

DEMOGRAPHIC CHARACTERISTICS AND FACTORS
INFLUENCING PURCHASE INTENTION OF ORGANIC FOODS
AMONG ASTRO STAFFS

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Laporan ini dikemukakan sebagai
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JUNE 2014

PENGAKUAN

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DEDICATION

I would like to dedicate the appreciation to my families, lecturers and friends

ACKNOWLEDGEMENT

I was deeply grateful and wish to express my warm and sincere thanks to my supervisor Madam Azrina Binti Othman for her guidance and encouragement throughout this final year project journey. Her wide knowledge and passion was helped of great value for me. Besides that, I would like to thanks to Dr. Amirrudin Bin Ahamat for his beneficial comments and advices in my final year project progress.

I sincerely thanks to the respondents who spent their valuable time to answer the questionnaire. Besides that, I also appreciate all those members involved either directly or indirectly towards this final year project.

ABSTRAK

Pada masa kini, kebanyakan pekerja sibuk dan bekerja keras demi persekitaran kerja mereka untuk menjadi kakitangan yang berjaya dalam kerjaya. Begitu juga dengan staf di Astro Malaysia Holding Berhad (ASTRO) yang menjalankan tugas mereka setiap hari. Demi menjimatkan masa, kebanyakan kakitangan ASTRO ini mengambil makanan segera dan makanan konvensional tidak kira sama ada pada waktu tengah hari mahu pun malam. Tujuan kajian ini adalah untuk mengenal pasti ciri-ciri demografi yang mempengaruhi keinginan pembelian makanan organik di kalangan kakitangan ASTRO dan faktor-faktor mempengaruhi keinginan pembelian makanan organik di kalangan mereka serta faktor dominan yang mempengaruhi niat pembelian makanan organik. Kajian ini dijalankan dengan menggunakan kaedah deskriptif di mana penyelidik telah menyediakan soal selidik yang menjawab persoalan kajian di akhir kajian ini. Kajian ini juga telah dijalankan di cawangan ASTRO yang terletak di Pusat Perkhidmatan Pelanggan, Wisma Ali Bawal, Petaling Jaya, Selangor. Selain itu, responden kajian ini adalah seramai 170 kakitangan ASTRO. Dari hasil kajian yang diperolehi, terdapat hubungan yang signifikan antara tahap pendapatan ASTRO dan niat pembelian makanan organik. Bagi faktor-faktor terhadap kesedaran alam sekitar, keselamatan dan kesihatan serta persepsi kualiti di kalangan ASTRO adalah sangat signifikan dengan niat pembelian makanan organik. Walau bagaimanapun, status perkahwinan kakitangan ASTRO adalah tidak signifikan dengan niat pembelian makanan organik. Kesimpulannya, kesedaran alam sekitar di kalangan kakitangan ASTRO menjadi faktor utama dalam tujuan pembelian makanan organik.

Kata Kunci: Makanan organik, Niat pembelian, Staf ASTRO, Demografi, Faktor

ABSTRACT

Nowadays most of employees are work hard and busy with their working environment in order to be a successful staffs in their career. Same goes to Astro Malaysia Holding Berhad (ASTRO) staffs who doing their task daily. In order to save time, most of ASTRO staffs are used to take fast foods and conventional foods during their lunch hour or dinner times. The aims of this study was to identify the demographic characteristics that influence the purchase intention of organic foods among ASTRO staffs and to determine the factors that influence the purchase intention of organic foods among them and also the dominant factor influencing purchase intention of organic foods. This study was conducted by using descriptive study, which means the researcher has prepared the questionnaire that was answer the research questions in the end of this research. This research was conducted at ASTRO branch that located at Customer Services Centres, Wisma Ali Bawal, Petaling Jaya, Selangor. Moreover the respondents were about 170 ASTRO staffs. From the finding of this study, there was a significant relationship between the income level of ASTRO and purchase intention of organic foods. As for the factors which was environmental consciousness, safety and health, and perception of the quality among ASTRO strongly significant with the purchase intention of organic foods. However, the marital status of ASTRO staffs did not significant with the purchase intention of organic foods. Finally, the environmental consciousness among ASTRO staffs was the dominant factor for the purchase intention of organic foods.

Key words: Organic foods, Purchase intention, ASTRO staffs, Demographic, Factor

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CHAPTER 1

INTRODUCTION

As we know, in Malaysia most of Malaysian is going to work after completing their studies from school, universities or collages. This shows that, Malaysian adults are busy with their daily life by running their own careers. Same goes to Astro Malaysia Holding Berhad (ASTRO) staffs who doing their task daily. The scope of this research was to know the purchase intention of organic foods among ASTRO staffs. Moreover the objectives of this research were to analyze the ASTRO staffs demographic characteristic and determine the important factors influencing the purchase intention of organic foods among them. Moreover, this study also aims to identify dominant factor that influencing the purchase intention of organic foods among ASTRO staffs. This chapter was included background of study, objectives, scope, limitation and importance of the research study. Whereas this chapter was gave a clear introduction about the research topic.

1.1 Background of Study

As we know, ASTRO is a leading integrated consumer media entertainment group in Malaysia and Southeast Asia. The most attractive plan that ASTRO provide to their employees is by giving “Employee Value Proposition” for the best performers in the organization. Moreover, ASTRO believe in providing employees continues learning and high performing environment as part of their talent philosophy. In order to increase the performance in the own career, ASTRO provides various training and development programmes in the area of leadership, management, subject matter expertise and as well as people development. From this we can say that most of ASTRO employees are busy with their working environment in order to be a successful staffs in their career. As we know most of the ASTRO branches were located at the city sides. For example, ASTRO Customer Services Centres, Wisma Ali Bawal, Petaling Jaya, Selangor was located nearby with the fast foods outlets like KFC, PIZZA, McDonalds, restaurants and etc. In order to save time, most of ASTRO staffs are used to take fast foods or conventional foods during their lunch hour or dinner times. According to Health News Channel, fast foods opponents argue that there are many disadvantages of fast foods for the health condition of the consumer. In addition, fast foods are richer in, fats, salt, and artificial ingredients that can causes the risk in developing cardiovascular diseases, obesity, blood pressure and etc.

Malaysian government encouraged society to lead a healthy life, especially among working people. Despite doing exercise regularly, the people are urged to consume healthy foods such as organic foods. However, in Malaysia, organic foods are still at the introductory stage which means not all people are aware about it (Ahmad and Juhdi, 2010). Thus, nothing much is known about the development of organic foods industry in Malaysia.

A variety of agricultural products are produced organically that give priority to the healthy life, and environment consciousness. “Organic” does not mean “natural”. There is not a specific definition as to what constitutes a “natural” food. In December 2000, The National Organic Standards Board of the U.S. Department of Agriculture (USDA) established a national standard for the term “Organic”.

According to Ahmad and Juhdi (2010), organic foods defined by how it cannot be made rather than how it can be made. Besides that, organic foods must be produced without the use of most synthetic fertilizers and pesticides, sewer-sludge fertilizers, genetic engineering which is biotechnology, growth hormones and antibiotic.

1.2 Research Questions

Nowadays our citizen lifestyle has changed in this fast paced world as compared to few decades ago based to (Ahmad and Juhdi, 2010). Currently, most of fast foods restaurant are giving promotion on their foods sale in order to attract more customers. For example, MacDonald's introduce lunch hour and dinner hour which sale their meals in low price that make consumers feel it worthy instead of money. Today, more and more people were caught up in an endless cycle of buying and throwing away, seeing consumption as a means of self-fulfillment.

By word of mouth from few of my siblings and relatives that work in ASTRO, nowadays most of the staffs at urban areas are used to take their meals at any fast foods restaurants or any other restaurants. Moreover the awareness of the healthy life among ASTRO staffs becomes low. This because of their daily workload especially for those ASTRO direct sales officers or promoters that work daily from morning until evening or even night in order to achieve their sales target for a month. Thus, fast foods outlets and other restaurants become an easier way to them to find their meals. Whereas, another reason was the culture among ASTRO staffs which following their colleagues to joint for the lunch or dinner at fast foods restaurant or any other restaurants. By the word of mouth from few ASTRO staffs, we can say that the consumption of the fast foods and convenient foods among ASTRO staffs was increase nowadays. This study was conducted in order to identify the purchase intention of organic foods among ASTRO staffs. Research questions constructed as below:

- a) What are the demographic characteristics influencing purchase intention of organic foods among ASTRO staffs?
- b) What are the factors influencing the purchase intention of organic foods among ASTRO staffs?
- c) What is the dominant factor influencing the purchase intention of organic foods among ASTRO staffs.

1.3 Research Objectives

The objectives of this study were generally to understand purchase intention of organic foods among ASTRO staffs. This research was related to those who ASTRO staffs who experienced consuming or buying organic foods and those who never purchase any organic products. The aims of this study were to:

- a) To identify the demographic characteristics that influences the purchase intention of organic foods among ASTRO staffs.
- b) To determine the factors that influences the purchase intention of organic foods among ASTRO staffs.
- c) To identify the dominant factor influencing the purchase intention of organic foods among ASTRO staffs.

1.4 Scope and limitations of the study

1.4.1 Scope

The scope of this research was to identify the demographic characteristic of ASTRO staffs that purchase the organic foods. Moreover, this research focused on the factors that influence the purchase intention of organic foods among ASTRO staff at urban area at Petaling Jaya, Selangor. Besides that, the dominant factor influenced the purchase intention of organic foods among ASTRO staffs was focus in this research. In this research it was focused on the ASTRO managers, executives, sale officers, promoters of ASTRO and etc.

1.4.2 Limitation

There were some limitations that being faced in this research study. Firstly, the statistic information on the ASTRO staffs health conditions, which can be as references to study the health condition of ASTRO staffs. Other limitations would be the time and financial constrains for conduct the survey among ASTRO staffs. Moreover, the no recent supportive articles that relate to ASTRO staffs eating habits or health condition that conducted by other researchers.

1.5 Importance of the Study

1.5.1 ASTRO

From this research, ASTRO organization management can identify the level of the health condition among their staffs. Besides that, ASTRO also can propose motivations or career development activities in order to give awareness on healthcare of their staffs. This research becomes a reference for ASTRO management once they plan to do any programs that focus to their staff's healthcare.

1.5.2 Students

As we know our course is High Technology Marketing Management and it can help to study the factors that influence the purchase intention of organic foods. Furthermore, this research can help the students to use as a reference to those who plan to further research study on purchase intention of organic foods.

1.5.3 Organic Foods Marketers

As we know there are a lot of organic foods marketers in Malaysia. Those marketers who interested can use this research result as supportive evidences to understand working people purchase intention of organic foods.

1.6 Summary

This chapter was contents of background of study, objectives, scope, limitation and importance of the research study. Whereas this chapter as an introduction of the research topic.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter was discussed about the overview of organic foods purchase intention that affected purchasing of organic foods among ASTRO staffs. In order to identify why consumers purchase the organic foods, research come out with a few factors that really influence the consumers to purchase the organic foods. The factors such as environmental consciousness, belief on the safety and health aspect, and quality of organic foods were influence the purchase intention among ASTRO staffs. Even though, there were few factors influencing the purchase intention of organic foods, there should be a dominant factor influence the purchase intention of organic foods. Besides that, demographic characteristic was supported to identify what type of ASTRO staffs who purchase organic foods in their daily life. Lastly, based on the research questions, research objectives and theoretical framework and also hypothesis were constructed based on the independent variables.

2.2 Demographic Characteristic of Organic Foods

2.2.1 Marital Status

There were few studies had been conducted by difference researchers in order to identify which marital status of consumers who having purchase intention of organic foods. According to Nielson, married households or household with the young children more likely to buy organic foods. These shows that the parents were considering their kids healthy life even though there are a lot of fast foods and instant foods are available in our country especially for children.

Another study was conducted by Dimitri and Dettamann, (2012) the general perception is that married households are more likely to buy organic foods. These show those married households are not only considering their own health but at the same time family members healthy also take care by them. From this, we can say that of married households are most likely to purchase organic foods. This is because their more concentrate on their family members' health especially their children's healthy life. Therefore, ASTRO staff's marital status mind influences to purchase the organic foods as a support to their own health and family members' good healthy lifestyle.

2.2.2 Income Level

The buyer of organic foods among ASTRO staffs can be known by analyzing the demographic characteristic which is income is determined the organic foods purchase and identifying which consumers are like to purchase the organic foods among them. Moreover, demographic characteristics were significant in explaining in decision to buy organic foods mainly in an empirical study that conducted in USA by (Onyango et al., 2006).

According to Brandt (2012), the popularity of organic products is generally grown without synthetic pesticides or fertilizers or routine use of antibiotics or growth hormones. This shows that the organic products are healthier than conventional products. The difference in the production of organic goods which is a

using a healthier ways cause the difference in the price of organic foods compared to conventional foods. The price of organic foods is expensive compare to conventional foods. This shows that the organic foods is healthier and at the same time expensive. This is the main reason that organic foods sales increased from 3.6 billion to 24.4 billion in U.S dollar from within the year 1997 until 2011. Besides that, many consumers are willing to pay a high for these organic products even though the price is often twice as expensive as their conventionally grown foods. These shows that the organic products prices are expensive compare to other conventional foods. Therefore those who have willingness to pay high for get organic foods might be high salary earners.

According to the Nutrition Business Journal (NBJ, 2008), retail sales of organic foods were increased from 3.6 billion in 1997 to 18.9 billion in 2007. This shows that 15.3% of increases in the foods consumption among the consumers in U.S. within 10 years. The recent addition of organic foods sales to scanner data, by Nielson and Information Resources, Inc., has enabled researchers to quantify consumers demand for organic foods in response to changes in price of organic foods, and income level of consumers. Moreover, according to Dimitri and Dettamann, (2012) the higher income recipients are complementary with an increased likelihood of purchasing of organic foods products. These shows the different income level of ASTRO staffs, the likelihood of purchase intention of organic foods were different as well.

2.3 The Environmental Consciousness

According to Hughner et al, (2007) in studying the reason for organic foods purchases, a majority of studies have attributes the purchase organic foods to consumers' environmental attitudes and concerns. Moreover, this factor also plays as a dominant factor in influencing the purchase intention of organic foods. An increase showed in the usage of chemical and hazardous substances, particularly in the agricultural sector based on the 9th Malaysia Plan (2006-2010), chapter 22. Moreover, within 3 years the quantity of fertilizers used have been increased about

1.8 million tones which are from 2.2 million tones in 2001 to 4.0 million tones in 2004. In order to reduce the high usage of chemicals and hazardous substances, government has introduced better farming training through Skim Akreditasi Ladang Malaysia (SLAM) and Skim Organik Malaysia (SOM).

According to Harper & Makatouni, (2002), an ethical or consumer is ecologically and purchase products that are not cause harmful to the environment or society and environmentally friend. This shows that environmental friendly products that produce won't give any negative affect to environment such as air pollution, land pollution and etc. Furthermore, according Millock et al. (2004) claimed that good environment and animal welfare attitudes influence organic foods choice to a lesser extent that the attitudes towards taste, freshness and health aspects of organic foods. These findings suggest that organic buyers also behave and think more environmentally friendly in general. Furthermore, Lin (2009) found that consumers who have involves in protecting the environment were more likely to consume organic products, such as organic foods. This shows that those consumers that concerning the environmental health are more intended to purchase the organic foods. A same result in other research by Ahmad and Juhdi (2010) which is obtained the consumer's concerns about environment has the positive effect and most influenced factor on the intention to consume organic foods.

2.4 The Safety and Health Aspect of Organic Foods

Foods safety is an important thing that a person concern during purchasing foods. Healthy and safety foods will not give any problems or harmful to consumer's health. Health conscious consumers are attentive and apprehensive about their wellness and also they are motivated to improve and maintain their health in order to prevent illness in their health based on (Newsom et al., 2005). Based on their research the safety and health aspect of organic foods is the main reason for most of purchaser chooses organic foods as their part of meals. This shows that the consumers who have a special interest in health are likes to purchase the organic foods in order to prevent few illnesses like diabetics, obesity, blood pressure and etc.