



**INTI**

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**MASTER OF BUSINESS ADMINISTRATION**

**CHINESE BUYING ATTITUDE TOWARDS FUNERAL  
SERVICES IN SABAH.**

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## Abstract

The core objective of this study is to survey on the present state of buyers buying attitude of funeral development implementation in the state of Sabah, East Malaysia. The common development is elaborate in the literature support that buying attitudes are one of the foremost phases of the growth of an organization to put up with a competitive advantage in the business surrounded by the rivals. The distribution of the funeral business in Sabah had shown that the funeral business constructs the economic framework of the state.

It can be found out that most of the respondents had the knowledge about the funeral service before their decision to purchase it. From the study, it was found that perception and understanding of customers in the funeral service development significantly influence the preferences of funeral services or the intention to pursue innovation to the development in funeral services. On the other hand, it was shown that buying preference shows a significant character of buying attitude of customers that involves in the development activities among funeral business. Besides, the positive business environment that is inclined towards buying preference and development also promotes and encourage the necessary developmental initiatives.

The conception that's supports development of funeral service business being one of the most important functions in an organization to ensure sustainability and gain competitiveness in a rapidly changing business environment had been widely accepted. The findings show the importance of understanding of the current state of buyers' attitude toward funeral services in the state of Sabah. Recommendations and options are suggested for further research to researchers interested in the same field as well as to organizations for further improvement of strategies and development of the organizations in the market.

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Ching Sam Sam

28<sup>th</sup> April 2014

### Declaration

I hereby declare that this thesis is my own work and effort and that it has not been submitted anywhere for any award. Where other sources of information have been used and presented is the result of input or data from a related collaborative research programme, they have been duly acknowledged. Moreover, I took reasonable care to ensure that the work is original, and to the best of my knowledge, does not breach copyright law, and has not been taken from other sources except where such work has been cited and acknowledged within the text.

Name: Ching Sam Sam

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Date: 28<sup>th</sup> April 2014

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## List of Abbreviations

TRA	- Theory of Reasoned Action
TPB	- Theory of Planned Behaviour
SK	- Service Knowledge
PR	- Perceived Risk
VC	- Value Consciousness
SN	- Subjective Norms
ATB	- Attitude on Burial
ATC	- Attitude on Cremation
SPSS	- Statistical Package for Social Science

## CHAPTER I – Introduction

### 1.0 Chapter overview

This chapter introduces the introduction of this research issue on the Chinese buying attitude towards funeral services in the state of Sabah, Malaysia. This study will identify the factors which influence the buying attitude of the funeral services of burial plots and cremation. This chapter begins with a background of research in section 1.1 and leading to the problem statement in section 1.2. Then it is followed by the research objectives and research question in section 1.3. Consequently, the significance and limitations of this research are covered in section 1.4 and 1.5. The scope of study and operational definitions are explained in section 1.6 and 1.7. Lastly, this chapter finishes with the outline of the present study in section 1.8.

### 1.1 Background

The second largest state of Sabah of the country is well-known in place of the "Land Below The Wind" that has the population about 3 million as shown in figure 1.1 in appendix 1.0. The population is majority made up by the natives of Sabah for the percentage greater than 30%, followed by Chinese 9.10%, Malay 5.70% and remaining minority of ethnic groups as shown in figure 1.2 in appendix 2.0 (Census, 2010). Sabah is the state of land which is rich in natural resources and with the GDP per capita ranked after the state of Selangor. Currently at Sabah, the religion of the people at the second and third largest by population is Christian and Buddhist after which the Muslim consists of 26.6% and 6.1% respectively. Besides, this research is mainly focusing on the Chinese religion of Buddhist and Christian of funeral business development. Based on the current death rate as shown in figure 1.3 in appendix 3.0, it is where Malaysia had achieved by 1.8 of deaths over the 1000 populations of Sabahan in the year of 2012. Additionally, the average of life expectancy at birth is about 75.2 years for male and 78.4 years of female (Statistic.gov.my, 2012).

However, besides being one of the states which is rich in natural resources, it is actually one of the poorest state since the average income of the populations towards the higher price of goods or services applied in the state. Thus, the income level is lower compared to the higher living cost of state to the Peninsular Malaysia. In arrears to a shift in cost to the goods and services, this would eventually cause the people to involve in the higher debt ultimately. Due to that reason, the lower income level could essentially lead to the buying pattern to the goods and services to be fluctuated in lower cost basis.

It is being recognized that the one of the main purchase of matters that a person pays for their life after a house and a car is the funeral service. Based on the China Culture Organization (2013) stated that, the Chinese tradition funeral and beliefs that the funeral of the deceased is a matter taken very seriously in a culture where the inappropriate manner of service arrangements will cause unfriendly fortune and disaster taking place in the family. Many people used to consider the "funeral" just as an entire process which includes the normal activities of funeral service, burial service and also the reception subsequently (clintonfuneralservice, nd). In reality, it consists of two major characteristics to care for the loved ones and which are performed for two different purposes.

- Firstly, it is related to the *care of your loved one*. This task is normally completed by the funeral parlour which involves the transfer of the deceased from the place of passing away, get ready of the body, organize the funeral service and also deliver the body to the last resting place (funeralhomesguide.com,nd).
- Secondly, it relates to *a method and the location of the loved one is finally placed to rest*. This task is to manage by a cemetery, which will arrange for perpetual care for the deceased, whereby the family of the deceased will be given options, whether to choose the option to bury, entombed or positioned in columbarium within the cemetery (funeralhomesguide.com,nd).

The decision in the form of disposition is upon the personal preference for the form to the deceased to be laid to rest. It can be driven by the influence of culture or even religion, a particular environmental preference, or just a purpose that they are comfortable with. Normally, there are three main selections of burial from the people such as the traditional casket burial, cremation and also sea burial. The casket burial involves the process of placing and lowering the casket into the ground and covered it with soil. On the other hand, cremation is the method of exposing the body to the particular level of high temperatures until it becomes entirely carbonated. However, the sea burial is not recommended to the people because it requires appropriate requirements or permits since it has to be taking place at least 3 nautical miles from land and 600 feet deep in water (epa.gov, nd). The whole process requires essential dealings with the purpose of ensuring the remains could be able to sink permanently to the bottom in a short period of time (ashesonthesea.com, 2011).

However, the Business Plan International of Data Centre (2012) stated that in this funeral service and also the crematories of the industry in Malaysia actually reported that achievement of revenue of roughly \$49.1 billion in the year of 2012 with the expected of growth rate of roughly 5.5%

In addition, according to The Global Expat Network Malaysia (2012) stated that there is an unavailability of specific regulations that are generally governed to the funerals events no matter for the local Malaysian or any foreigners. Besides, there is also no time frame being fixed for conducting funeral events in line with the multiracial nature of the country with lots diverse beliefs and also customs. Since the culture is varied and the religious practices have always been respected, therefore the decision of choosing the appropriate place to hold the funeral event depends on the decision of the deceased family. Places such as the public or municipal funeral parlour, the church for Christian, Chinese temple, own home and some other community halls are up to their own preferences. However, for any foreign person who owned a 'Malaysia as My Second Home' programme (MM2H) visa are allowed to be buried in any of the cemetery in Malaysia



## 1.2 Problem Statement

The consumers will face one of the biggest challenges of task when a loved one passed away, this will lead to the grieving family and friends are frequently confronted with lots of decision-making about the funeral activities to be undertaken (Oregon.gov, 2006). Besides handling the emotional state of unhappiness and loss, the grieving family was under a great emotional pressure in an already difficult time, whereby in that short period of time lots of essential judgments that is essential to be prepared.

The family members will need to honour the desires of the deceased, nevertheless the family members will try their utmost capability to fulfil and achieve them. Consequently, there will be many questions that will come to the family members' mind while in the decision-making process. For instance, what kind of funeral should it be? Whether to bury or cremate the body? What additional arrangements should be planned? Besides, these questions may sound like unsympathetic, but then the family members need to estimate how much does the whole thing is going to cost and whether they could afford to pay that large sum of money to the undertaker (Peopleslawyer.net, nd).

Even though the majority of the people are uncomfortable to be thinking of anything negative which will take place at the end of their lifetime, however preplanning of the funeral service in advance is essential in place of getting ready designed for one further essential incident in life (Oregon.gov, 2006). The preplanning of the funeral or memorial service is something that is important not only for own purpose, but can also do it for the family and friends as well. Since the preplanning is able to benefit as well as to reduce the stress on the loved ones or else the family members will need to make tough choices on a period while they might not stand at their best to organize it.

There are several important challenges to pre-plan the funeral service as the threat is coming from unlikely sources of their own customers. Firstly, the financial service of the price of funerals and memorial service can be expensive. There are a lot of choices about the services and buying activities that possibly

will have to be prepared throughout a period of great emotional pressure. Deciding on these choices beforehand will allow for more careful consideration of every available selections and which might possibly generate in lower expenses. The making known of the desires earlier will able to lessen the decisions that the family members that need to decide and hence this will benefit to reduce the stressful moment at a time of loss (livestrong.org, nd). Thirdly, there are also the personal wishes of concern from the family members. It is one of the respects to the deceased about the preference to the funeral or funeral service to be carried out.

In addition, another important challenge in concern for arranging a funeral pre-need service as involved the decision of the body of deceased will choose to be buried, entombed or being scattered in the cemetery. While in the short period in the middle of the passing away and funeral of the deceased, there are a lot of family members who rush to purchase a cemetery plot or grave. Somehow, it is frequently happening for the consumers who are lacking in proper understanding or rather a particular visit to the cemetery before they purchase it (peopleslawyer.net, nd). Thus, there is always the reason that the family's best concern to purchase of cemetery plots in advance as they needed it in order to be clear and understandable with the services.

The consumers may possibly hope to make decisions about the preparations in advance, however, not to pay for them in advance. They need to be aware that the prices of the funeral services just similar to the other products selling in the market may go up over time and businesses may close or change ownership. Since the yearly inflation rate in Malaysia has recorded as 3.2% in the year of 2012 (Tradingeconomics.com, nd). The lower income level in Sabah will be affected and eventually involves with higher living cost and the unemployment rate achieved at the level of 4.9% in the year 2008 (Yearbook of Statistic Sabah, 2008). Sabah's poverty level is recorded at 19.7% as compared to the national poverty rate at 3.8% in 2010 (Malaysia Factbook, 2010). Therefore, the people of Sabah will have the higher risk of involving to the higher outstanding of debts. After the hospital and also the doctor consultation