social status. As compare to the long term, people in the short-term orientation are more independence and demand quick results.

Two considerations are related to long-term orientation. Firstly it is with respect to impulsive buying where the consumer seeks for instant gratification. Secondly, it is with

respect to attitude towards the environment which is linked to people with long-term orientation. Base on the three items in the research questionnaires, the Chinese largely score lower than the Malays and are deemed to be in the short-term orientation (Table 5.20).

In the first item, "I am willing to pay more for products that are friendly to the environment", the Chinese scores lower than the Malays and this affirms that they are more concern with their personal well-beings and pays very little regard to the environments. Similarly for the other two items, the scores of the Chinese are also lower than the Malays. Base on this, it is true to say that the Chinese is more concerned with "face saving" and their personal social status. The outcomes of this result are also consistent with the results in the first item in proposition 1 above, "I am willing to pay higher prices for famous brands", where the Chinese scores higher mean of 4.32 when compare to the mean for the Malay at 4.00.

Hypothesis Statements		***Result***
H5:	***There are differences between the Malay and the Chinese students in terms of their social status (Testing for Long Term Orientation).***	***Supported***

Table 5.20: Comparison of the Malay and the Chinese Consumer Behaviour base on the Long/Short Term Orientation

Cultural Dimensions	Ethnic Group	Mean	SD	t-value
Long/Short Term Orientation				
I am willing to pay more for products that are friendly to the environment.	Malay	4.99	1.23	3.19***
	Chinese	4.51	1.03	
I will stop buying my favourite brand if I know the company producing it was polluting the environment.	Malay	4.57	1.47	0.39
	Chinese	4.49	1.31	
I would be willing to bring my own bags for shopping to reduce the use of non-recyclable packaging.	Malay	4.20	1.56	3.23***
	Chinese	3.58	1.34	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

5.10 The Comparison of the Malay and the Chinese Consumer Behaviour base on the Marketing Mix and the Impact of Religions

This section examines the hypothetical impact of Hofstede's dimensions of culture values towards some selected marketing mix especially branding and advertisement, family views, peer and friendship pressures between the Malays and the Chinese.

5.10.1 Product and Promotion

Based on the Hofstede's Dimensions of Culture Values, it does reveal that there is difference, though minimal, in the score for masculinity for both of these two ethnic groups.

The result indicates that the respondents share the same value on the perspective of quality products as well as preferences on purchasing quality products. There was no difference between the mean score of the respondents from the Malays and the Chinese in term of their perception towards quality of the products. The respondents opined that quality products are made by well-known companies, and they are more likely to

purchase quality products, even though they may be more expensive or costlier (Table 5.21). Thus, the finding asserts that the Chinese tend to believe that foreign-made products are generally higher in quality than those products manufactured locally in Malaysia. Thus, they are less likely to buy the national products when compared to the Malays.

It is also noted that there exists a relationship between ethnic group and brand loyalty. When compared to the Chinese, the Malays prefer a particular brand in most of the products that they buy or use; and they always use the same brand of a product repeatedly. Furthermore, they rarely switch their favourite brands to other brands just for the sake of trying something different. However, they sometime become bored with buying the same brands over and over again even if they are proven good.

Hypothesis Statements		***Result***
H6a:	***There are differences between the Malays and the Chinese students in responding or reacting to product branding.***	***Partially supported***
H6bi:	***There are differences between the Malays and the Chinese students in responding or reacting to Foreign Brands.***	***Supported***
H6d:	***There are differences between the Malays and the Chinese students in responding or reacting to Brand Loyalty.***	***Supported***
H6e:	***There are differences between the Malays and the Chinese students in responding or reacting to quality.***	***Not supported***

Table 5.21: Mean Scores on the Branding, Foreign Brands and Quality Statements by Ethnic Group

Statement	Ethnic Group	Mean	SD	t
Branding				
I don't care about the brand of most products I buy.	Malays	4.66	1.38	4.72**
	Chinese	3.83	1.21	
Branded items better than "Non-branded" ("off-brand".)	Malays	4.47	1.53	0.43
	Chinese	4.39	1.29	
If I cannot get my usual brand, I will get another brand.	Malays	4.96	1.21	0.59
	Chinese	4.87	1.11	
I usually buy branded product (i.e. well known brand)	Malays	4.02	1.52	0.70
	Chinese	3.89	1.38	
Foreign Brands				
I personally favour buying Malaysia-made rather than foreign-made products.	Malays	4.77	1.18	7.38**
	Chinese	3.65	1.11	
Foreign-made products are generally higher quality than Malaysia products.	Malays	4.27	1.34	-3.36**
	Chinese	4.82	1.16	
Loyalty				
I prefer a certain brand in most products I buy or use.	Malays	5.12	1.20	1.81*
	Chinese	4.84	1.13	
I rarely switch my favourite brand to other brand just to try something different.	Malays	4.71	1.18	2.82*
	Chinese	4.26	1.18	
I get bored with buying the same brands even if they are good.	Malays	4.12	1.32	2.84**
	Chinese	3.64	1.22	
I always use the same brand for a product.	Malays	4.73	1.29	2.06*
	Chinese	4.39	1.20	
Quality				
Quality products are made by well-known companies.	Malays	4.76	1.63	1.54
	Chinese	4.44	1.53	
I generally like to buy product known for their quality.	Malays	5.74	4.26	1.32
	Chinese	5.24	1.16	
I prefer to buy quality products even though they may be higher prices.	Malays	4.87	1.29	-0.40
	Chinese	4.94	1.22	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

The Malays are more likely to be affected by the advertisement. For example, the Malays are significantly more likely to watch the advertisement for announcement of sales as compared to the Chinese (Table 5.22). Furthermore, they also opined that advertised brands are better than those which are not advertised. These findings are significant at five per cent level.

There is a statistically significant difference in mean scores of the statement on 'I always take advantage of promotions or discounts' between the Malays and the Chinese respondents. The Malays are expected to take advantage of promotion or discounts more readily as compared to their Chinese counterpart.

Hypothesis Statements		***Result***
H7a:	***There are differences between the Malays and the Chinese students in responding or reacting to product advertising.***	***Supported***
H7b:	***There are differences between the Malays and the Chinese students in responding or reacting to sales promotion.***	***Partially Supported***

Table 5.22: Mean Scores on the Advertisement Statements by Ethnic Group

Statement	Ethnic Group	Mean	SD	t
Advertisement				
I usually watch the advertisement for announcements of sales.	Malays	4.77	1.25	2.38*
	Chinese	4.36	1.32	
Advertised brands are better than those are not advertised.	Malays	4.45	1.56	2.84**
	Chinese	3.91	1.31	
Sales Promotion				
I always take advantage of promotions or discounts.	Malays	5.62	1.23	2.41*
	Chinese	5.23	1.18	
I always look out for product on sales	Malays	5.14	0.98	0.93
	Chinese	5.01	1.13	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

5.10.2 Price and Place

Price is one of the most critical elements of the marketing mix and also the key factor that determining market share and profitability. Price is the only one of the four Ps that produces revenue; the other factors incur costs (Kotler et al, 2003). Traditionally, price has operated as the major determinant of buyer choice as it reflected the value to which a consumer must pay. To a certain extent, this is still the case in Malaysia. In addition, the practice of bargaining is still very much prevalent in Malaysia. Indeed, the proportion of stores that allow bargaining is several times higher in Asia then in Latin America and the South. Malaysians are generally more price sensitive given that their collectivistic orientation which places greater value on personal relationships than on material goods (Kotler et al, 2003). This leads to greater pragmatism in buying products for private consumption and a tendency of wealth accumulation within the family encourages frugality on purchases of goods for personal use.

In general, both the Malays and the Chinese are quite price sensitive to the products. For example, they usually compare prices before committed to buying and they tend to go for the cheaper alternatives (Table 5.23). Malaysians tend to even check prices in the grocery store for very small items such as onions, garlic and potatoes, etc. The Malays are slightly more price sensitive as compared to the Chinese. However, there is only one statement on 'When buying goods, I tend to go for the cheaper alternatives' showed statistically significant difference in mean scores between the Malays and the Chinese.

Hypothesis Statements		***Result***
H8:	***The perception towards price is different between the Malays and the Chinese.***	***Partially supported***
H9:	***The perception towards location is different between the Malays and the Chinese.***	***Partially supported***

Table 5.23: Mean Scores on the Price Statements by Ethnic Group

Statement	**Ethnic Group**	**Mean**	**SD**	**t**
Price				
I find myself checking the prices in the grocery store even for small items.	Malays	4.55	1.45	0.78
	Chinese	4.41	1.36	
When buying goods, I tend to go for the cheaper alternatives.	Malays	5.14	1.22	2.02*
	Chinese	4.82	1.19	
I usually compare prices before buying.	Malays	5.47	1.33	1.44
	Chinese	5.23	1.21	
Location				
I always shop at the same place/outlet.	Malays	4.96	1.19	3.68**
	Chinese	4.37	1.18	
I would rather shop at a store of my choice than a store that is convenient in the neighbourhood.	Malays	4.82	1.18	2.41
	Chinese	4.43	1.21	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

Choice is more important than convenience. This explains why respondents rather shop at a store of their choice than a store that is convenient in the neighbourhood (Table 5.23). Furthermore, respondents always shop at the same place or outlet with significantly more Malays as compared to the Chinese.

5.10.3 The Impact of Religions on Consumption Behaviour

Religion is an important element in the daily life of many ordinary Malays. Thus, the religious beliefs of the Malay respondents are more readily in affecting their daily consumption decisions. Based on the results, religion appears to have more impacts on the Malays as compared to the Chinese (Table 5.24).

Hypothesis Statements		***Result***
H10:	***The impact of ethnic cultures and religions on the Malays and the Chinese consumption behaviours are different.***	***Supported***

Table 5.24: Mean Scores on the Religious Statements by Ethnic Group

Statement	**Ethnic Group**	**Mean**	**SD**	**t**
Spiritual values are more important to me than material values.	Malays	5.36	1.22	4.18*
	Chinese	4.61	1.42	
My religious principles have always been my guide in my spending decision.	Malays	5.53	1.32	8.17*
	Chinese	4.04	1.39	

Note: SD = Standard Deviation, Sample Size (Malays) = 92, Sample Size (Chinese) = 142. Significant level, *** (0.01), ** (0.05) and * (0.10).

5.11 The Household Spending of the Malays and the Chinese

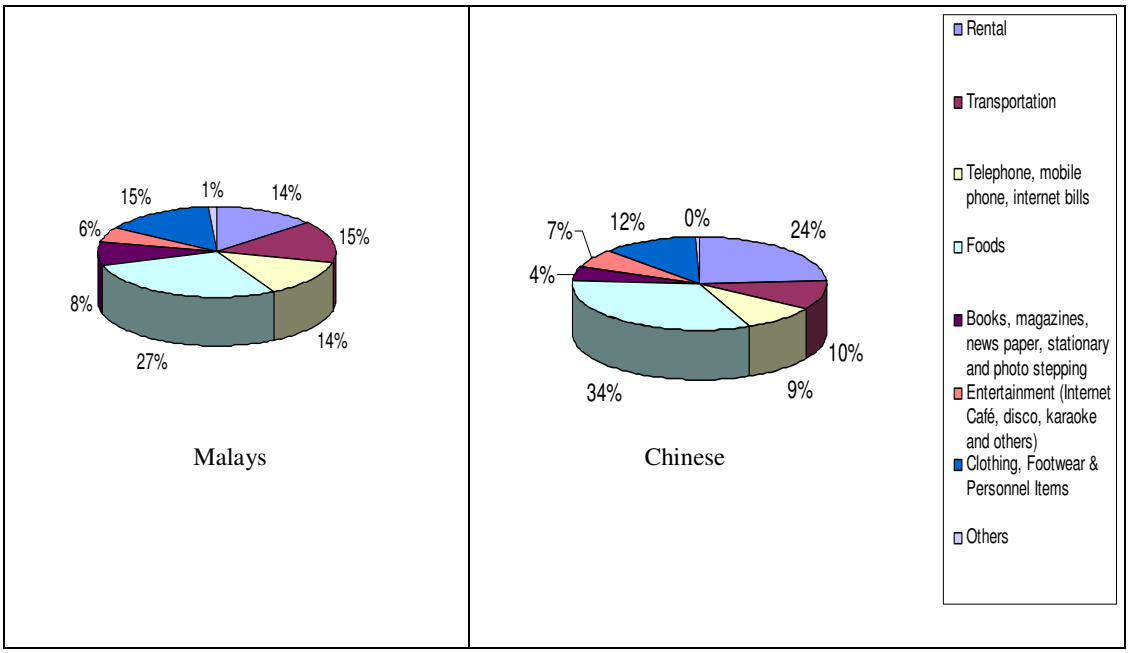
This section analyses the response of respondents towards some selected products, such as, accommodation, transportation, food, computer, telecommunication, IT product and others. Then, the hypothesis of the Malays and the Chinese have different patterns of spending behaviour will be examined.

The average consumption expenditure for respondents was RM630.44 per month. The respondents spent the most in food, RM197.32, followed by rental, RM133.09, and subsequently clothing, footwear and personal related items (RM81.52) and transportation (RM72.21). In contrast, the respondents spent the least on books, magazines, newspaper and stationery (RM34.25) and other items (RM4.1).

On an average, the Chinese respondents spent 1.6 times higher than the Malay respondents. The result is quite similar with the 1.5 times of the National Household Expenditure Survey, Malaysia, which was conducted in 2004/05 (Department of Statistics Malaysia, 2006). The average monthly expenditure was RMRM733.48 per month for the Chinese and RM471.39 per month for the Malays.

The expenditure composition by expenditure group showed quite similar spending priority between two ethnic groups except rental. The Chinese spent 34 percent of their monthly expenditure on food, 24 per cent on rental, 12 per cent on clothing, footwear and personal related items, and 10 per cent on the transportation. Meanwhile, the Malays spent 27 per cent of their monthly expenditure on food, 15 per cent on clothing, footwear and personal related items and transportation, respectively and 14 per cent on rental. Figure 5.1 illustrated the composition of household expenditure by ethnic group.

Figure 5.1: The Composition of Household Expenditure by the Malays and Chinese



It was hypothesised that the Malays and the Chinese have different patterns of spending behaviour. An independent t-test was used to test if differences existed between the Malays and the Chinese in term of the aggregate monthly expenses and some selected items. The selected items are monthly rental, water and electricity bills, food, transportation cost, communication bills, entertainment cost, books, magazines and newspaper, stationery, clothing, footwear and personal items. Table 5.25 shows the findings for hypotheses H11 and H11 (a) to H11(h). Based on the finding, t-statistics supported that the Malays spent significantly less than the Chinese in term of their aggregate monthly expenses ($t = -6.482$, $p = 0.000$). However, after excluding the rental and utility costs and food, the Malays spent about the same as the Chinese in term of their aggregate monthly expenses. It implies that the Malays and the Chinese had the same amount of disposable income after deducting rental, utility and food cost.

Further examinations on the composition of aggregate monthly expenses showed that there were significant differences between the Malays and the Chinese in term of the

rental and utility cost (t = -8.662, p = 0.000), food (t = -6.383, p = 0.000), entertainment costs (t = -3.482, p = 0.001), and clothing, footwear and personal items (t = -1.754, p = 0.081).

Hypothesis Statements		***Result***
H11:	***There is significant difference between the Malays and Chinese monthly spending.***	***Supported***
H11a:	***There is significant difference between the Malays and the Chinese monthly spending (excluding rental and food cost).***	***Supported***
H11b:	***There is significant difference between the Malays and the Chinese in the monthly spending on rental.***	***Supported***
H11c:	***There is significant difference between the Malays and the Chinese in the monthly spending on food.***	***Supported***
H11d:	***There is significant difference between the Malays and the Chinese in the monthly spending on transportation.***	***Not supported***
H11e:	***There is significant difference between the Malays and the Chinese in the monthly spending on telephone, mobile phone, internet bills***	***Not supported***
H11f:	***There is significant difference between the Malays and the Chinese in the monthly spending on books, magazines, new paper, and stationery.***	***Not supported***
H11g:	***There is significant difference between the Malays and the Chinese students in the monthly spending on entertainment.***	***Supported***

Hypothesis Statements		*Result*
H11h:	***There is significant difference between the Malays and the Chinese students in the monthly spending on clothing, footwear and personal items.***	***Supported***

Table 5.25: Test of Differences Existed between the Malays and Chinese in Term of the Aggregate Monthly Expenses on Some Selected Items

Hypotheses	Expenses	Malays	Chinese	t-test	p-value
H11:	Aggregate monthly expenses***	471.39 (304.93)	733.48 (300.27)	-6.482	0.000
H11a:	Aggregate monthly expenses, excluding rental and food	235.52 (197.38)	237.78 (211.43)	-1.650	0.100
H11b:	Rental***	65.46 99.00	176.91 94.25	-8.662	0.000
H11c:	Foods***	133.52 (111.66)	238.66 (129.92)	-6.383	0.000
H11d:	Transportation	69.03 (81.00)	74.26 (102.37)	-0.413	ns
H11e:	Telephone, mobile phone, internet bills	63.70 (48.08)	69.19 (43.14)	-0.909	ns
H11f:	Books, magazines, news paper, stationery	37.51 (67.84)	32.13 (45.18)	0.728	ns
H11g:	Entertainment (Internet Café, disco, karaoke and others)***	26.30 (42.55)	50.39 (63.23)	-3.482	0.001
H11h:	Clothing, Footwear and Personal Items*	70.22 (44.28)	88.84 (20.39)	-1.754	0.081
Number of Cases		**(92)**	**(142)**		

Note: Figures in bracket = standard deviation, ns = not significance,
Significant level, *** (0.01), ** (0.05) and * (0.10), N = Number of Cases

5.12 Logistic Regression Analysis

This section uses a multivariate framework to study the spending behaviour of the respondents on selected items, such as, rental, water and electricity bills, foods, transportation, telephone, hand-phone, internet bills, books, magazines, newspaper, stationery and photocopying, entertainment, (internet café, disco, karaoke and others), clothing, footwear and personal items and other based on the ethnic cultures, religions, gender, cluster group, income and wealth of the respondents. Thus, nine logistic regression models are used to estimate the effect of the explanatory variables.

Hypothesis Statements	
H12:	***The impact of ethnic cultures, religions, gender, cluster group, income and wealth on the Malays and the Chinese consumption behaviours.***

The nine dependent variables are as follows:

Model 1

MSPEND is dummy variable that takes '1' if the respondents spend RM600 and more per month on the monthly expense, '0' if the respondents spend less than RM600 per month.

Model 2

MSPENDWRF is dummy variable that takes '1' if the respondents spend RM250 and more per month on the monthly expense (excluding rental, water and electricity bills and food costs), '0' if the respondents spend less than RM250 per month (excluding rental, water and electricity bills and food costs).

Model 3

MRental is dummy variable that takes ‘1’ if the respondents spend RM180 and more per month on the monthly rental, water and electricity bills, ‘0’ if the respondents spend less than RM180 per month.

Model 4

MFood is dummy variable that takes ‘1’ if the respondents spend RM200 and more per month on foods, ‘0’ if the respondents spend less than RM200 per month.

Model 5

MTransport is dummy variable that takes ‘1’ if the respondents spend RM50 and more per month on transportation, ‘0’ if the respondents spend less than RM50 per month.

Model 6

MPhone is dummy variable that takes ‘1’ if the respondents spend RM50 and more per month on telephone, mobile phone and internet bills, ‘0’ if the respondents spend less than RM50 per month.

Model 7

MBooks is dummy variable that takes ‘1’ if the respondents spend RM20 and more per month on books, magazines, newspaper, stationery and photocopying, ‘0’ if the respondents spend less than RM20 per month.

Model 8

MEntertainment is dummy variable that takes '1' if the respondents spend RM50 and more per month on entertainment (internet Café, disco, karaoke and others), '0' if the respondents spend less than RM50 per month.

Model 9

MClothing is dummy variable that takes '1' if the respondents spend RM100 and more per month on clothing, footwear and personal items, '0' if the respondents spend less than RM100 per month.

The explanatory variables in the estimated models are defined as follows:

TFS	representing the total amount of financial support received (RM'000) by respondents. It is inclusive of financial support from themselves, family, loan, scholarship and others;
Wealth	representing the wealth score of respondents. It consists of household income of respondents' parents, ownership of houses and lands of the respondents' parents;
Male	is a dummy variable that takes the value of 1 if the respondent is a male, 0 for female;
Chinese	is a dummy variable that takes the value of "1" for the Chinese, "0" for non-Chinese;
Religious	representing the level of religiosity of respondents. This construct consists of the average scores of I11and I12. The higher the score meaning the higher the commitment toward the respondents' religion respectively;

C1 is a dummy variable that takes the value of "1" for 'New Age Materialists', 'Status' and 'New Age Traditionalist' cluster groups, "0" for ''non - New Age Materialists', 'non - Status' and 'non - New Age Traditionalist' cluster groups;

C2 is a dummy variable that takes the value of "1" for 'Family Value Oriented' and 'Independence' cluster groups, "0" for non - 'Family Value Oriented' and non - 'Independence' cluster groups;

Model 1

Model One uses the dichotomous group of monthly expenditure of respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MSPENDING = 1) = 1 / (1 + e^{-Z})$

Where

MSPEND	=	-	0.253	+	0.145TFS***	+	0.074Wealth	
			(1.065)		(0.045)		(0.098)	
		+	0.560Male	+	0.529Chinese	-	0.400Religious**	
			(0.347)		(0.508)		(0.163)	
		+	0.296C1	-	0.680C2			
			(0.438)		(0.476)			

Note: R^2 = 8.10 (Homer & Lemeshow), 0.27 (Cox & Snell), 0.36 (Nagelkerke).
Model χ^2 (1) = 73.59
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 234 cases were analysed and the full model significantly predicted respondents' monthly spending status (omnibus χ^2 (1) = 73.59, df=7, p<0.01). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit with the small value of chi-square and high p-value (χ^2 = 8.10, p-value = 0.424), also supports the usefulness of the model. The model accounted for between 27 per cent (Cox & Snell R^2)

and 36 per cent (Nagelkerke R^2) of the variance in respondents' monthly spending status. About 74 per cent of the respondents' monthly spending status could have been predicted using the equation of the model. The Wald statistics show that only the total amount of financial support of respondents and the level of religiosity of respondents significantly predicted respondents' monthly spending status. The values of the coefficients reveal that an increase of RM1 financial support received by respondents is associated with an increase in the odds of monthly spending status by a factor of 1.156 (Table A2.29 in Appendix 2). It shows that those who received more financial support, the more likely that their monthly spending status is high. Each unit increase in the score of religiosity of respondents is associated with a decrease in the odds of monthly spending status by a factor of 0.671. It means that those who are more religious are less likely to have their monthly spending status to be high. The Chinese are, therefore, more likely to have their monthly spending status higher than the Malays. However, it is not significant that ethnic group is related to monthly spending status.

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, with moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.69 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.57 to be grouped as high spending group.

Model 2

Model Two uses the dichotomous group of monthly expenditure (excluding rental, water and electricity bills and food costs) of the respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MSPENDWRF = 1) = 1 / (1 + e^{-Z})$

Where

MSPENDWRF	=		0.106	+	0.028TFS	+	0.022Wealth
			(0.954)		(0.038)		(0.087)
		+	0.763Male**	-	0.341Chinese	-	0.144Religious
			(0.304)		(0.463)		(0.140)
		+	0.691C1*	-	0.189C2		
			(0.385)		(0.412)		

Note: R^2 = 5.25 (Homer & Lemeshow), 0.09 (Cox & Snell), 0.11 (Nagelkerke).
Model χ^2 (1) = 20.78
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 234 cases were analysed and the full model significantly predicted respondents' monthly spending status (excluding rental, water and electricity bills and food costs) (omnibus χ^2 (1) = 20.78, df=7, p<0.01). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit with the small value of chi-square and high p-value (χ^2 = 5.25, p-value = 0.731) also support the usefulness of the model. The model accounted for between nine per cent (Cox & Snell R^2) and 11 per cent (Nagelkerke R^2) of the variance in respondents' monthly spending status (excluding rental, water and electricity bills and food costs). About 65 per cent of the respondents' monthly spending status could have been predicted using the equation of the model. The Wald statistics show that only the gender and the C1 significantly predicted respondents' monthly spending status (excluding rental, water and electricity bills and food costs). The odds ratio for gender is 2.15 (Table A2.30 in Appendix 2). This means that male respondents are twice as likely to spend more as compared to the female

respondents on the monthly spending status (excluding rental, water and electricity bills and food costs). The odds ratio for C1 is the comparison between New Age Materialists, Status and New Age Traditionalist cluster groups, and New Pragmatic Family Oriented cluster group. It indicates that New Age Materialists, Status and New Age Traditionalist cluster groups are about 1.996, about twice, as likely to spend more on monthly spending status (excluding rental, water and electricity bills and food costs) as New Pragmatic Family Oriented cluster group. It is interesting to note that the Malays are more likely to have their monthly spending status (excluding rental, water and electricity bills and food costs) to be higher than the Chinese. However, it is not significant that ethnic group is related to monthly spending status (excluding rental, water and electricity bills and food costs).

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.70 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.77 to be grouped as high spending group.

Model 3

Model Three uses the dichotomous group of monthly expenditure on rental, water and electricity bills of respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MRental = 1) = 1 / (1 + e^{-Z})$

Where

MRental	=		2.853	-	0.100TFS**	-	0.254Wealth**	
			(1.301)		(0.044)		(0.113)	
		+	0.347Male	-	0.918Chinese	+	0.166Religious	
			(0.369)		(0.618)		(0.174)	
		-	0.343C1	-	0.369C2			
			(0.551)		(0.584)			

Note R^2 = 10.95 (Homer & Lemeshow), 0.21 (Cox & Snell), 0.27 (Nagelkerke).
Model χ^2 (1) = 39.74
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 173 cases were analysed and the full model significantly predicted respondents' monthly spending status on rental, water and electricity bills (omnibus χ^2 (1) = 39.74, df=7, p<0.01). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit with the small value of chi-square and high p-value (χ^2 = 10.95, p-value = 0.204) supports the usefulness of the model. The model accounted for between 21 per cent (Cox & Snell R^2) and 27 per cent (Nagelkerke R^2) of the variance in respondents' monthly spending status on rental, water and electricity bills. About 68 per cent of the respondents' monthly spending status on rental, water and electricity bills could have been predicted using the equation of the model. The Wald statistics show that only the total amount of financial support of respondents and the wealth score of respondents significantly predicted respondents' monthly spending status on rental. It is interesting to note that there is negative relationship between total amount of financial support, wealth score and monthly rental (Table A2.31 in Appendix 2). The values of the coefficients reveal that an increase of RM1 financial support received by the respondents is associated with an increase in the odds of monthly spending status by a factor of 0.905. It shows that those who received more financial support, the less likely that their monthly spending status is high. Each unit increase in the wealth score of the respondents is associated with a decrease in the odds of the monthly rental by a factor of 0.776. It means that those who are from richer family background are less likely to have

their monthly spending status to be high. The Chinese are less likely to have their monthly spending status on rental to be as high as the Malays. However, it is not significant that ethnic group is related to monthly spending status on rental.

Based on this model, it is predicted that Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.61 be group as high spending group. On the other hand, the Malays male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.80 to be grouped as high spending group.

Model 4

The Model Four uses the dichotomous group of monthly expenditure on foods of respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MFood = 1) = 1 / (1 + e^{-Z})$

Where

MFood	=		1.023	-	0.086TFS**	+	0.066Wealth
			(0.982)		(0.038)		(0.092)
		-	0.430Male	-	0.554Chinese	+	0.019Religious
			(0.315)		(0.502)		(0.141)
		+	0.155C1	+	0.383C2		
			(0.434)		(0.467)		

Note R^2 = 9.11 (Homer & Lemeshow), 0.10 (Cox & Snell), 0.14 (Nagelkerke).
Model χ^2 (1) = 22.85
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 214 cases were analysed and the full model significantly predicted respondents' monthly spending status on foods (omnibus χ^2 (1) = 22.85, df=7, p<0.01). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit with the small value of chi-square and high p-value (χ^2 = 9.11, p-value = 0.333) supports the usefulness of the model. The model accounted only for between 11 per cent (Cox & Snell R^2) and 14 per cent (Nagelkerke R^2) of the variance in the respondents' monthly spending status on foods. About 65 per cent of the respondents' monthly spending status on foods could have been predicted using the equation of the model. The Wald statistics show that only the total amount of financial support received significantly predicted respondents' monthly spending status on foods. The values of the coefficients reveal that an increase of RM1 financial support received by the respondents is associated with an increase in the odds of monthly spending status by a factor of 0.918 (Table A2.32 in Appendix 2). It shows that the more financial support received by the respondents, it is less likely that their monthly spending status are high. The Malays are more likely to have their monthly spending status on foods higher than the Chinese. However, it is not significant that ethnic group is related to monthly spending status on foods.

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.49 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.62 be group as high spending group.

Model 5

Model Five uses the dichotomous group of monthly expenditure on transportation of respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MTransport = 1) = 1 / (1 + e^{-z})$

Where

MTransport	=		0.952	+	0.000006TFS	+	0.097Wealth
			(1.084)		(0.000042)		(0.099)
		-	0.546Male*	-	0.319Chinese	-	0.229Religious
			(0.322)		(0.523)		(0.154)
		-	0.038C1	+	0.722C2		
			(0.227)		(0.474)		

Note R^2 = 13.50 (Homer & Lemeshow), 0.04 (Cox & Snell), 0.05 (Nagelkerke).
Model χ^2 (1) = 6.70
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 184 cases were analysed and not enough evidence to support that the full model predicted respondents' monthly spending status on transportation (omnibus χ^2 (1) = 6.70, df=7, $p > 0.05$). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit with the slightly high value of chi-square and p-value (χ^2 = 13.50, p-value = 0.096) support the usefulness of the model at $\alpha = 0.05$. The model accounted only between four per cent (Cox & Snell R^2) and five per cent (Nagelkerke R^2) of the variance in the respondents' monthly spending status on transportation. About 60 per cent of the respondents' monthly spending status on transportation could have been predicted using the equation of the model. The Wald statistics show that only the gender significantly predicted respondents' monthly spending status on transportation at $\alpha = 0.10$ (Table A2.33 in Appendix 2). The odds ratio for gender is 0.90. This means that the male respondents are 0.9 times as likely that their monthly spending status is higher as compared to the female respondents. The Malays are more likely to have their

monthly spending status on transportation higher than the Chinese. However, it is not significant that ethnic group is related to monthly spending status on transportation.

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.38 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.46 to be grouped as high spending group.

Model 6

Model Six uses the dichotomous group of monthly expenditure on telephone, hand-phone, and internet bills, of the respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MPhone = 1) = 1 / (1 + e^{-Z})$

Where

MPhone	=	1.563	-	0.102TFS***	-	0.054Wealth
		(0.974)		(0.039)		(0.087)
	-	0.286Male	-	0.105Chinese	+	0.090Religious
		(0.305)		(0.474)		(0.140)
	-	0.360C1	+	0.034C2		
		(0.401)		(0.432)		

Note R^2 = 15.16 (Homer & Lemeshow), 0.11 (Cox & Snell), 0.15 (Nagelkerke).
Model χ^2 (1) = 27.18
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 234 cases were analysed and the full model significantly predicted respondents' monthly spending status on telephone, mobile-phone, and internet bills (omnibus χ^2 (1) = 27.18, df=7, p<0.01). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit (χ^2 = 15.16, p-value = 0.056) also support the usefulness of the model. The model accounted only for between 11 per cent (Cox & Snell R^2) and 15 per cent (Nagelkerke R^2) of the variance in respondents' monthly spending status on telephone, mobile-phone, and internet bills. About 67 per cent of the respondents' monthly spending status on telephone, hand-phone, and internet bills could have been predicted using the equation of the model. The Wald statistics show that only the total amount of financial supports received significantly predicted respondents' monthly spending status on telephone, mobile-phone, and internet bills. The values of the coefficients reveal that an increase of RM1 financial support received by respondents is associated with an increase in the odds of monthly spending status by a factor of 0.903 (Table A2.34 in Appendix 2). It shows that the more financial support received by the respondents, the less likely is their monthly spending status on telephone, hand-phone, and internet bills to be high. The Malays are more likely to have their monthly spending status on telephone, mobile-phone, and internet bills higher than the Chinese. However, it is not significant that ethnic group is related to monthly spending status on telephone, mobile-phone, and internet bills.

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.52 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of

5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.55 to be grouped as high spending group.

Model 7

Model Seven uses the dichotomous group of monthly expenditure on books, magazines, newspaper, stationery and photocopying, of the respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MBooks = 1) = 1 / (1 + e^{-Z})$

Where

MBooks	=	-0.738	+	0.000015TFS	-	0.097Wealth
		(1.041)		(0.000038)		(0.091)
	+	0.015Male	+	0.336Chinese	+	0.166Religious
		(0.321)		(0.166)		(0.153)
	+	0.339C1	+	0.057C2		
		(0.420)		(0.473)		

Note: R^2 = 8.19 (Homer & Lemeshow), 0.02 (Cox & Snell), 0.02 (Nagelkerke).
Model χ^2 (1) = 3.13
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 187 cases were analysed and there is no evidence to support that the full model predicted the respondents' monthly spending status on books, magazines, newspaper, stationery and photocopying (omnibus χ^2 (1) = 3.13, df=7, $p > 0.05$). In addition, the Hosmer and Lemeshow Test of the model's goodness of fit (χ^2 = 8.19, p-value = 0.415) does not support the usefulness of the model. The model accounted only for two per cent (Cox & Snell R^2 and Nagelkerke R^2) of the variance in the respondents' monthly spending status on books, magazines, newspaper, stationery and photocopying. About 58 per cent of the respondents' monthly spending status books, magazines,

newspaper, stationery and photocopying could have been predicted using the equation of the model. The Wald statistics show that none of the explanatory variables predicted the respondents' monthly spending status on books, magazines, newspaper, stationery and photocopying. The Chinese are more likely to have their monthly spending status on books, magazines, newspaper, stationery and photocopying to be higher than the Malays (Table A2.35 in Appendix 2). However, it is not significant that ethnic group is related to monthly spending status on books, magazines, newspaper, stationery and photocopying.

Model 8

Model Eight uses the dichotomous group of monthly expenditure on entertainment (Internet Café, disco, karaoke and others) of the respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MEntertainment = 1) = 1 / (1 + e^{-z})$

Where

MEntertainment	=		0.817	-	0.091TFS*	-	0.063Wealth
			(0.1.329)		(0.052)		(0.118)
		-	1.006Male***	-	0.202Chinese	+	0.329Religious*
			(0.385)		(0.684)		(0.186)
		+	0.504C1	+	0.540C2		
			(0.575)		(0.631)		

Note: R^2 = 5.35 (Homer & Lemeshow), 0.15 (Cox & Snell), 0.21 (Nagelkerke).
Model χ^2 (1) = 25.41
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 158 cases were analysed and the full model significantly predicted the respondents' monthly spending status on entertainment (Internet Café, disco, karaoke and others) (omnibus χ^2 (1) = 25.41, df=7, p<0.01). In addition, the Hosmer and

Lemeshow Test of the model's goodness of fit with the small value of chi-square and high p-value (χ^2 = 5.35, p-value = 0.719) supports the usefulness of the model. The model accounted for between 15 per cent (Cox & Snell R^2) and 21 per cent (Nagelkerke R^2) of the variance in respondents' monthly spending status. About 71 per cent of the respondents' monthly spending status on entertainment could have been predicted using the equation of the model. The Wald statistics show that only the total amount of financial support of the respondents, the wealth score of the respondents and the level of religiosity of the respondents significantly predicted the respondents' monthly spending status on entertainment. The values of the coefficients reveal that an increase of RM1 in financial support received by the respondents is associated with an increase in the odds of monthly spending status on entertainment by a factor of 0.913 (Table A2.36 in Appendix 2). It shows that those who received more financial support, the less likely they are to spend more. The odds ratio for gender is 0.4. This means that male respondents are 0.4 times as likely that their monthly spending status is high as compared to the female respondents. It is interesting to note that there is a positive relationship between the level of religiosity of the respondents and monthly spending status on entertainment. Each unit increase in the score of religiosity of the respondents is associated with an increase in the odds of monthly spending status on entertainment by a factor of 1.39. It means that those who are more religious are more likely to have their monthly spending status on entertainment to be high at $\alpha = 0.10$. The Malays are more to likely to have their monthly spending status on entertainment higher than the Chinese. However, it is not significant that ethnic group is related to monthly spending status on entertainment.

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth

background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.65 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.69 to be grouped as high spending group.

Model 9

Model Nine uses the dichotomous group of monthly expenditure on clothing, footwear and personal items of the respondents together with other explanatory variables listed above.

The result of the logistic regression equation is as follows:

$P(MClothing = 1) = 1 / (1 + e^{-z})$

Where

MClothing	=	-	0.695	-	0.048TFS	+	0.036Wealth
			(1.259)		(0.052)		(0.121)
		+	0.425Male	+	0.839Chinese	+	0.437Religious**
			(0.431)		(0.710)		(0.190)
		-	0.357C1	-	0.238C2		
			(0.580)		(0.623)		

Note: R^2 = 14.71 (Homer & Lemeshow), 0.04 (Cox & Snell), 0.06 (Nagelkerke).
Model χ^2 (1) = 7.689
Significant level, *** (0.01), ** (0.05), * (0.10)

A total of 198 cases were analysed and there is not enough evidence to conclude that the full model predicted the respondents' monthly spending status on clothing, footwear and personal items (omnibus χ^2 (1) = 7.69, df =7, $p<0.05$). The Hosmer and Lemeshow Test of the model's goodness of fit (χ^2 = 14.71, p-value = 0.065) supports the usefulness of the model at $\alpha = 0.05$. The model accounted for between four per cent (Cox and Snell R^2) and six per cent (Nagelkerke R^2) of the variance in the respondents' monthly

spending status on clothing, footwear and personal items. About 82 per cent of the respondents' monthly spending status on clothing, footwear and personal items could have been predicted using the equation of the model. The Wald statistics show that only the level of religiosity of the respondents reliably predicted the respondents' monthly spending status on clothing, footwear and personal items. Each unit increase in the score of religiosity of the respondents is associated with an increase in the odds of monthly spending status on clothing, footwear and personal items by a factor of 1.55 (Table A2.37 in Appendix 2). It means that those who are more religious are more likely to have their monthly spending status on clothing, footwear and personal items to be high. The Chinese are more likely to have their monthly spending status on clothing, footwear and personal items higher than the Malays. However, it is not significant that ethnic group is related to monthly spending status on clothing, footwear and personal items.

Based on this model, it is predicted that the Chinese male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.90 to be grouped as high spending group. On the other hand, the Malay male who is grouped as cluster two, moderate commitment toward the religion (score of 5), from moderate wealth background (score of 5.8) and received RM8,500 financial support per year, has a chance of 0.80 to be grouped as high spending group.

5.13 Conclusion

The Cluster analysis has shown that both the Malays and the Chinese students in Malaysia are different in their preferred lifestyles where the Chinese dominates four of the six clusters in New Age Materialists (C1), Family Value Oriented (C2),

Independence (C3) and Status (C5); whereas their Malay counterparts are largely New Pragmatic Family Oriented (C4) and New Age Traditionalist (C6).

From the analyses above it shows that the Chinese students have deviated slightly from the traditional culture of their fore-fathers such as adherence to Confucianism and filial piety. This is clear from the comparisons in the Hofstede's Cultural Dimensions as indicated in the five propositions. The Chinese students tend to be more individualistic when compare to the Malay students who are more cohesive. Thus, the Malays tend to value more in family and societal harmony and, at the same time, are more ready to accept their positions and roles within the family and within the structure of the society. From this account, the Malay students are more likely to seek the views and opinions of the elders when deciding to make a purchase.

The Malays also exhibit a higher degree of male dominance as compare to the Chinese. This explains why the Malays prefer branded items more than the Chinese. However, the Chinese are more willing to assume risks than the Malays. Therefore, the Chinese consumers in Malaysia are more responsive to new products and always ever willing to try out new items in the consumer market.

The Malay students view religion, cultures and social values as more important than the Chinese students. In this respect, it is not difficult to deduce that the Malays frequently allow their religious teachings and cultural values guide them in their consumption patterns.

The Malays and the Chinese students are also consistent in showing some differences in their responses towards the marketing mix. Drawing from the logistic regression

analysis, almost all the nine models shows that both the Malays and the Chinese differ in their consumption patterns with respect to the differences in their ethnic cultures, religions, gender, cluster group, income and wealth.

5.14 Summary

This chapter has shown that both the Malays and the Chinese display many similarities in their preferred lifestyles although there are also some differences.

The similarities could be attributed to the acculturation of culture, as mentioned in Chapter 3. The prolonged period of living alongside each other coupled with the efforts of the ruling government in active social re-structuring to uniting the different races into one identity have indeed contributed to the findings.

However, there are also obvious differences in the areas of religion and its inherent values among these two ethnic groups. Although the Chinese are largely diverse in their religions, the Malays, through the Islamisation programmes of the government mentioned in Chapter 2, are largely serious followers of the teachings of Islam. It is, therefore, in this platform that both the Malays and the Chinese differ in their preferences of consumption and lifestyles. This finding has enhanced the concept mentioned in Chapter 3 that religion have strong impact in the manner and behaviour of a consumer.

The research has also shown that there is no significant difference in consumption patterns among these two ethnic groups with respect to their wealth factor. This is expected since the respondents are mostly financially dependents and, therefore, are more restraint in their spendings.

Generally, the Malay community has largely conformed to the findings of Hofstede's cultural dimensions. This is mainly due to its integrated family and societal values as propounded by Islam. Nevertheless, it is only to be expected that the Chinese in Malaysia has deviated much from the values of their fore-fathers who came from China in the early 1900s. This could be attributed by the lack of commitment to a single religion that bind them together; moreover, the enthusiastic pursuit of material wealths coupled with the absence of a unifying institution, like the Malay, maybe the cause of this deviation.

Chapter 6

Discussions and Conclusion

6.1 Introduction

This chapter is divided into six sections. It begins with an overview of the study and followed by the summary of the major research findings. The third section presents some discussions on the findings. This is followed by the implication of the study while the fifth sections outlined the limitations of the present study. The final section suggests the direction for future research.

6.2 Overview of the Study

Culture generally refers to the set of learned values, beliefs, attitudes and customs that are accepted and shaped the behavioural norms of a homogenous group of people in a given society. Culture is also inherent in every aspect of the lives of the people and is usually being passed on to the next generation.

Most researches agreed that in order to predict the behaviour and manner of the people in a particular culture, it is essential to have knowledge and to understand the underpinning influence of their culture. The understanding of the cultures of several groups of people will also help to divert and avoid unnecessary misunderstandings and conflicts within a mixed society. Further more, this will also help us to understand the similarities and differences of different cultures within a mixed-society like Malaysia.

Many researches maintain the view that cross cultural research is important in many social science studies. Among them are in management fraternity as propounded by Hofstede (1991) and consumer behaviour by Manrai and Manrai (1996).

In Malaysia, like many South East Asian countries, both the Malay and the Chinese cultures and religions are closely blended to form the fabrics of their respective cultural values. However, there has not been any research on comparing the consumer behaviour of the Malays and the Chinese. This study presents a pioneering effort that examines the impact of ethnicity, religion, culture and source of income effects on consumer behaviour.

The main purpose of this study is:

i. to find out whether the Malays and the Chinese consumers responded similarly to advertising and branding;
ii. to find out whether there are any differences and similarities in the consumption patterns of the Malays and the Chinese in Malaysia;
iii. to find out whether the Malays and the Chinese in Malaysia show any preferred choices of their products because of their cultural and religious differences;
iv. to find out if there are any significance differences in the income of the Malays and the Chinese.

The focus was on the university students who are consumers in the markets. Specifically, this study seeks to empirically test the relationship between ethnicity and consumption behaviour.

6.3 A Summary of the Major Findings

6.3.1 Introduction

The total respondents of 237 students from both universities were used in this study. Nearly 40 per cent of the students are Malay from University Technology MARA (UiTM), Shah Alam, Selangor and about 60 percent are Chinese students from University Tunku Abdul Rahman (UTAR) in Bandar Sungai Long, Kajang, Selangor. The preliminary screening of cluster analysis discovered that three cases are identified as outliers. After assessment, these three outliers are deleted because they are deemed to be unrepresentative. Thus, the final total sample for further analysis is 234 students.

About 44 per cent of the Malays are from rural areas and the majority of Chinese are from the more urban towns (Table 6.1). On the average, the Chinese families have better living conditions as compared to the Malays.

The two main financial sources for education for these students are financial assistance from loans by the government and support from the respective family. The Malay students mainly rely on loans and scholarships provided by the government while the majority of the Chinese students are more dependent on family supports to provide for their financial needs in their pursuit of education.

About 86 per cent of the Chinese fathers are still working as compared with the 67 per cent of the Malay fathers. This finding strengthens the point that Chinese students received better financial support from family as compared to their Malay counterparts. This could be due to the fact that most Malays are public service employees whose statutory retirement age is 55 years-old. On the average, the Chinese owned slightly more houses as compared to the Malays. However, more Malays own land as compared

to the Chinese. This could be due to the reason that the majority of the Malays reside in the rural areas whereby their land are basically agriculture in purpose. The Chinese are better off than their counterparts in the ownership of vehicles such as cars. They not only have better cars but also more cars as compared to the Malays. This finding may reflect that the Chinese families are financially better-off than the Malay families.

Table 6.1: The Summary Statistics of the Study by Ethnic Group

Profile	Malays (%)	Chinese (%)
Total	39	61
Gender		
Male	24	37
Female	76	63
Home Town		
Urban	56	81
Rural	44	19
Financial Support		
Loans and scholarship	91	74
Family support	41	59
Respondents' Fathers Still Working	67	86
Respondents' Mothers Still Working	25	32
Assets - Respondents' parents own the house	79	86
Assets - Respondents' parents own the land	46	19
Lifestyles Cluster Group		
New Pragmatic Family Oriented	77	23
New Age Traditionalist	66	34
New Age Materialists	7	93
Family Value Oriented	12	88
Independence	28	72
Status	39	61

In this study, six major clusters of university students were identified based on the eight lifestyle and value systems (Brand Conscious Factor, Impulsive Factor, Economizer

Factor, Family Values, Social Consciousness, Traditionalism, Materialism, and E-Orientation). The six major clusters of university students were "New Age Materialists", "Family Value Oriented", "Independence", "New Pragmatic Family Oriented", "Status", and "New Age Traditionalist".

Demographically, New Age Materialists cluster group, Family Value Oriented cluster group, Independence cluster group and Status cluster group are dominated by the Chinese. On the other hand, the New Pragmatic Family Oriented cluster group and New Age Traditionalist cluster group are mostly Malays. The typology, the lifestyles and value systems have helped us to understand Malaysian University students. The study also provides good insights for developing segmentation and positioning strategies for marketers who are interested to market to university students in particular, and to a certain extent, youth or young adults.

6.3.2: The Comparison between the Malays and Chinese on Some Selected Products

The living quarters of university students, on the average, are generally well equipped and comfortable and conducive for study. Most of their living quarters are equipped with televisions, sofas, fridges and washing machines. Therefore, within the campus, the Malay students are living in better off condition compared with the Chinese students since most of the residential hostels are equipped with television, Astro, sofas, and washing machines (Table 6.2).

Nearly 90 per cent of the respondents are renting their current accommodation. The respondents, on average, are paying about RM158.80 (standard deviation = RM102.50) for their monthly rental. The Chinese and the Malays respondents paid about RM168.59

per month (standard deviation = RM90.47) and RM131.78 per month (standard deviation = RM127.37), respectively. This means the Chinese students are paying higher for their accommodation.

Location and price of the accommodation are two main factors that the students would consider when they rent the room or house. About 83 per cent and 82 per cent of the respondents listed location and price as the top priorities in choosing their living accommodation. However, the variation between the ethnic group is not significant.

Table 6.2: The Summary Findings of the Living Profile by Ethnic Group

Profile	Malays	Chinese
Type of current accommodation		
Hostel (%)	51	-
Apartment (%)	13	69
Items in current living place		
Television (%)**	99	82
Fridge (%)	83	74
Sofa (%) **	79	51
Washing Machine (%)**	79	44
VCD/DVD (%)	50	48
Astro (%) **	66	11
Air-conditioning (%) **	9	33
Rental per month (RM)	131.78	168.59
Standard deviation (RM)	127.37	90.47
Accommodation Selecting Factor		
Location (%)	79	86
Price (%)	77	85

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10)

On the average, the respondents spent about RM72 per month (standard deviation = RM94.40) on their transportation cost with the Chinese spending slightly higher than

the Malays because most of the Malays reside in the hostels which are adjacent to their faculty (Table 6.4). About 69 per cent of the Malays go to faculty either by bus or walking whereas majority of Chinese go to faculty by walking or car. This explains why the cost of transportation of Chinese is higher as compared to the Malays.

Malaysian University students as a whole prefer their own ethnic cooking - the Malays like Malay food and the Chinese prefer Chinese food. The top three most popular favourite foods of the Malays are Malay food (98 per cent), Thai food (57 per cent) and Chinese food (32 per cent) (Table 6.4). In the case of the Chinese, the four most popular favourite foods are Chinese food (97 per cent), Japanese food (61 per cent), Thai food (48 per cent) and Indian food (48 per cent). The Chinese in general have more varieties when selecting their meals as compared with the Malays mainly because they are not restricted by any religious and cultural prohibitions or taboos.

Table 6.3: The Summary Findings of the Transportation Profile by Ethnic Group

Profile	Malays	Chinese
Transportation		
Bus (%)	45	46
Walking (%)	24	33
Car (%)	16	12
Motorcycle (%)	15	9
Mean transportation costs per month (RM)	69.03	74.26
Standard deviation (RM)	81.00	102.37

Nearly half of respondents regularly have their meals at non-fast food restaurant and about one quarter of the respondents regularly visit fast food restaurants. The Malays visit the fast food restaurants and non-fast food restaurants more regularly as compared

with the Chinese. The Malays are more likely to spend more in the fast food restaurant whereas the Chinese are more likely to spend in non fast-food restaurant.

Price, location and facility or environment are three main factors considered by both the Malays and the Chinese respondents in choosing the restaurant. The Malays are more likely to be cautious and sceptical in selecting the food that suits their Islamic background. They will look for those restaurants with the 'Halal' signage or those restaurants operated by Malays. Thus, more Malays considered safety as more important in making their decision on which restaurant to dine in. The Chinese are more willing to pay higher price for better in-shop feature, more likely to utilise on the promotion/discount of the restaurant and try new types of food as compared to the Malays.

Table 6.4: The Summary Findings of the Food Profile by Ethnic Group

Profile	Malays (%)	Chinese (%)
Favourite Food		
Malay	98	47
Chinese	32	97
Indians	15	48
Thai	57	48
Japanese	19	61
Regularity having a Meal		
Fast food restaurant	28.3	21.4
Non-fast food restaurant	51.1	44.1
Food Selection Factors		
Price	95	90
Location	70	75
Facility/Environment	71	79

Mobile phone is a necessity for the university students. In this study, the respondents, on average, possessed 1.2 mobile phones with the Malays having slightly higher

possession of this product. The Malays are more likely to be prepaid users and the Chinese are mostly post-paid users. On average, respondents spent RM55.13 per month on their mobile phone bills, with the Malay (55.87 per month) paying, on the average, slightly higher bills as compared with the Chinese (RM54.60).

Table 6.5: The Summary Findings of the Telecommunication and Internet Profile by Ethnic Group

Profile	Malays	Chinese
Mobile phone possession (in units per person)	1.24	1.18
Users		
Prepaid users (%)	94	75
Post-paid user (%)	2	19
Both (%)	4	6
Telecommunication cost per month (RM)	55.87	54.60
Internet access		
Home (%)	33	72
University (%)	67	64
Internet Café (%)	57	28

Most of the respondents have access to the internet. However, there are about nine per cent of the respondents who still do not have any access to the internet. A big portion of the respondents do not utilised internet facilities in the university. Chinese are more likely to have access to the internet in their homes whereas more Malays access internet only at the internet café.

Mobile phone, personal computer and thumb drive are three most common products possessed by the respondents. About 96 per cent, 77 per cent and 64 per cent of the respondents possessed mobile phone, thumb drive and computers, respectively. However, only 38 per cent of respondents owned notebooks (Table 6.6). In general, there are no significant difference in possession of computer, telecommunication and IT

products between the Malays and the Chinese, except MP3 or MP4 or thumb drive. Respondents spent RM2,641.92 on computer, RM3,955.25 on notebook, RM767.30 on mobile phone, RM988.42, RM322.96 on MP3 or MP4, respectively, and RM111.68 on thumb-drive. The Chinese, on average, spent more on all the computer, telecommunication and IT products than the Malays. Further analysis on the difference in spending on computer, telecommunication and IT products through independent t-test showed that the significant difference in spending between the Malays and the Chinese are observed on notebook, mobile phone, camera and MP3 or MP4. The Chinese averagely spent RM545 more on the notebook than their Malay counterparts. In addition, the Chinese also spent about RM587 higher on camera as compared with the Malays. The Malays averagely spent less by about RM205 and RM120 on mobile phone and MP3 or MP4 than Chinese.

A higher percentage of the Malays owned most of the clothing, shoes, shampoo and cosmetic as compared with the Chinese. However, there are no significant difference in possession of clothing, shoes, shampoo and cosmetic between the Malays and the Chinese, except for leather shoes and cosmetics. More Malay respondents owned leather shoes and cosmetics as compared to the Chinese. The respondents are decision-maker in the purchase of clothing, shoes, shampoo and cosmetics. The respondents spent RM96.61 on clothing, RM29.92 on slippers, RM116.89 on leather shoes, RM128.83 on sport shoes, RM63.51 on wallet or purse or handbag, RM25.18 on shampoo, and RM88.84 on cosmetics. Again, the Chinese, on average, spent more on all the clothing, shoes, shampoo and cosmetics related products than Malays. Further analysis on the difference of spending on clothing, shoes, shampoo and cosmetics through independent t-test showed that the significant difference in spending between the Malays and the Chinese are observed on sport shoes, shampoo and cosmetics related

items. The Chinese averagely spent 1.7 times more than the Malays on the sport shoes (RM150.90 compared to RM90.40). The Malays averagely spent less by about RM10.00 and RM74.40 on shampoo and cosmetic related products. The Chinese, again, have demonstrated a very strong purchasing power on clothing, shoes, shampoo and cosmetic related products as compared to the Malays.

Table 6.6: Average Spending of Respondents on Selected Product by Ethnic Group

Items	Malays (RM)	Chinese (RM)	Items	Malays (RM)	Chinese (RM)
Personal Computer	2,468.89	2,741.74	Sport Shoes	90.40	150.90
Notebook	3,591.74	4,137.00	Wallet/ purse/ handbag	59.70	66.00
Mobile phone	643.85	849.60	Shampoo	18.90	28.90
Camera	650.64	1,237.32	Cosmetic	56.50	130.90
MP3/ MP4	232.50	354.27	Gift Items	61.90	103.60
Thumb-drive	104.72	117.26	Watches	134.40	282.70
Clothing	84.40	103.70	Spectacles	253.80	266.20
Slipper	28.40	30.90	Book	109.70	80.70
Leather Shoes	102.60	127.00	Magazine	24.80	18.10

More Malays owned watches, books and magazine as compared with the Chinese. However, there are no significant difference in the possession of gift items and watches between the Malay and the Chinese, except spectacles, books and magazines. Respondents spent RM91.23 on gift items, RM227.49 on watches, RM262.67 on spectacles, RM94.74 on book (excluding text book), RM21.07 on magazines. It is interesting to note that the Malay respondents spent more on books and magazines as compared to the Chinese respondents. Further analysis on the difference in spending on gift items, watches, spectacles, book and magazine through independent t-test, showed that there is no significant difference in spending between the Malays and the Chinese are observed between those items.

In conclusion, the Chinese demonstrated a very strong purchasing power on the purchasing of most of the products as compared to the Malays. In addition, the Chinese, on the average, are able to spend more on the products selected in the Table 6.7 except books and magazines, as compared to the Malays. However, both Malays and Chinese are the decision makers in purchasing the selected product listed in Table 6.7.

6.3.3 Leisure Activities of the Respondents

There is little variation of types of leisure activities between the Malays and the Chinese students. In general, they seem like more inclined towards activities that are passive rather than participative. Nevertheless, recreational and entertainment activities received active participation among all the activities. Listening to music, shopping and watching TV are the three most popular leisure activities participated by the Chinese. On the other hand, listening to music, watching TV and surfing the internet or chatting are the three most common leisure activities participated by the Malays. This implies that it may be more effective to reach both the Malays and the Chinese students through mass media such as the radio and the televisions.

6.3.4 Perceptions towards Wealth, Income and Saving

Financial supports received are from the respondents' themselves, family members, education loans, scholarships and others. In general, Chinese are wealthier as compared with the Malays. In addition, Chinese on the average received more financial support as compared to their Malay counterparts.

The perception of the ease of income may encourage the respondents to spend more money. In general, the respondents somewhat agree that income level and ease of

acquisition of income determines their spending behaviour. However, there is no difference on perception toward ease of the income between the Malays and the Chinese.

Both the Malays and the Chinese respondents share the strong Asian virtue that saving is important to them. Even though the Malays score slightly higher mean score on perceptions toward the importance of saving as compared to the Chinese, the difference is no significant at five per cent level.

6.3.5 Important Attributes for Making Brand Purchase and Source of Information

6.3.5.1 Important Attributes for Making Brand Purchase

In general, the top-five attributes for making brand purchases are trustworthy, simple, modern, well-known brand name and latest technology. Nevertheless, there are some differences in the top-five attributes between the Malays and the Chinese. The top-five attributes of the Malays are simple, modern, fun, trustworthy, and latest technology. Whereas the top-five attributes of the Chinese are trustworthy, modern, well-known brand name, simple, and personalised or customised products.

Some significant differences can be observed in selecting important attributes for making brand purchases by the Malays and the Chinese. More Chinese than the Malays selected product quality such as, trustworthy and well-known brand as important attributes for making brand purchases. On the other hand, the Malays are more likely to choose the attributes that emphasised on visual presentation of product, packaging, sizes and environmental such as simple, fun, small, elegant, energy saving, recyclable, extreme and traditional as important attributes for making brand purchasing decision.

6.3.5.2 Source of Information

Knowing how information on promotion or advertising reached the university students will enable marketing planners to select the appropriate channels. Two major channels of promotion or advertising information are the newspaper and friends. Both the Malays and the Chinese need to have a great deal of information about the products before making purchasing decision with the Malays tending to need to have even more information before deciding to make a firm purchasing decision. Quite a number of the respondents do not mind spending a lot of time shopping for information.

6.3.6 A Summary of the Hypothesised Relationship

6.3.6.1 Comparison between the Malays and the Chinese Consumer Behaviour base on the Cultural Dimensions

Base on Hofstede's cultural dimensions, 5 propositions were developed to compare the similarities and differences of the Malay and the Chinese consumer behaviours. The Malays scored higher than the Chinese in the Power Distance Index (PDI). This signifies that the Malays regard the hierarchy in the family as more important than the Chinese and, therefore, the Malays are more willing to accept their position in the family and society. From this finding, in the Malay family, the parents have greater decision making rights than the Chinese family. Thus, the marketer knows the decision maker in the family and the marketing message must appeal to them.

The Malays also scored higher in term of Individualism/Collectivism index. The Malay families are shown to be more cohesive than the Chinese families. This is consistent with the teaching in Islam, where all the Malays in Malaysia are deemed to be, that they are all brotherhood in the faith and they all belong to the "Allah's chosen family". The

Malays are also more concerned with the well-being of the family and take efforts to maintain harmony within the family.

The finding on in Masculinity/femininity is not consistent for both the Malays and the Chinese. This may be because both these ethnic groups are largely male-dominance. This is consistent with Hofstede's cultural dimensions.

The Chinese emerged to be more acceptable to uncertainty than the Malays. The scores for the Chinese are significantly lower than the Malays and therefore they are more tolerance to uncertainty and unfamiliar environments. Consequently, the Chinese are more willing to try on new products.

The Chinese scores lower than the Malays in term of Long Term Orientation and this affirms that they are more concern with their personal well-beings and pays very little regard to the environments. In addition, Chinese is more concerned with "face saving" and their personal social status.

Table 6.7: Summary of Results for Hypotheses H1 to H5

Hypothesis Statements		***Result***
H1:	***There are differences between the Malay and the Chinese students in terms of their roles in the family (Testing for power distance).***	***Partially supported***
H2:	***There are differences between the Malay and the Chinese students in maintaining family harmony (Testing for Individualism/Collectivism).***	***Supported***

H3:	***There are differences between the Malays and the Chinese in terms of brands preference (Testing for Masculinity/femininity).***	***Partially supported***
H4:	***There are differences between the Malay and the Chinese students trying out new things (Testing for Uncertainty Avoidance).***	***Supported***
H5:	***There are differences between the Malay and the Chinese students in terms of their social status (Testing for Long Term Orientation).***	***Supported***

6.3.6.2 Perception towards Marketing Mix

a. Marketing Mix – Product

Based on Hofstede's Dimensions of Culture Values, it does reveal that there is difference, though minimal, in the score for masculinity for both of these two ethnic groups. The respondents share the same value on the perspective of quality products as well as preferences on purchasing quality products. There was no difference between the mean score of the respondents from both the Malays and the Chinese in terms of their perception towards quality of the products. The respondents opined that quality products are made by well-known companies, and they like to purchase quality products, even though they may be more expensive or cost higher in prices.

The Chinese tend to believe that foreign-made products are generally better in quality than those locally manufactured products. Thus, they are less likely to buy the national products when compared to the Malays. This may indicates their preference for durability rather than branded goods. It is interesting to note that there exists a relationship between ethnic group and brand loyalty. When compared to the Chinese,

the Malays prefer a particular brand in most products that they buy or use and they always use the same brand for a product repeatedly. Furthermore, they rarely switch their favourite brand to other brands in order to just try something new or different. However, they sometime become bored with buying the same brands over and over again even if they are proven good.

Table 6.8: Summary of Results for Hypotheses H6

Hypothesis Statements		***Result***
H6a:	***There are differences between the Malays and the Chinese students in responding or reacting to product branding.***	***Partially supported***
H6bi:	***There are differences between the Malays and the Chinese students in responding or reacting to Foreign Brands.***	***Supported***
H6d:	***There are differences between the Malays and the Chinese students in responding or reacting to Brand Loyalty.***	***Supported***
H6e:	***There are differences between the Malays and the Chinese students in responding or reacting to quality.***	***Not supported***

b. Marketing Mix - Promotion and Source of Promotion or Advertising Information

The Malays are more likely to be affected by advertisements. Furthermore, they also opined that advertised brands are better than those which are not advertised. The Malays are expected to take advantage of promotion or discounts more readily as compared to their Chinese counterpart.

Both the Malays and the Chinese need to have a great deal of information before making purchasing decision with the Malays tend to need to have even more information before deciding to make a firm purchasing decision. Quite a number of respondents do not mind spending a lot of times shopping but there seems to be no significance difference between the Malays and the Chinese. The Chinese has a tendency to be attracted by fashion as compared to the Malays.

Table 6.9: Summary of Results for Hypotheses H7

Hypothesis Statements		***Result***
H7a:	***There are differences between the Malays and the Chinese students in responding or reacting to product advertising.***	***Supported***
H7b:	***There are differences between the Malays and the Chinese students in responding or reacting to sales promotion.***	***Partially Supported***

It is important to know the sources of promotion or advertising information that reached the university students. This will enable market planners to improve their marketing strategies to channel the information to university students appropriately. Two major channels of promotion or advertising information are the newspaper and friends. Other sources of information are television, magazines, internet, brochures, posters, flyers and pamphlet, radio and family members. SMS, or short-messaging service, provided by the mobile phone, is not a common channel of promotion or advertising information even though almost all the respondents owned mobile phones.

The Chinese are more likely to be influenced by the advertisement and result in purchasing certain products as compared to the Malays. Further analysis on the respondents who responded to advertisement showed newspaper and TV programmes are the main marketing tools to reach out to the respondents.

c. Marketing Mix - Price and Place

In general, both the Malays and the Chinese are quite price sensitive to the products. For example, they usually compare prices before buying and they tend to go for the cheaper alternatives and they are checking the prices in the grocery store even for small items. The Malays are slightly more price sensitive as compared to the Chinese.

Table 6.10: Summary of Results for Hypotheses H8 and H9

Hypothesis Statements		***Result***
H8:	***The perception towards price is different between the Malays and the Chinese.***	***Partially supported***
H9:	***The perception towards location is different between the Malays and the Chinese.***	***Partially supported***

Choice is more important than convenience. The finding shows that respondents rather shop at a store of their choice than a store that is convenient in the neighbourhood. Furthermore, the Malays respondents are more likely to shop at the same place or outlet as compared to the Chinese respondents.

6.3.6.3 The Impact of Religions on Consumption Behaviour

The Malays are known for their affection and commitment towards their religion. Thus, their religious beliefs are more likely to affect their daily decision in the consumption

behaviour. Therefore, the Malays are expected to apply religious principles more readily and more rigorously as the guide in their spending decision.

Table 6.11: Summary of Results for Hypothesis H10

Hypothesis Statements		***Result***
H10:	***The impact of ethnic cultures and religions on the Malays and the Chinese consumption behaviours are different.***	***Supported***

6.3.6.4 Household Expenditure

The average consumption expenditure for the respondents was RM630.44 per month. The respondents spent the most on food, RM197.32, followed by rental, RM133.09, and subsequently clothing, footwear and personal related items (RM81.52) and transportation (RM72.21). In contrast, the respondents spent the least on books, magazines, news paper and stationery (RM34.25) and other items (RM4.1). On an average, the Chinese respondents spent 1.6 times higher than the Malay respondents. The average monthly expenditure was RM733.48 per month for the Chinese and RM471.39 per month for the Malays.

The expenditure composition by expenditure group showed quite similar in spending priority between two ethnic groups except rental. The Chinese spent 33 percent of their monthly expenditure on food, 24 per cent on rental, 12 per cent on clothing, footwear and personal related items, and 10 per cent on transportation. Meanwhile, the Malays spent 28 per cent of their monthly expenditure on food, 14 per cent on rental, 15 per cent on clothing, footwear and personal related items and 15% on transportation, respectively.

Table 6.12: Summary of Results for Hypotheses H11

Hypothesis		Results
H11:	***There is significant difference between the Malays and the Chinese monthly spending.***	***Supported***
H11a:	***There is significant difference between the Malays and the Chinese monthly spending (excluding rental and food cost).***	***Supported***
H11b:	***There is significant difference between the Malays and the Chinese in the monthly spending on rental.***	***Supported***
H11c:	***There is significant difference between the Malays and the Chinese in the monthly spending on food.***	***Supported***
H11d:	***There is significant difference between the Malays and the Chinese in the monthly spending on transportation.***	***Not supported***
H11e:	***There is significant difference between the Malays and the Chinese in the monthly spending on telephone, mobile phone, internet bills***	***Not supported***
H11f:	***There is significant difference between the Malays and the Chinese in the monthly spending on books, magazines, news paper, and stationery.***	***Not supported***
H11g:	***There is significant difference between the Malays and the Chinese students in the monthly spending on entertainment.***	***Supported***
H11h:	***There is significant difference between the Malays and the Chinese students in the monthly spending on clothing, footwear and personal items.***	***Supported***

The Malays and the Chinese show different patterns on spending behaviour. Based on the finding, the Malays spent significant less than the Chinese in terms of their aggregate monthly expenses. Even after excluding the rental and utility costs or food, the Malays still spend significant less than the Chinese in terms of their aggregate monthly expenses. However, it is interesting to note that there was no difference in terms of their aggregate monthly expenses after excluding the rental and utility, and

food. This implies that the Malays and the Chinese have the same amount of disposable income after deducted rental, utility and food cost.

Different lifestyle values and different demographical backgrounds may affect their spending behaviours. The findings showed that significant difference was observed only across the 'New Age Materialists' and the 'New Pragmatic Family Oriented'. About two-thirds of the "New Age Materialists group" spent more than RM630 a month and more than 70 per cent of the "New Pragmatic Family Oriented" group spent less than RM630 and below. When the rental and food costs are excluded from monthly expenses, however, no difference is being observed across these two lifestyle cluster groups. However, the difference is also observed among the "Family Value Oriented" cluster groups. About three quarter of those from "Family Value Oriented" cluster groups are spending less than RM300 and below.

6.3.6.5 Logistics Regression

In brief, all the models are useful based on the omnibus χ^2 and Hosmer and Lemeshow Test except Model 5 (only sported by Hosmer and Lemeshow Test) and Model 7. The total amount of financial support received significantly explained a few models such as Model 1, Model 3, Model 4, Model 6 and Model 8. However, the total amount of financial support received has negative impact on Model 3, Model 4, Model 6 and Model 8. It means those who received more are slightly less likely to have their monthly spending status on various items are high. Gender is another factor that significantly explained a few models such as Model 2, Model 5, and Model 8. It shows that males are more likely to have their monthly spending statuses on various items to be high as compared with female counterparts. The level of religiosity of respondents is another factor that significantly explained a few models such as Model 1, Model 8, and Model

9. However, it is interesting to note that the level of religiosity of the respondents has negative impact on Model 8 and Model 9. Those who are more committed towards the religion are more likely to have their monthly spending status on books, magazines, newspaper, stationery, photocopying and entertainment to be high.

Table 6.13: Summary of Results for Hypothesis H12

Hypothesis		Results
H12:	***There is impact of ethnic cultures, religions, gender, cluster group, income and wealth on the Malays and the Chinese consumption behaviours.***	**Partially supported**

The wealth background of the respondents and Cluster group one ('New Age Materialists', 'Status' and 'New Age Traditionalist' cluster groups) significantly explained Model 2 and Model 3, respectively. However, the finding shows that the wealth background of the respondents has negative relationship with the monthly expenses on monthly rental, water and electricity bills. On the other hand, the result shows that New Age Materialists', 'Status' and 'New Age Traditionalist' cluster groups spent more as compared with New Pragmatic Family Oriented cluster group.

It is interesting to note that ethnic group does not have any impact on the spending behaviour of various selected items. This is probably due to the fact that all the respondents in this research are students who are non-age earners and are not fully exposed to the implication of wealth since they are not yet income earners. Another plausible explanation can be attributed to the prolong co-existance, or acculturation, of these two ethnic groups since independence from the British in 1957. Despite of this, the Chinese respondents have received more financial support and come from the richer background, and recorded higher monthly expenses as compared with the Malays. Thus,

ethnicity is not the factor to explain high and low monthly expense. In fact, the Malays are more likely to be grouped as high spending group in the Model 2, Model 3, Model 4, Model 5, Model 6 and Model 8, even though the findings are not significant. The results imply that the Malays have same or even more disposable money to spend on various items. They have strong purchasing power and they may be more willing to spend as compared with the Chinese.

Table 6.14: The Summary of Logistic Regressions Results for Model 1 to Model 9

Model	TFS	Wealth	Male	Chi-nese	Reli-gious	C1	C2	Overall
One (MSPEND)	**S***(+)**	(+)	(+)	(+)	**S**(-)**	(+)	(-)	OCT*** HL
Two (MSPEND-WRF)	(+)	(+)	**S**(+)**	(-)	(-)	**S*(+)**	(-)	OCT*** HL
Three (MRental)	**S**(-)**	**S**(-)**	(+)	(-)	(+)	(-)	(-)	OCT*** HL
Four (MFood)	**S**(-)**	(+)	(-)	(-)	(+)	(+)	(+)	OCT*** HL
Five (MTransport)	(+)	(+)	S*(-)	(-)	(-)	(-)	(+)	OCT HL
Six (MPhone)	**S***(-)**	(-)	(-)	(-)	(+)	(-)	(+)	OCT*** HL
Seven (MBooks)	(+)	(-)	(+)	(+)	(+)	(+)	(+)	OCT HL**
Eight (Mentertain-ment)	**S*(-)**	(-)	**S***(-)**	(-)	**S***	(+)	(+)	OCT*** HL
Nine (MClothing)	(-)	(+)	(+)	(+)	**S****	(-)	(-)	OCT** HL

Note: S = supported, (+) = positive relationship, (-) – negative relationship, Significant level, *** (0.01), ** (0.05), * (0.10)
OCT = omnibus χ^2 test, HL = Hosmer and Lemeshow Test of the model's goodness of fit

6.4 Discussions

The intention of this study to compare the consumption behaviour of the Malays and the Chinese in Malaysia was first initiated by the differences in their religious belief and cultural differences. It was also perceived that the anticipated imbalances in financial assistance given by the Malaysian government in favour of the Malays over other races, with the aim to re-structure the Malaysian society under the New Economic Policy, will have strong impact in differences in consumption patterns between these two major races in the country.

Religions and cultures of the Malays and the Chinese are the main factors that have caused the dissimilarities in their consumption patterns as indicated in hypothesis H10. In country like Malaysia where the official State religion is *Islam* there will be strong consciousness among its followers to strictly abide by the teachings. This is compounded by the fact that offenders can face severe punishment and consequences. This is not the case for the Chinese since they are deemed secular and are therefore not bound by any specific religious tenet.

Base on the findings, it was discovered that both the Malays and the Chinese shared many similarities in their consumption behaviour, there are still some minor differences. Financial sources or availability of finances does not seem to have strong impact to differentiate the spending pattern of these two groups of ethnic youth. One plausible explanation could be that these respondents are still financial dependents rather than income earners. The amount of allowances received by them from their parents and other sources are more or less in the same quantum meant for their basic needs.

Base on the findings of the current study, there seems to have very little difference between the Malays and the Chinese in their spending preferences. This could due to the fact that since both the Malays and the Chinese youths had been mingling with each other since their primary school years until high school. This provided them with more than twelve years of socialising in school in their earlier formative years whereby they grew up together; thus, their values, attitudes and mannerism can be somewhat similar due to prolonged assimilation of ach other. This is further compounded by the fact that they have shared and been exposed to similar media and physical environments. The actual social separation only takes effect when they proceed to pursue their tertiary education where most of the Malays have better opportunity than the Chinese to enrol into the public universities; whereas many of the Chinese have to turn to the more expensive privately owned education institutions.

The Chinese students seem to be more individualistic and have deviated slightly from the close adherent to the conservative teaching of Confucius like their fore-fathers where families are more important than self. However, the Chinese still uphold the masculinity of the society where male are more dominance and favoured in the family. The inconsistency could be attributed to the fact that these youths are second and third generation immigrants from South China where the virtues of cohesiveness and close adherence to the Chinese cultural values have been diluted due to exposure to global modern cultures. Further more, the conversion of the Chinese to Christianity and mother religions or even becoming a free-thinker without any fixed religion could have also diminished the impact of traditional values of Chinese religions such as Taoism, Buddhism - thus their values and lifestyles. On the other hand, the Malays appeared to be more collective and less masculine than the Chinese. This can be attributed to their inherent culture of being loving and peaceful as well as their close adherence to the

Islamic faith and the efforts of the Malay dominance government in Malaysia to inculcate "islamisation" in every aspect of the lifestyles of the Malays. This includes the cultures of submission and respecting the elders, accepting one's destiny as fate ordained by "*Allah*" and modesty in dressing.

Finally, as Triandis and Gelfand (1998) had distinguished four categories of individualism and collectivism, the Chinese can be classified as "horizontal and vertical individualist" where they attempt to do their own thing and at the same time strive to be the best; the Malays, on the other hand, can be more aptly confined to "horizontal and vertical collectivism" where they can merge themselves with the group and are ever ready to submit to the authorities and even to sacrifice for the group.

Although both these two groups respond differently towards advertising, the Chinese tend to have higher preferences for branded items than the Malays. This preference can most likely be explained by the conservative cultural values of "face saving" or "mien-tsu".

6.5 Implications of the Study

The findings from the current research provide both theoretical and managerial implications for the marketing academics as well as for the marketing practitioners.

6.5.1 Theoretical Implications

This thesis is the pioneer work, at least in Malaysia, that focuses on the comparative study of two major races of diverse cultural, religious and financial backgrounds with respect to their consumption behaviour. The findings of this research imply the need for a better approach to segmentation of markets in a multi-cultures market as contrary to

the normal approach of marketing concept by dividing the potential market into homogeneous groups according to race, age, income, etc. This is because, like the current study has revealed that despite the long-term co-existence between the Malays and the Chinese within the same society, these two ethnic groups continue to exhibit some dissimilarity although there are many similarities. Most prominent are their decision-making, choice of products, branding and responses towards advertisements. This is especially true when the consumers reflect strict adherence to their religions and cultures. This is the case in Malaysia where, through the State, Islam has strong influence on its followers to strictly adhere to its teachings. This is further affirmed in the researches conducted by Fam, Waller & Erdogan (2004) and Lindridge (2005). With this in mind, marketers must choose the most appropriate channels of advertisement for any selected ethnic group. They also need to pay particular attention to the impact of religions and cultures in the lifestyles of the selected target audience within the multi-cultures society.

In a mixed society like Malaysia, despite the prolonged acculturation of different races, religions, especially Islam, and prominent ethnic cultures continue to remain as strong factors that marked the differences in consumption pattern and lifestyles among these races. Further more, the means by which wealth is being acquired has also determined how willing the consumer is to spend their wealth.

This study, therefore, provides the theoretical construct that compares the behaviours of the Malays and the Chinese consumers who have lived alongside each other over a long period of time within the same social system with differences in cultural values, religious implications and the mode of acquiring financial resources. The co-existence of different races within the same society will bear some similarities but it also reflects

some impact on their values, attitudes, consumption preferences and lifestyles as well as on how they chose to spend their money; consequently, their approaches towards consumption. Thus, adding to the growing body of literature that demonstrates the assimilation of cultures, tolerance of religions and modes of acquiring finances on the behaviour of consumers (Aaker & Maheswaran, 1997).

This thesis also agreed with the previous studies on the relationship of income and spending as mentioned in Chapter 3. Although the current study failed to determine the relationships on the ease of securing income and consumption, it did demonstrate the positive correlation between the availability of financial resources and spending behaviour. In other words, the wealthier one is there are tendencies to be spending more freely.

6.5.2 Managerial Implications

Practically, this study also provides useful insights and guidance on segmentation and branding strategies across diverse cultures within the same society.

The impressive economic growth in Malaysia in the last two decades or more has seen the nation enjoying low unemployment rate. This has also negated the works of many consumer movements in Malaysia. The increase in per capita income and the rapid economic growth in the country would mean a higher disposable income for the people. This has created a larger pool of middle class consumers who are more ready and willing to increase their consumption. Since Malaysia joined the World Trade Organisation in 1 January 1995, there is now a wider array of consumer products in the market. This has also acted as catalyst to higher consumption.

The extension of NEP beyond the year 1990 also means that the Malays will continue to enjoy the subsidies and assistance from the ruling government of Malaysia. This continuity will further increase the wealth of the Malays and subsequently expected to enhance the spending power of the Malays as well as their willingness to spend. However, this study indicated that there is no clear distinction between the Malays and the Chinese in this aspect. Thus, the local and foreign marketers need to pay more attention in the realms of religious, social and cultural differences among these two races in Malaysia. They need to make suitable choices to link their goods and services with respect to the above-mentioned factors in order to selecting the most profitable target ethnic groups and design their marketing strategies and intermediaries deemed suitable to their choices and preferences.

The current research has also unravelled the preferences of the ethnic Malays and the ethnic Chinese. This gives rise to the issue that, within the local competitive market, organisations, both local and international, need to be aware of the marketing efforts and channels that appeal to different ethnic consumers according to the life-styles adopted by them, especially in view of the highly diverse cultural backgrounds and varying degrees of religiosity. On this note, it is worthwhile to be informed that the advertising messages need to be appealing and sensitive to the general consumers and all necessary steps should be taken to avoid being too offensive to the mindset of all Malaysians. For example, the bulk of Muslim consumer community will not readily accept products whose advertising media portray over-exposed sexy feminine figures or products that contains ingredients, such as pork or liqueur, which strictly prohibited by the teaching of the Quran. However, the same may bear little or no significance to the Chinese consumers.

In the international market scenario, foreign organisations will gain from this research. Although Malaysia is a relatively small country the fabrics of its multi-ethnicity community represents a large forays of Muslim society and Chinese population in the world. Hence, these organisations will gain beneficial information because the country is made up of different lifestyle segments of market, each exhibiting their very own unique characteristics. With this knowledge, it benefits the organisation to target the appropriate market segments with appropriate cost effective strategies to reap in maximum profitability.

Interestingly the similarity in consumer behaviour in Malaysia is camouflaged in its diversity. Bearing this knowledge in mind, it will also allow the international marketers to minimise the loss incurred on one segment through switching to another profitable segment; alternatively, the organisation could "piggy-ride" on the success of one market segment to channel its new and modified products to another segment. Thus, making market expansion more cost and time effective and market penetration much easier.

6.6 Limitations and Suggestions for Future Research

This thesis reveals many areas that needed to be further investigated and defined in the development and study about young adults' consumption market. Firstly, the nature of cross sectional data warrants cautious interpretation of the findings. Thus, there is a need for longitudinal studies. At this stage, statement about the causality of relationships should be tentative. While cross sectional data capture a discrete time interval, which is used to approximate continuous time interval, longitudinal data are able to provide the exact time interval for measuring the relationship between variables (Ong, 2003). Consumer lifestyles and the resulting consumption behaviours will change as time passes. In addition to identification of certain typologies of consumers at different times,

the examination of how consumers evolve from one typology to another over a period of time is also important.

Secondly, the present study was limited to a sample of university students in Malaysia. Future research could expand the sample to include more representative sample or young adult sample, in order to ensure the generalisability of the results. A larger sample could be planned so that a larger number of cases can be collected to allow more comparison and statistical tests. A deeper understanding of ethnic subculture could also be incorporated into future research. For example, the effects of the socialisation of the different ethnic groups on consumer behaviour in the context of spending behaviour could be examined.

Thirdly, this study took place in Malaysia and examined only trends among the young people in the education sector. It would be interesting to replicate the study across the entire country with proportionate representation of a full spectrum of Malaysians – young and old, male and female, working and dependents, educated and lesser educated – in order to have a complete typology of the consumers in Malaysia. On the other hand, there could be investigation of consumption patterns among South East Asian countries, with the ultimate objective of developing a general typology for consumers in this region. It would be interesting to replicate the study in countries that differ substantially from other ASEAN as well as Asian countries. Furthermore, these provide a comparison with the current findings.

Fourthly, the self-administered nature of data could have introduced bias in the data. In addition, biases could also have occurred in the self-assessment of subjective measurement of value and lifestyle statements. The rating scales used in the

questionnaire were adapted from the Likert scale, which are experimental thus this will benefit from further testing.

Fifthly, the scope of consumer behaviour could be affected by other aspects of consumer behaviour which are not included in this study. The findings of the logistic regression were inconclusive about certain aspects of spending behaviour of consumers. Thus, it would be interesting to incorporate other variables that may affect spending behaviour of consumers.

Finally, due to the time and financial constraints this study faced, it was only possible to investigate the impact of ethnicity, cultural factor, income factor, and religious factor with limited data on spending behaviour. Therefore, it will also be fruitful to investigate these links to consumer behaviour on a macro-scale especially among those who are financially independence or those who are gainfully employed with final decision-making authority. The will give full picture regarding the links between cultural factors and consumer behaviour.

6.7 Conclusion

Contrary to expectation of this study, it has concluded that there are very little differences between the Malays and the Chinese in Malaysia in terms of their consumption patterns and lifestyles with respect to wealth factor. As mentioned earlier, this could be due to the fact that the respondents chosen for this study have yet to attained financial independence since all of them are still students in the tertiary institutions and are depending on their families to provide for their financial needs. Moreover, as students they have yet to fully realise the impact of differences in assistance offered by the Malay-led government with respect to job opportunities,

financial assistance and other benefits since their main focus has been confined to pursuit of education excellence. However, it can be noted that despite the Malay students are hailed from less affluent family background as compare to the Chinese, most of them have similar or better lifestyle as the Chinese. Therefore, it is anticipated that this Malay youth group are much more willing to spend than the Chinese as they enter the labour market. It can then be assumed that the Malays, in this case, may continue to depend on future income, provision of hand-outs from the ruling government and special treatment such as employment opportunities and education placement as being practised currently. Such behaviour affirms the concept of spending when perceived future income or wealth is imminent.

Furthermore, from this study, there showed marked differences in cultural and religious context between the Malays and the Chinese. The Malays in Malaysia are Muslims. With the serious commitments to the teachings of the religion aided and encouraged by the ruling authority it is, therefore, not surprising to note that the Malays would rely on the tenet of their faith as the guiding beacon in their consumption decision. Whereas the majority of the Chinese are secular and materialistic with small number professed to be practising Christians. With this diversity it is obvious that such contrasting behaviour should exist among these two ethnic groups. With the rise of "Islam consciousness" globally, Islam has become a religion which is highly sensitive and explosive among the Muslims. Malaysian Muslims are no exception and are not spared from this trend. The all encompassing aspect of Islam is far reaching and has even affected the concept of consumption. This is especially so when the Malay-led ruling government vehemently espoused the faith and imposed strict adherence to the Islamic teachings. In this sense, especially so when culture is closely inter-twine with religion as in the case in Malaysia, distint differences appear between the Malays and the Chinese.

This study has unveiled more similarity than differences between the two ethnic races. Their oriental value sytems do have a part in yielding this result. In another development, it is undoubtedly that acculturation has also some impact on their lifestyles and consumption behaviours because of a long period of co-existence within the same social system. In addition, this similarity can also be attributed to the fact that both the Malay and the Chinese had been exposed to similar education systems and media in the early part of their lives. Thess elements have solid impact in nurturing their values and concept. Nonetheless, it must be taken care that these are not the only factors that resulted in the similarity. The student respondents – both the Malay and the Chinese – are within a rather homogeneuous system of lifestyles as far as consumption behaviour and financial resources are concerned. In this count, it may be misleading to conclude theit similarity. Moreover, all these students are, to a certain extent, limited in the decision-making since they are in many facets still financially dependent on their parents.

In conclusion, results from the comparisons at the overall structural and item levels, the hypotheses testing and Hofstede's cultural dimensions, generally and theoretically affirmed that national culture and religions exert an influence on consumer behaviour attitudes and interests.

Appendix 1

The Questionnaire for Quantitative Research

THE IMPACT OF CONSUMER BEHAVIOUR IN A MULTI-ETHNIC SOCIETY ON ADVERTISING AND BRANDING: EVIDENCE FROM MALAYSIAN SOCIETY

A. Serial No: _____

B. Telephone: _____

C. Email: _____

D. Date: _____

Please be assured that all information you give will be processed statistically, and ***the names will never be revealed****. So, please provide straightforward, honest answers.*

A. RESPONDENTS BACKGROUND

A1 Degree: _____

A2 Year: _____

A3 Financial support: 1. Own 2. Family 3. Loan
(Multiple answer) 4. Scholarship 5. Others, specify_____

A3.1 Total amount per year: RM _____

A4 Gender: 1. Male 2. Female

A5 Age: _____ years old

A6 Ethnic group: 1. Malays 2. Chinese 3. Indians
4. Others, please specify_____

A7 Religion: 1. Islam 2. Christianity 3. Hinduism
4. Buddhism 5. Taoism 6. Others, specify _____

A8 Did you work for pay for past 12 months? 1. No (GO TO QA10) 2. Yes

A8.1 Occupation: _____ (1. Full Time 2. Part Time)

A8.2 Income for past 12 months: RM _____

A9 Name of village/town/city: _____ State: _____

A10 Location: 1. Rural 2. Urban

A11 I would like to know your parents/guardian brief background. (***Please fill in the answer in each box)***

	Father	***Mother***
(a) Age at last birthday	_____ years	_____ years
(b) Educational level:		
(c) Job designation:		
(d) Industry:		
(e) Employment status:	1. Employee 2. Employer 3. Own account worker 4. Unpaid family worker 5. Housewife 6. Others, specify_____	1. Employee 2. Employer 3. Own account worker 4. Unpaid family worker 5. Housewife 6. Others, specify_____
(f) Income for past 12 months	RM _____	RM _____

(h) Type of living quarters (housing):

1. Atap/kampong/squatter type house (full brick/full wood/half wood or brick)
2. Single/double storey terrace house
3. Single/double storey shop house
4. Flat
5. Apartment / Condominium
6. Semi-detached/detached house (bungalow)
7. Others, please specify_____

(i) Number of rooms _____

(j) Ownership of living quarters:

1. Own 2. Rented 3. Others, please specify_____

(l) What assets do your parents/guardian own?

Items	**Please ticks (√)**	**Unit/s**
1. House/apartment/condominium	( )	( )
2. Land (in ACRE)	( )	( )

Items	**Please ticks (√)**	**Unit/s**		**Model**	**Year**	**Capacity**
3. Motorcycle	( )	( )	1			
			2			
			3			
			4			
4. Motorcar	( )	( )	1			
			2			
			3			
			4			
			5			
			6			

A13 Respondent's siblings (number): Brothers _____ Sisters _____

A14 Respondent's birth order: _____

SECTION B

RESPONDENT'S LIFESTYLE AND THEIR OPINIONS ON 4PS

B1 How agreeable are you with the following statement? Please **CIRCLE** the most appropriate number.

The meaning of the scale:

1	2	3	4	5	6	7
Strongly Disagree	**Disagree**	**Somewhat Disagree**	**Neutral**	**Somewhat Agree**	**Agree**	**Strongly Agree**

1.	An important part of my life and activities is dressing smartly	1	2	3	4	5	6	7
2.	Divorce is unacceptable.	1	2	3	4	5	6	7
3.	Family members should cherish one another and show mutual love.	1	2	3	4	5	6	7
4.	Family should be prepared to make sacrifices to help each other.	1	2	3	4	5	6	7
5.	I am an impulsive buyer.	1	2	3	4	5	6	7
6.	I am interested in the cultures of other countries.	1	2	3	4	5	6	7
7.	I am more independent than most people.	1	2	3	4	5	6	7
8.	I am the kind of person who would try anything once.	1	2	3	4	5	6	7
9.	I am usually among the first to try new products.	1	2	3	4	5	6	7
10	I am willing to do volunteer work on a regular basis.	1	2	3	4	5	6	7
11	I am willing to pay higher prices for famous brands	1	2	3	4	5	6	7
12	I am willing to pay more for products that are friendly to the environment.	1	2	3	4	5	6	7
13	I can save a lot of money by shopping around for bargain.	1	2	3	4	5	6	7
14	I care for well known brands rather than their quality	1	2	3	4	5	6	7
15	I celebrate festivals in the traditional way.	1	2	3	4	5	6	7
16	I enjoy exploring web pages on the internet.	1	2	3	4	5	6	7
17	I feel I should do my part to help raise funds for charity.	1	2	3	4	5	6	7
18	I find myself comparing the prices in the grocery stores even for small items.	1	2	3	4	5	6	7
19	I frequently buy things when I can't afford them.	1	2	3	4	5	6	7
20	I like parties where there is lots of music and talk	1	2	3	4	5	6	7
21	I like to buy new and different things.	1	2	3	4	5	6	7
22	I like to stick to traditional ways of doing things.	1	2	3	4	5	6	7
23	I like to visit places that are totally different from my home.	1	2	3	4	5	6	7
24	I meet people and make new friends on the internet.	1	2	3	4	5	6	7
25	I often donate money for charitable causes.	1	2	3	4	5	6	7
26	I often find time to be involved in community or charity work.	1	2	3	4	5	6	7
27	I often try latest hairdo styles when they change	1	2	3	4	5	6	7

The meaning of the scale:

1	2	3	4	5	6	7
Strongly Disagree	**Disagree**	**Somewhat Disagree**	**Neutral**	**Somewhat Agree**	**Agree**	**Strongly Agree**

28	I prefer to buy foreign brands then local brands	1	2	3	4	5	6	7
29	I pretty much spend for today and let tomorrow bring when it will be.	1	2	3	4	5	6	7
30	I shop a lot for specials.	1	2	3	4	5	6	7
31	I spend a lot of time talking with friends about products and brands.	1	2	3	4	5	6	7
32	I think I have more self-confidence then most people.	1	2	3	4	5	6	7
33	I use E-mail to regularly keep in touch with my friends.	1	2	3	4	5	6	7
34	I use the internet to enhance my work productivity.	1	2	3	4	5	6	7
35	I use the internet to learn about my hobbies and interests.	1	2	3	4	5	6	7
36	I usually have one or more outfits that are the very latest style.	1	2	3	4	5	6	7
37	I usually watch the advertisement for announcement of sales.	1	2	3	4	5	6	7
38	I will stop buying my favourite brand if I know the company producing it was polluting the environment.	1	2	3	4	5	6	7
39	I would be willing to bring my own bags for shopping to reduce the use of non-recyclable packaging.	1	2	3	4	5	6	7
40	If I had to choose between more money and leisure, I would choose more money.	1	2	3	4	5	6	7
41	It is wrong to have sex before marriage.	1	2	3	4	5	6	7
42	Money can solve most people's problems.	1	2	3	4	5	6	7
43	Money is the most important thing to consider in choosing job.	1	2	3	4	5	6	7
44	My family is the most important thing to me.	1	2	3	4	5	6	7
45	One should honour one's parents and grandparents	1	2	3	4	5	6	7
46	One should support one's parents in their old age.	1	2	3	4	5	6	7
47	Religion is an important part of my life.	1	2	3	4	5	6	7
48	The internet has become an integral part of my life.	1	2	3	4	5	6	7
49	When I must choose between the two, I usually dress for fashion not for comfort	1	2	3	4	5	6	7
50	When I set my mind to achieve something I usually on achieve it.	1	2	3	4	5	6	7

B2 Please indicate to what extent you agree or disagree with each of the following statements by **CIRCLE** one number.

The meaning of the scale:

1	2	3	4	5	6	7
Strongly Disagree	**Disagree**	**Somewhat Disagree**	**Neutral**	**Somewhat Agree**	**Agree**	**Strongly Agree**

1.	Spiritual values are more important to me than material values.	1	2	3	4	5	6	7
2.	My religious principles have always been my guide in my spending decision.	1	2	3	4	5	6	7
3.	I like to have a great deal of information before I buy.	1	2	3	4	5	6	7
4.	Income level and ease of receiving it determines my spending	1	2	3	4	5	6	7
5.	Savings for the future is very important to me.	1	2	3	4	5	6	7
6.	When making decisions, views of family member are important.	1	2	3	4	5	6	7
7.	Peers (for example, friends, coursemates and etc) pressure influences my purchasing decision.	1	2	3	4	5	6	7
8.	Quality products are made by well-known companies.	1	2	3	4	5	6	7
9.	I like to be the first to try new things.	1	2	3	4	5	6	7
10.	I like to keep up-to-date with the latest trends, fashion, and technology.	1	2	3	4	5	6	7
11.	I find myself checking the prices in the grocery store even for small items.	1	2	3	4	5	6	7
12.	When buying goods, I tend to go for the cheaper alternatives.	1	2	3	4	5	6	7
13.	I always take advantage of promotions or discounts.	1	2	3	4	5	6	7
14.	I always shop at the same place/outlet.	1	2	3	4	5	6	7
15.	I would rather shop at a store of my choice than a store that is convenient in the neighbourhood.	1	2	3	4	5	6	7
16.	I do not mind spending a lot of time shopping.	1	2	3	4	5	6	7
17.	I usually watch the advertisement for announcements of sales.	1	2	3	4	5	6	7
18.	Advertised brands are better than those are not advertised.	1	2	3	4	5	6	7
19.	I prefer a certain brand in most products I buy or use.	1	2	3	4	5	6	7
20.	I don't care about the brand of most products I buy.	1	2	3	4	5	6	7
21.	Branded items better than "Non-branded" ("off-brand".)	1	2	3	4	5	6	7
22.	I personally favour buying Malaysia-made rather than foreign-made products.	1	2	3	4	5	6	7
23.	Foreign-made products are generally higher quality than Malaysia products.	1	2	3	4	5	6	7
24.	I rarely switch my favourite brand to other brand just to try something different.	1	2	3	4	5	6	7
25.	I get bored with buying the same brands even if they are good.	1	2	3	4	5	6	7
26.	I enjoy exploring several different alternatives or brands while shopping.	1	2	3	4	5	6	7
27.	I always look out for product on sales	1	2	3	4	5	6	7

The meaning of the scale:

1	2	3	4	5	6	7
Strongly Disagree	**Disagree**	**Somewhat Disagree**	**Neutral**	**Somewhat Agree**	**Agree**	**Strongly Agree**

28. If I cannot get my usual brand, I will get another brand.	1	2	3	4	5	6	7
29. I always follow in what my parent believed.	1	2	3	4	5	6	7
30. I generally like to buy product known for their quality.	1	2	3	4	5	6	7
31. I usually compare prices before buying.	1	2	3	4	5	6	7
32. I prefer to buy quality products even though they may be higher prices.	1	2	3	4	5	6	7
33. When I see a new brand, I often buy it.	1	2	3	4	5	6	7
34. I usually buy branded product (i.e. well known brand)	1	2	3	4	5	6	7
35. I always use the same brand for a product.	1	2	3	4	5	6	7

SECTION C

THE RESPONSE OF RESPONDENTS TO SOME SELECTED PRODUCTS

C1 ACCOMMODATION and TRANSPORTATTION

C1.1 Are you renting your current accommodation?

0. No (GO TO QC1.3) 1. Yes, RM _____ per month per person

C1.3 Items within your current living place:

List of Assets	*Please Tick (√)*	*List of Assets*	*Please Tick*
Television	( )	Sofa	( )
VCD / DVD	( )	Air Conditioning	( )
Astro	( )	Fridge	( )
Hi-Fi	( )	Washing Machine	( )
Video Camera	( )	Other electrical goods, please specify_____	

C1.4 Type of current living quarters (housing):

1. Flat 2. Apartment / Condominium
3. Single / Double story terrace house 4. Semi-detached / detached house
5. Hostel 6. Please specify, _____

C1.5 What are the factors you considered when you rent the room / house?

(Choose as many as apply)

1. Price 2. Location
3. Safety 4. Facilities and environment
5. Family members / relatives / friends 6. Other, please specify_____

C1.5.1 Among the factors, which one is the most important? ( )

C1.6 Type of transportation to campus:

1. Walk 2. Bicycle
3. Motorcycle (GO TO QC1.6.1) 4. Motorcar (GO TO QC1.6.1)
5. Bus 6. Others, please specify_____

C1.6.1 It is you own transport? 0. No 1. Yes

C1.6.2 Model of transport: _____Capacity: _____ Year _____

C1.7 Monthly transportation cost to campus RM_____

C2 FOOD

C2.1 Which food do you like? ***(Choose as many as apply)***

1. Malay 2. Chinese 3. Indian 4. French
5. Italian 6. Japanese 7. Thai 8. Korean
9. Turkish 10. Others, please specify_____

Restaurant (please filled in with the consumption more than RM10 per person)	**Fast Food**	**Non-fast Food**
C2.2 How often do you have your meal at restaurant?	0.Never 1.Seldom 2.Occasionally 3.Frequently 4.Regularly	0.Never 1.Seldom 2.Occasionally 3.Frequently 4.Regularly
C2.3 Are you willing to pay higher price for the better in-shop features (eg. shop personal, services and atmosphere).	0. No 1. Yes	0. No 1. Yes
C2.4 If the restaurant having a promotion / discount, will you go there more often?	0. No 1. Yes	0. No 1. Yes
C2.5 If the restaurant has a new type of foods, will you to try?	0. No 1. Yes	0. No 1. Yes
C2.6 On average, how much do you spend for you meal per time?	RM _____	RM _____

C2.7 What are the factors that you considered when choosing the restaurant?
(Choose as many as apply)

1. Price 2. Location
3. Safety 4. Facilities and environment
5. Family members / relatives / friends 6. Other, please specify_____

C2.7.1 Among the factors, which one is the most important? ( )

C3 COMPUTER, TELECOMMUNICATION, IT PRODUCT AND OTHERS

C3.1 How many handphone do you personally carry? _____ unit/s

C3.2 What type of your handphone service and how many unit/s?

1. Postpaid ( ) unit/s 2. Prepaid ( ) unit/s

C3.3 What is/are the services that you subscribe now?

1. Maxis (012/017) 2. Ce1com (019/013) 3. DIGI (016)

C3.4 What is your average mobile telephone bill per month?

RM _____ per month

C3.5 Do you have access to the internet (Choose as many as apply)?

0. No access.
1. At home only.
2. At University only.
3. At Internet Café
4. Other, please specify _____

C3.6 Have you ever purchased one of the following products and how much you spent on the respective items (the highest price)?

	Computer, Telecommunication & IT Product	Purchased or possess the Items (please tick (√))	Given by other persons (please tick (√))	Amount spent on the Items (the highest price) **RM** **(per unit)**
1.	Personal Computer	( )	( )	
2.	Notebook	( )	( )	
3.	Handphone	( )	( )	
4.	Camera	( )	( )	
5.	MP3/MP4	( )	( )	
6.	Thumbdrive	( )	( )	

	Clothing, Footwear & Personal Items	Purchased or possess the Items (please tick (√))	Given by other persons (please tick (√))	Amount spent on the Items **RM** **(per time)**
7.	Clothing	( )	( )	
8.	Slipper	( )	( )	
9.	Leather Shoes	( )	( )	
10.	Sport Shoes	( )	( )	
11.	Wallet/purse/handbag	( )	( )	
12.	Shampoo	( )	( )	
13.	Cosmetic	( )	( )	
	Gift Items and Others			
14.	Gift Items	( )	( )	
15.	Watch	( )	( )	
16.	Decoration Items	( )	( )	
17.	Spectacles	( )	( )	
18.	Sunglasses	( )	( )	
19.	Book (exclude text books)	( )	( )	
20.	Magazine	( )	( )	

C6.1 Please state the importance of each of the following criteria in selecting the listed product based on following scales.

Rating

Not importance at all	Not important	Neutral	Important	Very Important	Not applicable
1	2	3	4	5	9

	Criteria	**Accommodation**	**Transportation**	**Food**	**Computer, Telecommunication & It Product**	**Clothing, Footwear & Personal Items**	**Gift Items**
1.	Price						
2.	Good services						
3.	Image						
4.	Physical appearance						
5.	Serve the purpose						
6.	Prestigious						
7.	Quality						
8.	Comfortable						
9.	Easily available						
10.	Durability						
11.	Fashionable						
12.	Brand name						
13.	Free Gift/gift voucher						
14.	Attractive packing						

SECTION D

GENERAL OPINIONS ON ADVERTISINGS, BRANDING AND DAILY LIFESTYLE

D1. How do you get to know the promotion / advertising information? ***(Choose as many answers as apply)***

1. Friends
2. Newspaper
3. Family
4. Brochures/ Posters/Flyers/pamphlet
5. Internet
6. SMS
7. Magazines
8. Television
9. Radio
10. Others, please specify _____

D2 Have you ever bought any brand as a result of advertisement?

1. Yes
2. No (Go to D3)

D2.1 Where did you come across such advertisement? ***(Choose as many answers as apply)***

1. TV programmes
2. TV/Radio commercial
3. Newspaper
4. Magazines
5. Posters/Flyers/pamphlet
6. Internet
7. Other, please specify _____

D3 What are the importance attributes that you looking for in making brand purchasing? ***(Choose as many answers as apply)***

1. Trustworthy	11. A well-known brand name
2. Energy-saving	12. Modern
3. Recyclable	13. Personalised of customised products
4. Socially responsible	14. Organic
5. Using the latest technology	15. Spiritual
6. Offers personalised and attentive service	16. Elegant
7. Offer customer service that makes an effort to keep in contact with you	17. Traditional
8. Simple	18. Hip
9. Small or space-saving	19. Multinational
10. Fun	20. Extreme
	21. Others, please specify _____

D4 What is your favourite leisure activities? Please **TICK** the answer (you may tick more than one answers)

- ☐ Shopping
- ☐ Internet Surfing / Chatting
- ☐ Video/computer games
- ☐ Dancing
- ☐ Reading
- ☐ Eating out
- ☐ Gardening
- ☐ Listening to music
- ☐ Travelling
- ☐ Sport activities
- ☐ Football
- ☐ Cooking
- ☐ Clubbing
- ☐ Gym
- ☐ Watching TV
- ☐ Cinema
- ☐ Theatre / Musicals
- ☐ Beauty Treatment
- ☐ Motoring
- ☐ Eco-tourism
- ☐ live music
- ☐ Watching concerts
- ☐ Others: _____

D5 On average, how much is your monthly expenditure?

RM _____

D6 On average, how much do you spend on the following items?

No	Items	RM
1.	Rental, water and electricity bills	
2.	Foods	
3.	Transportation	
4.	Telephone, handphone, internet bills	
5.	Books, magazines, news paper, stationery and photocopying	
6.	Entertainment (Internet Café, disco, karaoke and others)	
7.	Clothing, Footwear & Personal Items	
8.	Other specify, _____	

****

The End

Thank you very much for your kind cooperation

Appendix 2

Additional Analysis Tables

Table A4.1: Statement on Value Orientation by Measuring Construct and Sources I

No.	Statement	Measuring construct	Sources
1.	I think I have more self-confidence then most people.	Self-confident Factor	Wells and Tigert, 1971 and Tai and Tam, 1997
2.	I am more independent than most people.		
3.	When I set my mind to achieve something I usually on achieve it.		
4.	I am willing to pay higher prices for famous brands.	Brand conscious Factor	Tai and Tam, 1997
5.	I care for well known brands rather than their quality.		
6.	I prefer to buy foreign brands then local brands.		
7.	I like to visit places that are totally different from my home.	Variety seeking factor	Youn, Lee, and Doyle, 2003
8.	I like to buy new and different things.		
9.	I am interested in the cultures of other countries.		
10.	I am usually among the first to try new products.		
11.	I am the kind of person who would try anything once.		
12.	I frequently buy things when I can't afford them.	Impulsive Factor	Youn, Lee, and Doyle, 2003
13.	I pretty much spend for today and let tomorrow bring when it will be.		
14.	I am an impulsive buyer.		
15.	I find myself comparing the prices in the grocery stores even for small items.	Economizers factor	Wells and Tigert, 1971, Gilbert and Warren, 1995 and Yip, 2004.
16.	I usually watch the advertisement for announcement of sales.		
17.	I can save a lot of money by shopping around for bargain.		

No.	Statement	Measuring construct	Sources
18.	I shop a lot for specials.		
19.	I usually have one or more outfits that are the very latest style.	Fashion Conscious	Wells and Tigert, 1971
20.	When I must choose between the two, I usually dress for fashion not for comfort.		
21.	An important part of my life and activities is dressing smartly.		
22.	I often try latest hairdo styles when they change.		
23.	I like parties where there is lots of music and talk.		
24.	I spend a lot of time talking with friends about products and brands.		
25.	My family is the most important thing to me.	Family Values	Tai and Tam, 1997 and Kau at el, 2004
26.	One should support one's parents in their old age.		
27.	Family members should cherish one another and show mutual love.		
28.	One should honour one's parents and grandparents.		
29.	Family should be prepared to make sacrifices to help each other.		
30.	I am willing to do volunteer work on a regular basis.	Social Consciousness	Kau at el, 2004
31.	I would be willing to bring my own bags for shopping to reduce the use of non-recyclable packaging.		
32.	I will stop buying my favourite brand if I know the company producing it was polluting the environment.		
33.	I often find time to be involved in community or charity work.		
34.	I often donate money for charitable causes.		
35.	I feel I should do my part to help raise funds for charity.		
36.	I am willing to pay more for products that are friendly to the environment.		
37.	It is wrong to have sex before marriage.	Traditionalism	Kau at el, 2004
38.	I like to stick to traditional ways of doing things.		

No.	Statement	Measuring construct	Sources
39.	I celebrate festivals in the traditional way.		
40.	Divorce is unacceptable.		
41.	Religion is an important part of my life.		
42.	Money is the most important thing to consider in choosing job.	Materialism	Kau at el, 2004
43.	Money can solve most people's problems.		
44.	If I had to choose between more money and leisure, I would choose more money.		
45.	I use the internet to learn about my hobbies and interests.	E-Orientation	Kau at el, 2004
46.	I enjoy exploring web pages on the internet.		
47.	I use the internet to enhance my work productivity.		
48.	I use E-mail to regularly keep in touch with my friends.		
49.	I meet people and make new friends on the internet.		
50.	The internet has become an integral part of my life.		

Source: Wells and Tigert, 1971, Tai and Tam, 1997, Youn, Lee, and Doyle, 2003, Gilbert and Warren, 1995, Yip, 2004, and Kau at el, 2004

Table A4.2: Statement on Value Orientation by Measuring Construct and Sources II

Question No.	Statement	Value
17	I usually watch the advertisement for announcements of sales.	Advertisement
18	Advertised brands are better than those are not advertised.	Advertisement
20	I don't care about the brand of most products I buy.	Brand
21	Branded items better than "Non-branded" ("off-brand".)	Brand
28	If I cannot get my usual brand, I will get another brand.	Brand
34	I usually buy branded product (i.e. well known brand)	Brand
29	I always follow in what my parent believed.	Family view
6	When making decisions, views of family member are important.	Family view
10	I like to keep up-to-date with the latest trends, fashion, and technology.	Fashion
22	I personally favour buying Malaysia-made rather than foreign-made products.	Foreign brand
23	Foreign-made products are generally higher quality than Malaysia products.	Foreign brand
4	Income level and ease of receiving it determines my spending	Income
3	I like to have a great deal of information before I buy.	Information
16	I do not mind spending a lot of time shopping.	Information
14	I always shop at the same place/outlet.	Location
19	I prefer a certain brand in most products I buy or use.	Loyalty
24	I rarely switch my favourite brand to other brand just to try something different.	Loyalty
25	I get bored with buying the same brands even if they are good.	Loyalty
35	I always use the same brand for a product.	Loyalty
7	Peers (for example, friends, coursemates and etc) pressure influences my purchasing decision.	Peer pressure
9	I like to be the first to try new things.	Pioneer
33	When I see a new brand, I often buy it.	Pioneer
11	I find myself checking the prices in the grocery store	Price

Question No.	Statement	Value
	even for small items.	
12	When buying goods, I tend to go for the cheaper alternatives.	Price
31	I usually compare prices before buying.	Price
13	I always take advantage of promotions or discounts.	Promotion
27	I always look out for product on sales	Promotion
8	Quality products are made by well-known companies.	Quality
30	I generally like to buy product known for their quality.	Quality
32	I prefer to buy quality products even though they may be higher prices.	Quality
1	Spiritual values are more important to me than material values.	Religious
2	My religious principles have always been my guide in my spending decision.	Religious
5	Savings for the future is very important to me.	Saving
15	I would rather shop at a store of my choice than a store that is convenient in the neighbourhood.	Style
26	I enjoy exploring several different alternatives or brands while shopping.	Varity

Source: Bruner II and Hensel, 1992.

Table A5.1: Mean of Selected Demographic Characteristics of Respondents' Family Background by Ethnic Group

Demographic Characteristics	Malays	Chinese	Total
Mean Age (Respondents' Fathers)	56.7	52.8	54.3
Number of Cases	**(82)**	**(138)**	**(220)**
Mean Age (Respondents' Mothers)	52.0	48.8	50.0
Number of Cases	**(85)**	**(140)**	**(225)**
Mean Number of Children	6.0	3.5	4.5
Number of Cases	**(92)**	**(145)**	**(237)**

Table A5.2: Selected Demographic Characteristics of Respondents' Family Background by Ethnic Group

Demographic Characteristics	Malays	Chinese	Total
Age at last birthday (Respondents' Father)*			
56 or less	54.9[1]	76.1[2]	68.2
More than 56	45.1	23.9	31.8
Age at last birthday (Respondents' Mother)**			
56 or less	75.3[2]	95.0[3]	87.6
More than 56	24.7	5.0	12.4
Educational Level (Respondents' Fathers)			
No schooling and primary	16.3	19.3	18.1
Lower secondary	13.0	22.8	19.0
Upper secondary	26.1	26.2	26.2
Pre-University and above	44.6	31.7	36.7
Educational Level (Respondents' Mother)			
No schooling and primary	13.0	29.0	22.8
Lower secondary	12.0	17.2	15.2
Upper secondary	26.1	25.5	25.7
Pre-University and above	48.9	28.3	36.6
Employment Status (Respondents' Father)			
Employer/own account worker/unpaid family worker	23.9	40.0	33.8
Employee	43.5	46.2	45.1
Retired/others	32.6	13.8	21.1
Employment Status (Respondents' Mother)			
Employer/own account worker/unpaid family worker	4.4	7.6	6.3
Employee	20.7	17.2	18.6
Housewife	72.8	75.2	74.3
Retired/others	2.2	-	0.8
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

[1]10 cases did not provide the answers, [2]7 cases did not provide the answers and [3]5 cases did not provide the answers.

Table A5.3: The Mean Value of Selected Assets by Ethnic Group

Type of Properties and Vehicles	Malays (units)	Chinese (units)	Total (units)
House and land	1.2	1.1	1.1
Motorcar	1.3	1.5	1.4
Motorcycle	1.2	0.7	0.9

Table A5.4: Percentage of the Assets Ownership of Respondents' Families by Ethnic Group

Demographic Characteristics	Malays (%)	Chinese (%)	Total (%)
Parents own the assets:			
House	79.3	85.5	83.1
Land	45.7	19.3	29.5
The Value of the Cars (in RM)			
Do not own any car	25.0	10.3	16.0
Less than RM20,000	30.4	37.2	34.6
RM20,000 to RM59,999	34.8	40.7	38.4
RM60,000 and above	9.8	11.7	11.0
The Number of Cars			
Do not own any car	25.0	10.3	16.0
One	38.0	42.8	40.9
Two	26.1	35.9	32.1
Three or more	10.9	11.0	11.0
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Table A5.5: Statement Related to Various Factors

Label	Statement	Mean	SD	1	2	3	4	5	6	7
B1	I am willing to pay higher prices for famous brands	4.2	1.5	5.1	10.3	14.5	23.1	28.2	15.0	3.8
B2	I care for well known brands rather than their quality	3.3	1.5	10.7	20.5	24.8	22.6	12.4	6.8	2.1
B3	I prefer to buy foreign brands then local brands	3.9	1.5	8.1	9.8	19.2	29.1	18.4	10.7	4.7
B4	I usually have one or more outfits that are the very latest style.	4.3	1.2	2.6	4.3	15.8	38.0	23.5	12.0	3.8
B5	When I must choose between the two, I usually dress for fashion not for comfort	3.3	1.6	12.0	22.2	22.6	20.1	12.4	6.8	3.8
B6	An important part of my life and activities is dressing smartly.	5.1	1.3	-	5.1	4.3	24.8	18.4	33.8	13.7
B7	I often try latest hairdo styles when they change	3.4	1.5	14.5	13.2	21.4	25.2	17.1	7.7	0.9
B8	I like parties where there is lots of music and talk	4.2	1.7	9.8	8.1	10.3	26.1	19.7	18.4	7.7
B9	I spend a lot of time talking with friends about products and brands.	3.7	1.5	7.7	16.2	20.1	24.8	19.2	10.7	1.3
B10	I like to keep up-to-date with the latest trends, fashion, and technology.	4.4	1.4	3.8	6.0	11.5	29.9	23.5	19.7	5.6
B20	I don't care about the brand of most products I buy.	4.2	1.3	2.1	6.0	25.2	29.5	19.7	12.8	4.7
B21	Branded items better than "Non-branded" ("off-brand".)	4.4	1.4	2.1	8.5	11.5	29.5	24.4	19.2	4.7
B22	I usually buy branded product (i.e. well known brand).	3.9	1.43	4.3	14.1	18.4	26.9	21.4	12.8	2.1
D1	I am an impulsive buyer.	4.3	1.3	3.0	5.6	9.0	44.9	20.1	11.5	6.0

Label	Statement	Mean	SD	1	2	3	4	5	6	7
D2	I frequently buy things when I can't afford them.	3.5	1.6	12.4	17.5	18.4	24.4	14.1	10.3	3.0
D3	I pretty much spend for today and let tomorrow bring when it will be.	3.9	1.4	5.6	13.7	15.0	34.6	18.8	9.0	3.4
E1	I find myself comparing the prices in the grocery stores even for small items.	4.5	1.5	4.7	6.8	11.1	27.8	21.4	20.1	8.1
E2	I usually watch the advertisement for announcement of sales.	4.4	1.4	1.7	9.4	13.2	27.4	28.2	16.2	3.8
E3	I can save a lot of money by shopping around for bargain.	4.6	1.4	1.7	5.6	13.2	26.9	23.5	20.5	8.5
E4	I shop a lot for specials.	4.1	1.3	3.4	7.7	17.1	37.2	21.4	9.4	3.8
E12	When buying goods, I tend to go for the cheaper alternatives.	4.9	1.2	-	1.7	10.3	25.2	26.9	26.5	9.4
E14	I always look out for product on sales	5.1	1.1	-	1.3	6.4	20.9	34.6	29.9	6.8
E31	I usually compare prices before buying.	5.3	1.3	1.3	1.7	4.7	15.8	23.9	37.6	15.0
G1	My family is the most important thing to me.	6.3	1.1	0.4	0.4	0.9	6.4	10.7	21.4	59.8
G2	One should support one's parents in their old age.	6.3	1.2	0.4	1.3	2.1	5.6	8.1	21.8	60.7
G3	One should honour one's parents and grandparents	6.2	1.1	0.4	-	1.7	6.8	11.1	25.6	54.3
G4	Family members should cherish one another and show mutual love.	6.3	1.0	-	0.4	0.9	5.1	12.8	28.2	52.6
G5	Family should be prepared to make sacrifices to help each other.	6.1	1.1	0.4	0.4	3.8	5.6	10.3	32.9	46.6
G6	When making decisions, views of family member are important.	5.4	1.2	0.4	0.4	6.8	15.4	27.4	27.4	22.2
G29	I always follow what my parent believed.	4.4	1.4	1.7	6.8	13.7	31.2	23.1	16.2	7.3

Label	Statement	Mean	SD	1	2	3	4	5	6	7
H1	I am willing to do volunteer work on a regular basis.	4.5	1.2	1.7	2.6	11.5	34.6	29.9	15.8	3.8
H2	I will stop buying my favourite brand if I know the company producing it was polluting the environment.	4.5	1.4	1.7	6.0	12.4	30.8	24.8	16.2	8.1
H3	I would be willing to bring my own bags for shopping to reduce the use of non-recyclable packaging.	3.8	1.5	7.3	10.7	20.5	33.3	13.7	11.5	3.0
H4	I often find time to be involved in community or charity work.	4.2	1.2	1.3	7.3	17.5	36.3	25.2	7.3	5.1
H5	I often donate money for charitable causes.	4.6	1.1	1.7	2.1	8.1	30.8	38.9	14.5	3.8
H6	I feel I should do my part to help raise funds for charity.	5.0	1.1	0.9	0.4	5.6	26.1	32.9	26.5	7.7
H7	I am willing to pay more for products that are friendly to the environment.	4.7	1.1	-	3.0	7.7	35.5	30.8	16.2	6.8
I1	It is wrong to have sex before marriage.	5.1	1.9	6.8	6.0	6.8	17.5	13.7	9.8	39.3
I2	I like to stick to traditional ways of doing things.	3.9	1.3	2.6	11.1	20.9	35.5	17.9	10.3	1.7
I3	I celebrate festivals in the traditional way.	4.8	1.3	1.3	3.0	9.0	29.9	21.8	27.8	7.3
I4	Divorce is unacceptable.	4.6	1.8	6.4	7.3	9.0	27.4	13.7	16.2	20.1
I5	Religion is an important part of my life.	5.5	1.6	1.3	3.8	4.3	20.5	16.2	15.4	38.5
I11	Spiritual values are more important to me than material values.	4.9	1.4	1.7	2.6	8.1	29.5	23.5	18.8	15.8
I12	My religious principles have always been my guide in my spending decision.	4.6	1.5	3.8	4.7	11.1	29.9	20.1	16.2	14.1

Label	Statement	Mean	SD	1	2	3	4	5	6	7
J1	Money is the most important thing to consider in choosing job.	4.8	1.4	2.6	3.4	11.5	16.7	34.6	20.9	10.3
J2	Money can solve most people's problems.	5.0	1.5	2.1	4.7	10.7	12.8	26.9	29.1	13.7
J3	If I had to choose between more money and leisure, I would choose more money.	4.8	1.6	1.7	6.0	11.1	26.5	20.5	15.0	19.2
K1	I use the internet to learn about my hobbies and interests.	4.7	1.4	0.9	6.4	10.7	25.2	23.9	22.2	10.7
K2	I enjoy exploring web pages on the internet.	5.5	1.3	-	2.1	5.6	16.7	19.7	32.5	23.5
K3	I use the internet to enhance my work productivity.	5.0	1.3	-	3.8	9.8	22.6	26.9	24.4	12.4
K4	I use E-mail to regularly keep in touch with my friends.	4.5	1.4	1.3	9.0	14.1	24.8	26.9	16.7	7.3
K5	I meet people and make new friends on the internet.	4.6	1.5	3.4	6.4	9.8	23.9	25.6	23.1	7.7
K6	The internet has become an integral part of my life.	5.3	1.3	0.4	3.0	3.8	19.2	27.8	28.2	17.5

Note: SD = Standard Deviation

Table A5.6a: Items Retained from the Reliability Test

Factor	Items Retained	Cronbach's Alpha
Brand conscious Factor	B1, B2, B3, B4, B5, B6, B7, B8, B9, B10, B21 & B22	0.84
Impulsive Factor	D1, D2 & D3	0.40
Economizer factor	E1, E2, E3, E4, E12, E14, E31	0.56
Family Values	G1, G2, G3, G4, G5, G6, G29	0.76
Social Consciousness	H1, H2, H3, H4, H5, H6, & H7	0.67
Traditionalism	I1, I2, I3, I4, I5, I11, I12	0.72
Materialism	J1, J2, & J3	0.60
E-Orientation	K1, K2, K3, K4, K5, & K6	0.78

Total Number of Cases = 237

Table A5.6b: Factor Loadings

Factor	Items	Statements
Brand conscious Factor Cronbach's Alpha = 0.84	B1	I am willing to pay higher prices for famous brands
	B2	I care for well known brands rather than their quality
	B3	I prefer to buy foreign brands then local brands
	B4	I usually have one or more outfits that are the very latest style.
	B5	When I must choose between the two, I usually dress for fashion not for comfort
	B6	An important part of my life and activities is dressing smartly.
	B7	I often try latest hairdo styles when they change
	B8	I like parties where there is lots of music and talk
	B9	I spend a lot of time talking with friends about products and brands.
	B10	I like to keep up-to-date with the latest trends, fashion, and technology.
	B21	Branded items better than "Non-branded" ("off-brand".)
	B22	I usually buy branded product (i.e. well known brand)
Impulsive Factor Cronbach's Alpha = 0.40	D1	I am an impulsive buyer.
	D2	I frequently buy things when I can't afford them.
	D3	I pretty much spend for today and let tomorrow bring when it will be.
Economizer factor Cronbach's Alpha = 0.56	E1	I find myself comparing the prices in the grocery stores even for small items.
	E2	I usually watch the advertisement for announcement of sales.
	E3	I can save a lot of money by shopping around for bargain.
	E4	I shop a lot for specials.
	E12	When buying goods, I tend to go for the cheaper alternatives.
	E14	I always look out for product on sales
	E31	I usually compare prices before buying.
Family Values Cronbach's Alpha = 0.76	G1	My family is the most important thing to me.
	G2	One should support one's parents in their old age.
	G3	One should honour one's parents and grandparents

Factor	Items	Statements
	G4	Family members should cherish one another and show mutual love.
	G5	Family should be prepared to make sacrifices to help each other.
	G6	When making decisions, views of family member are important.
	G29	I always follow in what my parent believed.
Social Consciousness Cronbach's Alpha = 0.67	H1	I am willing to do volunteer work on a regular basis.
	H2	I will stop buying my favourite brand if I know the company producing it was polluting the environment.
	H3	I would be willing to bring my own bags for shopping to reduce the use of non-recyclable packaging.
	H4	I often find time to be involved in community or charity work.
	H5	I often donate money for charitable causes.
	H6	I feel I should do my part to help raise funds for charity.
	H7	I am willing to pay more for products that are friendly to the environment.
Traditionalism Cronbach's Alpha = 0.72	I1	It is wrong to have sex before marriage.
	I2	I like to stick to traditional ways of doing things.
	I3	I celebrate festivals in the traditional way.
	I4	Divorce is unacceptable.
	I5	Religion is an important part of my life.
	I11	Spiritual values are more important to me than material values.
	I12	My religious principles have always been my guide in my spending decision.
Materialism Cronbach's Alpha = 0.60	J1	Money is the most important thing to consider in choosing job.
	J2	Money can solve most people's problems.
	J3	If I had to choose between more money and leisure, I would choose more money.
E-Orientation Cronbach's Alpha = 0.78	K1	I use the internet to learn about my hobbies and interests.
	K2	I enjoy exploring web pages on the internet.
	K3	I use the internet to enhance my work productivity.
	K4	I use E-mail to regularly keep in touch with my friends.
	K5	I meet people and make new friends on the internet.
	K6	The internet has become an integral part of my life.

Total Number of Cases = 237

Table A5.7: Clustering Variable Profiles for the Three, Four, Five and Six-Cluster Solutions from the Hierarchical Cluster Analysis

Cluster	Cluster Variable Mean Values								Cluster
	F1	**F2**	**F3**	**F4**	**F5**	**F6**	**F7**	**F8**	Size
Three Cluster Solution									
1	0.360	0.287	0.565	-0.001	0.232	0.237	0.014	0.164	64
2	-0.412	0.257	-0.706	0.470	-0.388	-0.286	0.540	-0.426	33
3	-0.048	-1.504	-0.706	-0.405	0.261	-0.180	-0.411	0.007	19
Four Cluster Solution									
1	0.360	0.287	0.565	-0.001	0.232	0.237	0.014	0.164	64
2	-0.130	0.465	-1.170	0.132	-0.047	0.067	0.658	-0.259	23
3	-0.048	-1.504	-0.706	-0.405	0.261	-0.180	-0.411	0.007	19
4	-1.060	-0.219	0.361	1.249	-1.173	-1.099	0.266	-0.812	10
Five Cluster Solution									
1	0.376	0.356	0.598	-0.422	0.052	-0.129	0.127	-0.278	23
2	-0.130	0.465	-1.170	0.132	-0.047	0.067	0.658	-0.259	19
3	-0.048	-1.504	-0.706	-0.405	0.261	-0.180	-0.411	0.007	26
4	0.338	0.186	0.518	0.614	0.495	0.772	-0.153	0.810	10
5	-1.060	-0.219	0.361	1.249	-1.173	-1.099	0.266	-0.812	38
Six Cluster Solution									
1	0.089	0.235	0.572	-0.684	-0.040	0.326	0.417	-0.196	27
2	-0.130	0.465	-1.170	0.132	-0.047	0.067	0.658	-0.259	23
3	-0.048	-1.504	-0.706	-0.405	0.261	-0.180	-0.411	0.007	19
4	0.338	0.186	0.518	0.614	0.495	0.772	-0.153	0.810	26
5	1.080	0.651	0.659	0.219	0.277	-1.244	-0.585	-0.480	11
6	-1.060	-0.219	0.361	1.249	-1.173	-1.099	0.266	-0.812	10
Total	**0.074**	**-0.015**	**-0.005**	**0.067**	**0.060**	**0.020**	**0.094**	**-0.030**	**116**

Table A5.8: Significance Testing Differences between Cluster Centres

Variables	F Value	P-value	Variables	F Value	P-value
Three Cluster Solution			**Four Cluster Solution**		
F1* **	8.528	0.000	**F1*** **	8.785	0.000
F2* **	44.322	0.000	**F2*** **	32.850	0.000
F3* **	33.324	0.000	**F3*** **	37.587	0.000
F4* **	5.856	0.004	**F4*** **	8.003	0.000
F5* **	6.252	0.003	**F5*** **	9.010	0.000
F6 **	3.660	0.029	**F6*** **	6.317	0.001
F7* **	6.543	0.002	**F7*** **	4.765	0.004
F8 **	3.817	0.025	**F8** **	3.290	0.023
Five Cluster Solution			**Six Cluster Solution**		
F1* **	6.539	0.000	**F1*** **	7.986	0.000
F2* **	24.801	0.000	**F2*** **	20.614	0.000
F3* **	28.026	0.000	**F3*** **	22.261	0.000
F4* **	13.915	0.000	**F4*** **	14.325	0.000
F5* **	8.143	0.000	**F5*** **	6.769	0.000
F6* **	9.517	0.000	**F6*** **	16.319	0.000
F7* **	3.922	0.005	**F7*** **	5.253	0.000
F8* **	8.422	0.000	**F8*** **	6.873	0.000

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10)

Table A5.9: Respondent's Current Living Condition by Malays and Chinese

Characteristics	Malays (%)	Chinese (%)	Total (%)
Type of current living quarters: *			
Flat	22.0	6.2	12.3
Apartment/Condominium/Bungalow	13.4	69.0	47.4
Terrace house/shop	13.4	24.8	20.4
Hostel	51.2	-	19.9
Items within the current living place[1]: *			
4 or less items	26.8	68.2	52.1
5 or more items	73.2	31.8	47.9
Items within the current living place:			
Television *	98.8	82.2	88.6
VCD/DVD	50.0	48.1	48.8
Astro ***	65.9	10.9	32.2
Hi-Fi	20.7	21.7	21.3
Sofa ***	79.3	51.2	62.1
Air-conditioning ***	8.5	33.3	23.7
Fridge	82.9	73.6	77.3
Washing Machine ***	79.3	44.2	57.8
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: [1] Television, VCD/DVD, Astro, Hi-Fi, Sofa, Air-conditioning, Fridge and Washing Machine.
Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.10: Monthly Rental by Malays and Chinese

Monthly Rental	Malays	Chinese	Total
Mean (RM)	131.78	168.59	158.80
Median (RM)	95.00	157.00	150.00
SD (RM)	127.37	90.47	102.50
Minimum (RM)	10.00	10.00	10.00
Maximum (RM)	600.00	850.00	850.00
Number of Cases	**46**	**127**	**173**

Note: SD = Standard deviation, n = sample size

Table A5.11: Percentage Distribution of Respondent's Transportation to Campus and Mean Monthly Transportation Cost by Ethnic Group

Characteristics	Malays (%)	Chinese (%)	Total (%)
Type of transportations* **			
Walking	23.9	46.2	37.6
Bus	44.6	9.0	22.8
Motorcycle	15.2	11.7	13.1
Motorcar	16.3	33.1	26.6
Monthly transportation cost (RM)			
Mean	69.00	74.00	72.10
Median	42.50	50.00	50.00
Standard Deviation	8.44	8.45	6.11
Total	**100.0**	**100.0**	**100.0**
Number of cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.12: Percentage of Type of Favourite Food of Respondents by Ethnic Group

Type of Favourite Food	Malays (%)	Chinese (%)	Total (%)
Chinese*	31.5	97.2	71.7
Malay*	97.8	46.9	66.7
Thai	56.5	47.6	51.1
Japanese*	18.5	61.4	44.7
Indian*	15.2	47.6	35.0
Italian*	19.6	42.8	33.8
French*	6.5	24.8	17.7
Korean*	3.3	24.8	16.5
Turkish	5.4	5.5	5.5
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.13: Percentage Distribution of Meal Profile and Average Spending of Respondents by Ethnic Group

Meal Profile	Malays		Chinese		Total	
	FF (%)	NFF (%)	FF (%)	NFF (%)	FF (%)	NFF (%)
Have a meal at restaurant						
Seldom	71.7	48.9	78.6	55.9	75.9	53.2
Regularly	28.3	51.1	21.4	44.1	24.1	46.8
Average spending						
Below RM10	30.4	67.4	26.9	55.2	28.3	59.9
RM10 to RM19.99	60.9	22.8	68.3	29.7	65.4	27.0
RM20 and above	8.7	9.8	4.8	15.2	6.3	13.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(92)**	**(145)**	**(145)**	**(237)**	**(237)**

Note: FF = Fast food restaurant, NFF = Non fast food restaurant
Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.14: Average Units Possessions of Mobile Phone, Average Monthly Telephone Bill, and Percentage Distribution Type of Mobile Phone Networks of Respondents by Ethnic Group

Characteristics	Malays (%)	Chinese (%)	Total (%)
Personal Mobile phone (in unit):			
Mean	1.24	1.18	1.20
Standard deviation	0.45	0.40	0.42
Monthly telephone bill (RM)			
Mean	55.87	54.60	55.13
Type of mobile phone networks* **			
Prepaid	93.5	75.2	82.3
Post-paid	2.2	18.6	12.2
Both	4.3	6.2	5.5
Total	**100.0**	**100.0**	**100.0**
Number of cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.15: Respondent's Telecommunication by Ethnic Group

Characteristics[@]	Malays (%)	Chinese (%)	Total (%)
Access to the internet:			
At home ****	32.6	72.4	57.0
At university	67.4	64.1	65.4
At internet café ***	56.5	28.3	39.2
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10)

Table A5.16: Percentage of Possession of Computer, Telecommunication and IT Product by Ethnic Group

Computer, telecommunication and IT product	Malays (%)		Chinese (%)		Total (%)	
Personal computer	58.7	(54)	67.6	(97)	64.1	(151)
Notebook	38.0	(35)	38.6	(54)	38.4	(89)
MP3/MP4**	29.3	(27)	43.4	(67)	38.0	(88)
Thumb-drive*	87.0	(80)	70.3	(99)	76.8	(179)
Mobile phone	95.7	(88)	95.9	(136)	95.8	(224)
Camera	40.2	(37)	33.8	(49)	36.3	(86)
Total	**100.0**	**(92)**	**100.0**	**(145)**	**100.0**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.17: Percentage of Purchasing of Computer, Telecommunication and IT Product by Respondents by Ethnic Group

Computer, telecommunication and IT product	Malays (%)		Chinese (%)		Total (%)	
Personal computer	81.5	(44)	81.6	(80)	81.6	(124)
Notebook	71.4	(25)	76.8	(43)	74.7	(68)
MP3/MP4	85.2	(23)	81.0	(51)	82.2	(74)
Thumb-drive	91.3	(73)	79.4	(81)	84.6	(154)
Mobile phone	87.5	(77)	81.3	(113)	83.7	(190)
Camera	70.3	(26)	81.6	(40)	76.7	(66)
Total	**100.0**	**(92)**	**100.0**	**(145)**	**100.0**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.18: Average Spending of Respondents on Computer, Telecommunication and IT Product by Ethnic Group

	Personal Computer	Note-book	Mobile phone	Camera	MP3/ MP4	Thumb-drive
Malays						
Median	2,500.00	3,200.00	500.00	700.00	200.00	100.00
Mean	2,468.89	3,591.74	643.85	650.64	232.5	104.72
SD	942.15	946.92	539.49	463.14	101.67	41.98
N	45	23	74	28	18	65
Chinese						
Median	2,500.00	4,000.00	700.00	900.00	300.00	100.00
Mean	2,741.74	4,137.00	849.60	1,237.32	354.27	117.26
SD	975.68	1,112.71	450.472	1,229.52	256.053	57.833
N	78	46	111	38	52	81
Overall						
Median	2,500.00	4,000.00	670.00	800.00	300.00	100.00
Mean	2,641.92	3,955.25	767.30	988.42	322.96	111.68
SD	968.70	1,084.66	496.99	1,017.34	232.12	51.60
T-test	-1.51	-2.01**	-2.81*	-2.40**	-1.96***	-1.46
N	123	69	185	66	70	146

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10),
SD = Standard deviation, N = Number of Cases

Table A5.19: Percentage of Possession of Clothing, Shoes, Shampoo and Cosmetics by Ethnic Group

Clothing, footwear and personal items	Malays (%)	Chinese (%)	Total (%)
Clothing	95.7	100.0	98.3
Slipper	91.3	86.9	88.6
Leather shoes ***	55.4	42.8	57.7
Sport shoes	83.7	78.8	80.6
Wallet/purse/handbag	91.3	88.9	89.9
Shampoo	89.2	89.7	89.5
Cosmetics *	71.7	42.8	54.0
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) sample size

Table A5.20: Percentage of Purchasing of Clothing, Shoes, Shampoo and Cosmetics by Respondents by Ethnic Group

Clothing, footwear and personal items:	Malays (%)	Chinese (%)	Total (%)
Clothing	96.6 (88)	99.3 (145)	98.3 (233)
Slippers	96.4 (84)	95.2 (126)	95.7 (210)
Leather shoes	94.1 (51)	95.2 (62)	94.7 (113)
Sport shoes	93.5 (77)	95.6 (114)	94.8 (191)
Wallet/purse/handbag	88.1 (84)	84.5 (129)	85.9 (213)
Shampoo	96.3 (82)	91.5 (130)	93.4 (212)
Cosmetics	97.0 (66)	87.1 (62)	92.2 (128)
Total	**100.0 (92)**	**100.0 (145)**	**100.0 (237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) Number of Cases

Table A5.21: Average Spending of Respondents on Clothing, Shoes, Shampoos and Cosmetics by Ethnic Group

	Cloth -ing	Slippers	Leather Shoes	Sport Shoes	Wallet/ purse/ handbag	Sham-poo	Cosme-tics
Malays							
Median (RM)	50.00	20.00	100.00	50.00	50.00	12.45	34.95
Mean (RM)	84.40	28.40	102.60	90.40	59.70	18.90	56.50
SD (RM)	99.30	27.40	70.20	82.10	63.90	19.70	61.20
N	71	68	36	58	63	64	52
Chinese							
Median (RM)	99.00	20.00	100.00	150.00	50.00	20.00	50.00
Mean (RM)	103.70	30.90	127.00	150.90	66.00	28.90	130.90
SD (RM)	86.30	27.00	81.80	109.00	53.70	36.00	207.40
N	122	103	51	101	96	108	40
Overall							
Median (RM)	60.00	20.00	100.00	100.00	50.00	17.50	45.00
Mean (RM)	96.61	29.92	116.89	128.83	63.51	25.18	88.84
SD (RM)	91.55	27.10	77.735	103.94	57.88	31.268	148.00
T-test	**-1.42**	**-0.59**	**-1.45**	**-3.95***	**-0.68**	**-2.35****	**-2.19****
N	**193**	**171**	**87**	**159**	**159**	**172**	**92**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10),
SD = Standard deviation, N = Number of Cases

Table A5.22: Percentage of Possession of Gift Items, Watches, Spectacles, Books and Magazines by Ethnic Group

Gift items and others	Malays (%)	Chinese (%)	Total (%)
Gift items	52.2	54.4	53.5
Watches	76.1	74.5	75.1
Spectacles **	42.4	55.9	50.6
Books (exclude text book) *	85.8	62.2	71.4
Magazines *	77.2	58.0	65.4
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), N = Number of Cases

Table A5.23: Percentage of Purchasing of Gift Items, Watches, Spectacles, Books and Magazines by Respondents by Ethnic Group

Gift items and others	Malays (%)	Chinese (%)	Total (%)
Gift items	70.8 (48)	88.6 (79)	81.9 (127)
Watches	71.4 (70)	75.0 (108)	73.6 (131)
Spectacles	94.9 (39)	91.4 (81)	92.5 (120)
Books (exclude text book)	96.2 (79)	90.0 (90)	92.9 (169)
Magazines	95.8 (71)	84.0 (84)	94.8 (155)
Total	**100.0 (92)**	**100.0 (145)**	**100.0 (237)**

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), ( ) = Number of Cases

Table A5.24: Monthly Spending of Respondents on Gift Items, Watches, Spectacles, Books and Magazines by Ethnic Group

	Gift Items	Watches	Spectacles	Books	Magazines
Malays					
Median (RM)	30.00	100.00	240.00	65.00	10.00
Mean (RM)	61.90	134.40	253.80	109.70	24.80
SD (RM)	60.30	137.80	117.90	118.00	55.40
N	27	51	29	60	55
Chinese					
Median (RM)	36.45	150	250	50	10
Mean (RM)	103.6	282.7	266.2	80.7	18.1
SD (RM)	294.3	771.9	132.5	84.5	19.4
N	64	86	73	64	68
Overall					
Median (RM)	32.90	130.00	250.00	60.00	10.00
Mean (RM)	91.23	227.49	262.67	94.74	21.07
SD (RM)	249.11	620.15	128.07	102.66	39.72
t-test	-0.73	-1.36	-0.44	1.56	0.92
N	91	137	102	124	123

Note: Significant level, * ** (0.01), ** (0.05) and * (0.10), N = Number of Cases

Table A5.25: Favourite Leisure Activities of Respondent by the Malays and the Chinese

Leisure activities	Malays (%)	Chinese (%)	Total (%)
Listening to music **	75.0	86.9	82.3
Watching TV	73.9	77.9	76.4
Internet surfing/chatting	73.9	76.6	75.5
Shopping ***	55.4	79.3	70.0
Cinema ***	56.5	75.2	67.9
Travelling ***	52.2	70.3	63.3
Eating out	57.6	61.4	59.9
Video/computer games	57.6	52.4	54.4
Reading	56.5	49.7	52.3
Sport activities	42.4	42.8	42.6
Cooking	27.2	33.8	31.2
Watching concerts **	22.8	34.5	30.0
Live music	25.0	27.6	26.6
Theatre/musicals	20.7	27.6	24.9
Beauty treatment	20.7	22.8	21.9
Dancing	14.1	16.6	15.6
Gym ***	6.5	19.3	14.3
Motoring	14.1	13.8	13.9
Football	14.1	13.1	13.5
Eco-tourism	15.2	11.0	12.7
Gardening **	16.3	8.3	11.4
Clubbing **	5.4	14.5	11.0
Total	100.0	100.0	100.0
Number of Cases	(92)	(142)	(234)

Note: Significant level, *** (0.01), ** (0.05), * (0.10), N = Number of Cases

Table A5.26: Percentage of Activity Types by Gender and Ethnic Group

Activities	Malays (%)	Chinese (%)	Total (%)
Recreational Activities	90.2	97.9	94.9
Entertainment Activities	89.1	97.9	94.4
Self – improvement Activities	69.6	73.9	72.2
Social Activities	60.9	68.3	65.4
Sporting Activities	47.8	47.9	47.9
Cultural Activities	39.1	50.0	45.7
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(142)**	**(234)**

Note: ( ) = Number of Cases

Table A5.27: The Importance Attributes for Making Brand Purchases by Ethnic Group

Attributes	Malays (%)	Chinese (%)	Total (%)
Trustworthy *	57.6	75.2	68.4
Simple **	71.7	55.9	62.0
Modern	60.9	60.0	60.3
Well-know brand name **	43.5	57.2	51.9
Latest technology	52.2	48.3	49.8
Personalised or customised products	43.5	49.7	47.3
Fun *	58.7	39.3	46.8
Customer service	40.2	45.5	43.5
Small / Space-saving ***	50.0	37.9	42.6
Elegant ***	48.9	36.6	41.4
Personalised and attentive service	39.1	42.1	40.9
Energy-saving ***	45.7	34.5	38.8
Socially responsible	38.0	31.7	34.2
Recyclable **	31.5	19.3	24.1
Multinational	22.8	24.1	23.6
Extreme **	27.2	15.9	20.3
Spiritual	21.7	16.6	18.6
Organic	13.0	16.6	15.2
Hip	14.1	13.8	13.9
Traditional **	16.3	7.6	11.0
Total	**100.0**	**100.0**	**100.0**
Number of Cases	**(92)**	**(145)**	**(237)**

Note: Significant level, *** (0.01), ** (0.05) and * (0.10), N = Number of Cases

Table A5.28: Mean and Median of the Monthly Spending on Selected Items

Monthly Expense	E1	E2	E3	E4	E5	E6	E7
Mean	180.02	91.83	67.03	215.77	42.86	60.60	96.34
Median	180.00	50.00	50.00	200.00	20.00	50.00	100.00
N	173	184	234	214	187	158	198

Note: E1= Rental, water and electricity bills, E2 = Transportation, E3 = Telephone, mobile phone, internet bills, E4 = Foods, E5 = Books, magazines, newspaper, stationery and photocopying, E6 = Entertainment (Internet Café, disco, karaoke and others) and E7 = Clothing, Footwear & Personal Items. N = Number of cases.

Table A5.29: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model One

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	-0.253	1.065	0.056	1.000	0.812	0.777
TFS	**0.145**	**0.045**	**10.440**	**1.000**	**0.001**	**1.156**
Wealth	0.074	0.098	0.561	1.000	0.454	1.076
Male	0.560	0.347	2.603	1.000	0.107	1.751
Chinese	0.529	0.508	1.087	1.000	0.297	1.698
Religious	**-0.400**	**0.163**	**6.003**	**1.000**	**0.014**	**0.671**
C1	0.296	0.438	0.456	1.000	0.500	1.344
C2	-0.680	0.476	2.045	1.000	0.153	0.506

Table A5.30: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Two

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	0.106	0.954	0.012	1.000	0.911	1.112
TFS	0.028	0.038	0.557	1.000	0.456	1.028
Wealth	0.022	0.087	0.066	1.000	0.797	1.023
Male	**0.763**	**0.304**	**6.281**	**1.000**	**0.012**	**2.145**
Chinese	-0.341	0.463	0.541	1.000	0.462	0.711
Religious	-0.144	0.140	1.063	1.000	0.302	0.866
C1	**0.691**	**0.385**	**3.219**	**1.000**	**0.073**	**1.996**
C2	-0.189	0.412	0.211	1.000	0.646	0.828

Table A5.31: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Three

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	2.853	1.301	4.808	1.000	0.028	17.346
TFS	**-0.100**	**0.044**	**5.284**	**1.000**	**0.022**	**0.905**
Wealth	**-0.254**	**0.113**	**5.061**	**1.000**	**0.024**	**0.776**
Male	0.347	0.369	0.883	1.000	0.347	1.414
Chinese	-0.918	0.618	2.208	1.000	0.137	0.399
Religious	0.166	0.174	0.902	1.000	0.342	1.180
C1	-0.343	0.551	0.388	1.000	0.533	0.710
C2	-0.369	0.584	0.399	1.000	0.527	0.692

Table A5.32: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Four

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	1.023	0.982	1.084	1.000	0.298	2.780
TFS	**-0.086**	**0.038**	**4.982**	**1.000**	**0.026**	**0.918**
Wealth	0.066	0.092	0.522	1.000	0.470	1.068
Male	-0.430	0.315	1.867	1.000	0.172	0.651
Chinese	-0.554	0.502	1.219	1.000	0.270	0.575
Religious	0.019	0.141	0.017	1.000	0.895	1.019
C1	0.155	0.434	0.127	1.000	0.722	1.167
C2	0.383	0.467	0.673	1.000	0.412	1.467

Table A5.33: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Five

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	0.952	1.084	0.772	1.000	0.380	2.592
TFS	0.006	0.042	0.020	1.000	0.887	1.006
Wealth	0.097	0.099	0.942	1.000	0.332	1.101
Male	**-0.546**	**0.322**	**2.871**	**1.000**	**0.090**	**0.579**
Chinese	-0.319	0.523	0.373	1.000	0.541	0.727
Religious	-0.229	0.154	2.214	1.000	0.137	0.796
C1	-0.038	0.426	0.008	1.000	0.929	0.963
C2	0.227	0.474	0.230	1.000	0.631	1.255

Table A5.34: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Six

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	1.563	0.974	2.572	1.000	0.109	4.773
TFS	**-0.102**	**0.039**	**6.850**	**1.000**	**0.009**	**0.903**
Wealth	-0.054	0.087	0.388	1.000	0.533	0.947
Male	-0.286	0.305	0.882	1.000	0.348	0.751
Chinese	-0.105	0.474	0.049	1.000	0.825	0.900
Religious	0.090	0.140	0.414	1.000	0.520	1.094
C1	-0.360	0.401	0.804	1.000	0.370	0.698
C2	0.034	0.432	0.006	1.000	0.937	1.035

Table A5.35: SPSS Output (Logistic Regression) of the Variables in the Equation for ~~the~~ Model Seven

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	-0.738	1.041	0.502	1.000	0.478	0.478
TFS	0.015	0.038	0.162	1.000	0.687	1.015
Wealth	-0.097	0.091	1.136	1.000	0.287	0.907
Male	0.015	0.321	0.002	1.000	0.963	1.015
Chinese	0.336	0.501	0.448	1.000	0.503	1.399
Religious	0.166	0.153	1.182	1.000	0.277	1.181
C1	0.339	0.420	0.649	1.000	0.420	1.403
C2	0.057	0.473	0.014	1.000	0.905	1.058

Table A5.36: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Eight

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	0.817	1.329	0.378	1.000	0.539	2.264
TFS	**-0.091**	**0.052**	**3.099**	**1.000**	**0.078**	**0.913**
Wealth	-0.063	0.118	0.286	1.000	0.593	0.939
Male	**-1.006**	**0.385**	**6.829**	**1.000**	**0.009**	**0.366**
Chinese	-0.202	0.684	0.087	1.000	0.768	0.817
Religious	**0.329**	**0.186**	**3.128**	**1.000**	**0.077**	**1.390**
C1	0.504	0.575	0.769	1.000	0.381	1.655
C2	0.540	0.631	0.730	1.000	0.393	1.715

Table A5.37: SPSS Output (Logistic Regression) of the Variables in the Equation for the Model Nine

Variable	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	-0.695	1.259	0.305	1.000	0.581	0.499
TFS	-0.048	0.052	0.865	1.000	0.352	0.953
Wealth	0.036	0.121	0.088	1.000	0.766	1.037
Male	0.425	0.431	0.974	1.000	0.324	1.530
Chinese	0.839	0.710	1.396	1.000	0.237	2.313
Religious	**0.437**	**0.190**	**5.269**	**1.000**	**0.022**	**1.548**
C1	-0.357	0.580	0.379	1.000	0.538	0.700
C2	-0.238	0.623	0.145	1.000	0.703	0.789

Appendix 3

Stopping Rule for the Respecified Hierarchical Cluster Analysis

	Number of Clusters		Agglomeration Coefficients	
Stage	Before Joining	After Joining	Value	Percentage Increase to Next Stage
106	214	10	466.26	4.9
107	10	9	489.20	5.0
108	9	8	513.57	6.0
109	8	7	544.27	6.5
110	7	6	579.49	7.6
111	6	5	623.47	8.4
112	5	4	675.66	8.3
113	4	3	731.51	9.1
114	3	2	798.13	11.1
115	2	1	887.08	

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