THE INFLUENCING FACTORS AFFECTING CONSUMERS BUYING DECISION TOWARDS “MADE IN MALAYSIA” PRODUCT: A PROPOSED MODEL

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Abstract:
The purpose of this study is to review the relationship between product, price, place, promotion (4Ps), brand knowledge and consumers’ buying decision toward “Made in Malaysia” product and to propose a model to identify the influencing factors on this behaviour. The model is based on a review of past studies on consumers’ buying decision, product, price, place, promotion, brand knowledge and Theory of Marketing Mix. The model can be used to understand consumers’ buying decision toward “Made in Malaysia” product. The significance of this study lies in the fact that it will provide vital insights on how product, price, place, promotion and brand knowledge affect consumers’ buying decision toward “Made in Malaysia” product.

Keywords:
Made In Malaysia, Product, Price, Place, Promotion, Brand Knowledge, Consumers Buying Decision

Introduction
Malaysia has successfully transformed their economy scale from commodity-based and agriculture since the independence in year 1957 to an important role as robust manufacturing
and servicing sectors, which have forced the country to become a leading exporter of Malaysian-owned product brands (The World Bank, 2020). The Malaysian government is strongly promoting “Made in Malaysia” product to local and international markets. The Malaysia Gross Domestic Product (GDP) per capita for Purchasing Power Parity is RM124,548 (2017 est.), it was RM119,412 in 2016 and RM115,988 in 2015. The government hopes to help “Made in Malaysia” product grow, penetrate new markets and compete globally (Alvit, 2019). The rising of purchasing power, affluence and education levels had influenced the evolving factors of consumers’ buying decision. Through National Mark of Malaysian Brand, the government hopes to change the perception of local products are of lower quality, low reliability and low packaging standards than big brand names (National Mark of Malaysian Brand, 2009).

The “Buatan Malaysia” or “Made in Malaysia” logo mark was endorsed and initiated by the Malaysian government in 1997. This initiative is to encourage local markets prioritising and buying Malaysian goods and services. The “Made in Malaysia” logo initiative outlines several objectives such as, to achieve a positive impact on the economic stability of the country, to promote the use of “Made in Malaysia” product in the country and to reduce the importation of foreign-made goods (Ministry of Domestic Trade and Consumer Affairs, 2020).

In relations to consumer behaviour, consumers may evaluate the values of product differently depending on how it is branded. According to Jacoby et al. (1971), consumers learn about brands through past experiences with the product and marketing program. Consumers will find out which brands satisfy their needs and wants. In Malaysia, consumers would perceived less likely on its own country of origin brands. They will be highly likely to choose the foreign made product versus “Made in Malaysia” product, especially when the imported product’s price falls under the same range (Fayrene Yew-Leh Chieng, 2011). There is only 9 per cent of Malaysians consider themselves to be committed loyalists when it comes to their favorite local products. Meanwhile, a significant study tested that 44 per cent of the respondents agree that they would likely trying new products, 47 per cent is preferring to continue to use the products that they are more familiar with (The Nielsen Company, 2019).

Consumers buying decision towards “Made in Malaysia” product is of importance to be studied because the commitment level of Malaysians buying “Made in Malaysia” product is still below 40%, although more than 75% of them are aware of the ‘Buy Malaysian’ campaign (Birruntha, 2019). Some inconsistent buying decision among Malaysian consumers has been found (Lew & Sulaiman, 2014). It is challenging for any industry players to formulate and implement an effective strategy to market the products in this highly competitive marketplace. Consumers buying decision is the concept to identify who, what, why, when and how during individual makes purchase (Khaniwale, 2015). In this research, the main focus would be Malaysian consumers, particularly in regards to their buying decision towards “Made in Malaysia” product. Previous researcher explained small medium sized enterprises in Malaysia could no longer rely on low cost and manufacturing prowess as competitive advantages. To move forward, they must be able to build strong brands and leveraging efficiently on available resources including their leadership qualities. However, small medium sized enterprises in Malaysia are still seen averse in their branding efforts, partly due to lack of appropriate guidance and knowledge (Ahmad, 2012). Previous researcher found that Malaysians still believe that purchasing foreign-made products from advanced countries like America, Italy and Germany are far higher in quality and standard compared to locally produced products (Garten,
Such perceptions arise from the country’s economic background, if the product’s
country of origin is from a better economic background as compared to Malaysia, Malaysians
presume that those products are better in quality; and vice versa (Lew & Sulaiman, 2014).

Previous researcher found that in order to understand how consumers make actual buying
decisions, the marketers must identify who makes the buying decisions, they should also
constantly be aware into what types of buying decisions are made and the steps involved in
consumers’ decision-making process (Thangasamy & Patikar, 2014). For example, buying an
evening dress can be easily influenced by their partner or family members. Meanwhile,
according to Munger and Grewal (2001), price of a product is one of the factors that often
affects consumers’ purchasing intentions because people are sensitive toward price. Previous
study has stated that discounts, “free” items and rebates are the most preferred items of price
promotion. According to Kinney et al. (2012), the higher the price, the less likely the consumers
will purchase the products or services. The distribution channels or place has also undergone
changes because of the influence of the internet, companies must decide whether they will use
intermediaries, or directly deliver to the consumers, companies can also combine both
intermediary and direct delivery (Juneja, 2018). Furthermore, there is a lack of research
pertaining to the relationship between place that influence consumers buying decision,
availability of the “Made in Malaysia” product at the required location or channel, for the
reason, it is necessary to conduct the in-depth study on this unique place factor under marketing
mix theory. For consumers, brands are used to determine producers, products, product value,
and the image of the company and are converted into a device for purchasing decisions (Sheng
& Teo, 2012). Previous researched identified if the brand could satisfy the consumer’s
preference, he or she will become a regular buyer of that particular brand or else the consumer
might disengagement with brand. (Zarlish et al., 2017). Therefore, researcher intend to examine
brand knowledge as moderator in the relationships between product, price, place and promotion
because past study reveals that consumers’ brand knowledge facilitates a better understanding
of the value offered by a brand to its customers (Gupta et al., 2010). Brand knowledge is a key
driver of building pertinent concepts for marketers and consumers alike, it is forming the
foundation of strong, sturdy and well-built brand equity. (Mohasoa, Karabo, 2016). This study
is using Theory of Marketing Mix to construct the research framework and brand knowledge
also being investigate to figure out whether it moderate the relationship between product, price,
place and promotion over consumers buying decision towards “Made in Malaysia” product.
The implication of this study would benefit marketers to draw up a good marketing plan and
improve operating results visibly by using the right marketing mix 4Ps combination in their
marketing program.

**Literature Review**

**Elements of Marketing Mix**

The marketing mix has been defined as the "set of marketing tools that the firm uses to pursue
its marketing objectives in the target market" (Kotler, 2000). Marketing mix is a set of relevant
factors and solutions that enable customers to meet the needs and achieve the goals set by the
company (Pruskus, 2015). Theory of Marketing Mix offers an optimum combination of all
marketing ingredients so that companies can realize goals, for example profit, sales volume,
market share, return on investment etc. The marketing mix is grouped under four elements i.e.,
Product, Price, Place, Promotion. (Singh, 2012). According to the literature review, marketing
mix is the controllable group of variables that the organization may use to effect on the

customer’s response. (Kotler, 2000). Marketing mix is one of the main objectives of the marketing management for setting objectives and marketing budget measures, the importance of each element depends not only on the company and its activities, but also on the competition and business time spending. All marketing mix 4Ps elements are interrelated and should be seen in the whole of their actions (Margarita, 2016). The theory of marketing mix especially relevant in the marketing of consumer goods (Business to Consumer, B2C), such as supermarket products or durable goods like white goods and cars, this marketing is a broad term that refers to the approach of selling goods, products, and services to consumers. (Vliet, 2020). This study will propose product, price, place and promotion (Theory of Marketing Mix) as independent variable, brand knowledge as moderator and consumers buying decision towards “Made in Malaysia” product to construct the framework.

**Product**

Prior studies have shown that when products are of high-involvement, consumers tend to have a deeper understanding of the functions and attributes of the products, which in turn leads consumers to invest more time and energy on collecting relevant information, evaluating options, and then making consumption decisions (Zhao et al., 2019). In addition to the product perception, companies are encouraging to be more innovative in their products invention, this enable to maintain the new and existing customers to buy, by having a good product packaging also could influence the consumers buying decision (Rambabu & Porika, 2020). In this study, researcher intent to measure whether product could influence consumers buying decision towards “Made in Malaysia” product.

Past studies show the reliability of the product have a significant and positive impact on the purchase decision. (Xu & Ali, 2016). Study indicates that the product's quality has a significant positive relationship on consumers' buying decision (Zakaria & Nafez, 2019). Customers may compare product benefits offered by different manufacturers directly to determine received value. (Guo & Wang, 2015).

**H1:** *Product positively and significantly influence consumers buying decision towards “Made in Malaysia” product.*

**Price**

Price greatly affects a consumer's decision to purchase a product. The perception of price explains information about a product and provides a deep meaning for the consumers (Kotler & Keller, 2016). The previous literature indicated that price can take on a “dual role”, as consumers may interpret the price of a product as either an indication of its cost or as a signal of its quality. (Monroe, 2003). The past study also reveals that the market structure does have an impact on the pricing objectives pursued because different market conditions are found to lead to different pricing objectives (Indounas, 2019). Product price is one element in the marketing mix that generates sales revenue, while the other element of the mix that generates costs (Adisaputro, 2010). To find a stronger evidence, the researcher will identify whether price could directly impact Malaysian consumers on making buying decision towards “Made in Malaysia” product.

Previous study indicated that a significant and positive relationship exists between customers' price perceptions and their purchase intentions, and that the formation of price perceptions is significantly influenced by satisfaction with pricing and services, price transparency was found...
to be negatively associated with customers' price perceptions (Munnukka, 2008). The adoption of pricing similar to competitive prices is influenced by market movement that are associated with customers’ and competitors’ preferences (Indounas, 2020).

**H2: Price positively and significantly influence consumers buying decision towards “Made in Malaysia” product.**

**Place**

Place is a distribution strategy, is about how effectively a firm gets its product to consumers and end users. Firms can sell their products directly to the consumer (direct distribution) or through intermediaries (indirect distributions). The best marketing mix place method will depend on the product needing to be distributed and the “wants and needs” of the firm's customers (Marketing Mix Place and Distribution Strategies, 2020). Whenever consumers are faced with issues involving the availability of a product, it's almost certain that they will take their business somewhere else. This is why it is so important the product makes it to the right place at the right time (Trina, 2015). On the above researches gathered, in this study, researcher intend to identify does place influencing the buying decision towards “Made in Malaysia” product.

Previous research results of data processing show that place variable have a significant positive influence towards consumers buying decision. (Mohammad & Netti Tinaprilla, 2017). The channel of distribution is defined as the most efficient and effective manner in which to place a product into the hands of the customer (Boundless Marketing, 2020).

**H3: Place positively and significantly influence consumers buying decision towards “Made in Malaysia” product.**

**Promotion**

Promotion is “a set of diverse and often short-term stimulant tools used to stimulate consumers or business unit to buy faster or buy more goods or services provided” (Rojuee, H. and Rojuee, M., 2017). The study has noted that sales promotion has an influence on the consumers’ buying behavior like purchase time, product brand, quantity and brand switching. (Shamout, M.D., 2016). And if an email contains a promotion, consumers are more likely to open it. (Emarketer.com., 2016). Consumers are also turning to social media to help influence their shopping behavior, according to research from (PwC Group, 2019). In summary, researcher will study and investigate whether promotion factor as independent variable could influence consumers buying decision towards “Made in Malaysia” product.

Often short-term stimulant tools used to stimulate consumers or business unit to buy faster or buy more goods or services provided. (Rojuee, H. and Rojuee, M., 2017). The past research findings suggest that sales promotion technique preferences will have an impact on consumers' behavioral intention and purchase satisfaction for all the product types studied. (Teck Weng, J. and Cyril de Run, E., 2013).

**H4: Promotion positively and significantly influence consumers buying decision towards “Made in Malaysia” product.**
Brand Knowledge as A Moderator

Brand knowledge is defined as how a company provides knowledge or the information about its product’s uniqueness through the attributes of its brand, it is about a promise that the company will provide to the consumers. (Ai Chin et al., 2019). As argue by past researcher that brands are the mirror through which public perceptions are formed with respect to marketer, company, its products, services and marketing communications, branding is the central concept of marketing which does affects everything the company says, does and sells (Kumar et al., 2019). An important practical implication of previous study shown that new product acceptance is partly attributable to how well the brand has innovated in the past. (Hetet et al., 2019).

Brand knowledge, a combination of brand image and brand awareness are found to positively moderate the relationship between brand credibility and consumers’ brand purchase intention. (Xuehua et al., 2010). Another study revealed that the brand’s level of recognition and brand loyalty played a moderator role in the relationship between browsing, time pressure, perceived low price and online impulse buying behavior. In other words, they strengthened this relationship. (Yiğit, Melis and Tiğlı, Mehmet. (2018). There were less studies conducted to examine moderation effect of brand knowledge influencing consumers buying decision. To improve the gap, researcher aim to examine whether brand knowledge strengthen the relationship between product, price, place, promotion and consumers buying decision towards “Made in Malaysia” product.

H5: Brand knowledge strengthen the relationship between product, price, place, promotion and consumers buying decision towards “Made in Malaysia” product.

Proposed Theoretical Framework

The proposed theoretical framework for this study is illustrated in Figure 1. In this model, the dependent variable is consumers’ buying decision toward “Made in Malaysia” product. The independent variables are located at the left-hand side of the theoretical framework, namely Product, Price, Place and Promotion. Brand knowledge play as a moderator.

![Figure 1: Theoretical Framework.](image-url)
Research Methodology

This study is a quantitative research study where the relationship among the moderator, four independent variables (IV) and one dependent variable (DV) are tested. The researcher will be using the deductive approach to gather data required through the distribution of questionnaires. The targeted population of this research would be focusing on age group in between 21 to 65, Malaysian who has experience in buying “Made in Malaysia” product, as researcher believes that this group of respondents are suitable for this research, due to reaching the maturity to earn an income and enable to make spending decision on their own preferences. The unit of analysis in this study will be Malaysian consumers from all the 14 states and consumers who reside in Malaysia. Data collection was performed via the Online Google Form survey tool using a convenience sampling technique. A self-administered survey questionnaire will be distributed through email, distributing print out questions paper and setup Google survey form link to target Malaysian consumers who had experiences in buying or choosing “Made in Malaysia” product. Various channels will be selected such as email, WhatsApp, Facebook, LinkedIn, Instagram to targeted respondents.

Measurement of the Variables

The distributed quantitative research questionnaire will be stated clearly that the responses are strictly private and confidential and for academic research purposes. The collected data will be analyzed by using Smart Partial Least Square (PLS) and Statistical Packages for Social Science (SPSS) software. The survey questioning process will start by asking whether the respondents ever experience in buying “Made in Malaysia” product before, continue with sourcedemographic data of the respondent. All of the measurement items in this study were adapted from the previous studies to ensure validity of the constructs, for example, Product “I think the “Made in Malaysia” product’s design is good”, “I think the “Made in Malaysia” product’s label is creative”, Price “I think the “Made in Malaysia” product’s price is affordable”, “I think the “Made in Malaysia” product’s price is in line with the quality”, Place “I think the “Made in Malaysia” products are available at social media platforms (Facebook, Youtube, Instagram)”, “I think “Made in Malaysia” products are easy to reach and buy” (Mohammad et al., 2017), Promotion “I think people know the “Made in Malaysia” product based on their company’s promotion campaigns or roadshows”, “I think the Malaysian company uses digital advertising (online) as one of the “Made in Malaysia” promotion strategies” (Odunlami, 2013).

The questionnaire is made up into four sections. Section A is to understand the awareness of consumers toward “Made in Malaysia” products, Section B is to collect the socio-demographic profiles of the respondent which includes nationality, gender, age, marital status, ethnicity, education level, profession and income level. Section C is to measure the independent variables, moderating variables and dependent variables of this study. The questionnaires incorporated a five-point Likert scale ranging from one to five, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

Significance of the Study

The outcomes of this study will help Malaysian small medium sized enterprise companies in getting a better overview and understanding about what factors influencing consumers buying decision when introducing their products to their targeted customers, helping them to utilize these factors in constructing Malaysian-owned competitiveness product and brand building, product innovation, increasing productivity, create effective marketing strategies for their local
and global marketplace. The right marketing mix factors are undertaken to prepare Malaysia to achieve economic growth, stimulate the export market and strongly backed by Malaysian raving fans. (Tyson Downs, 2018)

The variables implication study would enable marketeers to draw up a good marketing plan and improve operating results visibly by using the right marketing mix 4Ps combination, knowing each variable relationship between independent and dependent variables when designing the product or business model. In addition, this study is also examining the moderating role of brand knowledge as contribution to the literature. The brand knowledge moderating research could provide in-depth reasons that affecting consumers buying decision towards “Made in Malaysia” product, we encourage Malaysian’s businesses and consumers to support the government’s initiatives. This research will bring benefits to the current small medium sized enterprises in Malaysia.

Conclusion
This study would generate a different perspective of views for Malaysian brand builders, new start-ups, product manufacturers, industry players especially those who are searching for their product revamp, repackaging and redesigning their homegrown unique brand, aiming to penetrate nationwide and global market. Helping Malaysian’s businesses to make better decision when producing or designing their “Made in Malaysia” product, building a longlasting business profitability and maximization by applying the right marketing mix theory during their product research and development stage, a data references for the company marketing team to define the relationship between product, price, place and promotion, whether or not the brand knowledge could strengthen for better business results. The variables implication study would enable marketeers to draw up a good marketing plan and improve operating results visibly by using the right marketing mix 4Ps combination, knowing each variable relationship between independent and dependent variables when designing the product or business model. This study will also contribute to academia by examining the unique factors on product, price, place, promotion, the theory of marketing mix and endorsed by Malaysian enterprises and consumers on their buying decisions.

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