The Role of Full or Partial Mediation of Intention between Patriotism, Trust, Government Support through Structural Equation Modeling (SEM) Effect on Actual Purchase toward Malaysia Brand

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Abstract—The aim of this paper is to investigate the antecedents of actual purchase on Malaysian brand, Patriotism, trust, government support and intention. Moreover, the research framework was built and tested based on the Theory of Planned Behavior. The research instrument consisted of 39 items, patriotism 10, trust 8, government support 8, intention 8, and actual purchase 5, adapted from previous studies. Questionnaires were distributed to 300 respondents in Kedah (Jitra, Changloon, Simpang Kuala and Sungai Petani (170), Penang (Kepala Batas (40)), Perlis (Arau (90) with 202 respondents, consequently this representing 67.3% response rate. The data were analyzed using Structural equation modelling (SEM). This study has established seven direct and indirect hypotheses. The findings of the study highlight that purchase intentions has significant relationship with trust,(Estimate 0,382, C.R.2,792, p-value 0,005),as well as actual purchase has a direct significant relationship with patriotism (Estimate 0,298, C.R. 2,331, p-value 0,02 ), actual purchase has significant relationship with purchase intention (Estimate 0,7, C.R. 6,206, p-value 0.000***), lastly government support has significant relationship with purchase intention(Estimate 0,287, C.R. 3,079, p-value 0,002 ).Meanwhile, full mediating between trust and actual purchase. Finally this result of this study will deepen the understanding of Malaysian customer’s behavior toward its own products.

1. Introduction

Looking into Malaysia business environment, for example fashion industry has been constantly changing in these few decades. From the olden days where local fashion brand was popular among the Malaysians especially for the generation-Y (13-31 years old based on the Department of Statistics Malaysia), but now international brand has been a hit over the local brand fashion products. Over these past few years, from 2000-2004, international brand fashion products have an increase of 2.9% annual growth rate that is around MYR 9 trillion. Asia Pacific has the highest international product with 50% of the world market, next is Europe with 21% and the United States is 16%. These data show that there is huge demand for international branded fashion products [24].

Additionally, the SME-Brand Development Program was developed to enhance visibility of Malaysian products and services in both local and international markets. SME Corp. Malaysia and its partner, SIRIM QAS International Sdn. Bhd. have since then developed the National Mark of Malaysian Brand - a mark of recognition affixed to Malaysian products and services of the highest quality, excellence and distinction. It is aimed at changing the general perception that SME products are of lower quality, reliability and packaging standards compared to big brand names [24]. Every consumer has their own personal characteristics especially in choosing and making purchase decisions [11,12,13].
With this competitive atmosphere and the globalization of markets, fundamental changes occurred which have forced many companies to rethink and adapt their business strategies to implementing innovative management techniques and constant search for new philosophies, to improve their competitive position. Organizations are putting in place strategies that will create, maintain and retain level of loyalty to their products and increase their organization profit. [4,6,5].

In addition to that, the increasing role of the Internet in daily life extends the research towards this emerging market and changing customer behaviors [25,36]. Thus the recent increase in business competition and more dynamic market pricing environment have both impacted on effectiveness of marketing strategy [6,35,15], moreover of these attributes, luxury brands as possessions help to shape the owner’s identity by bridging the inner self and external world [12,19].

Another point is that, Malaysian consumers nowadays have many options of the same products, each with specific features to satisfy different preferences of each individual. What exactly influences consumers’ purchase decisions is what motivated the study of consumer behaviour; it is important to understand what consumers want in a product and what factors influence them to purchase a product. Furthermore, there is a perception that Malaysians think products made in Malaysia cost cheaper due to their low quality (Bedi, 2009). This is a misconception as Malaysia makes products that are of equal quality and fit to be exported to many advanced countries. Consumers are simply used to seeing years of advertisements from branded companies and have built the belief that their products are better quality. Packaging made by branded companies also influences consumers into buying their product [4,6,23].

Thus, the objective of this study is to analyse the purchase behavior of local consumer to buy local brand. Since, no study has included all the selected factors (patriotism and trust, and government support). This leads to focus in this research to arise question, on whether these factors influence actual purchase behavior towards local brands in Malaysia holistically, as it is presented in the research framework. In addition to that, the research question are developed to find out what the factors actually are influencing consumers to purchase local brands, which is presented as follow:

1. Do purchase intention, patriotism, and government support influence actual purchase behavior towards local brands in Malaysia?
2. Do patriotism, trust, and government support affect purchase intention?
3. How does purchase intention mediate the relationship between the predictor and actual purchase behavior?
4. How suitable is the underpinning theory (TPB) for interpreting the Malaysian consumers’ purchase behavior?

Regarding to that, this study investigates patriotism, trust, government support, purchase intention and mediating purchase intention with their relation to actual purchase of local brands in Malaysia.

2. Literature Review

Products and quality, purchase intention will depend on many factors [1,27]. Local purchases are still considered to be risky compared to foreign retail purchases. Local shoppers who have bought products at local retailers are more open and inclined to shop local than foreign others. [1,4,6,27], observed local purchase intention to be a more appropriate measure of intention to buy a local product, when assessing local consumer behavior. Since local outlet offer varies [5,25].

2.1 Theory of Planned Behavior

One of the leading theories that inform studies on consumer behavior is the Theory of Planned Behaviour (TPB). The fundamental idea of the theory that; the intention of people to perform a behavior is influenced by a combination of the following factors: behavioral attitudes (i.e. a person’s beliefs about the behaviors’ desirability); subjective norms (i.e. a person’s perceived which is an important opinions of others `significant); and behavioral control (i.e. a person’s sense of control over behavior) [6 5].

Based on theory of planning behavior Ajzen’s (1991) TPB, four predictors of intention to purchase local brands are patriotism, trust, and government support, which influence a person’s intention, as well as the actual purchase of local
brand, as it was discussed subsequently by [6,25, 2,3]. The basic concepts of this theory are; intention to perform a behavior, attitude toward the behavior, subjective norm, perceived behavioral control, with different kinds of beliefs that constitute the informational foundation for the behavior [6,22].

2.2 Purchase Intention
Perceived Behavior Control was found to be the second most significant factor influencing respondents purchase intention in the proposed model by Al- elkam [1,4,6,20] . This finding supports many previous studies” result the important impact of PBC on purchase intention (Kang et al., 2006; Lim and Dubinsky, 2005; Shim et al., 2001). Getting brands visible on blogs is an increasingly interesting way not only to enhance attitudes, but also to better reach potential buyers [5,6,10].

2.3 Actual purchase
Actual purchasing is like a phenomenology among customers and sellers are now become more creative in order to gain attraction from the buyers. Fourteen studies discuss online purchasing, which refers to consumers actions of placing orders and paying. This is the most substantial step in online shopping activities, with most empirical research using measures of frequency (or number) of purchases and value of online purchases as measures online purchasing; other less commonly used measures are unplanned purchases (Koufaris et al. 2002) [4, 6] and Internet store sales (Lohse and Spiller 1999) [6]. Online purchasing is reported to be strongly associated with the factors of personal characteristics, vendor/service/product characteristics, website quality, attitudes toward online shopping, intention to shop online, and decision-making (Andrade 2000; Bellman et al. 1999; Lee et al. 2000; Sukpanich and Chen 1999) [6].

4. Patriotism, trust and government support
First of all, the main definition for patriotism, distinguishing it from nationalism, which is offered by many scholars among them Druchkman [6,9,14,29]: “Patriotism is committed to a readiness to sacrifice for the nation, while nationalism is commitment plus exclusion of others; a readiness to sacrifice bolstered by hostility towards others.” The findings revealed that the responses to patriotism play a significant positive role on purchase intention and actual purchase to local brands while the cognitive attitude toward imported brands (country of image) played a limited role (limited factors influence on purchase intention) [6,18].

Furthermore, purchase of foreign brands and the role of the firm’s country of origin’s reputation, consumer ethnocentrism, animosity, and trust were the factors explored through the inclusion of other marketing factors that affect trust on the local brand. Based on some studies of [6,37] Additionally, lack of cooperation between the government and the local and private sectors lead to low development of local industry to address the challenges, and address all the issues that hamper local brand development [6]. Hence, access to local brands, to global markets are needed to support the national brand by giving them confidence and by drafting laws that would accommodate all the changes and developments [5,6].

Mostly the consumers from northern Malaysia are from low income. Therefore, they are more concerned on low price of product. Based on three variables may explain the northern Malaysian consumers characteristic, who are more toward patriotism based on the their trust on their local Brand under their government support influencing actual purchase of Malaysian customer as it is illustrated in the framework below with constructed hypothesis;

H1: Patriotism is significantly and positively related to actual purchase behavior.
H2: Trust is significantly and positively related to actual purchase behavior.
H3: Government support is significantly and positively related to actual purchase behavior.
H4: Patriotism is significantly and positively related to actual purchase intention
H5: Trust is significantly and positively related to actual purchase intention
H6: Government support is significantly and positively related to actual purchase
H7: Purchase intention mediating influence on patriotism, trust and government support relationship with actual purchase.

![Figure 1: Research framework](image-url)
3. Methodology

Regarding to what is mentioned on the research questions this study formulates the actual purchase of local brand towards the items offered by local retailer. In the research framework, it shows that purchase intention and Actual Purchase become mediators for patriotism, trust and government support.

3.1 Sampling

Three hundred questionnaires were distributed to the local consumers using convenience sampling techniques, around 202 was returned that represent around 67.3% response rate, in the following states: Kedah – Jitra, Changloon, Simpang Kuala and Sungai Petani (170). Penang – Kelapa Batas (40). Perlis – Arau (90)

The total variables to measure in this the survey are five: patriotism, trust, government support, actual purchase behavior, and purchase intention; To ensure content validity, items were adopted from previous studies concerning intention and actual purchase of local brands to suit the study’s objectives. Moreover, the main local language of Malaysian people is Malay, due to that; the questionnaire was translated from English to Malay. Based on that, the measurement of patriotism is chosen from those developed and adapted to test purchase behavior ([4,6,16] (2 items) and Rawwas et al. 1996 [31,6,31] – 9 items) totaling 11 items. Trust is measured with those developed by Kaynak et al. (2000)[5], Rintamaki, Kanto, Kuusela, & Spence, (2006) (6-items) and [6,37] (2-items); the total is 8 items. Government support measurement was adopted by Kaynak et al, (2000)[6,32] : 3-items, Ferdous & Towfique (2008): 3-items and Tan Teo (2000): 2-items, overall 8 items, while purchase behavior was adopted from previous studies concerning intention and actual purchase of local brands towards the items offered by local consumers using convenient sampling techniques, around 202 was returned that represent around 67.3% response rate, in the following states: Kedah – Jitra, Changloon, Simpang Kuala and Sungai Petani (170). Penang – Kelapa Batas (40). Perlis – Arau (90)

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3.2 Data Screening and Analysis

This study uses quantitative methods (techniques). It is designed to enhance primary data collection to determine the directions (trends) of answers outlined in the research questions. This technique was instrumental in helping researchers discovering verifiable results and realities in research findings [6,34]. Smith (1983) and opines that quantitative research is associated with laid down procedures and accepted parameters [6,33].

The dataset coded 202, and saved into SPSS version 21 and analyzed using AMOS version 7.0. During the process of data screening for outliers, three dataset were deleted due to Mahalanobis (D2) values more than the $\chi^2$ value ($\chi^2=67.99$; n=36, p<.001) leaving a final 183 dataset to be analyzed.

Whereas, several statistical validity tests and analysis were further conducted such as reliability (Cronbach alpha), descriptive statistic of variables validity tests using confirmatory factor analysis (CFA) for construct convergent, and direct indirect impact analysis (mediating effects), testing the fit for the hypothesized structural model, revised model, competing model, and comparison of nested model analysis. [5,19,25,26]

5. Findings

In order to examine whether the factors discussed above that could have a significant impact on Malaysian people behavior, a number of statistical tests were carried out.

4.1 Demographic Profile of the Respondents

Most respondents 73.8% aged below thirty years old. There are female (72.7%) than male respondents (27.3%). The respondents are mostly (65%) undisclosed their occupation but 35% respondents work as worker or administrative (13.1%) and (21.8%) managerial & professional respondents. Their qualification varies from secondary school and bachelor degree. Most (85.8%) respondents earned income below RM 3,000.00.

4.2 Variables

The research framework consists of three exogenous and two endogenous variables. Each construct shows Cronbach alpha readings of acceptable values of above 0.8, well above Nunnally, (1970) [5,21,25] recommendation of 0.60 limits. The highest was 0.899 and the lowest was trust intensity 0.823. However, this variable is included in subsequent analysis because, it is anticipated that the spurious items will be self-deleted during confirmatory factor analysis (CFA) process.

| Table 1, descriptive statistic of variables |
|---|---|---|---|---|---|---|
| variables | Items | Mn | STD | CA | CR |
| PATRIOT | 10 | 4.85 | 10.0 | 0.85 | 0.98 |
| TRUST | 8 | 4.86 | 7.64 | 0.82 | 0.93 |
| Gov su | 8 | 5.36 | 8.44 | 0.89 | 0.95 |
| PI | 8 | 4.56 | 8.79 | 0.88 | 0.91 |
| AC P | 5 | 4.78 | 5.82 | 0.87 | 0.97 |
4.3 Confirmatory factor analysis

Based on the confirmatory factor analysis (CFA) result, the regression estimates, 39 items were conceptualize as the item measuring the model of actual purchase but only 11 item were reliable for construction of the structural model as follow: patriotism (from 10 to 3 items), trust (8 items to 2), government support (8 items to 2 items), purchase intention (8 items to 2 items) and actual purchase (5 item of 2 items).

4.4 Goodness of Fit of Structural Model

To arrive to the structural model, confirmatory factor analysis (CFA) was conducted on every construct and measurement models (Table 2). The goodness of fit is the decision to see the model fits into the variance-covariance matrix of the dataset. The CFA, measurement and structural model has a good fit with the data based on assessment criteria such as GFI, CFI, TLI, RMSEA [6,41,8,39,38]. All CFAs of constructs produced a relatively good fit as indicated by the goodness of fit indices such as CMIN/df ratio (≤ 2); p-value (>0.05); Comparative of Fit Index (CFI) of >0.90; and root mean square error of approximation (RMSEA) of values less than 0.08 (<0.08)[6,17,28].

Table 2, Goodness of fit analysis

<table>
<thead>
<tr>
<th>GOF Indic</th>
<th>Acceptor</th>
<th>Endogenous</th>
<th>Exogenous</th>
<th>Hypothesis Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi – Squar</td>
<td>-</td>
<td>4.236</td>
<td>11.443</td>
<td>1732,105</td>
</tr>
<tr>
<td>DF</td>
<td>1</td>
<td>11</td>
<td>695</td>
<td>34</td>
</tr>
<tr>
<td>PV</td>
<td>&gt; 0.05</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt; 0.8</td>
<td>0.751</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt; 0.9</td>
<td>0.991</td>
<td>0.999</td>
<td>0.772</td>
</tr>
<tr>
<td>RMS EA</td>
<td>&lt; 0.08</td>
<td>0.127</td>
<td>0.014</td>
<td>0.086</td>
</tr>
</tbody>
</table>

On the other hand, the goodness of fit of generated or revised model is better compared to the hypothesized model see the both models in (figure 2). This is expected, as hypothesized model is usually strictly confirmatory. CFI of revised model is 0.986 compared to GFI of hypothesized model of 0.748. Root mean square Error Approximation (RMSEA) also shows a better readings of 0.047 for revised model compared to 0.106 for hypothesized model (<0.08).

Figure 2: hypotheses model

Figure 3, Revised model

The revised model (Figure 3) achieves significant improvements in terms of its goodness-of-fit indices as all suggested values were met after some adjustments were made (Ratio = 1.365; GFI =
The regression parameter estimates show three significant relationships between intention & actual purchase ($\beta = 0.7$, CR = 2.066, $P < 0.001$); intention & trust ($\beta = 0.547$, CR = 2.831, $P < 0.05$); furthermore, patriotism and actual purchase ($\beta = 0.298$, CR = 2.331, $P < 0.02$), these findings are discussed in the context of actual and intend purchase of local brands in Malaysia.

Therefore, the regression parameter estimates shown four have no significant relationships between government support and actual purchase ($\beta = -0.091$, CR = -0.901, $P < 0.367$), government support and intention are not significant ($\beta = 0.133$, CR = 0.994, $P < 0.32$), also trust has no significant relationship with actual purchase ($\beta = 0.121$, CR = 0.851, $P = 0.395$), in addition the relationship between patriotism and intention are not significant ($\beta = -0.004$, CR = -0.021, $P = 0.983$).

### 4.5 Hypotheses Results

The explanation of hypotheses result will be based on generated or revised model (Table 3). The result demonstrates that trust and purchase intention have a significant relationship. Patriotism has a significant relationship with actual purchase. Moreover, actual purchase and purchase intention shows a significant in both models. Alternatively, hypotheses H2, H3, H6 and H7 are not significant. Since the p-value is more than 0.05 which means less evidence against null hypothesis. Thus, these hypotheses are rejected.

Table 3: Testing Hypothesis

<table>
<thead>
<tr>
<th>Hyp</th>
<th>Endogs</th>
<th>Est</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>P&lt;--Trust</td>
<td>0.54</td>
<td>0.26</td>
<td>2.83</td>
<td>0.00</td>
<td>Sign</td>
</tr>
<tr>
<td>H2</td>
<td>P&lt;--GS</td>
<td>0.13</td>
<td>0.062</td>
<td>0.99</td>
<td>0.32</td>
<td>Not Sign</td>
</tr>
<tr>
<td>H3</td>
<td>P&lt;--Pa</td>
<td>-0.00</td>
<td>0.22</td>
<td>-0.02</td>
<td>0.98</td>
<td>Not Sign</td>
</tr>
<tr>
<td>H4</td>
<td>ACP&lt;--Pa</td>
<td>0.29</td>
<td>0.19</td>
<td>2.33</td>
<td>0.02</td>
<td>Sign</td>
</tr>
<tr>
<td>H5</td>
<td>ACP&lt;--PI</td>
<td>0.7</td>
<td>0.13</td>
<td>6.20</td>
<td>***</td>
<td>Sign</td>
</tr>
<tr>
<td>H6</td>
<td>ACP&lt;--GS</td>
<td>-0.09</td>
<td>0.05</td>
<td>-0.90</td>
<td>0.36</td>
<td>Not Sign</td>
</tr>
<tr>
<td>H7</td>
<td>ACP&lt;--Trust</td>
<td>0.12</td>
<td>0.22</td>
<td>0.85</td>
<td>0.39</td>
<td>Not Sign</td>
</tr>
</tbody>
</table>

Overall, the study result’s illustrates two significant with direct impacts: Trust to purchase intention (P<value: 0.005), and government support to purchase intention (P<value: 0.002), in hypothesized models. Whereas, in revised model, there are three significant direct impacts: between patriotism to actual purchase with (P<value: 0.02), also purchase intention to trust actual (P<value: 0.005) purchase-to-purchase intention, which means significant, contrary trust and government support are not significant.

### 4.6 Mediating Effect Analysis of Revised Model

In the following Figures 2, 3 and 4 show the indirect effect estimates to test the mediating effects of patriotism, Trust, government support purchase intention and actual purchase as hypothesized in the hypotheses below:

H7a: Purchase intention mediating influence on patriotism relationship with actual purchase

The relationship between patriotism and actual purchase was mediated by purchase intention. As Figure 4 illustrates, the standardized regression coefficient between patriotism and purchase intention was statistically not significant (-.149 to -.004), whereas the purchase intention to actual purchase is significant with p-value 0.05. Therefore, there is no mediation between the patriotism and actual purchase (0.298), and the P-value > 0.05, which means H7a is rejected.

![Figure 4: No mediating](image)

H7b: Purchase intention mediating influence on government relationship with actual purchase

Furthermore, as seen in Figure 5, the proportion of significant mediation effects that could be described as no mediation. The indirect relation between government support and purchase intention is (.099 / .133) that is not significant which means that P-value is higher than 0.05, however the indirect relationship between actual purchase is significant (691/.700), as results show in figure 5, there is no mediation in direct relation between government support and actual purchase (.091/0), hence the H7b is not supported.
5. Conclusion

Overall, the study presents how the current research objectives have been realized in light of the previous elaborated discussion according to the results. Meanwhile, the study briefly restate the main points to sum up, in this research paper, two direct hypothesis are not significant to actual purchase, however patriotism is significant to actual purchase, additionally trust and purchase intention have a significant positive impact. Although actual purchase and purchase intention are significant in both models. Alternatively, hypotheses H2, H3, H6 and H7 are not supported.

The study provides valuable implication for the existing Malaysian brand. The local and foreign companies are given more importance to trust and patriotism factors on Malaysian people in order to make a great appeal on their product. Building trust and Patriotism campaigns could affect emotionally appealing messages stressed on the local brands. While projecting the products features they are advised to focus on improving the self-concept of the consumers. Malaysian companies are advised to go for aggressive strategies to improve the customer’s perception on local brands in terms of quality and trust value like “Malaysian Boleh, proud to be a Malaysian” and “Buy Malaysia, made in Malaysia, Smart Choice”. The strategic alliances, licensing agreements or joint ventures are the important strategies to sell the local brand under global brand name with higher status and quality. Meanwhile, similar research in the future will give more significant impact or extended research method would be contributing to new research in Malaysia local brand.

References


97file://C:/Users/user/Downloads/The%20Mediating%20Effect%20of%20Brand%20Trust%20(1).pdf


