

For the Love of National Cars: Understanding Generation Y's Intention to Purchase Malaysia Local Wheelers

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Abstract: The present study aims to investigate the factors that influence consumer's purchase intention towards national cars among generation Y. Self-administered questionnaires distributed to 280 generation Y aged between 18 – 40 years old. Subsequently, data were analyzed using Statistical Package for Social Sciences (SPSS). The findings indicate that attitude and subjective norms were positively significant with purchase intention, while patriotism does not have any significant effect on purchase intention. Suggestions and recommendations forwarded at the end of the report based on the findings of the present study.

Key words: *Attitude, Subjective Norms, Patriotism, Purchase Intention*

INTRODUCTION

The automotive industry was believed to be one of the most important industry among the manufacturing sector in Malaysia and also for economic developing. The automobile once perceived as a luxury product in the past, but nowadays, it is a necessary product for many people. Since 1985, Proton, the first national car of Malaysia, exported their car to foreign countries such as United Kingdom, Australia, the Middle East and other countries. In the international market, the automobile market is growing rapidly, led by the edge of technologies, automobile industry must stand out from the sea of competitors [1]. The imminent countries who have produce cars include Japan, Thailand, Brazil, Canada, Britain, Germany, India, China, South Korea, United States, Italy and Malaysia.

Unfortunately, nowadays the consumers prefer to buy a foreign car which is more expensive than the national car [2]. Media and government agencies had announced that the demand for national cars was in declining trend compared with previous years [2]. For example, Malaysian Automotive Association reported that the sales for Proton cars in Malaysia from 2011 to 2017 was declining. In 2011, the number of Proton cars sales in Malaysia was 158,601 units. The number of Proton cars sales had declined from 158,601 units to 141,120 units which are 11.02% decreased in 2012 compared to previous years. In 2013, the number of Proton cars sales

had slight declined, which is 1.68 % or 2,367 units. The number of Proton cars sales was 115,783 units which decreased 16.55% or 22,973 units in 2014, and the number of Proton cars sales was 102,175 units which decreased 11.75% or 13,608 units in 2015. In 2016, the sales volume of Proton Car in Malaysia was the largest decline from 2011 to 2017, about 29.25%, the number of Proton cars sales was 72,290. In 2017, the number of Proton cars sales also was decreased, only 70,991 units of Proton cars had sold.

As a results, it is significantly important for Malaysian national car manufactures to find out and understand consumers' purchase intention and take the proper action to respond to the market changes from time to time [3]. Purchase intention is related to four behaviors of consumers including the unquestioned plan to buy a certain product, thinking unambiguous to buy the product, when someone contemplates to buy the product in the future and to buy the specific product [4].

The sector of the automobile industry is continuously growing; it is very important to investigate the factors that affect consumer's purchase intention for automobiles towards national vehicles among Generation Y. Generation Y is an important market segment for businesses globally because they are projected to reach two billion people globally which representing 26% to 30% of the entire global customer market as stated by [5]. A significant characteristic of generation Y is its high

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purchasing power compared with other generation which almost 200 billion USD a year [5]. Generation Y will spend when they have money or income, and they will not worry about their debt. The similar phenomenon occurs in Malaysia's Generation Y, [6] stated that Generation Y has the features of buy-now-pay-later behaviour; this generates market opportunities for this market segment.

LITERATURE REVIEWS

[7] define purchase intention as a person's action intention for a product. Purchase intention is key in the user's decision-making process. Traditionally, the definition term of intention as an antecedent that stimulates and drives consumers to purchase products and services [7]. Purchase intention described as an individual's intention to purchase a specific brand individual who wants to purchase a specific brand which they have chosen for themselves after some evaluation [7]. [8] defined the intention of consumer purchasing as a possible consumer willingness to purchase a particular product. In marketing studies, one of the outcome variables is purchase intention which explained consumer behaviour in decision making [8]. It often used by marketers to understand the actual behaviour of consumers and examine consumers' intention. Another aspect of the purchase intention is that the consumer will buy the product after conducting the evaluation. When choosing a product, many factors will influence the consumer's intention, and the final decision depends on the consumer's intentions for a large number of external factors [9].

On the subject of purchase intention, [10] stated that consumers would search the information related to the purchase of products based on experience or external environment. After accumulating that information, consumers will begin to consider and assess, judge and compare then finally generate to purchase behaviour [10]. [10] said that some researchers think that the purchase intention is "what we think we will buy". [11] stated that purchase intention is an implied promise to oneself to purchase a certain product again when they go to market next trip. It is necessary to increase product sales of a company and for the aims of the maximum company's profit. When the product is consistent with the consumer's self-image or reflects itself, the willingness to purchase [11]. Therefore, the purchase of national cars reflects their patriotism. Purchase intention is a key factor to appeal consumer to make a final purchase decision, by advertising method or good product branding. Attitude may suggest and become the main determinant of the intention. Attitude is an appraisal of the specific behavior of the object of execution, such as the purchase of a product [12]. [12] proved there was a significant and positive relationship between attitudes and intentions for

purchasing halal products. Attitudes positively affect the buying intention towards a local brand thus affect consumers' product purchase decisions [13].

[14], [15] found there is evidence which proves there is a causal relationship between subjective norms and intentions. [16] supported that subjective norms are important to influence intentions. The subjective norms play an important role where family members, friends and colleagues are a strong individual reference point. Empirical studies had shown that social influences from family and friends, the mass media and external communication also important in influencing product intentions, which regarded as part of social norms [14-16]. The study had linked the significant relationship between subjective norms and purchasing intention, for example, in Islamic takaful products [17]. There is a positive relationship between subjective norms and purchase intention toward halal products [18]. Therefore, subjective norms play a significant role where friends, family members, colleague are people who strong referent point [17], [18].

[19] said that patriotism has a significant impact on purchase intention. Studies by [20] showed that consumer patriotism is positively related to customer attitudes toward patriotic advertising, advertising brands, and participation in sports events.

Patriotism is a belief that relates to attitudes that influence purchase intention [19], [20]. Previous study done by [21] had concluded that patriotism motivates local procurement through key decisionmakers with a higher level of patriotism. [21] proved that patriotism has a positive effect on the intention of obtaining alliance-related products.

METHODOLOGY

Self-administered questionnaires were developed and distributed to 280 Generation Y aged 18 – 40 years old in Malaysia based on convenient sampling. The questionnaires were distributed by hand to the respective respondents. The measurements were utilized based on five-point Likert scale ranging from (1) "strongly disagree" to (5) "strongly agree". Additionally, the Statistical Package for Social Sciences (SPSS) was used to assess the goodness of measures and to test the hypotheses for this study. The research instrument that was used to measure purchase intention was adapted from [22] containing 15 items with the reliability coefficients for this instrument is 0.81. The independent variables such as attitude, subjective norm and patriotism were measured by using instrument adapted from [8] containing 18 items with the reliability coefficients for this instrument is 0.73.

FINDINGS

Based on the study by [23], proposed that the variable's reliability shows the strength and conformity of the method for measuring concept and helps to evaluate the goodness of a measure. According to [23], the result of reliabilities that less than 0.6 are considered to be poor, 0.6 to 0.8 acceptable and those that over 0.8 considered good. The test of Cronbach's Alpha for purchase intention (DV) is 0.851. The independent variable is attitude (0.813), subjective norms (0.865) and patriotism (0.749). Thus, the Cronbach's Alpha for each of the variables was found to be greater than 0.70, indicating the acceptable value. Therefore, it can conclude that the value of Cronbach's alpha reliability coefficients of the independent variable in this study was reliable.

Multiple regression analysis was conducted to examine the effect of whether the three independent variables, which are attitude, subjective norms and patriotism, have any significant effect towards purchase intention. Based on the multiple regression analysis, it found that attitude and subjective norms have significant positive effects towards purchase intention; meanwhile, patriotism does not have any significant effect towards purchase intention as shown in Table 1. Therefore, the first and second hypotheses are accepted and rejected the third hypothesis.

Table 1. Relationship between Independent Variables and Dependent Variable

Model	Standardize	t	Sig.
	d		
	Coefficients		
	Beta		
1 (Constant)		4.057	.000
AMEAN	.400	5.665	.000
SNMEAN	.264	3.891	.000
PMEAN	-.048	-.942	.347

DISCUSSION

The first hypothesis examined the relationship between attitude and consumers' purchase intention towards national car among Generation Y. This hypothesis was accepted. The results of the Correlation Pearson Analysis showed the significant correlation level was 0.623, which means attitude has a significant correlated and strong relationship with consumers' purchase intention. Thus, the reason for the significant and strong relationship is because most of the respondents had answered the question about the attitude were neutral and agreed ($\mu=3.8620$).

Besides, the results of multiple regression analysis showed that attitude had a significant effect on affecting consumers' purchase intention towards Proton car, which

the significant level, sig.t was 0.000 and beta value was positive 0.400. The pvalue of attitude is less than 0.05, and it indicates that there was a significant relationship between attitude and consumers' purchase intention towards Proton car. While the positive value of beta indicates that there is a positive relationship, hence, the hypothesis (*H1*) that illustrates there was a significant relationship between attitude and consumers' purchase intention towards Proton cars among Generation Y accepted in this research.

The statement of the first hypothesis supports previous research done by [24] proved that there was a significant and positive relationship between attitudes and purchasing intentions. [24] indicated that attitudes of an consumer will affect the buying intention towards a local brand products.

The second hypothesis examined the relationship between subjective norm and consumers' purchase intention towards Proton car among Generation Y. This hypothesis was accepted. The results of the Correlation Pearson Analysis showed the significant correlation level was 0.616, which means subjective norm has a significant correlated and strong relationship with consumers' purchase intention. Thus, the reason for the significant and strong relationship is because most of the respondents had answered the question about the attitude were neutral and agreed ($\mu=3.9396$).

Besides, the results of multiple regression analysis showed that subjective norm had a significant effect on affecting consumers' purchase intention towards Proton car which the significant level, sig.t was 0.000 and beta value was positive 0.264. The p-value of attitude is less than 0.05, and it indicates that there was a significant relationship between subjective norm and consumers' purchase intention towards Proton car. While the positive value of beta explains that there was a positive relationship, hence, the hypothesis (*H2*) that illustrates there was a significant relationship between subjective norm and consumers' purchase intention towards Proton cars among Generation Y accepted in this research.

The statement of the second hypothesis supports previous research which this study had linked to the significant relationship between subjective norms and purchasing intention [16]. Empirical studies had shown that social influences from family and friends have an impact on car purchase intention [16-18].

Hypothesis (*H3*) examined the relationship between patriotism and consumers' purchase intention towards Proton car among Generation Y and rejected. The results of the Correlation Pearson Analysis showed the significant correlation level was 0.458, which means patriotism has a significant correlated and moderate

relationship with consumers' purchase intention. Thus, the reason for the significant and strong relationship is because most of the respondents had answered the question about the patriotism were agree and strongly agreed ($\mu= 4.3755$).

Besides, the results of multiple regression analysis showed that patriotism had a significant effect on affecting consumers' purchase intention towards Proton car, which the significant level, sig.t was 0.347 and beta value was negative 0.048. The pvalue of patriotism is more than 0.05, and it indicates that there was no significant relationship between patriotism and consumers' purchase intention towards Proton car. While the negative value of beta explains that there was a negative relationship, hence, the hypothesis ($H3$) that illustrates there was no significant relationship between patriotism and consumers' purchase intention towards Proton cars among Generation Y rejected in this research.

The statement of the third hypothesis was supported by previous research and done by [25], whichh prove that patriotism was indirectly related to the consumer's willingness to purchase. Some reasons why patriotism is not significant to purchase intention towards Proton car summarized. Compared to patriotism, people are more concentrated to the country of origin, product knowledge, product quality and advertising [21], [26]. Also, other brands from foreign country provide a car with more high technology and environmental friendly with reasonable price.

CONCLUSION

As a conclusion, the research had achieved its objectives of studying the relationship between the attitude, subjective norm, patriotism and economic factors toward consumers' purchase intention towards Proton car among Generation Y. It also showed the factor that has the most significant relationship towards the purchase intention of Proton car among Generation Y. Also, recommendations are providing to future researchers as a guideline to conduct similar research.

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