

AN EXAMINATION INTO MALAYSIAN CONSUMER NATIONALISM AS A POTENTIAL SOCIO-CULTURAL ENVIRONMENT FACTOR IN AFFECTING AUTOMOTIVE GREEN TECHNOLOGY PURCHASE INTENTION IN MALAYSIA.

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ABSTRACT

This study seeks to understand consumer nationalism as a major potential contributing socio-cultural environmental factor in affecting green technology automotive purchase intention in Malaysia. The focus will be Malaysian consumers' willingness to buy foreign products specifically green technology cars over local cars without green technology. Presently, Malaysian car companies have not given emphasis on green technology cars. And as such, there will be no comparison on purchase between local and foreign green technology cars. Malaysian car manufacturers have been relying on imported auto engineering technology. The assumption here is that Malaysian consumers actually rely on the label of 'national cars' to satisfy their spirit of nationalism. Therefore the issue of nationalism among car buyers in Malaysia is still questionable. Hence, the result of this study is expected to give a significant contribution to the body of knowledge theroretically and practically. The main purpose of this study is to debate on whether Malaysian consumers are willing to sacrifice their spirit of environmentalism and purchase local non-green technology cars or remain loyal to their love for nature and purchase foreign green technology cars. The first part of this paper will introduce Malaysian consumer nationalism as a major socio-cultural environment factor. The second part will elaborate on the objectives of study and statement of research questions. The third part will present the literature review and proposed framework on how consumer nationalism will affect green technology purchase intention. The fourth part will be the proposed methodology and this paper will end with a conclusion.

Keywords: Consumer nationalism , consumer ethnocentrism, automotive green technology, country-of-assembly, purchase intention.

INTRODUCTION

This paper is a study about an examination into the Malaysian consumer nationalism as a potential socio-cultural environment factor in affecting automotive green technology purchase intention in Malaysia. In addition, country-of-assembly will be included as a mediator to further strengthen the body of knowledge.

BACKGROUND OF STUDY

The green lifestyle is developing rapidly among Malaysians nowadays. They are starting to realize the importance of a healthier lifestyle that will increase productivity of life. The Malaysian government and non-governmental organisation has been working hand-in-hand in taking positive actions to promote greener lifestyle. For example, the government has been working with the World Wide Fund for Nature (WWF) to implement the world wide Earth Hour event annually to encourage energy-saving among households and businesses (Lai, 2013). In support of Earth hour, people are encouraged to turn off their non-essential lights for an hour to raise awareness about the need to act on climate change. There are many other green campaigns that have been made to raise awareness on practicing a greener lifestyle. The government play a significant role in spreading influence towards green living.

Presently, the government is taking advantage by using green approach to boost national economy as well as to promote sustainable development. Green technology is growing rapidly worldwide in terms of research and development as well as business opportunities. The increasing environmental and health problems provide more reasons for the need for continuous green technology innovation. The government had set four pillars to accelerate the national economy which include energy efficiency and independence, environment conservation, economic enhancement, and social quality improvement (Bernama, 2012). This shows the commitment from the government to improve Malaysians quality of life as well as towards creating a better nation.

This study will look into the automotive green technology purchase intention in Malaysia. The rising cost of fuel has create more interest towards purchasing green technology cars. Green vehicles are more fuel-efficient, cost-saving and environmental friendly. Unfortunately, Malaysia's national carmakers which are Proton Holdings Bhd and Perusahaan Otomobil Kedua Sdn Bhd (Perodua) have not yet produced green technology cars. However, the government have taken initiatives to

invest in green technology research and development to urge Malaysian carmakers to start commercializing energy-efficient vehicles. Furthermore, the International Trade and Industry Ministry (MITI) secretary-general Datuk Dr Rebecca Fatima Sta Maria voiced out that Malaysian carmakers should grab this opportunity to further enhance their sustainability since the rate of car ownership is rising (Ramanathan, 2013). In addition, there are also rising demands for green technology cars in particular.

The element of socio-cultural environment is significant in affecting green purchasing in Malaysia. A previous study found that the most powerful influence towards green purchase intention in Malaysia is the government initiatives. This is followed by environmental knowledge, peer pressure and environmental attitude (Mei, Ling, & Piew, 2012). Hence, it is clear that the influences are the result of good conscience which is nurtured with positive socio-cultural background. This paper will narrow down into studying Malaysian consumer nationalism and consumer ethnocentrism as potential socio-cultural environment factors in affecting automotive green technology purchase intention in Malaysia. Furthermore, since Malaysia have not yet produced green technology cars, this study will also include country-of-assembly as a mediator. This is because, an examination will be done to find out Malaysian consumers willingness to buy foreign green technology cars instead of local non-green technology cars.

OBJECTIVE OF STUDY

Main objective

To debate on whether Malaysian consumers are willing to sacrifice their spirit of environmentalism and buy local non-green technology cars or stick to their love for nature and buy foreign green technology cars.

Specific objectives

- i) To find out the Malaysian consumers willingness to buy foreign green technology cars instead of local non-green technology cars.
- ii) To investigate how Malaysian consumer nationalism affects green technology cars purchase intention in Malaysia with consideration of country-of-assembly as a mediator.
- iii) To investigate how Malaysian consumer ethnocentrism affects green technology cars purchase intention in Malaysia with consideration of country-of-assembly as a mediator.
- iv) To study the extent to which, country of assembly mediate the relationship between Malaysian consumer nationalism and consumers purchase intention of green technology cars.
- v) To study the extent to which, country of assembly mediate the relationship between Malaysian consumer ethnocentrism and consumers purchase intention of green technology cars.

RESEARCH QUESTIONS

- i) What are the factors that influence the spirit of nationalism among Malaysian consumers?
- ii) What are the factors that influence Malaysian consumer ethnocentrism?
- iii) What are the factors that influence Malaysian consumers willingness to buy local non-green technology cars?
- iv) What are the factors that influence the Malaysian consumers purchase intention to buy foreign green technology cars?
- v) Does country-of-assembly mediate the relationship between Malaysian consumer nationalism and green cars purchase intention?
- vi) Does country-of-assembly mediate the relationship between Malaysian consumer ethnocentrism and green cars purchase intention?

LITERATURE REVIEW

This study will focus on purchase intention of green technology cars from different countries in the world. However, this study will narrow down into finding out about the purchase intention of Malaysian consumers who purchase green technology cars from car companies of different parts of the world. Purchase intention is important to attract consumers to make a positive purchase decision. A good green product branding and advertising strategy can produce positive green purchase intention (Hartmann & Apaolaza-Ibáñez, 2012). This is because, good branding can affect the consumers psychologically and emotionally so that they will have purchase intention at heart. A good advertising strategy will promote green attitude thus making consumers become more concern for the environment. Moreover, a study in Taiwan revealed that consumption attitude

is important in developing a green mind (Chen, Chen, Chen, & Hsieh, 2012). Taiwan government had been promoting electronic motorcycle to avoid congested traffic, thus reducing pollution. The study showed that perceived value is significantly related to purchase intention. This also proves that government should take initiatives in promoting a green behaviour and attitudes as well as green purchasing culture.

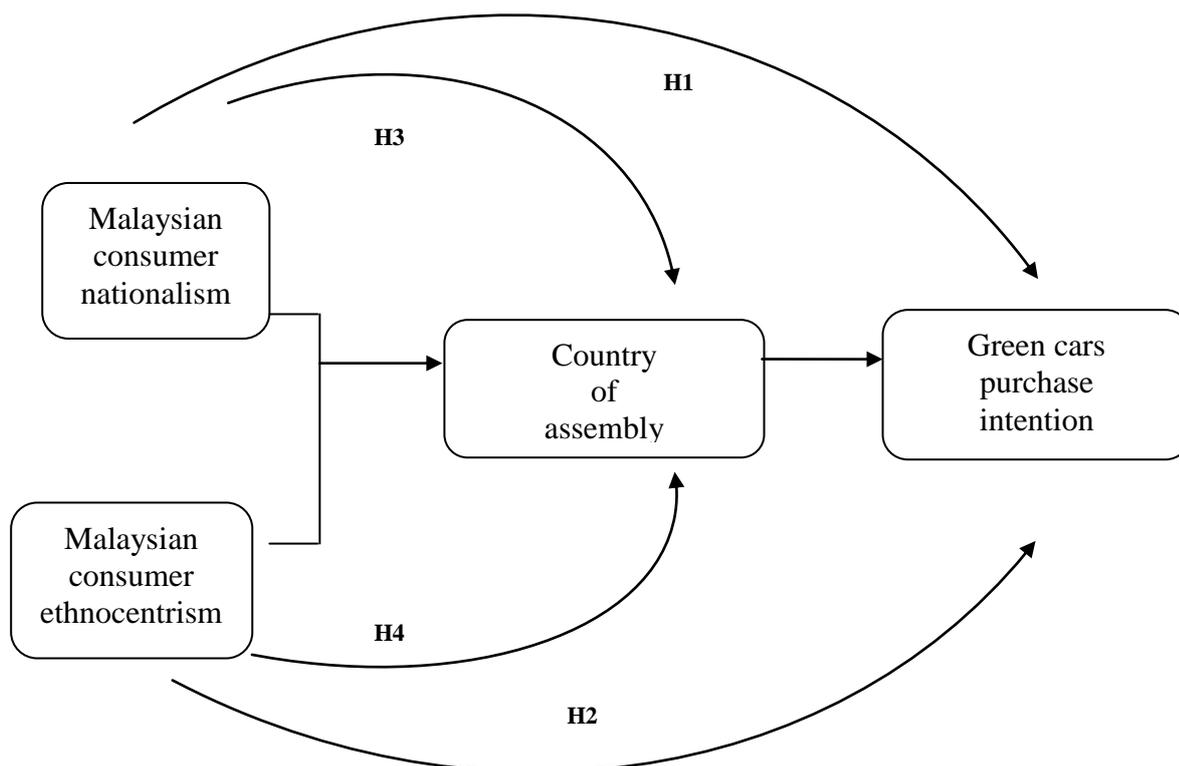
Aside from positive green socio-cultural values, behaviours, and attitudes, the Malaysian purchasing power also play a big role towards a greener lifestyle. This means that affordability is important to successfully attract Malaysian consumers to willingly purchase green products particularly green technology cars. Malaysia being a developing country prioritizes value-for-money. Malaysian consumers desire quality as well as affordability. Transport Minister, Datuk Seri Kong Cho Ha mentioned at the launch of the Star Motoring Carnival back in 2012 that the rising car sales even among young urban Malaysians have proven that Malaysia's economy, buying power and status in the international automotive industry are growing (Cheng & Yeoh, 2012). Looking at the green technology cars perspective, the government has taken initiatives to promote green technology local cars commercialisation since Malaysia has not yet produced green cars. Recently, the Green Technology Financing Scheme (GTFS) have been supporting many projects that generates green investment. The successful efforts of the GTFS has prompt the Government to give an additional RM 2 billion and extended its availability to 2015 (Bernama, 2013). This fact shows increased chances for more intention and willingness to buy green technology cars. Furthermore, under the National Automotive Policy, the government had already promised incentives such as tax exemption including income tax exemption. With good government incentives as well as high purchasing power, it is expected that there will be higher chances for Malaysian consumers to have higher purchase intention towards buying green technology cars.

This study includes consumer nationalism as an independent variable. Nationalism is a political ideology that represents identification of societies in a nation (Motyl, 2001). A society's political ideology will reflect their national identity and culture. It is expected that if the national economic policy promotes green living, the people of that nation will experience subjective well-being which means they feel positive emotions and satisfied towards green living. Thus, this will culture them to have green attitude in making purchase decision which will affect their health and lifestyle (National Cheng, 2012). A true nationalist would have a sense of ownership and responsibility towards the future generation as well as the socio-cultural values of their ancestors. Therefore, an environmentally conscious nationalism might be an ideological basis for environment protection and reduce pollutions (Hamilton & Catharines, 2002). Green nationalism can be a good platform in a struggle to protect mother earth. This is why consumer nationalism is expected to affect green car purchase intention.

Moreover, this study also includes another independent variable which is consumer ethnocentrism. Consumer ethnocentrism is another factor that is believed to affect Malaysian green car purchase intention. There is a fine line between consumer nationalism and consumer ethnocentrism. They both prefer to purchase local products. The only difference is that nationalistic consumers are more focused on supporting buying local products for the purpose of strengthening and sustaining national identity without any belief in the superiority of one ethnicity over others. Purchasing and consuming local products is viewed as a political statement (Gerth, 2011). Whereas ethnocentric consumers have the mentality that their own kind is superior than others. Ethnocentric consumers also believe that buying foreign product is wrong because it will hurt the economy (Verlegh, 2013). In addition, purchasing foreign products are even considered a betrayal of their own country economically in particular. Ethnocentric consumers view their group based on superiority and dominance. This paper will include a study on how strong the desires of nationalistic as well as ethnocentric consumers to buy local non-green cars instead of foreign green cars. Furthermore, this study is also seeks to find out whether consumers spirit of environmentalism is stronger than their spirit of nationalism as well as ethnocentrism. This study expects that consumers who are neither nationalistic nor ethnocentric will tend to focus on buying products based on quality in every aspect regardless the country-of-origin.

Since there are no comparison between local green cars and foreign green cars because Malaysia have not yet produced green cars, this study will further explore the mediating variable which is the country-of-assembly. This is because, according to a previous study, country-of-assembly is proven to affect perceived quality as well as perceived image (Seidenfuss, Kathawala, & Dinnie, 2010). However, the main advantage expected from using country-of-assembly as a mediator is the fact that foreign cars assembled in Malaysia or any country from the ASEAN Free Trade Agreement (AFTA), will receive tax exemption.

THEORETICAL FRAMEWORK



This framework shows that the independent variables are the Malaysian consumer nationalism and consumer ethnocentrism. This study will explore the relationship between both independent variables and the consumer purchase intention of green technology cars which will be the dependent variable for this study. Furthermore, this study will also include country-of-assembly as a mediator since there will be no comparison between local and foreign green technology cars purchase intention solely because Malaysia has not yet produced any green technology cars.

HYPOTHESIS DEVELOPMENT

H1: Malaysian consumer nationalism has a positive relationship with consumers' green cars purchase intention.

H2: Malaysian consumer ethnocentrism has a positive relationship with consumers' green cars purchase intention.

H3: Country-of-assembly mediates the relationship between Malaysian consumer nationalism and consumers' green cars purchase intention.

H4: Country-of-assembly mediates the relationship between Malaysian consumer ethnocentrism and consumers' green cars purchase intention.

These hypotheses were developed to accommodate with the objectives and the research questions that were developed earlier. Later on, the data analysis along with the discussion of results must match with the research objectives and research questions. The verdict of hypothesis testing will also be revealed during data analysis.

METHODOLOGY

i) Research Design

This study employs correlational research. The nature of this research uses hypotheses to find significance in the relationships among variables whether they are in a positive or negative direction. This study is a field study because data will be collected in a non-controlled setting or in the natural environment that does not involve any manipulation of the variables.

The extent of researcher involvement will be minimal because the data will be collected through self-administered approach. Upon the distribution of questionnaires, researcher will explain the context and purpose of the questionnaire in relation of the study to respondents. The unit of analysis in this study is the Malaysian consumers that are interested in green technology automobiles. The data will be gathered from consumers focusing on vehicle owners in Malaysia. This research is cross-sectional because the data will be collected only at one point at a time.

ii) Sample and Procedure

This study takes into account the consideration of time and cost constraint. Therefore, a sample will be used instead of census. The automobile industry in Malaysia consists of more foreign companies such as Toyota, Honda, and Hyundai, than local companies which only include Perodua and Proton. The automobile users are abundant in Malaysia given the fact that Malaysians take pride in owning a vehicle. The wide sampling frame allows the use of non-probability sampling technique for this study. A judgemental sampling method was adopted as the respondents were selected based on the judgement of the researcher. The criteria of judgement are based on the key demographic factors that will contribute towards the characteristics of Malaysian consumers who prefer foreign green technology cars as well as the ones who prefer local non-green technology cars. These factors are such as income level, age, gender, and education level. This method is low cost, convenient and fast. However, the nature of this method is subjective and cannot be generalized as a whole.

The target population for this study is automobile consumers or car owners all over Malaysia. According to the Department of Statistics Malaysia, the latest population data that was recorded was in 2011 with 28.9 million people. The Malaysian population includes many ethnic groups. The Malays hold the highest percentage of 50.1 percent of total population. This is followed by the Chinese holding 22.5 percent, other Bumiputeras holding 11.7 percent, Non-Malaysian citizens holding 8.1 percent, the Indians holding 6.7 percent, and other ethnic groups holding 0.8 percent. The increasing urbanisation in Malaysia contributes towards the rising car ownership.

For the purpose of this study, data will be collected in peninsular Malaysia only particularly in selected major cities. In addition, the peninsular Malaysia alone consists of some 20 million residents whereas in East Malaysia is significantly less populated. Moreover, major cities will be selected, because they have higher density of car owners due to the advanced urbanizations. Furthermore, it is expected that people in major cities are more likely to own imported cars. Due to time constraints, no representative sample will be taken.

The major cities in Malaysia targeted for the purpose of this study are Kuala Lumpur (capital), Penang, Kota Bharu and Johor Bahru. These major cities are chosen because firstly, Kuala Lumpur is the capital city of Malaysia and also the most populous city in Malaysia with a population estimate of 1.6 million as of 2010 as stated by the Department of Statistics, Malaysia. The second most populous city to be used in this study is Penang with a total population of 1.5 million. This city is dominated by the non-malays particularly Chinese people. This is followed by Johor Bahru with total population of 1.3 million. Last but not least will be Kota Bharu holding a total population of 491,237. Kota Bharu is chosen mainly because it is Malay densely populated. The areas for questionnaire distribution will be selected from these cities. Areas will be selected based on the density of car owners from major cities such as service centers including Urban Transformation Centre (UTC) and banks, offices, famous shopping malls, and car showrooms.

The nature of this study does not require sampling frame simply because the probability of selection cannot be accurately determined. This means that there is the element of judgement, there is no way of knowing the probability of selecting a given unit of the population. In other words, there is no chance of selection. Sampling involves selection of elements based on assumptions regarding the population of interest, which forms the criteria for selection. Hence, because the selection of elements is non-random, non-probability sampling does not allow estimation of sampling errors. The sampling size will be determined by using the rule of thumb. The response rate is expected to be 20%. Therefore, about 4250 questionnaires will be distributed because the target respondents for this study is 850. The distribution of the questionnaires will be divided among the four major cities selected. Target respondents for Kuala Lumpur, Penang, and Johor Bahru will be 250 respectively since these cities are highly populated. Whereas a smaller target respondents is chosen for less populated city of Kota Bharu with only 100 respondents. This study will use Structural Equation Modeling and the statistical tool that will be used is Analysis of Moment Structures (AMOS).

SIGNIFICANCE OF STUDY

This study is significant because there has been limited studies regarding the relationship between consumer nationalism and green cars purchase intention particularly in Malaysia. This study will find out the Malaysian consumers willingness to buy foreign green technology cars instead of local non-green technology cars. Since Malaysia have not yet produced green technology cars, the result of this study can be used as a platform to encourage local carmakers to start investing in green technology innovation and start producing and commercializing local green technology cars. Even better, the government has invested billions of ringgit as an opportunity for them to start inventing new green technology cars.

There are many studies about the relationship between consumer ethnocentrism and green product purchase intention. However, there are limited studies done particularly on green cars purchase intention in Malaysia. This study also further explores about the fine lines between consumer nationalism and consumer ethnocentrism so that researchers and business practitioners could differentiate between the two and make use of them to improve the area of marketing research.

There are many studies about country-of-origin but there are limited studies specifically relating to country-of-assembly as a mediator between consumer nationalism and purchase intention. This will give the opportunity for policy makers to construct the best policy that will include governments incentives that will give advantage to Malaysian consumers as well as

consumers from Asean countries involved in the AFTA. Furthermore, this study is also expected to attract other researchers in the future to further explore the relationship between consumer nationalism and green cars purchase intention once Malaysia starts producing green cars.

CONCLUSION

In a nut shell, this study is expected to be beneficial for consumers, the government, policy makers, as well as researchers. The previous studies as well as the government incentives and encouragements have presented many opportunities to local carmakers to start investing as well as inventing new green technology particularly in the automobile industry. Malaysia should have its own signature green technology cars that can be at par with foreign green technology cars. Malaysian researchers should use this opportunity to showcase their innovative yet brilliant ideas to contribute towards boosting the sales of local cars. Furthermore, this study is expected to provide a clearer picture about the fine lines between consumer ethnocentrism and consumer nationalism. This study is also expected to evoke a stronger spirit of nationalism as well as environmentalism particularly in the area of consumerism.

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