

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

This chapter presents the conclusions of the study. A summary and discussion on the results of the findings are presented. Implications of the study are also discussed. Finally, areas of possible future research are recommended.

#### **Discussion of Research Results**

The main purpose of this study is to examine the nature of money attitude among urban Malaysian consumers and its influence on compulsive buying. In addition, comparisons between gender and ethnicity with respect to their attitude towards money were investigated. An attempt was also made to identify the prevalence of compulsive buying in the "normal" urban consumers and in gender groups. Primary data was obtained using the survey method from a convenient sample of 270 urban consumers mainly located in Petaling Jaya and Kuala Lumpur. The respondents comprised of urban consumers who were either self-employed or employed in the private or public sectors. The survey instrument was a 51-item questionnaire comprising the Money Attitude Scale, the Compulsive Buying Scale and some demographic data. Within the limits of this study, the data collected and its analyses supported the following results and conclusions.

The analysis of the demographic profile revealed that most of the respondents were from the age group of 30 to 39 years old (48.1%), female (60.4%), Chinese (56.3%) and married with children (56.4%). The majority of the respondents were highly educated with a basic degree (57.4%), employed in professional jobs (33.7%) and earned a monthly income between RM2001 to RM4000 (45.6%).

Money plays a major role in consumer culture and has a significant impact on attitude, behaviour and performance of individuals. To some people, money acts as a form of control (buying relationships), others see it as a symbol of success or prestige, or as-a form of freedom or financial security. Thus in this study, factor analysis which was used to describe their attitudes toward money had identified six reliable money attitude dimensions namely Retention-Time, Quality, Power-Prestige, Distrust-Anxiety, Money-Conscious and, Altruistic dimensions.

The study revealed Retention-time factor of the modified MAS as the most significant money attitude dimension. This finding seems to support the view that urban Malaysian consumers possess future-oriented attitudes and they were concerned about their financial situation. This future-oriented time perspective would have a positive effect on one's attitude towards savings and spending. This implies that urban Malaysian consumers, as a group, do engage in long term money management behaviours, have a higher propensity to delay gratification and are more likely to plan for future acquisitions. Malaysians are generally well known for their high propensity to save. Gross National Savings rate was 39.5% of the Gross National Product in 2000 (The Edge 2001).

These findings may be further explained by the fact that the aftermath of the Asian currency crisis is still being felt today. Many people are left with less money and have not recovered. Another economic slowdown is anticipated and this has brought about greater financial uncertainties and a reduction in the number of opportunities to make money. Consumers are less optimistic about their financial position and employment opportunities. Since people have less freedom to use money lavishly, they will be more prudent in their use of money, using it only for meaningful purposes. These observations can be compared to findings on attitude towards money of Singaporeans and Thais, where they were more cautious with their use of money after the Asian currency crisis (Lee and Lim 2001). In line with previous findings and the negative prospects of the current economic situation in Malaysia, it is plausible that Malaysians, in general, would

place greater emphasis on the use and administration of money to prepare for the future.

The Quality money attitude dimension focus on individuals who have preferences towards purchasing high quality and branded products. It is not surprising this attitude has become a predominant behaviour among urban Malaysians. Urban Malaysian consumers like the Western counterparts are buying more of high quality products and becoming more receptive towards prestigious brands. They believed in buying the best and paying more to get high-quality, status products. This attitude is more apparent in urban consumers because their purchase decisions and consumption behaviour are constantly influenced by advertisements. Coupled with the exposure to influx of foreign made consumer goods in the numerous shopping malls, they have become quality and brand-conscious consumers. Findings on this Quality dimension were consistent with previous study (Gresham and Fontenot 1982). Among Malaysian teenagers, quality was cited as the main factor influencing their purchase decisions (Ong and Chan 1999). Consumer segmentation has identified this group of urban consumers as 'Modern Middles' living in Kuala Lumpur and its surrounding satellite towns, who are keen possessors of quality and prestigious goods (Euromonitor 1998).

The third dimension, Power-Prestige, the cognitive component of money attitude, reflects achievement, respect and power. Findings in this study seem to support the view that urban Malaysians do spend money in ways, which portray their status. To them, money is a symbol of success and reflects a high social status. A plausible explanation for this is the prosperity and affluence experienced especially by young urban Malaysians. They had grown up virtually during the high economic growth and prosperity over the last 20 years. The high social economic status and urban lifestyles could have contributed to the establishment of such consumer-oriented attitude. The majority of urban Malaysians are highly educated and have high earning capacities. To some, having accomplished financial victories in their jobs and businesses, they flaunt about their success and believe that money makes people respect you. Urban

socialisation process has been instrumental in inculcating the attitude that money is synonymous with high social status. This is manifested in the materialistic attitude in our urban society today. A study on household consumption pattern showed rising trend of accumulation of material goods to symbolise status among Malaysian households (Talib 1998).

Findings also suggest some urban Malaysian consumers do encounter distrust and anxiety when making purchases. This may be explained by the internal and cultural defensive mechanism that individuals deal with, when faced with uncertainties during their consumption activities in the marketplace. The anxiety could be exacerbated by the financial insecurity experienced by some individuals. This seems to imply that some urban Malaysian consumers may have experience compulsion to buy or spend. Behaviours tapping on distrust when shopping and anxious over money matters were similar across Western and Asian cultures. One possible reason for this could be due to the emergence of a worldwide consumer culture. People and culture in our expanding 'global village' are becoming more and more alike, even when it comes to their marketing and shopping customs and attitudes.

The modified MAS used in this study discovered three new dimensions i.e. the Money-Conscious, Self-Gratification and Altruistic dimensions. Self-Gratification was excluded from the analysis because of low reliability. In the Money-Conscious factor, respondents were found to worry about their financial insecurity as well as shopping for sales and bargains. By being bargain-conscious, it helps to overcome the feeling of inadequacy of not having enough money to spend. But shopping for bargain and sales is identified as a form of compulsive buying (Roberts and Sepulveda 1999). Thus, this contradicting behaviour merits further study into this occurrence.

Cultural background and religion play an important part in shaping an individual's attitude towards money (Goldberg and Lewis 1978). From the altruistic dimension, research results seem to imply that Malaysians in general are charitable and generous. This may be attributed to the strong cultural customs, traditions and religious beliefs held by various ethnic groups. Those

who are less prone to belief that money is evil, are more likely to engage in altruistic behaviours. This attitude can be compared to a psychographic study of urban Malaysians, which identified them as 'Caring Traditionalists' who are religious and traditional in outlook and placed high priority on family and community (Seow 1997).

The present study's results suggest that the MAS, originally developed in the United States, is fairly sound and reliable when applied across different cultures. Whilst the factor structures differed from that of the original MAS, some money attitude dimensions and factor loadings such as Retention-Time, Power-Prestige and Quality were identical. New dimensions that emerged include Money-Conscious, Self-Gratification and Altruistic dimensions. The differences may be attributed to the culture variations. Culture variations can influence the formation of money attitudes significantly (Medina et al.1996).

Ethnicity is likely to exert greater cultural impact on how each group views the meaning attached to money. On the comparison of ethnic differences on the six money attitude dimensions, the survey disclosed Retention-Time, Quality, Power-Prestige and Altruistic dimensions to be significant. Findings revealed that the Malays exhibited higher quality consciousness and demonstrated greater preference for prestigious brands than the Chinese. The Malays tended to view money as status symbol, admired more of others' material possessions and more likely to own things to impress others. This seems to suggest that urban Malays are more oriented towards money and they tended to equate the ownership of material things to success in life more strongly than urban Chinese. This is evidenced by the growth of the new Malay middle class who forms the core consumer group in the urban areas. Called the "*Bumiputra Strivers*", they massed in the metropolitan Kuala Lumpur area and the Klang Valley (Euromonitor 1998). They have been identified as a group of consumers looking for Malaysian products, open to foreign goods and ideas, keen to travel and acquire property. On the aspect of altruistic behaviours, the Malays were generally more generous than the Chinese. This can be explained by their strong

religious beliefs that part of their wealth should be contributed in the form of charitable donations or '*zakat*'.

As a whole, the Chinese were less money-oriented, less quality conscious and displayed weaker altruistic behaviour than the Malays. However, the Chinese were more preoccupied with financial retention and security. On the Retention-Time factor, mean score for the Chinese respondents was significant and marginally higher than the Malays. The Chinese respondents agreed that financial security was more important and were more cautious with their spending. The conclusion drawn here is that, a sense of financial well being seems to be the major concern of urban Chinese. This suggests that the Chinese are future-oriented i.e. emphasising on the financial preparation for the future. This is probably based on their perception of income adequacy that is pertinent for achieving their financial goals, such as saving for education and retirement. The risk-averse nature of the urban Malaysian Chinese might suggest their strong emphasis towards delaying present gratification and saving for the future. They see the need to be self-protective and risk-averse especially living in a plural Malaysian society. The strong Chinese traditions and family values of being thrifty and frugal, usually established fairly early in childhood and maintained in life, could also explain their stronger attitude towards retention of money when compared to Malays. Ong (1992) observed the risk-averse nature in product adoption and consumption innovativeness among the Malaysian Chinese. From their money behaviours, the Malays seem to be more present- and consumer-oriented while the Chinese were more future-oriented.

In terms of gender differences on the six money attitude dimensions, this study showed that there were significant differences only in the Quality and Power-Prestige dimensions. Malaysian urban males were found to be more quality conscious than urban females, preferring quality brands to boost their self-esteem and image. This is surprising and in contrast to expectations where females were thought to be more quality and brand conscious than males. This finding is consistent with past research by Ong and Sidik (1998), where males

were found to place more importance on brands and quality than their female counterparts.

Male respondents in the sample were found to be more oriented towards money and financial well being than female respondents. Men, by convention, held most of top job positions, are usually paid more than women. This might suggest why they are driven towards accomplishment and tended to equate their levels of achievement attained to money. In other words, money is equated to their self-worth. Hanley and Wilhelm's (1992) study showed that money reflects a symbolic ability to enhance an individual's self-esteem. This predominant behaviour found strongly in men may be linked to how men are socialized. They are geared more towards status seeking, seeking competitiveness, external recognition as well as acquisition of material goods. A study found Singaporean men more obsessed with money and equated material wealth with success in life more strongly than women did. (Tan et al. 2001). Overall, both Quality and Power-Prestige money attitude exhibited by men seem to compliment each other. Men appeared to be influenced by a higher degree of high status stimuli similar to quality stimuli.

Despite a small sample of compulsive buyers ( $n=23$ ) identified in this study, the incidence of compulsive buying behaviour among urban consumers will still be analysed, consistent in past research on compulsive buying estimates which use the same scale. Roberts (1998) identified 6% ( $n=18$ ) of compulsive buyers from a sample of 600 subjects; Faber and O'Guinn (1992) found 8.1% ( $n=22$ ) of compulsive buyers from a sample of 292 subjects and Magee identified 16% ( $n=15$ ) compulsive buyers from a sample of 95 subjects. The researcher would like to stress that the 8.5% ( $n=23$ ) of compulsive buyers in this study are merely preliminary estimates. This estimate could be greatly influenced by a relatively low sample size and response error, however it does suggest the potential importance in this area of research. Readers should bear in mind that the compulsive buying scale by Faber and O'Guinn (1992) measures the more extreme cases of compulsive buying behaviour. As with most studies on attitude and behaviour, this study encountered the limitation that some respondents

might be apprehensive and unwilling to reveal the true nature of their buying behaviour more so if it is a negative aspect of consumer behaviour such as compulsive buying. The conditions of compulsive buying usually do not reveal itself as it is habit-forming and many individuals may not be aware or recognised it as a disorder. However, the researcher is of the opinion that compulsive buying does exists among some urban Malaysian consumers. Contrary to a report by Faber (1992), that compulsive buying is unlikely common or would even exist in most developing countries is subject to dispute. Certainly, compulsive buying is not expected to occur in all cultures but as long as there is an opportunity to buy and where the opportunity to buy is not limited, there is the likelihood of compulsive buying. However, this finding merits more research into incidence of compulsive buying in the larger Malaysian population and on a longitudinal basis.

Consistent with past research, women exhibited more compulsive buying than men. Women are more likely to have been socialised to derive pleasure from shopping and are more enthusiastic about their shopping experiences than men. Thus an increase in opportunities to buy and exposure to products are likely to cause compulsive buying. It has also been stated that women are socialised to develop more passive and emotional ways of coping with anxiety, loneliness and depression. Compulsive buying is the seasonal balm to all these problems. Shopping has been ranked as one of main leisure activities of young, urban Malaysian adults (Othman and Ong 1993). Of course, these inferences will need to be justified by further research into the incidence of compulsive buying among a larger group of Malaysian urban females.

On the relationship between attitude towards money and non-compulsive buying, Retention-Time, Quality, Power-Prestige, Money-Conscious and Distrust-Anxiety factors showed significant relationships. However, only Retention-Time, Quality and Power-Prestige factors were significant predictors in the regression analysis. Within the group of non-compulsive buyers, positive correlation between Retention-Time and non-compulsive buying was observed. This factor also contributed significantly to explaining the overall relationship. Findings suggest that non-compulsive buying behaviour was associated with individuals



who have greater appetite to retain money, plan for their financial future and monitor their financial situation closely. This is in line with observations made on compulsive buyers who are less competent in handling their money and financial situations and often suffering from consumer debt arising from excessive use of credit card (Roberts 1998). From this, it can be concluded that careful budgeting, proper control on the use of money especially irrational use of credit card and increase in propensity to save for the future can prevent the likelihood of compulsive buying occurring.

The Power-Prestige dimension was negatively correlated to non-compulsive buying and this also had an important influence on non-compulsive buying behaviour. As observed in compulsive buyers, the more one is attached and obsessed with money and the more materialistic the person, the greater the likelihood of compulsive buying. Compulsive buying is partially an attempt to display one's wealth to others as a means of trying to prove one's superiority (Roberts and Sepulveda 1999). Thus findings in this study suggest that non-compulsive buyers are unlikely to use money to engage in excessive buying in order to boost their self-esteem or see money as something that is powerful or could solve most of their problems as often perceived by compulsive spenders.

Results found Quality dimension to be significant and inversely correlated to non-compulsive buying. In other words, within the group of non-compulsive buyers, the more quality and brand conscious is the consumer, the lower the tendency to spend non-compulsively. On the influence of quality money attitude dimension on non-compulsive buying, non-compulsive buyers appeared to be influenced to a lower degree by brand and quality stimuli. However, past research have found no link of quality to compulsive buying. As reported, compulsive buyers' desires for products were no different from that of a normal consumer. It is the shopping experience that is, the attention provided by sales personnel and being known by name at exclusive stores that provides feelings of importance and status (O'Guinn and Faber 1992). Items bought are often tied to self-esteem either through affecting how one looks or how one thinks of oneself. Both price and quality were found to have little influence on purchase decisions

of compulsive buyers. Therefore, to support these results would need further investigation into uses and gratification of buying and its relationship to quality aspects of money attitude among compulsive and non-compulsive buyers.

**Implications of the Study**

Despite the fact that the survey was undertaken on a small sample mainly in Petaling Jaya and Kuala Lumpur, major findings revealed from this study was representative of the case and might provide some insights into the nature of money attitude as well as compulsive buying behaviour of urban Malaysian consumers. This study has provided several implications.

Several money attitude dimensions have been identified in this study. New dimensions have also been added to the literature of money attitude especially in an Asian culture. Money behaviours are not necessarily influenced by economic factors only, but reflect cultural, social and, psychological issues. In addition, this study has attempted to provide a description of different money attitude among urban Malaysians. Identifying money personalities from their attitude towards money and its impact on spending behaviours can assist financial practitioners in financial planning to help their clients develop an awareness of their relationship to money. Information on gender differences on attitude towards money provides financial advisors with additional information upon which to base their options when they present to their clients. This has also provided insights into the often-confusing world of gender differences related to money matters. The ethnic differences in their attitude towards money have implications to marketers too since money attitudes have profound impact on spending behaviours. Marketers especially involved in the sale of property, securities and other forms of financial investment would find it useful when segmenting their customers and this allows them to design appropriate marketing strategies to target these customers.

The relationship and influence of attitude towards money on non-compulsive buying behaviour do suggest some of the possible ways of preventing incidence of compulsive buying. It is evident from the study that

Careful financial planning and non-compulsive buying are directly related. From the consumer policy perspective, this has an important implication. By encouraging savings, proper management of money and enhancing one's financial awareness and understanding can help to prevent the likelihood of compulsive buying occurring among "normal" consumers.

This study brings to light the importance of understanding the broader aspects of beliefs about money and consumption of compulsive buyers as well as that of "normal" consumers. It can be used to identify what specific interventions such as consumer education to help people with spending problems or to prevent normal consumers from engaging in abnormal consumption behaviour. The implication here is clear that education in these areas needs to be provided for financial planners as well as the general adult public. In addition, education needs to be provided for children in order to prevent or minimise the potential for inappropriate spending behaviour.

Of interest to marketers and advertisers is the identification of compulsive buyers as a market segment. Despite the small sample of compulsive buyers identified in this study, nevertheless, within the group of "normal" consumers, there are some who are at risk of becoming compulsive buyers. This may have implications for retailers. If retailers wish to promote compulsive buying, they should create an environment where consumers can be relieved of their negative perceptions of compulsiveness. Retailers should emphasise on giving more personal attention, making the customer feel wanted, creating an exciting store atmosphere as ways of making the shopping experience positive especially for customers that are looking for ways to increase their self-esteem. Retailers can make compulsive buying more risk-free, through convenient return policies, or increase enablers such as credit and store hours. The possibility of using Internet marketplaces to facilitate compulsive buying tendencies can also be explored. The study has found that compulsive buying seems to have a gender predisposition. Marketers who wish to target women as their market segment should position their products that are likely to appeal to female compulsive buyers such as clothes, jewellery, cosmetics and beauty treatment.

Results in this study on the incidence of compulsive buying in 'normal' urban Malaysian consumers should be considered as exploratory and preliminary. While this needs to be administered to a much larger and broader general population before a more accurate and justified estimate is determined, it does provide practitioners and policy makers a starting point for addressing this phenomena. Consumer associations or public organisations whose role is to protect consumers would probably be interested in understanding compulsive buying. Public policy efforts should aimed at creating an awareness that compulsive buying does exist and educate consumers to avoid or reduce the compulsion to buy. Suggestions include imposing restrictions on advertising such as ban or limit billboard advertising, advertising to students in schools, telemarketing and subliminal advertising, limit on credit card marketing especially to younger adults, educate consumers to be media literate and promote simpler lifestyles. This should provide an excellent starting point for such endeavours.

### **Recommendations for Future Research**

As stated earlier, the major limitation of this study is the lack of sample and its representativeness. Samples were conveniently selected and were confined to Petaling Jaya and Kuala Lumpur due to cost and time constraints. As such future research in this area should include samples from other major urban areas such as Penang, Ipoh and Johore Bahru and randomly selected in order to yield more generalizable results.

This study has shown that an individual's attitude towards money is influenced by ethnicity and gender. In order to understand further Malaysians' money attitudes, future research efforts in this area need to investigate other demographic variables such as age, education, religion and socio-economic status. Other independent variables relevant to this study that can be explored in future research include family and peer influence, rural and urban differences and materialism. As attitudes and behaviours change with time, future research

should focus on a longitudinal study to establish these changes and examine potential sources and factors driving this change.

Additional research should attempt to investigate the impact of money attitude of Malaysians on spending behaviour of specific consumption such as purchase of property, insurance and securities. Another area that can be explored is the relationship and influence of money attitude on saving behaviour of Malaysians. This would have important economic implications to policymakers when planning and implementing economic policies. Another avenue for future research would be to extend present study into the relationship of money attitude and work in order to help managers understand how to manage and motivate their employees. Thus more research into the meanings of money and its relationship with other work-related variables using samples of Malaysian working adults would be relevant and useful if we are to understand people's attitudes, beliefs and behaviours regarding money. Similarly, a follow-up study can be conducted to investigate whether the relation and the extent of influence of money attitude on compulsive buying hold if known groups of compulsive buyers are included in the sample and comparisons made with non-compulsive group.

With regards to the incidence of compulsive buying behaviour among urban Malaysian consumers, future research should cover a larger sample of the general population to arrive at a more accurate estimate on its prevalence. As noted earlier, there is little attention on the issue of compulsive buying in Malaysia from consumer researchers, consumer associations, health authorities or women's organisation despite the fact that such disorder does exist. An agenda for future research should therefore try to clarify the aetiology of this dysfunctional order. Subsequent research should focus on its antecedents and consequences and longitudinal studies that track compulsive buying will be enlightening.