

INTI UNIVERSITY COLLEGE

MASTER OF BUSINESS ADMINISTRATION

**A Profile of Generation Y Malaysian: What is Their Clothing Purchase
Behavior towards Western Brands Apparel?**

Author : Teoh Swee Yee
Student No : I08001616
Supervisor : Wong Fock Keong
Ethics Number : IN 1223
Submission Date : 17th December, 2009
Final Word Count : 15, 065

Faculty of Business and Accountancy

Acknowledgement

First and foremost, I am deeply indebted to my supervisor, Mr. Wong Fock Keong from FOBA who encouraging, stimulating and providing inspiring suggestions in all time or research until the very end stage. Without his dedication of valuable time and thoughts throughout these 12 weeks, the research would not be done as smooth as expected.

I would like to express my gratitude to Mr. Cheah Sin Chye and Miss Yalini Easvaralingam for their precious time who continually and convincingly demonstrated to me regarding how analysis should be done in the research. Without their persistent and guidance help, that particular part would not have been possible.

My sincere thanks also go to all lecturers and staffs from FOBA for their guidance, wisdom and relentless assistance which made my academic life in Inti UC meaningful.

Finally, an honorable mention goes to my family and friends for their understanding and undemanding supports to me. Without their availability of supports in numerous ways, this piece of work would not be as it is.

Executive Summary

This research aimed to reveal behavior of Gen Y Malaysian towards clothing, factors influencing Gen Y purchase intention of western brand apparel and influences of advertisement. The significance level of relationship between Self-Concept results in Need for Uniqueness (NFU), Clothing Interest, Perceived Quality and Emotional-Value on Purchase Intention towards western brands apparel have been examined. Meanwhile, differences between gender's perspective towards clothing evaluative criteria (Fashion, Price, Quality and etc.), frequency of brand often purchased, frequency of purchasing new clothing, monthly clothing expenditures and brand consciousness level have been identified as well. Lastly, this research provides precious implications and comprehensive Generation Y Malaysian's behavioral preference in apparel to western brand who plan to understand own stands well in Malaysia market.

Contents

	PAGE
Acknowledgements	i
Executive Summary	ii
Contents	iii
Chapter 1: Introduction	
1.1 Background to the Study	1
1.1.1 Economy Development in Malaysia	1
1.1.2 Generation Y Malaysian	3
1.1.3 Fashion Industry in Malaysia	4
1.2 Problem Definition	6
1.3 Research Questions	6
1.4 Research Objectives	6
1.5 Significance of the Study	7
1.6 Research Assumptions	8
1.7 Research Limitations	8
Chapter 2: Literature Review	
2.1 Behavior of Gen Y Malaysian towards Clothing	9
2.1.1 Clothing Evaluative Criteria	10
2.1.2 Fashion Consciousness	10
2.1.3 Brand Consciousness	11
2.1.4 Self-construal	14
2.2 Factors Influence Generation Y Malaysian Purchase Intention towards Western Brand Apparel	16
2.2.1 Relationship between Self-Concept and Need for Uniqueness	17

2.2.2	Relationship between Self-Concept and Clothing Interest	
2.2.3	Relationship between Need for Uniqueness and Clothing Interest	20
2.2.4	Relationship between Clothing Interest and Perceived Quality	21
2.2.5	Relationship between Clothing Interest and Emotional Value	23
2.2.6	Relationship between Perceived Quality and Purchase Intention	24
2.2.7	Relationship between Emotional Value and Purchase Intention	25
2.2.8	Relationship between Clothing Interest and Purchase Intention	26
2.3	Influential of Advertisement towards Generation Y Malaysian	27
2.3.1	Sources of Information	27
2.3.2	Influential of Advertisement	28
2.4	Summary of Hypotheses	30
2.5	Theoretical Framework	31
Chapter 3: Methodology		
3.1	Sample	32
3.2	Population	33
3.3	Questionnaire Design	33
3.4	Analysis of Data	35
Chapter 4: Analysis of Data		
4.1	Background Information about Respondents	36
4.2	Behavior of Gen Y Malaysian towards Clothing	37

4.2.1	Mean Level of Clothing Evaluative Criteria	37
4.2.2	The Frequency of Brand Often Purchased	38
4.2.3	The Frequency of Monthly Clothing Expenditure	39
4.2.4	The Frequency of Purchase of New Clothing	40
4.2.5	Statistics for Brand Consciousness	41
4.2.6	Statistics for Self-Construal	42
4.3	Hypotheses of Gen Y Malaysian's Purchase Intention towards Western Brands Apparel	44
4.4	Influential of Advertisement towards Generation Y Malaysian	52
4.4.1	The Frequency of Sources of Fashion	52
4.4.2	The Frequency of Influential of Advertisement	53
4.4.3	The Frequency of Likeness of Superstar Featured In Advertisement	54
4.5	Summary of Result of Theoretical Framework	55
 Chapter 5: Conclusions and Recommendations		
5.1	Discussions	56
5.1.1	Behavior of Gen Y Malaysian towards clothing	56
5.1.2	Factors Influencing Generation Y's Purchase Intention towards Western Brands Apparel	60
5.1.3	Influential of Advertisement towards Generation Y Malaysian	63
5.2	Conclusions	65
5.3	Recommendations	67
	Personal Reflections	70
	References	71
	Appendices	

Chapter 1

Introduction

This report comprises 5 chapters. The first chapter presents detailed introduction regarding this study which includes research background, problem statements, significance of study and research objectives. Literature Review in Chapter 2 is essentially vital as this chapter encompassed fundamental of the topic, various critical reviews conducted by other researchers, controversy of the topic revealed by scholars, theoretical framework and hypotheses of this survey. Methodology or Chapter 3 outlines the techniques adopted in gathering data and particular procedures in acquiring samples for this study. Whereas Chapter 4 would includes all interpretations of results analyzed judging from the samples collected previously. As for final chapter, the main ideas and recommendations would be summarized as a conclusion to the study; meanwhile it provides insight for researchers who wish to delve into this study further in future.

1.1 Background to the study

Subsequent paragraph presents overview of Malaysia economy development in recent years and how this acceleration of economy and urbanization influence Generation Y's behaviour and fashion industry in Malaysia.

1.1.1 Economy Development in Malaysia

Malaysia's economic record has been one of the best performing amongst Asia countries since its independence in 1957. GDP grew by an average of 6.5% from 1967 – 2005 (except recession in 1985-86 and 1997 financial crisis) (USA.gov, 2009). For instance, in 1995, only 22.4% of Malaysians had annual income of more than US\$15,000; in 2007, 36.7% of the total population had achieved this

level (Euromonitor International, 2009). The economic development in the past decades has brought Malaysia prosperity and higher standard of living due to the significant expansion in industrial sectors and improvement in national education system.

The extensive expansion by government in industrial sectors had inherent tremendous number of employment opportunities lead to steady influx of migrant into cities area. A growth of more than 75% had been witnessed in the number of urban households from 2.3mil in 1995 to 4.1mil in 2007 (Euromonitor International, 2009) which reflect the speed of urbanization is pick up at rapid momentum. As this phenomenon accelerate, consumer preferences shaped in diverse manner due to wider choice of products and services available compared to rural area. Furthermore, improving national education system is one of government's strategies to support economic growth through increases and widens the quality of human capital available in Malaysia. According to Rao and Jani (2009), relationship between expected future income and education is well established. Realizing this, Malaysian government allocates more resources to education and by making primary and secondary education compulsory to all Malaysians and provides loan for students enrolled for public and private institutions. Consequently, as literacy rates increased significantly, Malaysia will possess higher literate population to transform from industrialized economy into service-based economy. The aforementioned factors had transformed consumer into even demanding and hence lead to emergence of more lifestyle shopping complexes.

These quality shopping malls falls around Klang Valley such as KLCC, Pavilion, Midvalley Megamall, One Utama and so on for household to idle their time away. Combination of dining, shopping and other lifestyle activities within these malls further spurred consumer interest in visiting at frequent basis in the hope of

purchasing goods which suit to their needs and expectations (Euromonitor International, 2009). In 2008 itself, apparel and footwear specialist expanded by another 400 outlets as a direct result of various new shopping malls opening at secondary towns such as 1 Borneo in Kota Kinabalu, Dataran Pahlawan in Melaka, The Spring in Kuching and East Coast Mall in Kuantan (Euromonitor International, 2009).

1.1.2 Generation Y Malaysian

Generation Y (Gen Y), more picturesquely refers to Echo Boomers, Net Generation, Millennials, iGeneration, Google Generation and the Cynical Generation (Neuborne, 1999; Hodgson, n.d.), those people born between 1977 and 1994 (Knight and Kim, 2007) are currently as young as 15 and as old as 30 this year. Gen Y is relatively large demographic group which acknowledged as new sizeable market and highly lucrative segment in most of the countries such as US who consists of approximately 63 million Gen Ys (Promar International, 2001). This generational group is ethnically more diverse than any previous generation and hence, displays high degree of acceptance and tolerance towards different cultures, lifestyle and behaviours (Promar International, 2001).

According to Euromonitor International (2009), the growth rate of employed population between 25 and 29 years-old improved by more than 62%. This generation has more graduates than previous generation and education attainment level in Malaysia is also parallel with annual disposable income, this implies that generation Y has more disposable income to spend. Due to increase job opportunities in Malaysia, many Gen Y who in their 20s have established themselves in urban areas. Around 36% of the labor force is below 29 aged – 3.9 million millennials (Wong, 2009). Further to that, most colleges and universities are located in metropolitan result in growing influx of students and contributing

positive impact on urbanization as well. This is one of the main catalysts which explain Gen Y exist in urban area as they have acquaintance with urban lifestyle during studying period and naturally establish career path at same spot. As more Gen Y enters into urban market with high disposable income, it remains a vital target for many industries even fashion apparel company to tackle this large group of consumers segment. Therefore it is essentially important to understand characteristic and attribute of this rising new breed.

1.1.3 Fashion Industry in Malaysia

Fashion industry in Malaysia is similar to other countries in the region; it is largely influenced by world fashion leader from western countries like Europe. Fashion retail scene is driven by branded clothing from both domestic and foreign brands. Firstly, the support in franchise program by Malaysian government resulted influx of international brands like Zara, Gap and Banana Republic into the fashion retail industry (Euromonitor International, 2007). As for domestic player, there are few established and huge capacity brands such as Padini, Bonia, British India and SODA. These local manufacturers quickly spot on the global trends and price them affordably and sell in mass quantity. Meanwhile, government's encouragement in one of the exclusive events, the Malaysia International Fashion Week (M-IFW); had directly increase opportunity of local designers boutiques to outshine internationally. (COSMOWORLDS, 2008) This event unfold local talent designers and it is accompanied by a series of program like fashion exhibition, designer's collection showcases and fashion award ceremony. Established Fashion Company recognizes branding as the crucial dynamic of future growth prospect (Euromonitor International, 2006). Therefore, these companies had invested extensive amount of budget into marketing and advertising activities to build up or enhance their brand image.

Government intervenes and stimulates consumer's consumptions too by encouraging all shopping retail specialists to participate in Malaysia Mega Sales Carnival which held 3 times per year. The increasing numbers of fashion activities in Malaysia have enhanced consumer awareness of new and emerging fashion trends. Domestic brands and labels have gained importance in domestic fashion market in the event that consumers are now affordable for higher quality goods and demand for apparel more than merely basic needs. Meanwhile, local brands face with stiff rivalry and direct compete with western brands as western fashion retailers are perceived to have better market positioning and take advantage of government policy in stimulating consumers. Western fashion players are view as experienced and reputable too; hence, their products condition already suits to preference of the growing segment. Domestic brand no doubt offers quality yet affordable garments, however, consumers in developing countries perceived western brands to be of prestige than domestic brands (Lee et al, 2008).

Consumers are exposed to higher possibility in contact with imported clothing as clothing market had become increasingly internationalized. Understanding of clothing purchase behavior is crucial. Effectively captured and utilize information such as how Gen Y Malaysian evaluates fashion and perception towards imported clothing, effectiveness of different advertisement messages, clothing supply and average price point in market segments will help to boost sales in the presupposition of relating these to consumer's tendencies and needs. Generation theorists recommend that the changes in the macro-environment have revolutionized patterns of consumer behavior (Bakewell and Mitchell, 2003). There is transformation expenditure patterns of Malaysian consumers in respect of purchasing clothing, especially consumers in their 20s, a new breed of customers who with high disposable income and are not afraid to spend (Euromonitor International, 2007).

1.2 Problem Definition

Malaysia clothing sector witness a volume growth of 11.6% and value growth of 10.0% in 2006 (Euromonitor International, 2007), this sector is forecasted with continually growth in the following years. Gen Y in Malaysia is the biggest customer segment with unprecedented purchasing power whom willing to spend on clothing. One of the most targeted customer for fashion retailer as well.

In the recent years, we have witnessed the increasingly invasion of brands from developed countries or western countries. In the highly stringent competitive world, these retailers must understand consumer's diverse perspectives towards western brands. Despite this, the topic of Gen Y Malaysian fashion appears to be under researched as there have been very few academic studies foothold in this area. Malaysian Gen Y purchase behavior towards clothing or guidelines to marketers and retailers regarding how this group make choices are basically absent. This is not only applicable to foreign players who intend to expand its influences into this region; domestic fashion retailers are facing equal challenge in acquiring intellectual regarding Gen Y consumers fashion tendencies in Malaysia in order to develop a successful marketing strategy.

1.3 Research Questions

1. What is the behavior of Gen Y Malaysian towards clothing?
2. What are the factors that lead Generation Y purchase western brands apparel?

1.4 Research Objectives

- i. To study behavior of Generation Y Malaysian towards clothing

- ii. To find out factors influence Generation Y Malaysian purchase intention towards western brands apparel
- iii. To investigate influences of advertisement towards Generation Y Malaysian

1.5 Significance of the Study

The best business model is not variation of product line they able to offer but selling product that is most wanted by customers. Thus, the key to success for fashion retailer is to produce garments that meet the changes accordance to market trend or exit from the fashion scene. Changes in customers' taste and preference are very common and these traits will eventually form a common consumer behavior for a particular customer segment. Fashion retailers must always be sensitive and spontaneous to the changes of market trend. This study is therefore being established based on the constantly changing fashion trend philosophy to provide valuable information to fashion retailers, especially those who targeted on Gen Y. There and then, this study facilitates business decision and allows fashion company to distinguish its targeted market's preference thereby avoid launching unwanted items by market which possibly dampen stock turn and liquidity of business operation.

As international fashion groups operate business varies from country to country, cultural differences emerge and it often obstructs success of international trade, especially when there is lack of understanding of why targeted customers make their choice on western brands over local brands. This research also helps to improve understanding of western fashion retailers. In addition, there are numerous of close substitution products flooding the market because most retailers sell similar product and fall into direct competition. Cost of imitation is relatively low as technology advances and it is fairly easy to replicate other's best selling items. The only way to differentiate is through branding. In that

respect, retailers have heavily invested in advertising campaign to develop their brand image in order to target brand-conscious Gen Y. This study may lead to better implementation of advertising strategies of fashion retailers since it will demonstrate the most effective ways to communicate and influence Gen Y. To summarize, it provides ways for fashion retailers to maximize the bottom-line or economic welfare in terms of marketing activities.

1.6 Research Assumptions

This research will focus on both genders; female and male. Questionnaire will be distributed in shopping complexes located in Klang Valley. This is because products sold within Klang Valley shopping complexes are widely range from western to domestic brands and luxury to budget brands. Therefore, respondents from these areas are assumed to purchase local and western brands apparel before.

1.7 Research Limitations

There are few limitations of this study. The sample size obtained is relatively small; information collected might be inadequate due to short period of time in developing a research project within 12 weeks. In addition, selection bias might happen in convenience sampling because this sampling procedure of obtaining respondents is based on most convenience available. Researchers tend to find people who are easily found and willing to fill in the questionnaires only. As for structured questions, researchers might forget to include some responses. Thus, respondents will have no choice but to choose the closest answer which may affect the accuracy of the research. However, these limitations are just to notify readers about the validity of the study results, not to vilify the reliability of the project

Chapter 2

Literature Review

This study is specifically designed to delve 3 aspect of Gen Y Malaysian. This section consists of behavior of Gen Y Malaysian's towards clothing, factors influencing Gen Y Malaysian' purchase intension towards western brand apparels and influential advertisement towards Gen Y respectively.

2.1 Gen Y Malaysian's Behavior towards Clothing

"They've got the attitude, they've got the ambition, they have got the BlackBerry in one hand and the half-café mocha latte in the other. Welcome to the world of Generation Y" (Richie Hodgson, 2007).

Each generation speaks differently from predecessor; this is well witnessed in the society where Gen X speaks differently than Boomers and Gen Y apparently speaks differently than Gen X. Gen Y is the most media tormented and technological savvy generation (Meskauskas, 2003) because they are the first generation to grow up with a range of technologies, such as personal computers and the internet (Collins, 2008). The emergence of internet has enable Gen Y in eastern countries like Malaysia to contact more with western media program that promote leisure, lifestyle, values, morals and belief system which are completely foreign and may resonate with the Malaysian cultural values (Tamam et al, 2008). The exposure to the mass media propaganda has not only broadened audience's horizons and perspective towards the world, it further post certain degree of influences towards the attitudes and behaviours of individuals. From there, Gen Y has developed a new personality and attitude towards buying fashionable apparels, and these varying attitudes influence the items that they prefer to buy (Dias, 2003).