

The effect of external factors on purchase

Psychology, Behaviorism



The results demonstrate that demographic, geographic and group significantly effect PI. The findings of this study help marketing, managers and companies to understand young Malaysian consumers' behavior and PI.

Keywords: external factors, purchase intention (PI), young generation, Malaysia

1. Introduction Nowadays, purchase intention is more complicated and more significant for consumers than in the past. Customers are encompassed by reports, advertisements, articles and direct mailings that provide large amount of information.

Moreover, different kinds of products, supplies, super markets and shopping malls have complex and difficult decision making. This study focuses on the young generation in Malaysia because of some reasons. Firstly, immature customer segment is known as special segment for some special products. Secondly, at the period of evolution from youth to early maturity, these customer segments have their unique consumer behaviors and attitudes (Safari, AAA). Thirdly, juveniles' effect on their families and shapefamilyconsumer behavior; finally, young consumers can change and influencecultureas well as society (Safari, AAA).

In addition, according to the previous studies, investigators argued that the external actors (demographic, geographic and group) influence PI. Besides, there are some difficulties in applying these factors and measuring their effects on PI. The effect of demographic on PI is complicated and confusing that needs to be examined. For instance, consumers 18 to 24-year-old are " more likely than other consumers to buy a product on the spur of the moment and change brands if the mood strikes" (Abdul Raze & Summarizing, 2009). Apart from that, there are still some studies that

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indicate the males and females behave and make PI in different Ways. Teenage boys were more utilitarian, whereas manage girls are more social/conspicuous conscious" (Cathy & Vincent, 2006). Furthermore, different races have different behaviors, which can significantly affect PI; for example, the Malady are more patriotic to the local brands compared to two other Malaysian races. Likewise, group influence significantly affects PI. Group (social networks, television, influential, books) influences on young generation in Malaysia and changes their culture, behavior and purchase intention because they have adapted with other cultures (Eon, Ata & Philip, 2008). 2.

Literature Review Purchase intention means a consumer prefers to buy a product or service cause he/she finds that he/she needs a particular product or service, or even attitude towards a product and perception of product. In other words, purchase intention means consumer will buy a product once again after she or he evaluates a product and finds out that the product worth buying. While consumers select one particular product, the final decision on accepting 153 WV, m. Essence. Org/birr International Business Research Volvo. 5, No. 8; 2012 a product to buy or rejecting it depends on consumers' intention.

Also, a large number of external factors have been recognized, which can affect PI (Keller, 2001). 2. The Effect of Demography on PI One of the most important features which influence PI is demographic (age, gender and race). Young consumers in different ages have different behavior. A nineteen years old consumer may behave differently with a twenty five years old consumer.

For example, some young consumers are more concerned on the labeled products than other young consumers (Nabob & Mimed, 2010). The effect of gender depends on some factors.

For example, females are more concerned about those kinds of products that are directly related to house because as housewives, the quality of the products is more important or them compared to men. Thereby, label, brands and quality have effects on consumers' PI (Seasonal, All & Seabird, 2006; Safari, Bibb). The other factors that shape PI among males and females are information and education. For example, a study shows that females are less experienced with online purchasing; therefore, they rely on other recommendations than males during decision making process (Ciao & Yang, 2010).

Atmosphere and environment also influence on consumers' PI among males and females. An investigation shows that music in restaurants has more effect on females than males. (Stephanie Wilson, 2003). In addition, studies showed that men are more risk taking than women and they are more reliance on themselves to make purchase decision than women (Seed, 2003). Different ethnic groups act differently to make purchase decision. For example, studies in the United States have shown that African-Americans in some cases have different purchase intentions than the whites (Americans).

Some factors can have effects on different races such as media, advertisements, and televisions. The other example shows that 16% of married white women are more likely to do mom purchase than married black women in the United States; but some other factors (socio-economic,

environment, culture, income) could be combined with race to achieve better outcomes (Ciao & Yang, 2010). 2. 2 The Effect of Geography on PI The other external factor that influences consumers' PI is geography. Locations that products are being produced and manufactured are very important for consumers and can shape their PI.

A place to shop for organic products is crucially integral for consumers. For instance, a research demonstrates that majority of consumers prefer to buy their organicfoodND products from hypermarkets and shopping malls and only a few of them enjoy of buying products in farms (Sit & Inertia, 2010). 2. 3 The Effect of Group on PI Group also affects consumers and their PI.

Previous experiences of celebrities have utilized different assumptions and basic theoretical grounds Ofpsychologyto describe how a sponsorship as an influential effect consumers' PI and their behavior (Speed & Thompson, 2000).

Sport celebrities as a group of influential figures have significant influences on young consumers especially when they want to make decision to choose a brand and PI. Star members in each team have significant effects on consumer behavior. Thus, they would make brand for the team's sponsor because team members are able to attract enormous amount of consumers for a brand (Arcadias & Fairyland, 2006). 3. Research Methodology 3. 1 Measures Data has been mainly collected based on primary research and secondary research was used as well. Previous literatures were studied to recognize the factors influencing consumer PI.

Learning and understanding key points from previous literatures were combined with this current research study to obtain better results. Sampling strategy is based on probability based. The population is in age group of 17-32 years old as millennial/young generation. Questionnaire has distributed to some Malaysian universities. According to the aim of this research, the race of population has to be Malaysian only and questions were written in English language. The sample was selected from universities (senior and junior students). SPSS software was used to measure/analyze the data. 3.2 Hypothesis Demographic factors positively effects on purchase intention, for example, there is a difference between young consumers and adult generation in the ease of purchase intention. In some cases, male and female consumers act differently to make purchase decision and also different races have different influences on purchase intention 154 WV. Essence. Org/birr Volvo. 5, NO. 8; 2012 (Hide, Gerard & Alex, 2008). Thereby, age, gender and race are strongly affecting PI, which has been proven by previous studies.

H1 : (a): Age influence PI (b): Gender influence PI (c): Race influence PI

Malaysia is divided into two different parts: west and east. Sit (2010) noted that different areas and locations have different effects on consumers' behavior and purchase intention. Consumers in cities and villages (rural and urban) have different behavior and purchase intention (Wong & Yah, 2008). Therefore, rural and urban influence PI differently. H2O: Geographic influence on PI. Friend, relative, colleague/classmates and Media impact on purchase intention. HA: Group affects PI. . 3 Data Collection The questionnaire in this study has been distributed to 350 respondents. 325

respondents have returned the completed questionnaire, which made up 93% of overall responses. We have given the questionnaire to students usually in their classes and we had left them and given them enough time to answer the questions. After 30 to 45 minutes we went back to classes and ask students to return questionnaires. The SPAS software has been used to analyze the effects of external factors (demographic, geographic and group influence) on PI.

Consumers between 17-32 years old were selected as young generation. The research was carried out at different regions in Malaysia such as International Islamic University Malaysia (MM), University Sebastian Malaysia (LIKE), University Putty Malaysia (JIM), Multimedia University (MIX) and Nation Library. The questions mainly examined the effects of rents, relatives, classmates/colleagues and media on consumers' PI. All scales measured on 7-point Liker-type scales ranging from "strongly disagree" to "strongly agree". The demographic factor is divided into three separate categories.

These three groups involved age, gender and race, which will be explained in the following subsections. As demonstrated in Table 1, most respondents involved are in the age group of 22-26 years old. Analysis shows that 30. 2% of the respondents belong to 17-21 age group, 40. 9% belong to 22-26 age group and only 28. 9% are in the age range of 27-32 years old. The majority of the respondents are females; 221 respondents are female (68%) and 1 04 are males, which contributes to 32% of the total respondents participated in this study.