

CHAPTER 1: RESEARCH INTRODUCTION

1.1 Introduction

This research is exploring the decision-making styles of the 3 major ethnic groups namely Malay, Chinese and Indian consumers in Malaysia towards the purchase of Casual Wear. This study starts with an overview of Malaysia's population and its different ethnic groups followed by an overview of Malaysia's fashion industry. This chapter further covers the research objectives and presents the significance and scope of the study. The organization of the report is also presented at the end of this chapter to enable the reader to gain an overview of the structure of the thesis.

1.2 Overview of Malaysia's population and its different ethnic groups

Malaysia is a multicultural country with three major ethnic groups, each with their own language and religious practices. The population in Malaysia as of 2009 comprises 28 million people (Department of Statistics Malaysia, 2009). Of the total population, 50% are classified as Malay, 25% as of Chinese descent, 10% of Indian descent and the remaining 15% are made up of different indigenous ethnic groups in Peninsular Malaysia and East Malaysia (<http://www.tourismmalaysia.gov.my/en/about/culture.asp>, 2009). In Malaysia, Malays, Chinese and Indians live in a pluralistic society but are treated by the government as separate communities. Each ethnic group has been able to retain its cultural identity by being allowed to maintain their individual languages,

practise their own religion and traditions (Tong and Robertson, 2008). These different cultures have influenced each other thereby creating a truly Malaysian culture.

As can be seen from the figures mentioned in the preceding paragraph, the largest ethnic groups in Malaysia are the Malays, Chinese and Indians. These major races made up the majority of the consumers in the Malaysian market. Figure 1.1 below shows some pictures of members of the three ethnic groups.

Figure 1.1: Members of the Three Ethnic Groups



1.3 Overview of Malaysia's Fashion Retail Industry and the Casual Wear Market

Retail is the largest single industry in most countries throughout the world (Burt and Sparks, 1994). Malaysia's retail market is estimated at RM73 billion in 2006 and growth has averaged 6.1% yearly from 2001 to 2006 (Chuang, 2007). One of the major retail industries in Malaysia is the Fashion retail industry. This industry is becoming increasingly competitive as demand for apparel increases due to more fashion and retail awareness in Malaysia. Consumers are now becoming more aware of the latest fashions and the latest brands in the fashion, apparel and footwear sector partly due to globalisation via the media and internet access (Euromonitor International, 2009).

The Fashion Retailers in Malaysia can be divided into retailers for Children apparel, retailers for adult apparels and retailers that carry a range of both adult and children clothing. The development of the Malaysian fashion retail industry has attracted various international fashion brands to penetrate the Malaysian market. Among them are international fashion brands such as Banana Republic, Louis Vuitton, and Gucci.

Among the fashion retailers in Malaysia, casual wear made up a large percentage of the apparels that fashion retailers carry. In the fashion world, casual wear has become smart and trendy. It can be worn during family reunion and most informal social gatherings. Fashion designers nowadays also take

dressing for the office into consideration when designing casual wear. Thus, casual wear can be worn almost anywhere and at anytime with the exception where one has to adhere to the dress code during formal functions such as business meetings, conference and weddings.

Casual wear comprises of smart casual wear, business casual wear, ladies and men casual wear and any apparel that is comfortable, smart and trendy in nature. Though T-shirts and jeans are becoming quite colourful with embroided fronts and backs which make buying of them more interesting, casual wear are not limited to them. Cargo pants, shorts, polo shirts, khakis, skirts can also be categorized as casual wear. Further, business casual wear nowadays also make the wearer looks professional yet relaxed.

Malaysia, being a country in the Asia-Pacific region has a potential of growth in the teenage and adult casual wear industry. The population in Malaysia as of 2009 is 28.31 million. Of the total populations, about 18 million are teenagers and adults in the 15 – 64 age range. This figure converts to about 64% of the total population in Malaysia (Department of Statistics Malaysia, 2009). In view of the significant level of teenage / adult population in Malaysia, the outlook for casual wear retailers is rosy. However, in light of the keen competition in Malaysia's apparel industry and the diverse ethnic groups that may have different buying behaviour, equipping casual wear retailers and marketeers with a better understanding of the three major Malaysian races consumer decision-making

style would assist the retailers and marketeers in competing in this multi cultural market.

1.4 Research Objectives

Recognizing the importance of understanding the consumer decision-making styles of the three major ethnic groups in Malaysia towards casual wear buying, the objective of this research is to explore the specific decision-making styles towards casual wear buying governing the three major ethnic groups in Malaysia namely Malay, Chinese and Indian using the Consumer Style Inventory (CSI) developed by Sproles and Kendall (1986). As working adults have the spending power, this segment is a lucrative target for casual wear marketeers. Therefore, this research aims to explore the decision-making styles towards casual wear buying of the three major ethnic groups in Malaysia and demonstrate that consumer decision-making styles towards casual wear buying differ according to consumers' ethnicity.

1.5 Significance of the Study

There have been a significant amount of studies related to consumer decision-making style using the Consumer Style Inventory (CSI) developed by Sproles and Kendall (1986). However, most of the previous research on Consumer decision-making style focused on one homogeneous population. The subjects of those researches were student samples. There were few studies that studied the

general public, particularly working adults. As such, this research is a good way of examining the applicability of the CSI in Malaysia's working adults. It is also a study that explores the consumer decision-making styles of working adults from different ethnic groups within a national boundary towards casual wear buying.

Further, with a rapidly rising population and consumers with higher disposable incomes, it is pertinent for casual wear marketers to understand the consumer decision-making styles of their target customers if they want to remain competitive in the fashion retail industry. As Malaysia is a multi cultural country and the population is made up of the three main ethnic groups with different cultures namely the Malay, Chinese and Indian, casual wear marketers must be able to market their apparels to consumers from these three races. In order to do so, marketers must understand the casual wear buying decision-making style of the consumers from the three ethnic groups so that appropriate marketing strategies can be developed. There is a general consensus among researchers that decision-making styles can vary across cultures. Thus, this research will use the CSI developed by Sproles and Kendall (1986) to examine the consumer decision-making styles of working adults towards casual wear buying base on Malaysia's three major ethnic groups and it will be of interest to fashion marketers wanting to gain a better understanding of Malaysian consumers.

1.6 Research Scope

The research was conducted in the Klang Valley area (Selangor and Kuala Lumpur). The Klang valley was chosen because Kuala Lumpur alone boasts 66 shopping malls and Selangor has 58. The total retail space in these two territories is 36.3 million square feet (Chuang, 2007). There are still new shopping malls being constructed. Further, the population in the age group of 15 – 64 has a significant presence in Kuala Lumpur and Selangor which represent 65% and 66% of the total population in these 2 states (Department of Statistics, Malaysia, 2008).

The high and dense population of the Klang Valley and the presence of many shopping malls have encouraged many fashion retailers to set up stores in shopping malls such as KLCC, 1 Utama Shopping Centre, Mid Valley Megamall and Sunway Pyramid just to name a few. These 2 states also attract tourist from many parts of the world annually and this will add up to the business opportunities of retailers.

In view of the statistics and considerations above, Klang Valley is thus chosen as the research scope of this study.

1.7 Organization of the Report

This study is organized into the following chapters:-

Chapter 1 – Introduction: This chapter provides an overview of Malaysia's population and its different ethnic groups as well as an overview of Malaysia's fashion retail industry and the casual wear market. The research objectives, significance of study and research scope are also discussed.

Chapter 2 – Literature Review: This Chapter will review the literature and journals that are related to this study. The chapter starts with a brief introduction followed by a review of the interdisciplinary perspectives for explaining consumer decision-making. After that a review on Consumer decision-making styles which include Sproles and Kendall's Conceptualization of Consumer decision-making styles and previous studies on consumer decision-making styles was done. Finally, a review about culture and its implication on consumer decision-making styles were included.

Chapter 3 – Research Methodology: This Chapter describes the methodology employed in the study. It begins with an introduction and discussion of the research design, followed by the measurement instruments and data analysis techniques used in the study. The chapter ends with a summary.

Chapter 4 – Research Results: This chapter presents the findings of the survey. The preliminary analyses in this chapter include the demographic data of the respondents and a discussion of the results of the normality test, factor analysis and reliability test. This is followed by a discussion of the results from the frequency analysis presenting a comparison by ethnic groups on the consumer decision-making styles towards casual wear buying. The chapter ends with a summary of the chapter.

Chapter 5 – Conclusion and Recommendations: This final chapter concludes the research. An overview of the study and summary of the research results are included in this chapter. The limitations of the study, recommendations for future study and managerial implications are also presented. Finally, the chapter ends with a conclusion for the study.

Figure 1.2: Organization of the Report

