THE EFFECT OF ETHNOCENTRISM, ADVERTISING APPEAL, PERCEIVED QUALITY AND PRICE PERCEPTION ON ACTUAL PURCHASE OF PROTON CARS

AL HUSAIN BIN AMIN

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THE EFFECT OF ETHNOCENTRISM, ADVERTISING APPEAL, PERCEIVED QUALITY AND PRICE PERCEPTION ON ACTUAL PURCHASE OF PROTON CARS

By

AL HUSAIN BIN AMIN

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ABSTRACT

The automotive sector in Malaysia has grown well over the last few decades due to the success of the national automotive policy (NAP) and the rapid development of the country's economy. Proton is a proud Malaysian car brand that is directly involved in the automotive industry and has become a leading brand that received a warm welcome for many years. However, from 2013 to 2018, Proton's sales have been steadily declining from year to year. The main objectives of this study were to evaluate the relationship between ethnocentrism, advertising appeal, perceived quality and price perception with the actual purchase of Proton cars and to examine whether perceived quality and price perception mediate the relationship between ethnocentrism and advertising appeal with the actual purchase of Proton cars. The sampling procedure of multi-stage random sampling was used to determine the selection of respondents comprising Malaysian Proton car owners. This study used the quantitative method by distributing a set of self-administered questionnaires. The structured questionnaire items were built based on previous studies and proved their authenticity and reliability. 400 sets of questionnaires were distributed to respondents to complete this study. The findings revealed that all hypothesised relationships were statistically accepted except the direct relationship between ethnocentrism and actual purchase and the direct relationship between advertising appeal and actual purchase. Even so, perceived quality and price perception fully mediated the relationship between ethnocentrism and actual purchase. The relationship between ethnocentrism and actual purchase became significant with the intervention from perceived quality and price perception. Meanwhile, price perception competitively partially mediated the relationship between advertising appeal and the actual purchase of Proton cars. Price perception changed the negative relationship between advertising appeal and actual purchase into a positive relationship. This study concludes with discussions on the theoretical and practical contributions, study limitations and suggestions for future research.

Keywords: Ethnocentrism, advertising appeal, perceived quality, price perception, actual purchase of Proton cars.

ABSTRAK

Sektor automotif di Malaysia telah berkembang dengan baik sejak beberapa dekad yang lalu disebabkan oleh kejayaan dasar automotif kebangsaan (NAP) dan perkembangan pesat ekonomi negara. Proton adalah jenama kereta nasional Malaysia yang terlibat secara langsung dalam industri automotif dan telah menjadi jenama terkemuka yang menerima sambutan yang hangat selama bertahun-tahun. Walau bagaimanapun, dari 2013 hingga 2018, jualan Proton semakin menurun dari tahun ke tahun. Objektif utama kajian ini adalah untuk menilai hubungan antara etnosentrisme, tarikan pengiklanan, tanggapan kualiti dan persepsi harga dengan pembelian sebenar kereta Proton, dan mengkaji sama ada tanggapan kualiti dan persepsi harga menjadi pengatara hubungan antara etnosentrisme dan tarikan pengiklanan dengan pembelian sebenar kereta Proton. Prosedur pensampelan rawak pelbagai peringkat digunakan untuk menentukan pemilihan responden yang terdiri daripada pemilik kereta Proton di Malaysia. Kajian ini menggunakan kaedah kuantitatif dengan mengagihkan set soal selidik urus sendiri. Item soal selidik berstruktur telah dibina daripada kajian terdahulu dan terbukti kesahihan dan kebolehpercayaannya. Sejumlah 400 set soal selidik telah diedarkan kepada responden untuk menyelesaikan kajian ini. Penemuan kajian menunjukkan bahawa semua hubungan hipotesis adalah diterima secara statistik kecuali hubungan langsung antara etnosentrisme dan pembelian sebenar, dan hubungan langsung antara tarikan pengiklanan dan pembelian sebenar. Walaupun demikian, tanggapan kualiti dan persepsi harga mengantara sepenuhnya hubungan antara etnosentrisme dan pembelian sebenar. Hubungan antara etnosentrisme dan pembelian sebenar diterima dengan campur tangan daripada tanggapan kualiti dan persepsi harga. Sementara itu, persepsi harga secara kompetitif mengantara sebahagian hubungan antara tarikan iklan dan pembelian sebenar kereta Proton. Persepsi harga mengubah hubungan negatif antara tarikan pengiklanan dan pembelian sebenar kepada hubungan positif. Kajian ini disimpulkan dengan perbincangan mengenai sumbangan teoretikal dan praktikal, batasan kajian dan cadangan untuk penyelidikan masa depan.

Kata kunci: Etnosentrisme, tarikan pengiklanan, tanggapan kualiti, persepsi harga, pembelian sebenar kereta Proton

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EE	Ethnocentrism
AA	Advertising Appeal
PQ	Perceived Quality
PP	Price Perception
AP	Actual Purchase
PROTON	Perusahaan Otomobil Nasional
PERODUA	Perusahaan Otomobil Kedua
JPJ	Jabatan Pengangkutan Jalan
MAA	Malaysia Automobile Association
TPB	Theory of Planned Behavior
NAP	National Automotive Policy

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This introductory chapter consists of the background of the research, the statement of the problems for the study, the research questions, the research objectives, the significance of the study, the scope of the study, the definition of the terms and the organisation of the dissertation.

1.2 Background of the Study

Buying Malaysia's manufactured goods first campaign launched in 1988 by Tun Datuk Seri Dr. Mahathir Mohamed was to encourage the people of this country to prioritize the use of locally-made items. The campaign was re-launched in 2007 as a follow up and rebranding of the Malaysia-Made Goods Campaign which was launched in 1988. In addition to its purpose, its aim is to encourage local consumers to purchase, consume and use Malaysian made goods continuously. Datuk Seri Ismail Sabri Yaakob was the previous Domestic Trade, Co-operatives and Consumerism Minister wanted Malaysians to prioritize Malaysian goods in dealing with the dumping of foreign goods (The Star, 2009).

According to Noor (2015) local good is goods produced entirely within the country. Meanwhile Lew (2014) stated that domestic made products relate to the production of a product domestically using materials either locally or brought in from abroad. In

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addition to encouraging the use of local goods, the objective of the campaign is to stimulate the country's economic growth, promote the growth of small and medium industries, develop side businesses and diversify the supply of industrial goods and also create jobs for the people (Noor, 2015).Over the years, Malaysia has owned a manufacturing industry that produces some local products related to the foods, agricultures, textiles, industrial materials, electronics and automotive industries. Most of the goods produced are the goods and needs of the Malaysian themselves. Malaysia's involvement in the automotive sector more than 30 years ago has produced its own brand of Proton. Since then, Proton has become a brand that the Malaysians are proud of. Several years later, the government launched the second national car called Perodua which focus on smaller size cars production (The Star, 2011).

Malaysia is a developing country which is experiencing rapid economic growth. Malaysia is a very fortunate country for having a strategic trading location that allows for easy trading with neighbouring countries for such as Singapore and Thailand. With the existence of a wide network of international trade, Malaysia's economy has grown at a high rate through import and export activities of various types of products. At the moment, trade becomes an infinite global activity where information and technology can be shared without any separating boundaries. Although there are various facilities in this trade, consumers in Malaysia often show inconsistent purchasing habits. This means that even though Malaysians are proud of their exports abroad, they still strongly assume that imported goods from outside have a better quality and image, especially goods manufactured in the United States and Japan (Cham, 2017). Furthermore, the

situation exists where local customers prefer imported brands rather than local brands in most categories of goods especially luxury goods such as cars, watches, handbags and electrical goods.

Local customers' perceptions that imported brands have better quality, famous designer designs and high-class material are already in common among Malaysians. The exuberant culture of this exotic product is difficult to eradicate from the local consumer buying habits of all product categories. This attitude contributes to the difficulty of local brands to compete with imported goods (Al-Ekam, 2013). Moreover, consumers are always confused when buying because they are affected by several factors including price, brand image, country of origin, advertising, quality, resale value and others (Nik-Mat, 2015). They want to buy local products but are barred by such factors with lower prices and quality of cheaper imported products especially many goods from China are imported in large quantities nowadays (Yan, 2019). Imported products sometimes also have a better and more prominent promotional and advertising feature with a wide range of business networks (Lew, 2014).

From the point of ethnocentrism, Proton seems to have become one of the victims of the situation where Malaysians do not care about local goods that resulted in Proton's sales to decline from 2012 to 2018. This may be due to the influx of outside brands and Proton has to compete to maintain its top position. Strengthening the practice of buying local goods can show a sense of patriotism among locals (Balabanis et al. 2017). In line with this, Meas et al. (2014) confirmed that there is a positive relationship between the

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patriotism factor and the product ethnocentrism in the purchase activity of the beef products produced within the country of Britain. In order to ensure that locally made goods remain a consumer choice, growing, convincing and competitive, factors such as ethnocentrism, advertising appeal, price perception and perceived quality must be reviewed and emphasized by the manufacturers and policy makers.

Specifically, one of the ways to foster consumer awareness of buying and using local product is to expose them with customers' ethnocentrism values when deciding on buying goods. In consumer ethnocentrism, the level of ethnocentrism is not the same between one consumer to another because there are psychosocial and demographic factors such as lifestyle and race. Shimp and Sharma (1995) emphasize that the tendency of ethnocentrism is different because there are a set of factors underlying it. According to Abbas et al. (2018), psychosocial factor is the factors that influence how people think, feel, and respond to something that is influenced by the existence of others as it is actually occur, imagined, or implemented. Psychosocial factors include patriotism, nationalism, conservatism, collectivism, animosity, ethnic pride, and openness external culture. While consumer demographic factors are factors in the environment consumer macros covering age, gender, education, and income (Kotler, 2012). Fostering the spirit of ethnocentrism is a great challenge for a country, especially for a multiracial population. In being insensitive, the importance of putting local products first will undermine their understanding, coupled with the attitude of certain races that neglect the value of integration by focusing on their own products which makes things worse. However, that is the reality in Malaysia. The role of leaders as role

models has also been tarnished in enhancing people's ethnocentrism as they have never given priority to local goods, especially at official events. Their actions do not set a good example for local consumers as they are the ones who should use local products.

However, a previous study by Noor (2015) showed that Malaysian consumers contribute high rates when making purchases of local products in ethnocentrism and patriotism. It is one of the best examples to explain that Malaysia has a high awareness in supporting national development through the purchase of domestic products that are also of good quality, in this context is a national car. Using Proton cars as an example of ethnocentrism is a good move as it will enhance its brand image, boost domestic economic growth and will also strengthen the national car market position in the national market (Hin, 2014). High customer ethnocentrism can also ensure that the people of this country have a strong stance on local products (Rahmawati, 2016).

One of the ways to foster ethnocentrism among customers is to use advertising channels. Both factors are important to promote the growth of ethnocentrism because advertising has the power to influence customers (Ahmed, 2013). Advertisement is a marketing medium that provides consumers with product information as well as to attract customers (Al-Ekam, 2013). An advertising appeal refers to the approach used to attract the attention of consumers or to influence their feelings toward the product or service (He & Qu, 2018). Advertising appeal is generally divided into two: emotional appeal and rational appeal. Advertising appeals aim to influence the way consumers view themselves and how buying certain products can prove to be beneficial for them.

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When it comes to marketing local products, advertising appeal is very important and must be tailored to local customers. These advertising appeal activities must be sensitive to the local people in their feelings and actions to buy (Jayaraman, 2013). In Proton car advertising, for example, advertising content must reflect the pride of people driving national cars that show satisfaction and reflect strong bond between family members. These likeable images easily absorb into the customer's memory and will trigger a purchase intention (Awan, 2015).

In addition to being influenced by advertising when purchasing a product, the customer mostly focuses on the price and quality of the product. They expect what they pay or invest will give them the best return. This is the same as buying a Proton car. Customers always expect their hard earned money to be of high satisfaction and to get quality cars if they buy Proton brand compared to imported cars (Wel et al., 2015). Their past experience or feedback from others teaches them to be careful about buying decisions so they do not make the wrong choices on a huge amount they invested. The unimproved quality of Proton cars cause customers to switch to another brand such as Perodua, Honda and Toyota (Leow & Husin, 2015). Annual sales of 2014 to date have seen a significant increase in these three brands. This is a major contributor to Proton car sales declining in the local market. Poor quality conditions make traumatized customers continue to buy Proton because they have to pay at a high price (Eze, 2012). Should Proton's position as a local brand offer lower car prices as an incentive to the people of this country? Many studies have shown that price and quality are two interrelated factors and determinants of product success in the market (Zeithaml, 2008;

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Bnu, 2018; Zeitsman, 2018). Therefore, fair pricing is highly anticipated by local buyers.

1.2.1 Local automobile industry in Malaysia

The Malaysian local automotive industry is mastered by two domestic manufacturers that are widely protected by the government through the National Car Policy (NAP) for example by introducing trade barriers to imported cars (Esa, 2013).These two lucrative producers are Perodua and Proton, two local brands that dominate the local passenger car market. These two major automobile industries in Malaysia employ more than 450,000 employees in their production line (Wel, 2015). The industry also provides job opportunities for Malaysians in various fields including management, marketing, sales and service centres in the whole country. Proton and Perodua gain many privileges as leaders of the country's automotive industry (Esa, 2013). Hence, Malaysian government maintains its high taxes and duties on fully imported vehicles to protect the interest of Proton and Perodua as Malaysian brands (Tan, 2018). In expansion to import tax, Malaysia government also impose an extra excess duty to the imported car between 65 percent and 105 percent of them sold in Malaysia. These taxes and charges have made imported vehicles very expensive for buyers in Malaysia. These charges will influence foreign cars to fetch nearly three times higher than the actual price (Tan, 2018).

Brand	Total Sales (Passenger Vehicles)					
	2016		**2017**		**2018**	
	Total	**Share%**	**Total**	**Share%**	**Total**	**Share%**
Perodua	207110	40.3	204887	38.9	227243	42.6
Honda	91830	17.8	91830	21.3	102282	19.2
Proton	72290	14.0	70991	13.8	64744	12.1
Toyota	44585	8.7	47615	9.3	43446	8.1
Nissan	33219	6.5	19949	3.9	21956	4.1
Mercedes	11798	2.4	12067	2.3	15765	3.0
BMW	9000	2.3	10618	2.1	13118	2.5
Mazda	12182	1.7	9454	1.8	12008	2.3
Volkswagen	6048	1.2	6536	1.3	7001	1.3
Subaru	3873	1.2	4782	0.9	5658	1.1
Others	22609	5.1	18287	3.6	19981	3.7
Total	514545	100	514697	100	533202	100

Table 1.1   Car Sales in Malaysia by Brand 2016-2018

Referring to the above table, Proton car sales have been declining from 2016 to 2018. This decline is a continuing steady decline from 2012 over the past few years. Over the past eight years, Proton has lost more than 50% of its market share in the passenger car category (Mashahadi, 2015). The decline in sales is a nightmare for Proton as a national car. This is in contrast to the achievements of Proton in the 1990s. From the period 1990 to 1995, automobile sales in Malaysia rose from 187,147 to 285,794 and continuously increased to 420,000 in 2000. The top selling cars in Malaysia in 1995 were Proton Saga, Proton Wira and Perodua Kancil respectively. Proton and Perodua continue to compete in the local market in several classes of car variants especially in the B and D passenger car segment by healthily focusing on their expertise and priorities (Proton, 2005). Proton is focusing more on large passenger cars while Perodua is focusing more on compact cars. The result of this healthy competition has made both brands dominate the sales of the local car market. As it continues to produce and add car options to the market, Proton launches few new sedan car models namely

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Perdana, Persona, Iriz and Saga, respectively while Ertiga, a multi-purpose vehicle developed with Suzuki, debuts for the first time in 2016.Perodua, meanwhile, launched its first sedan Bezza in July 2016, after 23 years focusing on producing small cars (Careta, 2018).

Competition between the two national cars, Perodua and Proton, has intensified as Perodua announced the release of a recent model sport-utility vehicle (SUV).This is the first time the company has launched their SUV model in Malaysia. According to automotive analyst, this action could increase the sales rate of SUVs in the country which is far behind the global average SUV sales. Both companies appear to have different objectives through the launch of their SUV models. Proton focuses on improving people's perceptions of their brand, while Perodua focuses on sales and profits in their new business model and marketing strategies (Bernama, 2013).Until early 2020, Proton's first SUV in cooperation with the Chinese company recorded nearly 28,000 units after a year of the initial launch (The Star, 2019). This increase in sales has boosted Proton's ranking in the national car manufacturers list. Perodua, which also launched its SUV model Aruz in partnership with Daihatsu, is still in the top spot with sales of over 30,000 units and is a major competitor for X70.

1.2.2 Brief history of Proton

In 1979, Malaysia's Father of Modernization, Tun Mahathir Mohamad, triggered the thought of building up a car assembling and fabricating industry in the country. It was Tun Mahathir's dream to establish Malaysia as a heavy industry country in the region.

His dream got to be one step closer to reality when the Cabinet affirmed the National Car Project in 1982 (The Star, 2008).

Later, Proton was incorporated officially on 7 May 1983. Proton first model, the Proton Saga, was commercially launched on July 9, 1985 at Putra World Trade Centre. The name "Saga" was given by Ismail Jaafar, a retired military soldier, and derived from the seed of "saga", a type of seed commonly found in Malaysia (Wikipedia, 2018). Later, Proton Saga became one of the top lists on car enthusiast checklist. The demand was so overwhelm and Proton started targeting neighbouring country as new export market. Subsequently, for the first export market, the Proton was sold in Singapore which is the southern neighbouring country of Malaysia (Proton, 2013).

In 1986, after nearly a year of the first car introduced, Malaysia witnessed the official introduction of Proton's 10,000th and in the following year, Proton introduced the Proton Saga 1.5 sedan and hatchback model (Abdullah, 2013).At that time, more than 50,000 units of Proton Saga were produced and sold in Brunei, Sri Lanka, Bangladesh, Malta and New Zealand. Not long after that with proud Protons were exported to United Kingdom. In 1988, Proton joined British International Motor show with excellence, running smoothly with three prestigious awards for ergonomic design, teamwork and quality (Proton, 2013).

The company advanced to the newly design in 1989 also with Mitsubishi Motors. Through this collaboration, Proton released a number of other car models that made Proton more famous and become the first customer's choice. This achievement was supported by several important new model launches including coupe Proton Putra,

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Proton Wira 2.0 Diesel and Proton Tiara, in addition to Proton Wira, Proton Satria and Proton Perdana. In the same year, Proton gained control over Lotus Group. Since then Proton has introduced several new models that received positive response like the new model Saga, and some unsuccessful models like Juara, Savvy and Iriz (Eugene, 2019).

Up to year 2011, internal crisis, management conflicts, poor economic conditions and quality issues contribute to uncertainty in Proton sales. In January 2012, DRB-Hicom bought Proton shares and took over Proton's management of the Khazanah Nasional (The Star, 2012). However, since then, statistics show Proton's annual sales have been declining from year to year. Finally, some Proton shares were sold to China's big company, Zhijeang Geely in May 2017. The first product of Proton's joint venture with the Chinese company is Malaysia's first **X70 SUV** which was launched in November 2018 (Eugene, 2019).

1.2.3   The Importance of Proton for Malaysia

Bowring (2005) writes in the New York Times saying that Proton is the key to the country's automotive industry that has brought Malaysia to be a well-known passenger vehicle manufacturer and sold worldwide, allows it to compete with Thailand and China cars because its tariff is included in various trade agreements. Proton's emergence as the first car brand is aimed to complement the vision of the Malaysian heavy industry driven by Tun Dr Mahathir besides the Penang Bridge and Perwaja Steel project. Proton is a catalyst to explore the automotive industry which will contribute to economic growth and provide employment opportunities to many workers (Jayaraman, 2018).

Proton is the largest manufacturer of vehicles that obtain installation licenses and the benefits of industrial technology sharing from Mitsubishi Motors between 1985 and the early 2000s which rebranding few new variants for local and export market such as Saga, Iswara, Wira and Perdana (Abdullah, 2013). After being fully owned by DRB-Hicom in January 2012, Proton introduced more variants in the market like Exora, Suprema S, Preve and Persona to compete in the passenger car segment. The introduction of some of these more powerful new models will further boost Proton's sales in the Malaysian market. The sector is on the right track to contribute 10 per cent of GDP by 2020. In 2016, the sector contributed 3.6 per cent or RM40 billion to GDP of Malaysia (Jayaraman, 2018).

Since 2010, Malaysia's car industry is dominated by two local manufacturers which are heavily supported by the government through National Car Policy e.g. trade barriers. These local manufacturers are Proton and Perodua. Pertaining to Zolkifly (2013), automobile industry in Malaysia employs about 350,000 Malaysians covering the entire field. In order to maintain employment opportunities in the car industry and ensure that national car brands can compete in the local market, Malaysian government maintains its high taxes and duties on imported cars. (Bharian Online, 2011).

Proton, largely dependent on the local industry, is undergoing major structural and internal changes, as evident in the appointment of a new chairman, ownership, partner and management, and the launch of various new and fresh models in an effort to gain an international presence and increase profitability in the next future (Saidin et al, 2015).

1.3 Problem Statement

Based on car sales statistics in Malaysia, the key issue faced by Proton is the continuing decline in sales over the past six years including in 2018. Proton car sales continued to decline for a period of six years, and statistics show that only 65,799 units of vehicles were sold in 2017. In 2013, Proton sold 138,753 units, which decreased to 115,783 units in 2014, 102,546 units in 2015, and only 72,291 units in 2016. Towardsthe end of 2016, the decline in sales caused Proton to lose up to RM1.5 billion. In 2018, Proton's sales volume still showed a declining trend where only 64,744 units of cars were sold.

Proton cars are often considered to be of low quality, inefficient and unworthy of the sale price (Leow & Husin, 2015). The dubious quality of Proton's replacement parts and the persistent technology used in Proton cars affected the trust of consumers for wasting their money and time to maintain their car as they had to pay an expensive price for the replacement parts. This protracted problem has led consumers to move to another quality brand. Recently, the situation was further aggravated by the implementation of SST to replace GST, which had increased the price of Proton cars and greatly distressed budget car buyers (BHarian Online, 2018).

Proton's partnership with Chinese company Zhejiang Geely also caused concern to many parties including Tun Mahathir as the quality of Chinese-made cars is highly distrusted and eliminates the icon of nationalism (The Star, 2018). He stated that with the done deed, "Proton can no longer be national" and that any success it experiences is nothing to be proud of, as it doesn't "belong to me or my country" (Tan, 2017).

History has shown that Chinese-made products cannot last long in the Malaysian market (Zainul, 2017). It has severe quality problems, has scarce and expensive spare parts, and has limited service centres for maintenance. Chinese brands such as Chery, Chana, Dong Feng and others have shown reduced sales and many of their showrooms have closed down. Consumers are concerned that the same problem will happen to Proton cars produced by the Chinese manufacturer's joint venture (Leong, 2017).

Malaysian citizens show their appreciation and support to the country by purchasing national products (Nik-Mat et al., 2015). Thus, purchasing a national car is one the ways for Malaysians to demonstrate their ethnocentrism. However, Proton's decline in sales reflects the fragility of ethnocentrism among Malaysian customers towards locally made goods. Customers are no longer sensitive to demonstrate their ethnocentrism to help the local producers' economy; instead, they are focusing on their own personal gain. This situation may be due to the Malaysian government that is also insensitive to ethnocentrism, especially recently where the cabinet members prefer to use the Toyota Vellfire instead of the X70 as the official vehicle. So would do they set an example of cultivating ethnocentrism among Malaysians? This situation is further exacerbated by the demographic status of the people of this country whereby only certain ethnic groups defend ethnocentrism while other races ignore it. Empowering and enhancing ethnocentrism can make consumers more willing to buy local goods over the long term (Rahmawati, 2016).

Advertising should also enrich the personality of the customer and instil ethnocentrism. Advertising appeal that focuses on the right audience will yield good results for

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customers to continue buying local products. The lack of advertising activities in social media compared to Perodua also affected the image of Proton as a prominent car with sophisticated technological diversity (Eugene, 2017).Other than that, price and quality factors are the main issues that are persistent among vehicle owners. Price perception and perceived quality have become the main reference for buyers because these two factors will be covered as long as they have it (Zeithaml, 2008). The condition of Proton cars that often affect the user's decision, as well as the price factor that is in line with the quality, causes great concern to consumers (Kaur, 2016). The decline in the sale of Proton cars will further weaken Proton's position and the national automotive industry. The decrease in sales also reflects the unimproved quality of the car as well as the unimproved quality of customer service and sales on display at 79 Proton3S (Sales, Services and Spare parts) branches, the largest among OEMs in Malaysia, in the Proton sales network (The Star, 2018).

In Malaysia, there is limited literature discussing the actual purchase of local cars amongst Malaysians, which encourages the researcher to fill the literature gap, especially in the context of ethnocentrism, advertisement, perceived quality and price perception in automobile purchase that focuses solely on Proton cars. Although there have been previous studies examining the relationship of the above variables with purchasing behavior among Malaysians such as ethnocentrism (Nik-Mat et al., 2015, Wel et al., 2015, Hashim, 2008, Shah and Ibrahim, 2016, Lew, 2014 and Haque et al., 2011); advertising appeal (Tih et al., 2016, Raza et al., 2016 and Lynn and Zolkepli, 2019); perceived quality (Yee et al., 2011, Asshidin et al., 2016, Othman et al., 2017

and Ratama, 2014) and price perception (Samah & Rashid, 2017, Mansori, 2012, Tih, 2013 and Musa & Nazri, 2014), but this study will focus on the actual purchase of Proton cars.

For example, a study by Wel et al. (2015) examined the relationship between ethnocentrism and patriotism with purchasing behavior on national cars including Proton and Perodua, while the present study will only focus on Proton cars as Proton is the only national car produced in Malaysian contrast to Perodua which rebranded foreign brands such as Daihatsu and Toyota. Thus, the findings on the relationship between ethnocentrism and purchase behavior will be more accepted in term of ethnocentrism because the study focused solely on Proton car users. Wel et al. (2015) also proposed an analysis of consumer ethnocentrism and patriotism on Malaysian national car purchasing behavior, therefore, the present study is conducted as an extension to enrich the literature. Furthermore, the findings from previous studies are relatively out of date. Proton is now a new Proton where the collaboration with Geely had changed the business model and perception of consumers to Proton cars.

After a major transformation for Proton in April 2017, there is still lack of study that has discussed the relationship between ethnocentrism, advertising appeal, perceived quality and price perception with the actual purchase of Proton cars. Therefore, the findings of this study will fill the literature gap theoretically and practically and will be important to relevant parties especially the Malaysian government, Proton, and Geely as a reference in driving the future strategic business model and as a starting point for

future research, especially those investigating the need to develop a third national car or an EV powered car that will be very important in the future.

1.4 Research Question

The purpose of this research is to investigate the factors that influence consumers' actual purchase of Proton cars in Malaysia. The research questions are:

1. Is there any relationship between ethnocentrism and advertising appeal with actual purchase of Proton cars?

2. Is there any relationship between price perception and perceived quality with actual purchase of Proton cars?

3. Is there any relationship between advertising appeal and ethnocentrism with price perception?

4. Is there any relationship between ethnocentrism and perceived quality?

5. Do price perception and perceived quality mediate the relationship between ethnocentrism and actual purchase of Proton cars?

6. Does perceived quality mediates the relationship between advertising appeal and actual purchase of Proton cars?

1.5 Research Objectives

In line with the research questions as listed above, the current study seeks to attain the following research objectives:

1. To examine the relationship between ethnocentrism and advertising appeal with actual purchase of Proton cars.

2. To investigate the relationship between price perception and perceived quality with actual purchase of Proton cars.

3. To examine the relationship between advertising appeal and ethnocentrism with price perception

4. To investigate the relationship between ethnocentrism and perceived quality.

5. To examine whether price perception and perceived quality mediate the relationship between ethnocentrism and actual purchase of Proton cars.

6. To investigate whether perceived quality mediates the relationship between advertising appeal and actual purchase of Proton cars.

1.6   Scope of Study

In this study, the target respondents are Malaysians who are twenty-two years old and above. The justification for selecting the age range is based on a record from Jabatan Pengangkutan Jalan (JPJ) regarding the majority of car owners in the country. Furthermore, most Malaysians start working at this age after graduating from their diploma and buy a car as a transportation mode. The targeted respondents are believed to be able to answer the questions and provide accurate information based on the questions asked. It is a fact that people who are in need and who are engaged with cars play a role to represent all citizens in giving their opinions and views that can be analyzed in this study.

This current research will select different levels of respondents from various races to represent Malaysians from the selected Proton's service centers. Only five states will

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be selected to represent the respondents based on the number of new cars registered years before. Based on the statistics from the Malaysia Automotive Association (MAA) (2017), the five states with the highest aggregate sales of new cars registered are Kuala Lumpur, Johor, Penang, Perak and Selangor. Therefore, this study will only select the population from these states as respondents to complete this study.

1.7 Significance of Study

This research is considered significant because the study is related to the actual purchase of Proton cars in relation with ethnocentrism, advertising appeal, perceived quality and price perception which can contribute to both theoretical and practical implications.

1.7.1 Theoretical Implication

This study increases the number of empirical findings on ethnocentrism and advertising appeal and the relationship with perceived quality and price perception with actual purchase of Proton cars. Theoretically, this research can contribute in proving that ethnocentrism and advertising appeal can independently influence actual purchase of Proton cars. Furthermore, the study proposes that applying ethnocentrism and advertising appeal on actual purchase behaviour will lead to increase of actual purchase of Proton cars. The direct and indirect findings can impact the actual purchase of Proton cars among the customers and increase the empirical literature in marketing and other related disciplines.

The findings of this study also expected to provide guidance, information and formulation of effective frameworks to address the actual purchases of Proton cars in Malaysia. The findings in this study will also to prove whether actual purchase has a direct relationship with the Theory of Planned Behaviour (TPB). The theory represents consumers' behaviours related to their intentions that trigger the buying decision based on the findings of previous studies. The bodies of literature that are available in the Malaysian context regarding purchasing decisions are fragmented, and the majority of these discussions focused on purchase intention and low customer involvement in the purchase decision. Hence, this study can fill the literature gap by including actual purchasing behaviour and high involvement in purchase decision by extending TPB and investigating factors such as price perception, advertising appeal, perceived quality and customer ethnocentrism.

1.7.2 Practical Implications

The current study offers significant values for Proton manufacturer since it has considerable managerial and financial significance. For practical implications, the study contributes the possibility of making recommendations on appropriate advertising approach, price ranges, quality standards and ethnocentrism level that can help to increase product acceptance and enrich customer awareness in the purchase of Proton cars among Malaysians. These findings can be used as a rule to differentiate new customer sections, retain existing customers and devise new strategies for a more healthy competition with other brands.

In addition, it will also enable customers to understand their needs and improve their relationship with Proton cars as the preferred car. As far as the researcher is concerned, there is lack of studies done in Malaysia that investigates the relationship between ethnocentrism and the purchase of Proton cars especially after the Proton's share partially sold to Geely Motor. Therefore, the results of this study can show the role of ethnocentrism among Malaysians towards the purchase of Proton cars. Indeed, it is hope that with this study, customer ethnocentrism will increase during decision-making to purchase a car.

This study can be used by Proton's new administration to increase Proton's sales promotion in Malaysia, pricing strategies as well as to improve the quality of its products' specifications and eventually reinforce the position and reclaim the top position.

The results from this study are significant to Proton management, policy makers, government, the Ministry of Transportation, the Ministry of Energy, the Ministry of International Trade and Industry and other authorities such as the Malaysian Automotive Association (MAA). The prolonged decline of Proton sales is a bad sign to the local automotive industry. Government rulings on taxes, subsidies, and ease of lease purchase may affect the demand for national cars that may be revised on the basis of this assessment. This study on actual purchase of Proton cars can also contribute to higher patriotism sentiments among Malaysians and preserve Proton cars in the future in broader market.

1.8   Key Operational Definitions

1.8.1   Actual Purchase Behaviour

The act of purchasing goods and services for personal consumption is through the process of buying or using goods or the amount that people buy or use (Ajzen & Fishbein, 1975).

1.8.2   Ethnocentrism

Consumer ethnocentrism is defined as the consumer's belief in suitability and morality in buying foreign-made products (Shimp & Sharma, 2008).

1.8.3   Advertising Appeal

Advertising appeal is the ability for advertisements to attract the attention of the target market (Rita & Saliman, 2001).

1.8.4   Perceived Quality

Zeithaml (1988) defined perceived quality as the consumer's judgment about a product's overall excellence or superiority.

1.8.5   Price Perception

Price perception can be defined as customer's subjective perception of what is given up or sacrificed to acquire the product (Zeithaml, 1988)

1.9 Organization of the Dissertation

The second chapter presents a review of the literature. It is divided into eight sections: introduction, actual purchase behaviour, ethnocentrism, advertising appeal, perceived quality, price perception, the Underpinning Theory, gaps in the literature and the summary of the chapter. The third chapter discusses the research framework, hypotheses or proposition development, research design, unit of analysis, sampling design, operational definition, the measurement of variables or instrumentation, questionnaire design, translation of the questionnaire, data collection (data collection procedures) and techniques of data analysis. The fourth chapter provides the findings, and the fifth chapter discusses what has been studied and suggests recommendations for future study.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This chapter discusses further the literature related to the study. This literature review refers to several sources that represent all the relationships among the variables in this study to support the hypotheses development. Specifically, it will reveal deeply the relationship between the independent variables and dependent variable. This study will examine the relationship between actual purchase of Proton cars with ethnocentrism and advertising appeal by reviewing past studies. This chapter also reviews past citations about perceived quality and price perception as mediators and their relationships with ethnocentrism and advertising appeal. Next is to investigate the relationship between the mediator; perceived quality and price perception with actual purchasing behavior and the role of the mediator in the study in relation to its effect on other variables' relationships. The assessment of TPB helps the researcher to choose the most proper framework to explain the actual purchase behavior of Proton cars among Malaysians. This theory supports the customer's actions on his behavior to make purchases as well as the relationships among all the variables involved in the study.

2.2   Definitions and Measurements of Actual Purchase Behavior

Ajzen (1985) defines actual purchase behavior as an individual's readiness and willingness to purchase a certain product or service. In other words, it is purchasing

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goods and services for personal consumption and means of consumption through the process of buying or using goods, or the amount that people buy or use them (Ajzen & Fishbein, 1975). According to Peter &Olson (2005), actual purchase is a customer's sincerity to purchase a product or service. According to Kotler & Armstrong (2009), actual purchase behavior is evident when a consumer goes through all the relevant steps of a purchase. This would involve the selection of brand, method of payment, packaging, location of purchase, and other factors related to the purchase of a particular brand. The definition states that actual purchase behavior is the end step that results from the different processes that a consumer goes through (Ahmed, 2013). The knowledge on actual purchase is considered important and enables the researchers to understand customers' needs and identify the marketing strategy to ensure continuity of the business (Paul & Rana, 2012). Other studies related to actual purchase behavior have used predictors such as intention (Jamal, 2013), perceived behavior control (Zia-ur-Rehman & Dost, 2013), subjective norm (Pomsanam et al., 2014) and attitude (Ismail, 2015). Meanwhile, the study by Shafiq, Raza & Zia-ur-rehman (2011) found that actual purchase is different through industries.

According to Ming (2007), behavior is the observable act presented by consumers based on their own rights in a given situation with respect to a given target. A single behavior can be observed across different contexts and time to get an accurate measure of behavior. Rangsima and Wahloonluck (2013) argued that purchase behavior is different from attitude and intention because it projects the real behavior, not only the intention. However, Rimal, Fletcher & McWatters (1999) mentioned that a consumer's

actual purchase behavior is often reported to be inconsistent with purchase intention. Therefore, for purchase behavior, it is important to observe the complete process of the buying and purchase action that happens in the store (Rangsima & Wahloonluck, 2013). In line to this, Al-Ekam (2013) suggested that purchase behavior is the willingness and readiness of consumers to purchase a certain brand or service. Sharma (2014) added that for the purchasing behavior of a consumer, it involves the decision process and act of individuals in buying and using the product itself. Further, Al-Ekam (2013) described actual purchase behavior as associated to the real purchase of a product, which involves decision processes and consumer involvement in purchasing and using the product or simply as purchasing products for personal consumption. Actual purchase behavior is also evident when a consumer goes through all the relevant steps of purchasing a product, for example, determine purchase intention, selecting of product brand, comparing price and eventually making decision (Rangsima & Wahloonluck, 2013).

2.2.1 Past Studies on Actual Purchase Behavior

Over the years, many previous studies have been done and conducted by different researchers to identify and examine factors that affect consumers' behavior on actual purchase. The predictors or antecedent variables that have been examined and reported to have correlations with actual purchase behavior are discussed below. These studies examine and report the correlations of several variables that have been selected with actual purchase behavior.

An example of study on actual purchase was done by Al-Ekam (2013) who found that intention, patriotism, quality and government support have a positive and significant impact on actual purchase behavior. In a different study, in discussing the purchase of local goods, Shazzana (2015) concluded that celebrity endorsement in the form of advertising appeal has a significant relationship with actual purchasing behavior and celebrity attraction is a major factor that affects consumers to purchase local food brands. In a bigger scope of study, Ahmad (2017) investigated the critical attributes affecting purchase decision between national and foreign car brands among Malaysian car users. The findings from this study illustrates that there are significant differences of critical attributes of product quality, price and brand loyalty toward purchase decision between national and foreign car brands.

Meanwhile, Lee (2014) in his study indicated that the three independent variables of a car's reliability, safety, and price significantly influence consumer buying behavior towards national cars in Kuala Lumpur. Hazel (2006) also confirmed that promotion and price have the most significant relationship with the demand for national cars. Mashahadi (2015) found that attributes of the car, car maintenance, acquisition process, attitude of consumers, and price of the car were significant in explaining the purchasing pattern. In Malaysia, information quality and purchase quality linked with the post-purchase quality are statistically significant in the case of customer satisfaction (Vegiayan, Ming, & Harun, 2013). However, brand image and quality of products, goodwill of country of origin also influence significantly on purchase behavior of online products (Haque et al., 2015).

Gogoi (2013) state that, during the buying process consumers are influenced by external as well as internal motivations such as safety, needs and brand loyalty. Kawa et al. (2013) concluded that there are six stages which are: knowledge, awareness, preference, interest, persuasion and purchase intention that influenced customers before deciding to buy the product.

As a conclusion, there are many factors that affect actual purchase behavior on automotive products as the above as revealed by previous studies, especially those related to price, quality and safety factors. Undoubtedly, these factors have a very important relationship with the user's decision and are often used by researchers in their investigation pertaining to actual purchase, especially in the automotive industry. In order to investigate the decline sales of Proton cars, the researcher specifically assembled these three important variables, namely ethnocentrism, advertising appeal, price perception and perceived quality to study their relationship with the purchase of Proton cars in particular.

A summary of the past studies on actual purchase behavior discussed above is shown in Table 2.1 below.

Table 2.1
Summary of Past Studies on Actual Purchase Behavior

No. Researchers	Variables	Findings
1. Ahmad (2017)	Product quality, price, brand loyalty and purchase decision	The findings illustrate that there are significant differences of critical attributes of product quality, price and brand loyalty toward purchase decision.

2. Al-Ekam (2013)	Patriotism, trust, advertising, price, quality, masculine culture, family, government support and intention	The results showed that intention, patriotism, quality and government support have a positive and significant impact on actual purchase.
3. Haque et al. (2015)	Brand image and quality of products, goodwill of country of origin	The result showed that brand image and quality of products, goodwill of country of origin also influence significantly on purchase behavior of online products
4. Hazel (2006)	Promotion, price and actual purchase of national cars	The result shows that promotion and price had the most significant relationship with the demand for national cars.
5. Kawa et al. (2013)	Knowledge, awareness, preference, interest, persuasion and purchase intention	The findings concluded that there are six stages which are: knowledge, awareness, preference, interest, persuasion and purchase intention that influenced customers before deciding to buy the product.
6. Lee (2014)	Reliability, safety, and price	The result indicated that the three independent variables of car's reliability, safety, and price significantly influence consumer buying behavior.
7.Mashahadi(2015)	Car maintenance, acquisition process, attitude of consumers, and price	The findings of the study show that attributes of the car, car maintenance, acquisition process, attitude of consumers, and price of the car are significant in explaining purchasing pattern.
8. Miyabi (2015)	Product quality, advertising, brand name, packaging, price, purchase intention	The findings stated that, during the buying process consumers are influenced by external as well as internal motivations.
9. Shazzana (2015)	Celebrity endorsement, advertising appeal and actual purchase	The findings concluded that celebrity endorsement in the form of advertising appeal has a significant relationship with actual purchasing behavior

2.3 Ethnocentrism

The ethnocentrism concept was originally introduced by a sociologist named William Sumner in 1906. He defined ethnocentrism as when one's own group is seen as the center and a reference for all others. Later in 1987, Shimp and Sharma have initiated a specific scale to measure consumer ethnocentrism that was generally known as CETSCALE. Ethnocentrism is a phenomenon regarding the relationship between groups and part of human nature (Shimp & Sharma, 1995). Ethnocentrism basically determined why consumers select the local product instead of overseas (Nik-Mat, 2017). According to sociology perspective, ethnocentrism is defined as a view that distinguishes locals and outsiders and considers that their own group is superior and central to everything (Alsughayir, 2013).

From the psychology perspective, ethnocentrism is interpreted as self-esteem inclination that is true and by judging others according to their own will (Chen, 2008). In psycho sociology, ethnocentrism is also a construct which has relevance to individual personality, cultural analysis and society in general (Shimp & Sharma, 1987). Specifically, ethnocentrism is one's attitude to different groups; their interest in their own group affairs; looking at their own group as the center of the world; consideration that their way of life is superior compared to others; being suspicious and underestimating other groups; seeing their own groups as superior, strong and honest; and look at other groups as low, weak and dishonest problem makers.

Matic (2014) stated that ethnocentrism is the tendency to look at norms and values that is in one's own group as the best standard for measuring attitudes towards other cultures. In addition, ethnocentrism refers to excessive attitudes, beliefs, standards, and individual behavior in something (Ghani, 2014). In the consumer practice, ethnocentrism is said to be a construct capable of explaining why consumers value a local product more important than external products. This comes from the perspective of seeing your way of doing things as the right way and everybody else's as the wrong way (Jovanovic, 2017). Thus, consumer ethnocentrism is defined as consumer's confidence in suitability and morality in purchasing imported products whereby the purchase of imported products itself is a mistake for causing local economic damage (Shimp & Sharma, 1987).

Based on the definition of ethnocentrism among consumers, this attitude is chosen because it is a form of action that will be a consumer practice in assessing and buying a product. Therefore, the definition of consumer ethnocentrism can be concluded as an attitude that sees one's own group as superior to other culturally diverse groups and will buy products that are culturally appropriate.

2.3.1 Ethnocentrism and Actual Purchase

Ethnocentrism has an important relationship with actual purchase and consumer buying decisions (Al-Ekam, 2013). Rybina et al. (2012) stated that customers with ethnocentrism have an important role in consuming domestic-made products and contribute to the low consumption of imported products. They also argued that

customer ethnocentrism is closely related to tradition in their country of origin. Muneta (2019) reported that the ethnocentric attitudes of consumers have a positive effect on domestic purchase behavior. In another case, Nik-Mat et al. (2015) explained that patriotism and ethnocentrism score a positive and significant impact on actual purchase behaviour on foreign travel amongst Malaysian. This position indicates ethnocentric value among Malaysians, therefore, from the findings, it is reflected that the Malaysia Government effort towards "Belilah Barangan Buatan Malaysia" campaign should be continued in improving the purchase local product.

Pratminingsih (2017) reported a positive influence between ethnocentrism consumers on the purchasing decisions of local shoes. In earlier study conducted by Mensah et al. (2012) there was a significance in ethnocentric tendencies to describe the purchasing habits of Ghanaian users on their local made products. This statement is supported in the findings of the study by Chovancová (2012), which revealed that ethnocentric consumers were positively correlated with purchasing decisions on domestic brands such as Vorme oil product. Sharma et al. (1995) and Oszomar (2012) found that ethnocentric views of consumer groups were strongly related to patriotism and were reflected in willingness to purchase local products. Several previous studies also showed a positive relationship between customer ethnocentrism and actual purchase or purchase decision as found by Balabanis (2017), Vida (2015), Ghani (2017), Kamaruddin (2002) and Guo (2017) in various field of industries.

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While there is lack of direct study of ethnocentrism with automotive product purchases in Malaysia, the researcher is positive that the effect is also positive as the other studies included as an example although in the different industries. Based on the result from the previous studies, the researcher intends to investigate either ethnocentrism also has a significant positive relationship with the decision to purchase a Proton car. The promotional culture of buying local goods has long been nurtured for Malaysians, and now, coupled with the spirit of ethnocentrism, the client himself should have a more positive effect on Proton sales. To see whether ethnocentrism is a contributor to the increase in Proton car sales or otherwise, the researcher feels that the results of this study will be a contribution to the country's automotive sector.

A summary of the past studies on ethnocentrism and actual purchase discussed above is shown in Table 2.2 below.

Table 2.2
Summary of Past Studies on Ethnocentrism and Actual Purchase

No.	Researchers	Variables	Findings
1.	Chovancová (2012),	Consumer ethnocentrism and consumer impulsiveness	The results reveal that ethnocentric consumers were positively correlated with purchasing decisions on domestic brands.
2.	Mensah et al. (2012)	Ethnocentrism and purchase decisions	The findings report that there is a significance of ethnocentric tendencies to describe the purchasing habits of Ghanaian users.
3.	Muneta (2019)	Cosmopolitanism, actual purchase, ethnocentric	The findings that the ethnocentric attitudes of consumers have a positive effect on domestic purchase behavior
4.	Nik-Mat et al.(2015)	Ethnocentric consumer, intention and actual purchase behavior.	The results point out that patriotism and ethnocentrism score positive and significant impact on actual purchase behavior.

5. Oszomar (2012)	Perceived brand globalness, local iconness.	The findings reveal that Ethnocentric views of consumer groups are strongly reflected in purchasing local products.
6. Pratminingsih (2017)	Ethnocentrism and actual purchase	The results depict that a positive influence between ethnocentrism consumers on the purchasing decisions of local shoes
7. Rybina et al.(2012)	Patriotism, cosmopolitanism, customers' ethnocentrism and purchase decision.	The findings confirm that customers with ethnocentrism have an important role in consuming domestic made products.
8. Vida (2015)	Product category, foreign product purchase behavior, household income, foreign competition, brand name	The empirical results confirm most of the postulated relationships.

2.3.2 Ethnocentrism and Price Perception

Peter & Olson (2000) stated that price perception relates to how price information is understood entirely by consumers and gives deep meaning for them regardless of whether the goods are local or imported. According to Julina (2012), customer ethnocentrism to buy local products is dependent on the rates they are assigned to. Consumers will be more likely to buy local products than imported products if the price is cheaper or the same. In other times, Yagci (2010) examined the effects of consumer ethnocentrism and price perceptions on the behavioral intentions of consumers when faced with price increases made by foreign or local firms in Turkey. The findings revealed that consumer ethnocentrism has a significant effect on price in purchase intention for high market products that contributes to actual purchase behavior. In another study, Rahmayanti (2015) examined the level of ethnocentrism in Korea which

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showed a positive influence between ethnocentrism with consumer perceived quality, perceived price and purchase intention before making a real purchase.

Meanwhile, Kurnianto (2015) investigated whether consumer ethnocentrism, price perception and attractiveness attributes affect the attitude towards products which impacts the purchase decision of Polytron electronic products in Indonesia. He found that price has a positive relation with ethnocentrism, which influences purchase decisions. Consumers with high ethnocentrism will likely have feelings of guilt when consuming products from abroad, but price factors often confuse them in making decisions. In the meantime, Khan and Rahman (2012) studied ethnocentrism tendencies of consumers in Pakistan and discovered that there was a positive relation between price and quality with ethnocentrism while making a purchasing decision. Most previous studies show that consumer ethnocentrism is dependent on consumers' perceptions of prices, which means that although ethnocentrism sentiments are important in supporting local products, the prices consumers pay will influence their decisions.

The significant relationship between price and ethnocentrism shown in past studies encourage the researcher to investigate this combination as a positive action by the consumer. Hence, this study aims to examine the relationship between customer ethnocentrism with their decision to buy a Proton car. Many related studies have been conducted regarding the relationship between ethnocentrism and price, whether direct

or indirect, which uncovered more positive relationships such as studies by Vida (2015), Sulhaini (2016), Han (1988), and Pratminingsih (2017).

A summary of the past studies on ethnocentrism and price perception discussed above is shown in Table 2.3 below.

Table 2.3
Summary of Past Studies on Ethnocentrism and Price Perception

No.	Researchers	Variables	Findings
1.	Julina (2012)	Country of Origin; domestic product; ethnocentrism.	The results depict that customer ethnocentrism to buy local products depended on the assigned rates.
2.	Khan & Rahman (2012)	Price, quality, ethnocentrism, purchasing decision.	The findings show that there is a positive relation between price and quality with ethnocentrism while making purchasing decision.
3.	Kurniato (2015)	Ethnocentrism, price perception, attractiveness attributes and purchase decision.	The results show that price factor has a positive relation with ethnocentrism which influences purchase decisions.
4.	Rahmayanti ()5102	Ethnocentrism, perceived quality, perceived price, purchase intention.	The findings reveal that a positive influence was found between ethnocentrism with consumer perceived quality, perceived price and purchase intention.
5.	Yagci (2010)	Consumer ethnocentrism and price perceptions on the behavioral intentions	The findings reveal that consumer ethnocentrism has a significant effect on price in purchase decision.

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2.3.3. Ethnocentrism and Perceived Quality

Research conducted by Balabanis et al. (2008) found that the magnitude of influences of consumer ethnocentrism on consumer preferences varies with country of origin and specific product categories. In other words, the results of the study are about the magnitude of the influence of consumer ethnocentrism in different consumer preferences based on each country and the type of product category used to measure the trend of consumer ethnocentrism. According to Muneta (2016), consumers in developing countries tend to believe that products made by local producers are of a poor quality with products imported from more advanced countries in the product field (Vida, 2015). Sulhaini (2014) reported that the image of countries have a significant effect on perceived relative quality. This finding is consistent with the perception of buyers who often assume that quality of goods produced in developing countries is lower quality than those of developed countries.

Li et al. (2012) argued that consumer ethnocentrism will affect consumers' purchasing decisions on domestic and foreign products if it involves quality of the goods. This suggests a tendency for consumers who are ethnocentric to evaluate the quality of local products with imported products. Bertsch (2017) studied the purchase of local products in the Austrian market across all consumer segments. He asserted that there was a significant positive relationship between perceived quality of the product and customer ethnocentrism within the local food purchase in Austria. Purwanto (2014), who investigated the effect of consumer ethnocentrism on perceived domestic product quality and purchase behaviour among young consumers in some parts of Indonesia,

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found low-level consumer ethnocentrism among young people, low level of respondents' perception on domestic product quality and low level of domestic product purchase behavior by the respondents.

The thought that products from developing countries are not as advanced as developed countries such as Japan and USA also occurred in Malaysia. Proton is often compared to imported big brands such as Honda, Toyota and BMW in terms of quality of goods. Although they have a high level of ethnocentrism in local products, the perception of the disputed quality often causes buyers to switch to external brands. Therefore, the researchers want to see whether the perceived quality of the user has a positive relationship or otherwise with ethnocentrism in this study.

A summary of the past studies on ethnocentrism and perceived quality discussed above is shown in Table 2.4 below.

Table 2.4
Summary of Past studies on Ethnocentrism and Perceived Quality

No.	Researchers	Variables	Findings
1.	Bertsch (2017)	Product origin, repurchase intention, brand management, online purchase.	The results show there is a significant positive relationship between perceived quality of the product and customer ethnocentrism.
2.	Li et al. (2012)	Ethnocentrism, perceived quality, buying decision.	The findings reveal that consumer ethnocentrism will affect consumers' purchasing decisions on quality domestic and foreign products.
3.	Muneta (2016),	Ethnocentric, local products and foreign products	The results depict that consumers in developing countries tend to believe that products made by local

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		producers are of a poor quality
4. Purwanto (2014)	Consumer ethnocentrism, perceived domestic product.	The findings show low level of ethnocentrism for respondents' perception on domestic product quality.
5. Sulhaini (2014)	Country of origin, perceived quality, ethnocentrism.	The results illustrate that consumer ethnocentrism on consumer preferences varies; products made by local producers are of a poor quality and vice versa.

2.4   Advertising Appeal

Advertising appeal refers to packaging products, services, organizations, or individuals in a variety of ways that clearly deliver a certain benefit, stimulation, identification, or reason to explain what consumers are thinking about and why they buy the products or services (Kotler, 1991). Berkman and Gilson (1987) defined advertising appeal as an experiment on creativity that inspires consumers' motives to buy and influence user attitudes towards a specific product or service. Meanwhile, Schiffman and Kanuk (2007) referred advertising appeal as suppliers' application of a psychologically motivating power to arouse consumers' desire and action for buying while sending broadcasting signals to change receivers' concepts of the product. Hence, advertising appeal is applied to attract consumers' attention, to change consumers' concept of the product, and to affect them emotionally about a specific product or service (Belch & Belch, 1998; Schiffman & Kanuk, 2007).

To meet the varying demands of their target consumers, advertisers commonly use rational appeal and emotional appeal in their advertising in an attempt to influence consumer behavior (Kai, 2016). Through rational advertising appeal for instance, the product can be emphasized by its benefits, in which the consumers' self-benefit is the key proposition, and the function or benefit requested by consumers of the product or service is articulately presented in advertising. On the other hand, emotional advertising appeal places stress on meeting consumers' psychological, social, or symbolic requirements, where many purchase motives come from (Lee & Hong, 2016).

Kotler (1991) defined rational appeal as a rationally-oriented purchase stimulated by directly explaining a product's advantages. Rational appeal focuses on the benefits consumers may enjoy. In an advertisement, it emphasizes that a product or service could achieve the function and benefits consumers desire. He defined emotional appeal as the stimulation of consumers' purchase intentions by arousing their positive or negative emotions. Positive emotional appeal covers humour, love, happiness, etc., while negative emotional appeal involves fear, a sense of guilt, and so on. However, in another approach, advertising appeal simply refers to the approach used to attract consumers' attention and influence consumers on a product. Wang, Cheng and Chu (2012) said that the attractiveness of advertising aims to motivate consumers to take specific actions or influence their attitudes towards certain products. Widyatama (2009) stated that there are several elements that are needed for advertising in order to have a strong appeal, namely music or jingle, storyboard, copy or script, endorser, signature slogan, or logo.

2.4.1   Advertising Appeal and Actual Purchase

Suryani (2013) emphasized that purchasing decisions are often influenced positively by advertising appeal activities launched on social media and television. Research conducted by Khasanah (2012) and Qolby (2014) agreed that advertising is one of the influential variables in the formation of actual purchases. Advertising information has a significant impact on the formation of the consciousness of each individual. When advertising is addressed to consumers, besides the promotion of a product, it also improves the culture of consumption of products and services (Kotler, 2002).

Hadadi (2014) stated that online advertising variables in integrated marketing have positive and significant influence on consumer purchasing decisions. In addition, Febriana (2015) suggested that television-advertising variables have a positive effect on purchasing decisions focusing on cosmetic products in Indonesia. The explanation can be concluded that there is a relationship between advertising carried out by the manufacturer and consumer purchasing decisions through advertisements often aired on television especially for women.

Mudzanani (2015) reported that advertising appeals have a significant positive impact on clothing consumers' purchase intention in the social media environment. Advertising appeal has an impact on the attitude towards advertisement, attitude towards brand and purchase behaviour (Khan, 2015). Jovanovic (2017) disclosed that different advertising appeals may have a different impact on the consumer's purchase intention; in case of women, the emotional appeal has a stronger impact while for men

it is the rational appeal, while "fear appeal" proved to be effective to a certain point, after which it causes selective perception and rejection.

This implies that depending on the product, its purpose and target group, advertisers can choose the type of appeal, combination of the appeals and their creative presentation to market their products or services. Dong (2014) studied different advertising appeals and found that both emotional and rational appeals have a significant effect on consumers' buying decision while Pereira (2017) indicated that rational appeal and emotional appeal have a significant impact on purchase intention of mobile internet package in Sri Lanka where these type advertising appeals have succeeded in increasing the number of consumer purchases.

The above findings show the diversity of advertising appeal activities acting directly with the purchase of goods by customers. Advertising appeal, whether rational or emotional, contributes to a positive impact on purchases as described above. Factors such as language attractions and lifestyle are mixed with elements of excitement, pride, language and good acceptance leading to an increase in the sales of goods. Thus, the researchers also find it interesting to study the relationship between advertising appeal and the actual purchase so that the results can contribute to Proton positively.

A summary of the past studies on advertising appeal and actual purchase discussed

above is shown in Table 2.5 below

Table 2.5
Summary of Past Studies on Advertising Appeal and Actual Purchase

No.	Researchers	Variables	Findings
1.	Dong (2014)	Brand perceived value, brand identity, advertising appeal	The findings show that different advertising appeals both emotional and rational appeals have a significant effect on consumers' buying decision.
2.	Febriana (2015)	Advertising, brand awareness.	The results demonstrate that television-advertising variables have a positive effect on purchasing decisions but are not significant.
3.	Hadadi (2012)	Online advertisement, price, purchase decision.	The results illustrate that online advertising variables have a positive influence on consumer purchasing decisions.
4.	Kai (2016)	Advertising appeal, impression management motivation and green purchase intention.	The findings reveal that advertising appeals can stimulate consumers' willingness to buy green products.
5.	Qolby (2014)	Advertising, product placement, purchase intention and purchase decision.	The results depict that advertising is one of the influential variables in the formation purchase decision.
6.	Suryani (2013)	Motivation, personality, learning, perceptions, attitudes and advertising appeal.	The finding illustrate that purchasing decisions are often influenced by advertising appeal activities launched on social media and television.

2.4.2   Advertising Appeal and Price Perception

Advertising is a subset of promotion mix that is represented 4p (Product, price, place and promotion) of marketing mix. Price is also a subset of this marketing mix, so these two factors are very important and valuable subsets in improving product marketing. Some previous studies have shown that advertising appeal has a significant relationship with price factors in influencing consumers making buying decisions. One of the studies is a study by Zhang et al. (2014) revealed that rational appeal has a positive relationship with the pricing of buying mobile phones. As well as research on the purchase of national cars in Malaysia done by Khan (2015) which also found that advertising is acting positively with pricing strategy activities involving discounts on car prices. The findings provide a preliminary picture of the results of the current study in which the researcher will focus only on Proton with a broader sample size.

According to Jovanovic (2016), advertising appeals may have a different impact on the consumer's purchase intention, for instance, emotional appeal is also closely related to pricing of goods which influence customers' intention. Thus, unreasonable price of items will affect the emotions of customers because they think the price is too expensive and cannot afford to buy. Otherwise, users will feel happy and are tempted to purchase if the price of the item is cheaper and worth it. Meanwhile, according to Noor et al. (2013) the price of products and services has a positive effect on the consumers' attitude towards mobile advertising.

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Before making a decision, it is common that consumers carefully study and review the price of the products and services (Hair, 2006). They prefer a reasonable price at the time of business transaction. Hence, it is important for business to set the price based on the degree of satisfaction that consumers expect to receive from the products and services (Hair, 2006). Price always emerge as one of the significant determinants upon consumers' decision to engage with mobile advertising (Pura, 2003) This implies that depending on the product, its purpose and target group, advertisers can choose the type of appeal, combination of the appeals and their creative presentation, based on the empirical confirmation of the efficiency the approach.

Kurdsholi and Bozjani (2012) in their study on Malaysian consumers found that advertising is a powerful device to inform and affect consumer behavior. Since the findings of past studies have shown significant relationships between advertising and price perception in various industries, the researcher feels that it is necessary to test the relationship between these two variables in the automotive industry of Malaysia. The researcher wants to see whether this relationship affects the user's decision in choosing the car to purchase which subsequently affect the country's automobile revenue.

A summary of the past studies on advertising appeal and price perception discussed above is shown in Table 2.6 below.

Table 2.6
Summary of Past Studies on Advertising Appeal and Price Perception

No.	Researchers	Variables	Findings
1.	Jovanovic (2016),	Advertising appeal and purchase intention	The findings show that emotional appeal is also closely related to the pricing of goods which influence customers' intention

2. Khan (2015)	Pricing strategy and actual purchase	The results illustrate that acting positively with pricing strategy activities involving discounts
3. Noor (2013)	Mobile advertising, permission and purchase intention	The findings reveal that price of products and services has a positive effect on the consumers' attitude
4. Zhang et al. (2018)	Advertising appeals, service types and consumer responses	The findings show that rational appeal has a positive relationship with the pricing

2.5　　　Perceived Quality

According to Zeithaml (2001), perceived quality can be defined as the customer's perception of the overall quality or advantage of a product or service. According to Durianto (2004), perceived quality is a customer's discussion of the product and/or attributes that the product has. Peter & Olson (2000) stated that perceived quality is related to how price information is understood entirely by consumers and gives a deep meaning to them.

Customer perceive about the quality of the goods based on past experience, reading, observation and direct evaluation of the goods to be purchased (Saleem, 2015). At the time the consumer conducting evaluation and research on the quality of a product is greatly influenced by the behaviour of the consumer itself. Baker and Fesenmaier (1997) asserted that the perceived quality of services is one of the primordial variables for the organizations to get sustainable competitive advantages. May et al. (2011) mentioned that perceived quality refers to a customer's evaluation of a product or brand that meets an individual's expectation.

A study by Shiffman and Kanuk (2010) showed that perceived quality of a product or service is based on various information cues from which they associate with the product. Yee et al. (2011) defined perceived quality as the degree to which a product or service provides key customer requirements (customization) and how reliable these requirements are delivered.

Perceived quality can also be meaningful to purchasers, distributors and other channel members and thus aid in gaining distribution (Elliot, 2013). Perceived quality is the key dimension associated with brand equity. The higher customers' expectation to purchase a product belonging to a brand the higher their willingness to recommend that brand to others (Asshidin, 2016). In general, when customers perceive high quality, the product meets customers' needs, which, in turn, leads to their satisfaction and loyalty and finally purchase the product (Huang, 2009). Product quality perception, pressure from the ultimate consumer and loyalty do impact purchasing decisions. Quality is important for retailers' loyalty; if they are satisfied with their purchase, they are more likely to repurchase (Hin, 2014). Purchasers' awareness, purchasers association, purchasers' perceived quality and purchasers' loyalty are positively related to purchase decision (Das, 2014).

2.5.1 Perceived Quality and Actual Purchase

Tamimi and Sebastianelli (2016) suggested the more positive the consumer's perceived quality of a product, the greater the chance that consumers will decide to buy the product. Conversely, the more negative the consumer's perceived quality of a product,

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the less chance consumers will decide to buy the product. This shows the importance of quality with buying decisions. The influence of perceived quality on purchasing decisions has been proven in a research conducted by Yee et al. (2011), which found that perceived quality has a positive influence on purchasing decisions. Customer always prioritize on high quality and unique products, thus, they will undoubtedly buy high quality products that are in line with what they pay for.

Durianto (2011) also revealed that the perception of the overall quality of a product or service can determine the value of the product or service and have an immediate effect on consumers' purchasing decisions and their loyalty to the brand. This is similar to the findings by Aaker (1991), who stated that perceived quality, will influence purchasing decisions and brand loyalty directly. Li (2017) pointed out that perceived quality has significant effect on purchase intention toward sports, sightseeing, and tourism products of the 2016 Taichung International Travel Fair. This means consumers in Taiwan often judge the quality of a product based on a variety of informational cues that are associated with the product.

Harsono (2018) in his findings mentioned that perception of quality must be followed by an increase in the real quality of the product as satisfaction before deciding to purchase the products. For this reason, concern with the quality perceived by the customers has become a basic condition for a provider like Proton that wants to survive and grow in a competitive market in the automotive sector, as most studies show that perceived product quality directly influences purchase intention.

Customers have perceptions about product quality, price and styles before purchasing a product (Yee, 2011). After using the product, purchase intention increases or decreases as it has direct relations that affect each other. If the quality is high, purchase intention of the customer is also high. Abdullah et al. (2012) stated that the quality of products and brands is the most contentious element in determining buying decisions by many customers. In addition, quality may be part of the price for the amount of money paid by consumers.

Baltas and Argouslidis (2007) mentioned that educated and high-income individuals also consumed store branded products, and they may not directly compare quality with prices when considering the overall value of the purchase. Although perceived quality may interact with other variables, it is suggested that the perception of store brand quality is the most important predictor of purchase intention that leads to actual purchase of store brands (Levy & Gendel-Guterman, 2012).

Hence, the diversity of the above findings has different effects, but perceived quality is very helpful for consumers. The quality of goods gives a very strong perception on consumers' decisions. Sometimes, consumers expect good quality product at low price, however, Proton has faced problems related to the quality of its products since the day it was launched. Therefore, consumers often consider this quality description in their purchases and the quality issue deflects the buyer's intentions. Proton should emphasize on quality empowerment and this study is expected to help them to take action to

improve quality as it relates to buying decisions considering that the average results of

previous studies found that quality is closely related to actual purchase.

A summary of the past studies on perceived quality and advertising appeal discussed

above is shown in Table 2.7 below.

Table 2.7
Summary of Past studies on Perceived Quality and Advertising Appeal

No.	Researchers	Variables	Findings
1.	Abdullah et al. (2012)	Store brands, customer loyalty, quality perception.	The findings show that quality of products and brands is the most contentious element in determining purchase.
2.	Durianto (2011)	Quality perception, product value, brand loyalty, purchasing decision	The findings reveal that the perception of the overall quality has an immediate effect on consumers' purchasing decisions and their loyalty to the brand.
3.	Harsono (2018)	Perceived quality, satisfaction, brand loyalty	The findings mention that perception of quality must be followed by an increase in the real quality of the product
4.	Istiqomah (2013)	Purchasing decisions, perceived quality, consumers of herbal products.	The finding illustrate that perceived quality has a direct impact on consumer purchase decision.
5.	Li (2017)	Perceived quality, purchase intention	The results point out that perceived quality has significant effect on purchase intention toward sports, sightseeing, and tourism products
6.	Tamimi & Sebastianelli (2016)	Online purchase behavior, perceived quality, customers' demographic.	The findings show that he more positive consumer perceives the quality of a product, the greater the chance that consumers will buy.
7.	Yee & San (2011)	Perceived value, perceived quality, perceived risks, buying decision.	The results reveal that perceived quality has a positive effect on purchasing decisions.

2.5.2   Perceived Quality as a Mediator

According to Zeithaml (2001), perceived quality can be defined as a customer's perception of the overall quality or advantage of a product or service. Apart from being a single factor as a normal variable, perceived quality can be extended as a link to some other variables in many fields. To understand the importance of perceived quality as a mediator, we can refer to a study by Monavvarian (2016) who examined the mediating role of perceived quality on the relationship between internal marketing strategies on brand equity. The results from hypotheses test confirmed the mediating role of perceived quality of services in impact of internal marketing strategy on brand equity. The findings indicated that internal marketing as a positive and significant impact on perceived quality of services and additionally perceived quality has a positive and significant impact on brand equity.

According to Chi (2009) perceived quality will mediate the effects between brand awareness and purchase intention in the sale of mobile phones. This means that while consumers buy mobile phones because of their brand awareness, they also consider the quality of the phone before making a decision. This is why users are more careful when making choices because not all dreamed brands have quality products because their experience of buying the same brand in the past could affect their purchase behaviour (Aaker, 1996).

Another study that assigns perceived quality as a mediator was conducted by Tuan (2017). The results indicate that perceived quality mediates the relationship between

brand trust and customer loyalty in purchasing hand phones in Vietnam. The finding proves that the role of perceived quality between the brand and customer loyalty are necessary in the business world. In the same study, the result revealed that perceived quality also mediates the relationship brand awareness and service organization with customer loyalty, positively.

The role of perceived quality as a positive mediator or linkage is undeniable as shown in the results of the above studies. However, its role may not cover all the fields and may also not link all the tested variables. Therefore, the researcher feels it is necessary to further explore the role of perceived quality as a mediator to several variables affecting the sale of Proton cars as selected, for instance, advertising appeal and ethnocentrism.

A summary of the past studies on perceived quality as a mediator discussed above is shown in Table 2.8 below.

Table 2.8
Summary of Past Studies on Perceived Quality as a Mediator

No.	Researchers	Variables	Findings
1.	Chi (2009)	Brand awareness, consumer purchase intention, perceived quality and brand loyalty	Perceived quality will mediate the effects between brand awareness and purchase intention
2.	Monavvarian (2016)	Perceived quality, internal marketing strategy and brand equity.	The results from hypotheses test confirmed the mediating role of perceived quality of services in impact of internal marketing strategy on brand equity.
3.	Tuan (2017)	Perceived quality and customer loyalty	Perceived quality mediates the relationship between brand trust and customer loyalty

2.6 Price Perception

Kotler and Armstrong (2012), defined price as the amount of money levied for a product or service. Price can be interpreted as the amount of value exchanged by consumers for the benefit of owning and using a product or service, which allows companies to earn a reasonable profit by way of paying for the value of a subscribed customer it creates (Saleem, 2015). In other words, Alam (2011) referred price as the value of an item declared with money while price perception gives meaning as the price of a product that consumers understand that can give them an advantage over the value of goods. Price has two major roles in the buyer's decision-making process, namely the role of allocation and the role of information. According to Rajput et al. (2012), prices have a significant effect on perceived quality when the only information indicated is available.

Price is the number of values that consumers exchange with the benefit of owning or using products or services whose value is determined by the buyer or seller or determined by the seller for a price equal to all buyers (Stanton, 1994). Peter & Olson (2000) stated that price perception relates to how price information is understood entirely by consumers and gives deep meaning for them. When consumers evaluate and research the price of a product, it is strongly influenced by the behavior of the consumer itself. Thus, the assessment of whether the price of a product is said to be expensive, cheap or ordinary from each individual does not have to be the same. Price perception is the price codified by the consumer (Khare, 2014). Consumers tend to interpret price

through subjective perceptions and transfer them as concepts of expensive or cheap in their thought, thus, the perceived price is not the real monetary price of a product (Kashyap & Bojanic, 2000).

2.6.1 Price Perception and Actual Purchase

Consumer price perception will influence the purchase of goods because consumers have different views in valuing products or services (Lichtenstein et al., 1993). Price perception is related to how price information is understood entirely by consumers. Expensive prices do not necessarily reflect the quality of goods and vice versa (Zeithaml, 1988). Therefore, the user needs to be wise in the price interpretation of the offered items. Prices that are set above the competitor's price are considered to reflect better quality or may also be seen as too expensive, while prices set below the price of competing products will be seen as cheap or low-quality products (Widyastuti & Suryandari, 2004). Nguyen et al. (2014) reported that if consumer perception of quality and price match as their expectation, they will be satisfied and perceive high value for the products.

Diallo et al. (2013) revealed that consumers will associate a product with high quality, product uniqueness, and richness if the product is displayed at outlets with premium prices. However, if a price is set too high for consumers, its perceptual value will be smaller than its cost, and sales opportunities will be lost (Lupiyoadi, 2001). Mandasari (2012) reported that price perception has a positive effect on consumer attitudes that will affect their buying interest.

This is in accordance with Ahmad (2017) who examined the critical attributes affecting purchase decision between national and foreign car brands among Malaysian car users. The result showed that the price for national car brands is reasonable and positively affects buying decision. Meanwhile, Oosthuizen (2015) reported that the perceived price of PLB wines influenced perceived value and suggested that there was a significant positive relationship between perceived value and consumers' purchase intentions. In a recent study in Malaysia, Musa & Nadzri (2014) found that price is the main factor when purchasing national cars compared to other factors such as design, resale value and depreciation. Meanwhile, Che Ahmat (2011) revealed that price knowledge is the major factor affecting customers' reaction and customers would not respond negatively if they have adequate price knowledge. These results provide useful insights to hotel operators on more effective yield management and the need to be alert to customers' response behaviours.

The above findings show that price perception affects purchase activity with different possible effects due to different backgrounds; therefore we know that price perception acts positively with actual purchase involving several categories of products and services. Hence based on the results of the study which has a positive significance between the two variables, the researcher will extend the study in the relationship between price perception and the purchase of Proton cars.

A summary of the past studies on price perception and actual purchase discussed above

is shown in Table 2.9 below.

Table 2.9

Summary of Past Studies on Price Perception and Actual Purchase

No.	Researchers	Variables	Findings
1.	Ahmad (2017)	Product quality, price and brand loyalty.	The findings show that price for national car brands are reasonable and positively affects buying decision.
2.	Che Ahmat (2011)	Price knowledge, customers reaction	The findings reveal that price knowledge is the major factor affecting customers' reaction.
3.	Diallo et al. (2013)	Product quality, product value	The results reveal that consumers will associate a product with high quality, product uniqueness, and richness if the product is displayed at outlets with premium prices.
4.	Musa & Nadzri (2014)	Price, quality, purchase intention.	The results show that price is the main factor when purchasing national cars.
5.	Nguyen (2014)	Private label brand, consumer attitudes, intention and perceptions.	The findings reveal that price perception matches their expectation; they will be satisfied and perceive high value for the products.
6.	Oosthuizen (2015)	Perceived relative price, perceived value and consumers' purchase intentions.	The results indicate that the perceived price influenced the perceived value.

2.6.2   Price Perception as a Mediator

In some previous studies, the results of the study show that the role of price perception

as a mediator is positive in connecting two variables. For example, a study by Ferreira

(2015) which examines product involvement with brand loyalty discovered that

product involvement influences on brand loyalty are partially mediated by price perceptions. Though only partially mediated, price perception can be the link between these two variables.

In another study, Zietsman (2018) provided evidence for both theory and practice that price perception and service quality influence the relationship between business banking customers' perception of price fairness and the value of the service offered. Implications of this study offers banking executives' guidance in managing the pricing structure of their services and highlight the value of offering greater transparency with regards to service charges and interest rates.

Meanwhile, Malik (2012) pointed out that perceived value mediated the relationship between customer perceived quality and satisfaction in the service sector of Pakistan. The findings show that perceived value plays an important role as an intervention in the relationship between the two other variables.

Based on the findings of the above studies, the researcher intends to examine the role of price perception as the mediator in this study. The selection of price perception as the mediator is very important because in addition to the ethnocentrism and advertising factors affecting the actual purchase of Proton cars, the researcher wants to measure how far the price perception impacts consumer buying decisions.

Table 2.10 lists four studies that explain the role of price perception as the mediator.

Table 2.10
Summary of Past studies on Price Perception and Actual Purchase

No.	Researchers	Variables	Findings
1.	Ferreira (2015)	Product involvement, brand loyalty, price perception	The results prove that product involvement influences on brand loyalty are partially mediated by price perceptions
2.	Malik (2012)	Perceived value, customer perceived quality and satisfaction	The findings point out that perceived value mediated the relationship between customer perceived quality and satisfaction in the service sector
3.	Zietsman (2018)	Perceived price, service quality and price fairness	The results show that perceived price and service quality influence the relationship between business banking customers' perception of price fairness and the value of the service offered.

2.7   Research Framework

Eisenhart (1991) characterized theoretical framework as the structure that prompts request by depending on the formal hypotheses built utilizing clear clarifications of specific wonders and connections(Grant & Osonloo, 2014). This process exists with tensions between differences in the direction of new understanding of data and convergence into a theoretical framework. For example, the process involves using various investigators and data collection methods as well as various cross-cases involving a hypothetical system as requesting structures depending on the official hypotheses constructed using clear explanations of specific wonders and connection smuggling techniques. Each of these techniques involves viewing evidence from diverse perspectives. Similarly, this procedure also includes consolidating definitions

steps and systems to regulate discovery. In the past, the procedures described here are personally bound by observation confirmation (Thleen & Eisenhart, 1989).

In this current study, the independent variables, mediator and dependent variable are included in the theoretical framework. The independent variables are ethnocentrism and advertising appeal. The dependent variable is actual purchase behavior of Proton cars, and the mediators are perceived quality and price perception. The theoretical framework also indicates the approaches, sample used, and the variables involved and statistical procedure used. The theoretical framework of this study is as shown below:
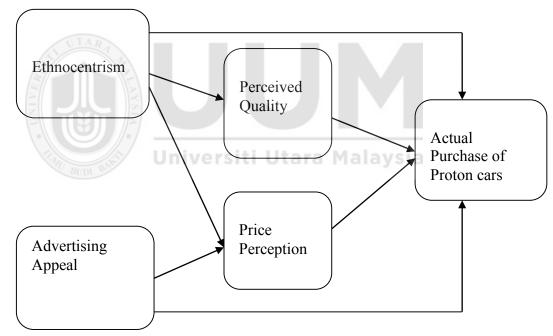
Figure 2.1
Theoretical Framework

2.8   Underpinning Theory of Current Study

2.8.1   The Theory of Planned Behavior (TPB)
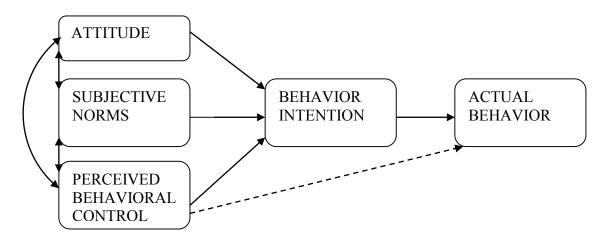
Figure 2.2
Theory of Planned Behavior (Azjen, 1991)

Based on the research framework, the researcher affirms that the appropriate theory to further explain customer behavior associated with the variables selected with actual purchase is by using the Theory of Planned Behavior (TPB).

TPB is a widely-applied theoretical framework to explain behavior and behavior change. The force of TPB was proven from compatibility in different research domains. The scope of TPB research includes entrepreneurial intentions (Gelderen et al., 2008), exercise intention (Tracey et al., 2006), blood donation behavior (Judith, Philip, & Malcolm, 2011) and academic dishonesty among university students (Philmore & Kimone, 2011). TPB developed by Ajzen (1991) assumes that humans are rational, systematically use information available to them, and carefully evaluate the outcome of their actions before making a choice. Although the current study is focused on actual

customer behaviour that caused them to purchase Proton cars, it should be noted that every purchase decision is triggered first by purchase intention. Therefore, the researcher feels the use of TPB is very appropriate in describing the customer's actions to make this actual purchase because it starts with the intention.

There are three essential elements that form TPB, namely behavioral belief, normative belief, and controlled beliefs (Ajzen, 1991). Within each of these elements are three similar facets to the model: attitude towards the behavior, subjective norm and perceived behavioral control (Ajzen, 1991). These three beliefs are highly influenced by the person's values and are dependent on the source of information available to them (Ajzen, 1991). The perception of the person towards each of these considerations will ultimately affect the person's final action (Ajzen, 1991). These three beliefs influence consumer's behaviorial intention before making the actual purchase of the products or services. However, intention was not discussed in depth in this study as it is only a preliminary step while this study is more focused on actual purchase behavior. Basically, purchase intention represent to what consumers think they will purchase (Blackwell et.al, 2001). According to Brown (2003), consumer with intentions to purchase certain product will exhibit higher actual buying rates than those customers who demonstrate that they have no intention of buying.

In this study, 'intention' was also not discussed when discussing the theory of planned behavior as it is a common practice as evidenced by Hagger et al. (2007) and Strack and Deutsch (2004). They mainly discuss actual purchase because the actual purchase itself is an extension of intention. Sometimes people are likely to engage in behavior

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because it is consistent with their identity, but they do not make a plan to do so. According to Niessen and Hamm (2008), there is a big gap between stated and actual buying behavior in the case of organic food. The results in their study showed that 50% of consumers say they buy organic products, but in reality only 15% buy what they say. The finding might also affect the pattern of purchasing national car in Malaysia, then, since there are few researchers investigating the actual purchase behavior in the context of national cars, it is significant to explore the consumer actual purchasing behavior in this study focusing on Proton cars. Consumer's intention of purchasing a car is the first step in developing demand for actual purchase a desired car. However, intention do not necessarily equate with actual purchasing. Therefore, this study will focus directly on actual purchase as it is more accurate with the objective of the study

In addition to that, under this theory, fundamentally, actual purchase behaviour is caused by the implemented intention behavior, which is viewed as an immediate antecedent of behavior, which indicates an individual's readiness and willingness to purchase a certain product or service (Ajzen, 1991). As illustrated in the current study, actual purchase behavior refers to the actual actions of an individual which stems from the intention to purchase a Proton car. In this study we use factors such as ethnocentrism, advertising appeal, perceived quality and price perception to measure their relationship with actual purchase either directly or indirectly.

The Theory of Planned Behavior explains that, the consumers' intention to perform their behavior determines his or her performance of a certain behavior (Alam & Sayuti, 2011). Based on the finding by Rezvani et al. (2012), he concluded that, there are many

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factors that have impact on consumer purchasing behavior, especially in the contexts of attitude. Attitude predicts consumer behavior for consumption and purchase intention. There is a large volume of published studies that describe the role of attitude and purchase behavior. Previous studies proved that the positive relationship between attitude and purchase behavior and attitude towards green brand influence green product purchase behavior (Suki, 2016); attitude significantly influences behavior for green product purchase intention (Paul, Modi & Patel, 2016) as well as attitude positively influences repurchase intention for local brand of Korea coffee shop among Korean (Kang et al., 2012).

Therefore, because the sense of ethnocentrism encompasses outcome beliefs which are good for the country and the nation, it can be linked to the attitudes variable within the TPB model (Al-Ekam et al., 2012). This suggests that ethnocentrism affects the attitude of consumers in buying decisions whether to act positively on the product or to refuse to buy. When consumers have a positive attitude towards the product, such as the tendency to buy local products, then the decision will also be positive to make a purchase. Nik-Mat et al. (2015) showed that, Malaysian consumers scored high in ethnocentrism and patriotism, while Othman, Ong and Wong (2008) has also shown that Malaysians have higher purchasing tendency towards local food instead of domestic cars and computers.

Subjective norm is defined as the individual's perception of other people's views and thoughts on the suggested behaviour (Ajzen, 1991). These perceptions can play an

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influential role and put pressure on an individual to perform a particular behavior, such as purchasing a car. The influence and encouragement of their references directly affect individual decisions (Francis et al., 2004). Empirical studies have shown that social influence from family and friends has an effect on vehicle purchasing intentions (Kelkel, 2015; Moons & De Pelsmacker, 2012). Rogers (1995) highlighted the importance of mass media and external communication in influencing intention towards a product, which can be considered as part of social norms.

In the current study, advertising appeal is considered part of subjective norm as involving variety of media channels. For example, people around the purchaser will talk about the information they had gotten about Proton cars from various advertising sources and promotions. They will influence the buyer's decision with information from advertising activities or communicate to buyers to share information, in the *Facebook, IG* or *Whatsasp* groups for instance.

The actions of those who drive Proton cars can also be considered subjective norms as they promote the Proton logo without them knowing that it will affect buyers' decision-making. Under the circumstances where their referents are either neutral or agree with the planned action, they are also most likely to perform the action to comply with their referents' expectations.

Perceived behavioral control is an individual's belief about his or her capabilities of exhibiting certain behaviours (Brouwer et al., 2009). Similarly, Francis et al. (2004),

asserts that perceived behavioral control can be conceptualized as people's ability to have control over their behavior and their level of confidence in their ability to perform or not to perform. Therefore, an individual's belief will influence the individual's behavioural intention and stimulate the person to perform the target behavior. In this context, perceived behavioral control may exert an impact on customers' intention to purchase Proton cars. People's intentions are greatly influenced by their level of confidence in implementing actual behavior. Past history and bad experiences relating to car features, design, resale value and quality in the past will also influence their decisions in making purchases. Sometimes, even if the manufactures do not make an attractive marketing strategy, the customers still buy the car and take the risks. This might be due to other factors that have affected them.

In other circumstances, for example, if the quality of Proton at customer's impressions is very convincing and has prompted them to buy, they would be happy to use the car in their daily activities. That is how these price and quality factors can help them get a positive perspective on their perceptions of the Proton cars that will eventually change their attitude control in decision-making. If viewed from the context of ethnocentrism, when the spirit of statehood is strong and the spirit of love in Malaysia is intimately within, indirectly the purchasing decision will also be affected by the impulse of control of the attitude of ethnocentrism in all Malaysian.

2.9 Summary

This chapter reviewed the literature on actual purchase behavior, ethnocentrism, advertising appeal, perceived quality, price perception, the mediators and the underpinning theory of the current study, which is the Theory of Planned Behavior (TPB), in describing customer actions related to variable relationships with actual purchase behavior.

CHAPTER THREE

METHODOLOGY

3.1   Introduction

In general, this chapter discusses further the guidelines of the research method used in this study after describing the hypotheses development resulting from the research framework. The researcher describes the design of the study selected for the purpose of this study. This chapter provides information on survey population, sampling methods, sample sizes and other important information. Subsequently, the measurement of variables and instruments used for the data collection are also discussed. The researcher then explains the methods of data collection and followed by methods of analysing data.

3.2   Hypotheses Development

The hypotheses of the present research are formulated based on the research framework, as shown in Figure 2.1 on the previous chapter, then following hypotheses were developed and expected to be true. The questions included in the questionnaires are chosen to support all the hypotheses, which are formed as follows.

3.2.1   Ethnocentrism and Actual Purchase

Rybina et al. (2012) stated that ethnocentric customers have an important role in consuming domestic made-products that contribute to the low consumption of imported products. They also argued that customer ethnocentrism is closely related to tradition in their country of origin. Al-Ekam et al. (2013) explained that intention, patriotism,

ethnocentrism, quality and government support have a positive and significant impact on actual purchase. In previous studies, Mensah et al. (2012) mentioned that there is a significance of ethnocentric tendencies to describe the purchasing habits of Ghanaian users. Sharma et al. (1995) and Oszomar (2012) found that ethnocentric views of consumer groups are strongly related to patriotism and are reflected in willingness to purchase local products. Therefore, the following hypothesis is proposed:

Hypothesis 1: There is a positive relationship between ethnocentrism and the actual purchase of Proton cars.

3.2.2   Advertising Appeal and Actual Purchase

A study conducted by Suryani (2013) showed that purchasing decisions are often influenced by advertising appeal activities launched on social media and television. Meanwhile, Khasanah (2012) and Qolby (2014) stated that advertising is one of the influential variables in the formation of actual purchases. Wibowo (2012) noticed that television-advertising variables have a positive and significant influence on consumer purchasing decisions. In addition, Febriana (2015) pointed out that television-advertising variables have a positive effect on purchasing decision by consumers. Therefore, the following hypothesis is proposed:

Hypothesis 2: There is a positive relationship between advertising appeal and the actual purchase of Proton cars.

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3.2.3   Perceived Quality and Actual Purchase

Tamimi and Sebastianelli (2016) explained that the more positive a consumer's perceived quality of a product, the greater the chance that consumers will decide to buy the product. Conversely, the more negative the consumer's perceived quality of a product, the less chance the consumers will decide to buy the product. The influence of perceived quality on purchasing decisions has been proven in a research conducted by Yee et al. (2011) who found a positive effect of influential perceived quality for purchasing decisions. The perception of the overall quality of a product or service can determine the value of the product or service and have an immediate effect on consumer purchasing decisions and their loyalty to the brand (Durianto, 2011). This is similar to Aaker (1991) who stated that perceived quality will influence purchasing decisions and brand loyalty directly. Therefore, the following hypothesis is proposed:

Hypothesis 3: There is a positive relationship between perceived quality and actual purchase.

3.2.4   Price Perception and Actual Purchase

Krupka et al. (2014) revealed that well-known product names have a strong influence on the perceived premium prices of consumers. Diallo et al. (2013) found that consumers will associate with high quality, product uniqueness, and richness if the product is displayed at outlets with premium prices. The research conducted by Mandasari (2011) showed that price perception has a positive effect on attitudes that affect buying interest. Ahmad (2017) examined the critical attributes affecting purchase decision between national and foreign car brands among Malaysian car users and the

result showed that the price for national car brands is reasonable and positively affects buying decision. Therefore, the following hypothesis is proposed:

Hypothesis 4: There is a positive relationship between price perception and actual purchase

3.2.5 Advertising Appeal and Price Perception

The finding of study by Zhang et al (2018) found that rational advertising appeal has a positive relationship with the pricing of buying mobile phones by consumers in Pakistan. A study by Wel et al. (2015) showed that advertising is acting positively with pricing strategy activities involving discounts on car prices in Malaysia. In another study, Noor (2013) revealed that the price of products and services has a positive effect on the consumers' attitude towards mobile advertising. Kostic et al. (2016) pointed out that advertising appeals may have a different impact on the consumer's purchase intention, for instance, emotional appeal is also closely related to the pricing of goods which influence customers' intention. Thus, based on the findings from the above studies, the following hypothesis is proposed:

Hypothesis 5: There is a positive relationship between advertising appeal and price perception

3.2.6 Ethnocentrism and Price Perception

Julina (2012) highlighted that customer ethnocentrism to buy local products is dependent on the rates they are assigned to. Consumers will be more likely to buy local products than imported products if the price is cheaper or similar. Alternatively, Yağci

(2010) revealed that consumer ethnocentrism has a significant effect on price in purchase intention for high market products that contribute to actual purchase behavior. Rahmayanti (5102) found that there is a positive influence between consumer ethnocentrism on perceived quality, perceived price, and purchase intention before making a real purchase where high customer intention to purchase often has a positive relationship with actual buying behavior. Therefore, the following hypothesis is proposed:

Hypothesis 6: There is a positive relationship between ethnocentrism and price perception.

3.2.7 Ethnocentrism and Perceived Quality

A study performed by Bertsch (2017) revealed there is a significant positive relationship between the perceived quality of a product and customer ethnocentrism within the local food purchased in Austria. Parts and Vida (2013) found directly and positively effect of consumer ethnocentrism and perceived product quality. Purwanto (2014) discovered low level consumer ethnocentrism among young people, low level of respondents' perception on domestic product quality and low level of domestic product purchase behavior by respondents. Therefore, the following hypothesis is proposed:

Hypothesis 7: There is a positive relationship between ethnocentrism and perceived quality

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3.2.8 Perceived Quality as Mediator

In addition to being a single factor as a variable, perceived quality can be expanded as a link to several other variables in many areas as mediator. To explore the importance of perceived quality as a mediator, a study conducted by Monavvarian (2016) confirmed that the mediating role of perceived quality of services in impact of internal marketing strategy on brand equity. Also, results indicated that internal marketing has a positive and significant impact on perceived quality of services and additionally perceived quality has a positive and significant impact on brand equity.

Meanwhile, according to Chi (2009) perceived quality mediates the effects between brand awareness and purchase intention in the sale of mobile phones. In one more study that assigns perceived quality as a mediator is a study conducted by Tuan (2017), the results of this study indicated that perceived quality mediates the relationship between brand trust and customer loyalty in purchasing hand phones in Vietnam. The finding proved that the role of perceived quality between the brand and customer loyalty are necessary in the business world. Therefore, the following hypothesis is proposed:

Hypothesis 8: Perceived quality mediates the relationship between ethnocentrism and actual purchase of Proton cars

3.2.9 Price Perception as Mediator

In previous studies, the role of price perception as a mediator has been tested and the results suggested that price perception has its own effect on the relationship of the two variables that are connected. For example, a study by Ferreira (2015) which examined

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product involvement with brand loyalty and in that study, he found product involvement influences on brand loyalty are partially mediated by price perceptions.

In another study, Zietsman (2018) provided evidence for both theory and practice that price perception and service quality influence the relationship between business banking customers' perception of price fairness and the value of the service offered. Theoretically, Zietsman's study, the role of price perception as a mediator is positive with the chosen variables. Based on the findings of the above two studies, the researcher intended to examine the role of price perception as the mediator in a different field. Therefore, the following hypotheses are proposed:

Hypothesis 9: Price perception mediates the relationship between ethnocentrism and actual purchase of Proton cars.

Hypothesis 10: Price perception mediates the relationship between advertising appeal and actual purchase of Proton cars.

3.3   Research Design

The research design is a noteworthy arrangement by the researcher to control the examination efforts, including information gathering and information investigation (Zikmund, 2003). This research design is compatible with the notions of a quantitative study, as suggested by Cooper and Schindler (2006), Creswell (2002), and Newman (2002).

In this study, the researchers used quantitative methods in data collection and related matters. Several hypotheses have been developed aimed at achieving a goal that requires quantitative data collection with the use of statistical approaches to determine whether to accept or reject the developed hypotheses. Furthermore, this research procedure can only be achieved with a quantitative approach and not with other approaches as it involves collecting questionnaire data. The research design paradigm used in this study was positivism. Positivism was chosen because positivists believe that reality is stable and can be observed and described from an objective viewpoint (Levin, 1988). Moreover, Positivism has also had a particularly successful association with the physical and natural sciences. Differs from interpretivism contend that only through the subjective interpretation of and intervention in reality can that reality be fully understood (Levin, 1988). The study of phenomena in their natural environment is key to the interpretivist paradigm, together with the acknowledgment that scientists cannot avoid affecting those phenomena they study.

3.4 Unit of Analysis

The current research chose an individual as a unit of analysis, specifically the Proton's car owner who present at Proton service centre in Peninsular Malaysia, comprising 5 States, that is; Penang, Perak, Selangor, Kuala Lumpur and Johore which are the highest states with new registered cars based on MAA's report.

3.5 Sampling Design

The sampling design involves the determination of the study's population, the sampling frame, the sampling technique and the sample size, each of which is discussed in the following subheadings.

3.5.1 Population

Cooper & Schindler (2006) defined population as the whole compilation of components from which the researcher decides to formulate some assumptions. In addition, Sekaran (2003) and Salkind (2000) identified research population as a complete set of people, events, or things of interest that the researcher wants to investigate. In this study, the general population comprised all Malaysians aged above 22 years old who currently own Proton car. The justification of choosing a minimum age of 22 is because at this age, many people have normally graduated from college and have started working and earning a salary to buy their own car (AR Ismail, 2014).

3.5.2 Sampling Frame

In the process of determining the sample frame, it must represent all the elements in the population from which the sample was taken. This study selected new car sales registered in 2017 to evaluate the actual purchases of Proton cars in Malaysia. Statistics from the Malaysia Automotive Association (MAA) (2017) revealed that the five highest states with new registered cars are Kuala Lumpur, Johor, Penang, Perak and Selangor. In this study, Sabah and Sarawak were excluded due to distance and time factors, although Sarawak also has a high volume of new car sales. Therefore, this study

focused on the five states that have the highest sales which are Kuala Lumpur, Johor, Perak, Penang and Selangor.

3.5.3   Sampling Size

Among the aspects that need to be taken into consideration is the size of the sample to be used. Many issues arise in terms of the amount of samples to be used, the size of the sample to be significant, the method to determine the size of the sample, and whether the sample used meets the characteristics of the study's population. According to Roscoe's rules of thumb for determining samples, more than 30 and less than 500 are appropriate for most research (Roscoe, 1975). Whilst Comrey and Lee (1992) indicated the following scale of sample size: 50 (very poor), 100 (poor), 200 (fair), 300 (good), 500 (very good), and 1,000 and more is considered excellent. The sample size for past studies (Yang & Mao, 2014; Rahman et al., 2013; Lim & Ting, 2014; Pi et al., 2011; Chen et al., 2013), are between 200 to 400. Thus, the target sample extent of this study is aimed for 400 respondents.   The sum is already over the amount suggested in the Krejcie and Morgan (1988) table of 384 respondents. Researcher believe the eligible response rate will also exceed 384 as it is a self-administrated data collection which will limit data deficiencies due to missing data and outliers.

3.5.4   Sampling Technique

This study uses multi stage random sampling techniques where samples from a large area are identified by smaller regional or smaller divisions and random samples are identified from more specific areas such as states and town areas for the selected service

centres. Multistage random sampling is selected for two reasons: (1) it is difficult to make a list of all respondents in the population, and (2) to reduce the cost of data collection. This method is easier, economical and more efficient, and the list of respondents is only needed in the final stages. In the current study, the first stage of the multi stage random sampling was with the setting of the inclusion of all states in Malaysia. At the following stage, the sampling frame was narrowed down to focus on Kuala Lumpur, Johor, Pulau Pinang, Selangor, and Perak based on number of new car registered in year 2017. In the third stage of the multi-stage random sampling, the Proton service centre/showroom selling the most cars was selected from each state. In the last stage, the samples will be further narrowed into particular respondents in the Proton service centres which are believed to be able to represent the population of study by using random sampling. To ensure the randomness of the sample in the last stage, the systematic random sampling technique is applied to the walk in car owners.

At the service centre, customers who intended to service their car will register through the booking system. Later, the researcher will select respondents from booking list to answer the questionnaire in the comfortable waiting room provided in the service centre. The selected multi-racial respondents usually completed the questionnaire in less than half an hour. Once completed, the respondent will return the questionnaire to the researcher or assistant to be checked. This routine will continue the next day until the researcher satisfied with the sum of the required questionnaires. The data collection period is approximately 3 months from March to June 2019 and is carried out in stages in selected states.

3.6 Measurement of Variables and Items

Table 3.1 below shows the summary of all variables and sources used in this study, which comprising actual purchase of Proton cars, ethnocentrism, price perception, advertising appeal and perceived quality. Further explanations about the instruments are discussed in the questionnaire design. Back to back

Table 3.1
Measureable of variables and items

No	Variables	Author (Sources)	Items
1.	Actual purchase	Swastha and Handoko(1997)	9
2.	Ethnocentrism	Shimp and Sharma (1987)	6
3.	Advertising appeal	Riyanto(2008)	8
4.	Perceived quality	Aaker(1997,2005)	7
5.	Price perception	Tjiptono (2008)	5

3.7 Questionnaire Design

The questionnaires on this research contain six sections with 43 questions. The first section includes eight questions about the demographics of the respondent. Section 2 contains nine questions about actual purchase of Proton cars. Section 3 contains six questions about ethnocentrism. Section 4 has eight questions for advertising appeal, Section 5 has seven questions for perceived quality and Section 6 has five questions for price perception. To ensure the validity of the content to measure of construct in this study, the items were modified from the previous related study to fit the present study.

3.7.1   Demographic Section

The first section in the questionnaire set collected the information or particulars concerning the respondents, who are Malaysian and the owner of a Proton car who presented at the service centre through registered booking system. To ensure they are the car owners, the researcher will refer to the service manuals book brought to the service centre. The information obtained from the respondents included their gender, age, race, working status, marital status, current vehicle owned, education level and annual income, as shown in Appendix 1 (English and Bahasa Malaysia versions of the Questionnaire).

3.7.2   Actual Purchase of Proton Cars

The instrument for actual purchase measurements was adapted from Swastha and Handoko (1997). Generally, the researchers examined the factors that influence consumer behavior in Indonesia when making a purchase. The items were adjusted to apply to actual purchase of Proton cars questionnaire in this research. The scale items used is based on a five-point Likert scale from a scale of one to five to indicate the extent of participants' agreement or disagreement with a given statement, where five represents "Strongly Agree", four represents - "Agree", three= "Neither Agree or Disagree", two ="Disagree" and one ="Strongly Disagree".

Table 3.2
Actual purchase

No.	Items	Source
1.	I decided to buy Proton because the products offered fit my needs and desires	Swastha & Handoko (1997)
2.	I evaluated some alternatives with similar products before buying at Proton	

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3.	I decided to buy Proton products because of its quality products
4.	I decided to buy a car at Proton because I was interested in their advertisement
5.	The design of the existing product of Proton impressed me
6.	I decided to buy Proton car compared to other brands because the price was cheaper.
7.	I decided to buy another Proton car.
8.	I decided to buy Proton car to support local products.
9.	I decided to buy Proton products when there was a promotion

3.7.3 Ethnocentrism

The instrument for ethnocentrism measurements was adapted from Shimp and Sharma (1987). The questionnaires that they have developed are to measure customer ethnocentrism in terms of construction and validation of the CETSCALE. Thus, the items were adjusted to apply to ethnocentrism questionnaire in this research. The scale items used is based on a five-point Likert scale from a scale of one to five to indicate the extent of participants' agreement or disagreement with a given statement, where five represents "Strongly Agree", four represents "Agree", three ="Neither Agree or Disagree", two ="Disagree" and one ="Strongly Disagree".

Table 3.3
Ethnocentrism

No.	Item	Source
1.	Purchasing products from other countries is un-Malaysian.	Shimp & Sharma (1987
2.	It is not right to purchase products from other countries because it puts Malaysian people out of jobs	
3.	We should purchase products manufactured in Malaysia instead of letting other countries get rich from us	

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4.	Malaysian people should not buy products from other countries because it hurts Malaysian business and causes unemployment	
5.	I will buy only Malaysian products	
6.	Only those products not made in Malaysia should be Imported	

3.7.4 Advertising Appeal

The instrument for advertising appeal measurements was adapted from Riyanto (2008) which examined factor analysis affecting the effectiveness of advertising and its implications for brand attitudes. Thus, the items were adjusted to apply to advertising questionnaire in this research. The scale items used is based on a five-point Likert scale from a scale from one to five to indicate the extent of participants' agreement or disagreement with a given statement, where five represents "Strongly Agree", four represents "Agree", three = "Neither Agree or Disagree", two = "Disagree" and one= "Strongly Disagree".

Table 3.5
Advertising appeal

No.	Items	Source
1.	Proton's advertisement provides a lot of information about the benefits and the advantages of the product	Riyanto (2008)
2.	Proton's advertisement makes people have the hope and dreams to buy the advertised product.	
3.	Proton's advertisement features a touching word and a lot of meaning can be conveyed.	
4.	Proton's advertisement display different advantages from those shown in competitor product ads.	
5.	Proton's advertisements are more entertaining and meaningful	
6.	Proton's advertisement use clear sentences and illustrations or descriptions, which are easy to understand, so much more reliable.	
7.	Proton's advertisement display the technology used and highlight attractive designs.	
8.	Proton's advertisements are more rational and illustrate the identity of Malaysia.	

3.7.5   Perceived Quality

The instrument for perceived quality was adapted from Aaker (2005). The items were adjusted to apply to perceived quality questionnaire in this research. The scale items used is based on a five-point Likert scale from a scale of one to five to indicate the extent of participants' agreement or disagreement with a given statement, where five represents "Strongly Agree", four represents "Agree", three ="Neither Agree or Disagree", two ="Disagree" and one ="Strongly Disagree".

Table 3.6
Perceived quality

No.	Items	Source
1.	I am sure Proton products have good quality.	Aaker (2005)
2.	I am very concerned about quality when buying goods	
3.	The quality of the car offered by Proton meets my requirements	
4.	I think material used by Proton in accordance with the price	
5.	The quality of Proton cars over time has not changed.	
6.	I found the quality of Proton products is equivalent to competitor products	
7.	Overall, I think the quality of Proton cars is reliable.	

3.7.6   Price Perception

The instrument for price perception measurements was adapted from Tjiptono (2008) which examined the relationship of price perceptions with the purchase of consumer goods. The items were adjusted to apply to price perception questionnaire in this research. The scale items used is based on a five-point Likert scale from a scale of one to five to indicate the extent of participants' agreement or disagreement with a given

statement, where five represents "Strongly Agree", four represents "Agree", three ="Neither Agree or Disagree", two ="Disagree" and one ="Strongly Disagree".

Table 3.7
Price perception

No.	Item	Source
1.	I think the price of the cars at Proton is in line with its quality.	Tjiptono (2008)
2.	I think the product of Proton has an affordable price.	
3.	I compared Proton prices with other brands before making purchase.	
4.	I think Proton product price does not burdensome.	
5.	I think the price of Proton cars is in line with its features offered.	

3.8   Translation of the Questionnaire

The original version of the questionnaire was in English. However, since Malaysia is a multi-racial country and dominated by Malay, the questionnaire was translated and printed on dual-language; English and Bahasa Malaysia. This was done according to the suggestion of Brislin (1986). He stated that the questionnaire should be back-to-back translated in order to compute the consistency and reliability of the questionnaire. Moreover, it was expected that it would be easier for the respondents to understand if the questionnaire was set in Bahasa Malaysia, which would promote them to react to the study. According to Sekaran (2000), it is important to make sure that the questionnaire is translated to obtain better feedback from the respondents.

3.9   Data Collection

In this study, the researcher collected the primary data through the survey method using questionnaires. The researcher conducted the survey through personally administered

questionnaires to obtain a quick response from the respondents, especially in terms of the questions that they did not understand, and, at the same time, the researcher could motivate the respondents to take part in the survey and encourage them to give their honest opinions regarding the topic matter (Sekaran, 2003). In addition, the researcher saved time and could also monitor the service centres and respondents, based on the specific criteria set.

Moreover, the efficient administration of the survey ensures an adequate degree of reaction for the data produced (Dilman, 1978). Besides that, the quantitative research approach is very helpful because it enables interpretation of the information gathered using the measurement instruments or survey questionnaire to obtain significant findings, which is helpful for the development of the study (Cooper & Schindler, 2006). During the survey period, the researcher provided souvenirs for those who take part in the survey as an appreciation of their cooperation.

3.9.1   Data Collection Procedures

The researcher employed a self-administration approach as the means to gather the data due to the effective and significant influence regarding the level of satisfactory responses of the data collected (Dilman, 1978). This technique also enable the respondents to clarify their uncertainties and allow the researcher to refer back to the respondents to fix all the missing data. In this research activity, the researcher identified selected Proton service centres based on multistage random sampling under the group of probability sampling. With the cooperation and consent obtained from the service

centre to conduct this survey, the researcher selected the respondents and asked their

consent to answer the questionnaire using the systematic sampling technique. The

researcher guided the respondents to answer all the questions. This is to ensure that the

respondents could gain adequate knowledge and understanding to complete the

questions sincerely. The questionnaire took around 30 minutes or less to be completed.

3.10   Data Analysis Method

The current study used actual purchase of Proton cars as the dependent variable,

ethnocentrism and advertising appeal as the independent variables and perceived

quality and price perception as the mediator variables.

3.10.1   Structural Equation Modelling SEM Analysis

This study used the Smart-PLS software to analyse the data collected. PLS (Partial

Least Square) is an analysis of structural equation based on variance (SEM) that can

simultaneously test the measurement model and structured model test. Measurement

models are used for validity and reliability testing, while structural models are used for

causality tests. Furthermore, Ghozali (2006) explained that PLS is a soft modelling

analysis method because it does not assume that data must be measured by a certain

scale, which means the sample size can be of any size. There are several reasons why

PLS is used in a study. First, it is a method of data analysis based on the assumption

that the sample should not be large; for instance, the number of samples less than 100

can be also analysed. Secondly, PLS can be used to analyse theories that are said to be

weak, because PLS can be used for prediction. Third, PLS enables algorithm by using

ordinary least square (OLS) series analysis to obtain the efficiency of algorithm calculation (Ghozali, 2008). Fourth, in the PLS approach, it is assumed that all sizes of variance can be used. PLS contains a two-step procedure as recommended by Henseler et al. (2009), which involves the evaluation of the outer measurement model and evaluation of the inner structural model. Moreover, PLS-SEM is currently known and selected within social sciences studies as a technique that is the best appropriate method for a multivariate analysis (Hair, 2013).

3.10.2   Descriptive Analysis

The purpose of the preliminary statistics at this stage is to present some impending on the qualitative attributes of the data (Al-Marri, Ahmed & Zairi, 2007). In addition, this analysis presents some information about the respondents and their backgrounds. The regularity analysis is crucial for the purposes of the study since it is employed to classify the respondents according to the demographic variables (Al-Marri et al., 2007). Hence, the researcher, at this level, utilized a diversity of statistical methods in order to quantitatively portray the data, as well as evaluate the mean, median, standard deviation and response rate.

CHAPTER FOUR

ANALYSES AND FINDINGS

4.1 Introduction

This chapter presents the results of data analyses and hypothesis testing to answer the research questions and fulfil the research objectives. This chapter consists of four important parts which involve; i) data screening procedures to ensure the dataset is cleaned, ii) common method bias to confirm the dataset is reliable and error free, iii) measurement model assessment to test the validity and reliability of constructs under study, and iv) structural model assessment to the test the hypothesised relationships among the constructs.

4.2 Response Rate and Non-Response Bias

According to Neuman (2014), total response rate is calculated by dividing the total number of responses with the total number in sample (excluding ineligible samples). In this study, the total number of responses is 400, while the total eligible sample number is also 400. The totals of 400 eligible respondents are among 400 Proton car owners who visit its official service centres located in highly populated cities all around Malaysia i.e. Kuala Lumpur, Selangor, Pulau Pinang, Perak and Johor. Hence this study has acquired the total response rate of 100%. This high response rate is considered as common in a survey using direct or personal administered approach (Cooper & Schindler, 2014; Fraenkel, Wallen, & Hyun, 2012; Sekaran & Bougie, 2016).

Considering this study has managed to acquire high response rate, non-response bias or sometimes called non-response error can be neglected. Non-response bias is defined as bias

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in findings caused by respondent refusing to take part in the research or answer a question (Saunders, Lewis, & Thornhill, 2016). In many cases, the non-response is negligible especially when the percentage of the non-response is very little(Basson, 2008). In many cases, non-response bias is found critical in mail and internet surveys(Zikmund, Babin, Carr, & Griffin, 2009), whereas this study uses direct administered survey (i.e. drop and collect approach).

Moreover, common statistical test used to detect the existence of non-response bias introduce by Armstrong and Overton (1977) is not applicable for this study. Armstrong and Overton (1977) suggest researchers to check if there is any significant difference between responses given by early respondents (those who give immediate respond) and late respondents (those who take longer time to respond). However, in this study, the early and late respondents cannot be clearly identified since questionnaires were directly distributed to the respondents. Therefore, in this study non-response bias is regarded as negligible, hence a test to examine this error is also not necessary.

4.3   Data Screening

Data screening is the process of ensuring the dataset is clean and ready, before further statistical analyses are conducted. Data must be screened in order to ensure its usability, reliability, and validity for testing causal theory (Gaskin, 2017). In the process, Hair, Hult, Ringle, and Sarstedt (2017)outline several data screening procedures that need to be conducted before proceeding to PLS-SEM analysis. The procedures are include; i) missing data, ii) suspicious response patterns (e.g. straight lining answers, un-engaged responses,

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etc.), iii) outliers, and iv) normality of data distribution. Hence, this study conducts data screening procedures following these sequences (see Table 4.1).

Table 4.1
Data examination procedures

Dataset Issues	Procedures
Missing data	Self-review and frequency analysis
Suspicious response patterns	Standard deviation values
Outliers	Boxplot diagrams and Mahalanobis distance
Normality of data distribution	Skewness and kurtosis z-scores

4.3.1 Missing Data

Missing data refers to information that is missing about a participant or data record. It should be identified and rectified during data screening stage of analysis (Cooper & Schindler, 2014). Using the advantage of personally administered survey, enumerators of this study reviewed the questionnaire sets right after they were returned by the respondents. As the result, no missing response in the returned questionnaires found. Nevertheless, to ensure that there is no careless mistake occurred during data entry procedure, Frequency Analysis running on SPSS software was also performed. Thus, it is confirmed that there is no missing response in the dataset.

4.3.2 Suspicious Response

Suspicious responses in the dataset are traced by computing standard deviation values of each response case. Zero standard deviation interprets that there is no variation in every response (answer) given by a particular case (respondent) (Gaskin, 2016). No variation signifies that all questions are answered with the same rating score by a particular respondent (i.e. straight lining answers) (Hair et al., 2017). As the result, all cases in the dataset do not produce

standard deviation values that are equal to zero. Hence, all 400 samples are retained for the next data screening stage.

4.3.3 Outliers Detection and Removal

Outlier refers to an extreme response to a particular or all questions in a survey questionnaire(Hair et al., 2017). Box plot diagrams are used to detect outlier cases (responses) in univariate statistics (Pallant, 2016), while Mahalanobis distances (D^2) are used to detect outliers in multivariate statistics (Byrne, 2016; Tabachnick & Fidell, 2014). Since, data analyses to be conducted for answering the research questions are primarily multivariate statistics (i.e. PLS-SEM), this study calculated D^2 to identify significant outliers in the dataset. SPSS software version 25 is used to calculate D^2.

Based on the rule of thumb, the maximum D^2 should not exceed the critical chi-square (χ^2) value, given the number of predictors as degree of freedom (df). Otherwise, the dataset may contain cases pose as outliers(Byrne, 2016; Hair, Anderson, Babin, & Black, 2010). A very conservative probability estimate for a case being an outlier, is when $p \leq .001$ for the χ^2 value (Tabachnick & Fidell, 2014). Cases ID that have been recognised as significant outliers are listed as follow (see Table 4.2).

Table 4.2
Summary of outliers' detections

No	Case ID	D^2	$\chi^2 p$-value
1	47	23.961	<.001
2	160	23.768	<.001
3	310	23.678	<.001
4	189	18.988	.001
5	343	18.988	.001
6	374	18.987	.001

Note. *Sorted based on case D^2 values

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Table 4.2 reveals there are six cases that have been identified as significant outliers in the dataset based on D^2 values. Hence, all six cases are removed from the dataset and the remaining 394 samples are carried forward to the next analysis procedures.

4.3.4   Normality of Data Distribution

Normality of data distribution is the benchmark for statistical methods. Data distribution is regarded as normal when its shape for an individual metric variable is correspondent to the normal distribution (Hair et al., 2010). FollowingHair et al. (2017)'s recommendation, this study evaluates normality of data distribution using skewness and kurtosis distributions. Skewness and kurtosis distributions allow researchers to evaluate the extent of the data deviates from the normal distribution.

In addition, SEM advocates strongly advise researchers to examine normality of data distribution for both univariate and multivariate statistics (Byrne, 2016; Kline, 2011; Tabachnick & Fidell, 2014). Therefore, a free access statistical power analysis online calculator named WebPower (Zhang & Yuan, 2018) was used to compute both univariate and Mardia's multivariate skewness and kurtosis distributions. This online calculator can be accessed athttps://webpower.psychstat.org and has been recommended and used in the recent literatures (Cain, Zhang, & Yuan, 2017; Ramayah, Yeap, Ahmad, Abdul Halim, & Abidur Rahman, 2017). The results are presented in Table 4.3.

Table 4.3
Data normality results

Variables	Skewness		Kurtosis	
	Statistics	**z-score**	**Statistics**	**z-score**
Actual purchase (AP)	.2051368	1.699	-.23319354	-.951
Ethnocentrism (EE)	.2094837	1.704	-.67765346	-2.763
Advertisement Appeal (AA)	.7854299	6.389	.32738087	1.335
Perceived Quality (PQ)	.5357611	4.358	.04679049	.191
Price perception (PP)	.2945719	2.396	-.80940874	-3.300
Mardia's Multivariate Normality	2.409	158.163	36.449	1.719

Kline (2011) pointed out that data distribution is within acceptable range when the z-score of univariate skewness are not exceeding ±3 and univariate kurtosis are not beyond ±7. Meanwhile, Cain, Zhang and Yuan (2017) and Mardia (1970)assert that z-score of multivariate skewness ranging from -3 to +3 and multivariate kurtosis ranging from -20 to +20 indicates the data as normally distributed. Results in Table 4.3 show that all values for univariate skewness and kurtosis are within the acceptable range.

On the contrary, for multivariate statistics only kurtosis distribution is normal. Both skewness and kurtosis distributions need to be within acceptable range to declare that the whole dataset as normally distributed. Hence, this data is considered as not normally distributed. Even so, PLS-SEM is a non-parametric statistical method that does not require the data to be normally distributed (Reinartz, Haenlein, & Henseler, 2009). In fact, PLS-SEM can handle extremely non-normal data (highly skewed distribution) (Hair et al., 2017). Since this study intends to use SmartPLS 3 software to test the hypothesised relationships, researcher could still proceed to hypotheses testing stage.

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4.4   Common Method Variance

Survey studies are usually subjected to common method variance(Hulland, Baumgartner, & Smith, 2018; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Common method variance (CMV) or common method bias (CMB) is variance that is attributable to the measurement method rather than to the construct of interest (Podsakoff et al., 2003). CMV poses a problem in survey studies because it might cause measurement error that disputes the validity of the conclusions on the relationships between measures (Bagozzi, Yi, & Phillips, 1991; Nunnally, 1978; Podsakoff et al., 2003). In this study, full collinearity test introduce by Kock and Lynn (2012)is performed to check CMV. Full collinearity test requires observation of variance inflation factors (VIFs) that have been generated for all latent variables in a structural model (see Table 4.5). This test also has been employed in other recent studies (Hassan, Masron, Mohamed, & Ramayah, 2018; Krey, Chuah, Ramayah, & Rauschnabel, 2019; Shahreki, 2019).

Table 4.4
Full collinearity test results

Latent Variables	VIF
Actual purchase (AP)	1.652
Ethnocentrism (EE)	1.883
Advertisement Appeal (AA)	1.958
PerceivedQuality (PQ)	1.667
Price perception (PP)	2.398

Kock (2015) claimed that CMV poses as a problem when any of the latent variable possesses VIF value greater than 3.3. Table 4.4demonstrates that VIF value for every latent variable under study are not exceeding 3.3, henceit is evident that CMV is not a serious issue in this study.

4.5 Demographic Information

This study utilises 394 eligible samples, representing 394 individuals who own (have bought) Proton cars in Malaysia for the subsequent data analysis. Six cases are removed from the dataset due to significant outliers and the remaining 394 samples are carried forward to the next analysis procedures. Demographic section in the survey form has requested the respondents to provide information on their; i)gender, ii) age, iii) race, iv) profession, v) marital status, vi) education level, vii) monthly income, and viii) number of cars owned. All the information is summarised in Table 4.5.

Table 4.5 *Background of the respondents*

Information	Frequency	Percentage	Cumulative %
i) Gender			
Male	245	62.2	62.2
Female	149	37.8	37.8
Total	394	100	
ii) Age (years)			
22 to 30	87	22.1	22.1
31 to 40	212	53.8	75.9
41 and above	95	24.1	100
Total	394	100	
iii) Marital Status			
Married	220	55.8	55.8
Single	137	34.8	90.6
Widow	37	9.4	100
Total	394	100	
iv) Race			
Malay	173	43.9	43.9
Chinese	129	32.7	76.6
India	61	15.5	92.1
Others	31	7.9	100
Total	394	100	
vi) Education Level			
High school	57	14.5	14.5
Diploma	140	35.5	50.0
Degree	163	41.4	91.4
Master and higher	34	8.6	100
Total	394	100	
v) Profession			

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Student	12	3.0	3.0
Business owner	114	28.9	32.0
Government staff	145	36.8	68.8
Private company staff	123	31.2	100
Total	394	100	
vii) Annual Income (RM)			
Less than 30, 000	10	2.5	2.5
31, 000 to 50, 000	79	20.1	22.6
51, 000 to 70, 000	96	24.4	47.0
71, 000 to 90 ,000	116	29.4	76.4
91, 000 and above	93	23.6	100
Total	394	100	
viii) Number of cars owned (unit)			
1	122	31.0	31.0
2	201	51.0	82.0
3	66	16.8	98.7
4	5	1.3	100
Total	394	100	

Table 4.5 displays that the majority of the respondents are male (245 individuals, 62.2%) compared to female (149 individuals, 37.8%). Further, majority of them aged around 31 to 40 years old (212 individuals, 53.8%), followed by above 41 years (212 individuals, 53.8%), and 22 to 30 years old (212 individuals, 53.8%). This is logical since data collection was administered in Proton cars' service centres. Therefore, men are more likely to visit car service centres than women. Similarly, individuals around 31 to 40 years' old are more likely to own a car rather than younger age group (22 to 30 years) or older age group (41 years and above). This is because at this age people usually are at the peak of their career and more likely to have stable financial status as compared to the other two age groups especially the younger ones. Besides, the older age group might own old cars that makes them less likely to visit Proton car official service centres. Usually, people with new cars are more likely to visit Proton car official service centres because their cars are still under warranty and privilege of free labour charge for service.

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Next, with respect to marital status, married respondents are the majority (220 individuals, 55.8%), followed by single respondents (137 individuals, 34.8%) and widow (37 individuals, 9.4%). In general, married respondents are more likely to own a car for their family needs as compared to single (bachelor) respondents. On the other hand, respondents with widow status are usually belonged to older age group who less likely to own new cars. Hence, they are less likely to visit Proton car official service centres and their chances to be selected as samples are also less.

Meanwhile, majority of the respondents are Malay (173 individuals, 43.9%), followed by Chinese (129 individuals, 32.7%), Indian (61 individuals, 15.5%), and other races are the least (31 individuals, 7.9%). This information is also logical since it is in-line with the population proportion in Malaysia, whereby Malay citizens are the majority, followed by Chinese citizens, Indian citizens and other races such as Iban, Melanau, Singh, Siamese, Asli and many more.

In regards to education level, majority of respondents are degree holders (163 individuals, 41.4%), follows by diploma holders (140 individuals, 35.5%), high school finishers (57 individuals, 14.5%) and those who own master or higher qualifications (34 individuals, 8.6%). Generally, individual who can afford to own a car are among those educated people because education level is closely associated with good profession and high income. Despite not the highest education level, degree is the standard higher education certificate possess among most Malaysian. This scenario explains why degree holders are the biggest samples for this study.

In fact, respondents' profession information supports the fact that educated people are more afford to own a car, as good profession like government staffs are the majority respondents (145 individuals, 36.8%). On the contrary, students are the least group of respondents (12 individuals, 3%). This information is regarded as relevant, since students are less likely to own a car as compared to other professions due to financial constraints. Although other professions may have equal financial capability to own a car, their time to visit car service centres might be different. Respondents who work in the government sector are more than private company staffs (123 individuals. 31.2%), and business owners (114 individuals, 28.9%) because data collection procedures were mostly done on weekends. Government staffs are more likely to have their "off-day" on weekend, compared to other professions, especially private company staffs. Unlike government staffs, private company staffs especially those who work in manufacturing or retail sector usually have to work on weekend. Therefore, they are less likely to be found visiting car service centres on weekend. This trend of visit explains why the majority respondents are government staffs.

Again, the data on respondents' annual income supports that high educated individuals are more likely to have good profession and can afford to own a car since they also are among individuals with high income. Majority of the respondents earned between RM71,000 to RM90,000 annually (116 individuals, 29.4%), followed by people who earn RM51,000 to RM70,000 per year (96 individuals, 24.4%), RM91,000 and more yearly (93 individuals, 23.6%), while the minority are among those who earn less than RM30,000 in a year (10 individuals, 2.5%).

Lastly, most respondents own 2 units of car (201 individuals, 51%), while only the minority who owns 4 units of car (5 individuals, 1.3%). Respondents who own only 1 unit of car also quite a number (122 individuals, 31%) and more than those who own 3 units of car (79 individuals, 20.1%). Thus, this data concludes the respondents' demographic information.

4.6   Descriptive Statistics

Descriptive statistics refer to statistics such as frequencies, the mean, and the standard deviation, which provide descriptive information about a set of data (Sekaran & Bougie, 2016). It is the generic term for statistics that can be used to describe variables (Saunders et al., 2016). This study observes mean scores and standard deviation values for every continuous variable to identify the level of respondents' perception (i.e. agreement) on each of the variable (see Table 4.6).

Table 4.6
Descriptive statistics of each variable

Variables	Mean	Std. Dev
Price perception (PP)	3.676	.652
Actual purchase (AP)	3.570	.484
Advertisement Appeal (AA)	3.315	.563
Ethnocentrism (EE)	3.014	.807
Perceived Quality (PQ)	2.949	.543

Note. Sort descending based on mean scores

Table 4.6 displays the mean and standard deviation for five continuous variable observes in this study. The highest mean score is depicted by price perception (PP) (M = 3.676). In contrast, perceived quality (PQ) portrays the lowest mean score among other variables (M = 2.949). Meanwhile, other variables have moderate mean scores ranging from 3.014 to 3.570. Although the highest, price perception (PP) is still classified as moderate level because mean score of 3.676 is within neutral (mid-point range) level of agreement. Whereas, based on the

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questionnaires' scales, high level of agreement is indicated by mean score of 4 and above (agree or strongly agree responses).On the contrary, perceived quality (PQ) do have low mean score which is below the mid-point of questionnaires' scales (M = 2.949< 3.000).

4.7   Measurement Model

Measurement model is an element of a path model that contains the indicators and their relationships with the constructs. It is also called the outer model in PLS-SEM (Hair et al., 2017). In this study, measurement model analysis is performed using PLS Algorithm procedure in Smart PLS 3.2.8 software (Ringle, Wende, & Becker, 2015) to assess construct reliability and validity. Measurement model of this study is illustrated as in Figure 4.1.
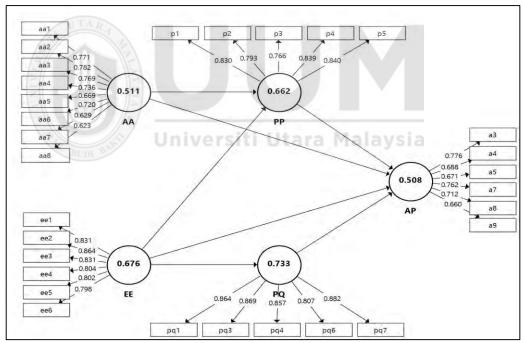
Figure 4.1
Measurement model
Note. For better visual, see Appendix 2.

Figure 4.1 illustrates the measurement model, whereby there are five latent variables or constructs namely; Actual purchase (AP), Ethnocentrism (EE), Advertising Appeal (AA), Perceived Quality (PQ) and Price perception (PP). Numbers noted on the arrows represent

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the outer loading (factor loading) values while numbers appear inside the constructs indicate the average variance extracted (AVE) values. Construct reliability and validity assessments provide by measurement model analysis in PLS-SEM are including; i) internal consistency reliability, ii) convergent validity and iii) discriminant validity. Internal consistency reliability is represented by Cronbach's alpha (CA) and composite reliability (CR) coefficients. Meanwhile, convergent validity is determined through AVE values (see Table 4.7).

Table 4.7
Internal consistency reliability and convergent validity results

Constructs	Items	Loadings	CA	CR	AVE
Actual purchase (AP)	a3	.776	.806	.861	.508
	a4	.688			
	a5	.671			
	a7	.762			
	a8	.712			
	a9	.660			
Ethnocentrism (EE)	ee1	.831	.904	.905	.676
	ee2	.864			
	ee3	.831			
	ee4	.804			
	ee5	.802			
	ee6	.798			
Advertising appeal (AA)	aa1	.771	.864	.893	.511
	aa2	.782			
	aa3	.769			
	aa4	.736			
	aa5	.669			
	aa6	.720			
	aa7	.629			
	aa8	.623			
Perceived Quality (PQ)	pq1	.864	.909	.917	.733
	pq3	.869			
	pq4	.857			
	pq6	.807			
	pq7	.882			
Price perception (PP)	p1	.830	.879	.907	.662
	p2	.793			
	p3	.766			
	p4	.839			
	p5	.840			

In this measurement model, five items/indicators (i.e.a1, a2, a6, pq2 and pq5) have been deleted to achieve convergent validity requirement. The minimum requirement of convergent validity for a construct is to have at least AVE of .50 (Fornell & Larcker, 1981; Gefen, Straub, & Boudreau, 2000; Hair, Hult, Ringle, & Sarstedt, 2014). Besides, these deleted items have demonstrated outer loadings of below than .55 which is below than good level (Comrey & Lee, 1992; Tabachnick & Fidell, 2014). Moreover, Hair et al. (2017) state that researchers are allowed to delete up to 20% of items from total items in the model in order to fulfil construct validity without compromising its content validity. Hence, it is acceptable to drop five out of 35 items (i.e. ≈14%) from this measurement model.

Overall, the results in Table 4.7 show that all constructs have fulfilled the convergent validity requirement. In addition, all constructs in this measurement model demonstrate at least satisfactory level of CA and CR, thus indicate internal consistency reliability also have been fulfilled. The satisfactory level for both CA and CR coefficient is ranging from .70 to .90 (Gefen et al., 2000; Nunnally, 1978).

Lastly, measurement model in PLS-SEM offers three approaches to assess discriminant validity namely; cross-loadings (see Table 4.8), Fornell-Larcker criterion (see Table 4.9), and Hetereotrait-Monotrait (HTMT) ratio (see Table 4.10).

Table 4.8
Cross-loadings result

	AP	EE	AA	PP	PQ
a3	**0.776**	0.239	0.278	0.394	0.494
a4	**0.688**	0.312	0.258	0.332	0.314
a5	**0.671**	0.163	0.320	0.317	0.388
a7	**0.762**	0.276	0.310	0.378	0.426
a8	**0.712**	0.380	0.258	0.372	0.387
a9	**0.660**	0.400	0.275	0.491	0.274
ee1	0.370	**0.831**	0.473	0.562	0.233
ee2	0.335	**0.864**	0.439	0.543	0.254
ee3	0.362	**0.831**	0.490	0.572	0.248
ee4	0.314	**0.804**	0.402	0.566	0.207
ee5	0.316	**0.802**	0.475	0.482	0.327
ee6	0.348	**0.798**	0.494	0.541	0.396
aa1	0.342	0.592	**0.771**	0.592	0.261
aa2	0.304	0.485	**0.782**	0.538	0.364
aa3	0.265	0.409	**0.769**	0.516	0.381
aa4	0.367	0.410	**0.736**	0.406	0.385
aa5	0.172	0.351	**0.669**	0.347	0.436
aa6	0.290	0.414	**0.720**	0.450	0.492
aa7	0.256	0.184	**0.629**	0.297	0.462
aa8	0.223	0.229	**0.623**	0.319	0.555
p1	0.516	0.538	0.566	**0.830**	0.384
p2	0.434	0.538	0.463	**0.793**	0.386
p3	0.304	0.474	0.472	**0.766**	0.248
p4	0.436	0.525	0.447	**0.839**	0.299
p5	0.468	0.609	0.584	**0.840**	0.389
pq1	0.516	0.252	0.523	0.387	**0.864**
pq3	0.513	0.319	0.483	0.419	**0.869**
pq4	0.453	0.326	0.439	0.357	**0.857**
pq6	0.343	0.237	0.462	0.265	**0.807**
pq7	0.451	0.307	0.475	0.366	**0.882**

Cross-loadings refer to an item's correlations with other constructs in the model. In order to establish the discriminant validity, item's outer loading on the associated construct must be greater that any of its cross-loadings on other construct (Hair et al., 2014). As can be seen in Table 4.8, the outer loading values are always exceeding the cross-loading values, thus

indicates discriminant validity between all constructs in the measurement model have been fulfilled.

Next, the second approach to specify discriminant validity is the Fornell-Larcker criterion(Fornell & Larcker, 1981). Fornell-Larcker criterion is a measure of discriminant validity that compares the square root of each construct's AVE with its correlations with all other constructs in the model. In particular, the square root of each construct's AVE must be greater than its highest correlation with any other construct. It means a construct must share more variance with its associated indicators items than with any other construct (Fornell & Larcker, 1981; Hair et al., 2014).

Table 4.9
Results of Fornell and Larcker criterion

Constructs	AP	EE	AA	PQ	PP
AP	**.713**				
EE	.415	**.822**			
AA	.396	.563	**.715**		
PQ	.539	.339	.556	**.856**	
PP	.537	.663	.627	.425	**.814**

In Table 4.9, values with the bold fonts inside the diagonal columns represent the square root of each construct's AVE. Values in the diagonal columns should be higher than all other values in the row and column of the table. As can be seen, all diagonal values are higher than other values, hence it can be concluded that measurement model have fulfilled discriminant validity.

Recent criticism on the limitation of cross-loadings approach and Fornell-Larcker criterion to examine discriminant validity under several circumstances have led to the suggestion of

using HTMT ratio to assess discriminant validity (Hair et al., 2017; Henseler, Ringle, &Sarstedt, 2015). HTMT is the ratio between mean of all items' correlations across constructs measuring different constructs and the mean of the average items' correlations measuring the same construct(Henseler et al., 2015). As such, this study also assesses discriminant validity using this newly proposed method (see Table 4.10).

Table 4.10
Results of HTMT ratio

Constructs	AP	EE	AA	PQ	PP
AP					
EE	.485				
AA	.467	.606			
PQ	.616	.369	.658		
PP	.629	.742	.692	.464	

HTMT ratio that is greater than .85 (Kline, 2011) indicates a problem of discriminant validity. Table 4.10 shows that all ratios are below .85. Hence, it is confirmed that there is no discriminant validity problem between all constructs in the measurement model. Since all requirements of convergent validity and discriminant validity have been fulfilled, this study proceeds to structural model assessment in the next section.

4.8   Structural Model

Structural model analysis or also known as the significance testing is the process of testing whether a certain relationship between two or more constructs are likely occurred by chance or not (Hair et al., 2017; Saunders et al., 2016). In this study, structural model analysis is performed to answer the research questions and subsequently fulfil the research objectives. Using bootstrapping procedures with 5000 resamples (Hair et al., 2014), the empirical *t-*

values are computed to decide the significance of the hypothesised relationships. The structural model for this study is illustrated in Figure 4.2.
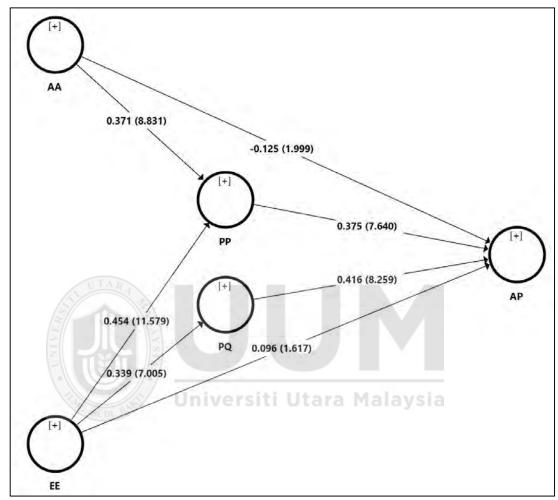
Figure 4.2
Structural model

Figure 4.2 illustrates the structural model of this study which demonstrates the constructs (i.e. AP, EE, AA, PQ and PP) and their path relationships (i.e. hypotheses). The arrows represent the relationships between constructs with the values of path coefficient (β) and the empirical *t*-values (values inside brackets). Actual purchase (AP) is the endogenous (dependent) variable, while Ethnocentrism (EE), Advertising appeal (AA), Perceived Quality

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(PQ) and Price perception (PP) are the exogenous variables (predictors) of AP. PQ and PP
also work as mediators between EE and AP. In addition, PP is also hypothesised as a mediator
between AA and AP.

Structural model analysis involves six assessments sequence which include the evaluation
of; i) collinearity issues, ii) significance of structural model relationships, (iii) coefficient of
determination, R^2, iv) effect sizes, f^2, v) predictive relevance, Q^2 and vi) effect sizes, q^2(Hahn
& Ang, 2016; Hair et al., 2014, 2017; Soto-Acosta, Popa, & Palacios-Marqués, 2016;
Sullivan & Feinn, 2012). Thus, this study presents the result of structural model analysis
according to this sequence.

4.8.1 Collinearity Assessment

Collinearity issues (Hair et al., 2014)or also called multi-collinearity (Pallant, 2016) occur
when two or more predictors are highly correlated. It causes estimated path coefficients to
fluctuate widely (Cooper & Schindler, 2014) and biasing the structural model (Bowerman &
O'connell, 1990). Hair et al. (2017) suggests the evaluation of variance inflation factor (VIF)
values to assess the severity of collinearity issue in a PLS-SEM path model (see Table 4.11).

Table 4.11
Results of collinearity assessment

Constructs	Collinearity (VIF)		
	AP	PQ	PP
Ethnocentrism (EE)	1.908	1.000	1.464
Advertisement Appeal (AA)	2.103		1.464
Perceived Quality (PQ)	1.469		
Price perception (PP)	2.173		

VIF statistic of 3.3 or greater are suggesting that collinearity issue may mislead the structural
model findings (Diamantopoulos & Siguaw, 2006). Table 4.11 reveals all VIFs are below

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than 3.3. Hence, collinearity is not a severe problem in this structural model and the results that will be produced will not be misled.

4.8.2 Significance Testing

Commonly, the significance of hypothesised relationships is decided based on probability value (p-value). Thus, p-value represents the probability of error for assuming that a path coefficient is significantly different from zero (Hair et al., 2017). In all condition, p-value of .01, .05, and .10 represent 1%, 5% and 10% of error probability. It also means that only 1%, 5% or 10% of the hypothesised relationships occur by chance. However, American Statistical Association (ASA) highlights that reporting p-value alone does not provide a sound measure of evidence regarding a model or hypothesis(Ramayah, Cheah, Chuah, Ting, & Memon, 2018). Therefore, this study also reports other measures such as empirical t-value, path coefficient (β) and confidence interval as additional evidence to accept or reject the hypothesised relationships (Aguinis et al., 2010; Hair et al., 2014; Lin, Lucas, & Shmueli, 2013) (see Table 4.12 and 4.13).

Empirical t value is the test statistic value obtained from the data set at hand, while critical t-value is the benchmark which the significance of a coefficient is determined (Hair et al., 2017). The null hypothesis of no effect is rejected if the empirical t-value is larger than the critical t-value. Commonly used benchmark of critical t-value in two-tailed tests are 2.57, 1.96, and 1.65, for $p < .10$, $p < .05$, and $p < .01$, respectively (Hair et al., 2014).

Meanwhile, path coefficient is the estimated path relationship between latent variables in a structural model which is identical to standardized beta (β) values in a regression model (Hair

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et al., 2014, 2017). Kock and Hadaya (2018) assert that β values that are ranging from 0 to .10 may indicate the hypothesised relationship is not significant, while β values that are exceeding .20 are more likely indicating a significant relationship. Meanwhile, the values in between (i.e. .11 to .19) are not clearly determined the significance of hypothesised relationship. In the same vein, confidence interval values strengthen the reporting of significance testing by providing a measure of accuracy for p-value. The threshold of p-value ($p < .10$, $p < .05$, and $p < .01$) only provide a rough benchmark for researchers to accept or reject a null hypothesis, thus resulting in loss of information (Aguinis et al., 2010). Whereas, confidence interval demonstrates how close the lower and upper bound limits to the zero point (Ramayah et al., 2018). Confidence interval upper limit (UL) and lower limit (LL) values must be either both positive or both negative which indicates zero does not fall into the range of upper and lower bound values (Hair et al., 2017).

Table 4.12
Results of significance testing (direct relationships)

Hypotheses	Relationships	β	t - value	p - value	Confidence Interval LL	Confidence Interval UL	Decision
H1	Ethnocentrism→Actual Purchase	.096	1.617	.106	-.021	.214	Not accepted
H2:	Advertising Appeal→ Actual Purchase	-.125	1.999	.046	-.251	-.004	Not accepted
H3:	Perceived Quality→ Actual Purchase	.416	8.259	<.001	.318	.516	Accepted
H4:	Price Perception→ Actual Purchase	.375	7.640	<.001	.278	.472	Accepted
H5:	Advertising Appeal→ Price Perception	.371	8.831	<.001	.290	.452	Accepted
H6:	Ethnocentrism→ Price Perception	.454	11.57	<.001	.377	.530	Accepted
H7:	Ethnocentrism→ Perceived Quality	.339	7.005	<.001	.244	.433	Accepted

Note. Two-tailed test

Table 4.12 presents the result of all direct relationships in the structural model. There is a non-significant relationship between EE and AP (β = .096, t = 1.617, p= .106, LL = -.021, UL = .214). Hence, it means Ethnocentrism does not contribute to customer's actual purchase of Proton cars and H1 is not accepted. Meanwhile, there is a significant but negative relationship between AA and AP at β = -.125, t = 1.999, p= .046, LL = -.251, UL = -.004. Since the relationship is negative, H2 is also not accepted.

There are significant and positive relationships between; i) PQ and AP (β =.416, t = 8.259, p< .001, LL = .318, UL = .516), ii) PP and AP(β = .375, t = 7.640, p< .001,LL = .278, UL = .472), iii) AA and PP (β = .371, t = 8.831, p< .001,LL = .290, UL = .452), iv) EE and PP (β = .454, t = 11.579, p<.001,LL = 377, UL = .530), and v) EE and PQ (β = .339, t = 7.005, p< .001,LL = .244, UL = .433), Thus, H3, H4, H5, H6 and H7 are accepted.

These findings interpret that perceived quality and price perception has positive influence on actual purchase of Proton cars. In other words, as level of perceived quality and price perception are increased, the level of Proton cars' Actual purchase is also increased.

Similarly, advertising appeal and ethnocentrism also demonstrate positive influence on price perception. As the level of ethnocentrism and advertising appeal are increased, the level of price perception is also increased. Lastly, ethnocentrism show positive relationship with perceived quality, thus, H7 is accepted.

Further, indirect effects of perceived quality and price perception on ethnocentrism and actual purchase relationship are presented in Table 4.13 as follow. The table also includes the

indirect relationship between advertising appeal and actual purchase through price perception.

Table 4.13
Results of hypotheses testing (mediating relationships)

Hypotheses	Relationships	β	t - value	p - value	Confidence Interval (BC)		Decision
					LL	UL	
H8:	Ethnocentrism → Perceived Quality → Actual Purchase	.141	5.327	<.001	.093	.199	Accepted
H9:	Ethnocentrism → Price Perception → Actual Purchase	.170	6.363	<.001	.120	.227	Accepted
H10:	Advertising Appeal → Price Perception → Actual Purchase	.139	5.639	<.001	.095	.191	Accepted

Note. Two-tailed test, BC = Bias Corrected

There are several approaches to test mediation effect or indirect relationship which are including; i) Baron and Kenny's causal procedure method, ii) Sobel Test, and iii)bootstrapping the indirect effect (Ramayah et al., 2018). This study has employed the bootstrapping the indirect effect approach as developed by Preacher and Hayes (2004) and advocated by Preacher and Hayes (2008)due to several reasons as the following:

i)   Baron and Kenny's causal procedure method has been criticised as having very low statistical power and the multiple steps involved are causing false conclusion that there is mediation effect when actually there is no mediation effect (Rungtusanatham, Miller, & Boyer, 2014).

ii)   Sobel test is not appropriate to be used because the distributional assumptions do not hold for the indirect effect that will yield lower statistical power than other

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alternatives especially in a study with non-normal data. Whereas, this study possesses non-normal data distribution.

iii) Preacher and Hayes (2004) bootstrapping the indirect effect approach works best for multiple mediator models. This study has two mediators namely perceived quality and price perception. Thus, it is perfectly suited for this study.

As the results, Table 4.13 exhibits that H8 which represent the indirect effects of PQ on EE and AP relationship is significant at $\beta = .141$, $t = 5.327$, $p<.001$, LL = .093, UL = .199. This significant effect means perceived quality does mediate the relationship between ethnocentrism and actual purchase of Proton cars. Hence, H8 is accepted.

Moreover, H9 and H10 are also accepted as there are significant indirect effects demonstrate by PP on EE and AP ($\beta = .170$, $t = 6.363$, $p<.001$, LL = .120, UL = .227) as well as AA and AP ($\beta = .139$, $t = 5.639$, $p<.001$, LL = .095, UL = .191) relationships. It is evident that price perception has indirect effects on both relationships of ethnocentrism and advertising appeal with actual purchase of Proton cars.

In addition, researchers are advised to further extract mediation results by identifying types of mediation (Hair et al., 2017; Nitzl, Roldan, & Cepeda, 2016). However, mediating effect (a x b) must be significant prior to determine types of mediation (Nitzl et al., 2016). The results in Table 4.13 demonstrate all mediating effects are significant. Hence, this study has fulfilled this pre-condition and appropriate to discuss about the types of mediation. According to MacKinnon, Fairchild, and Fritz (2007) there are three types of mediation including; i) full mediation, ii) complementary partial mediation, and iii) competitive partial mediation.

Full mediation occurs when the indirect effect is significant but the direct effect is not significant (Zhao, Lynch Jr, & Chen, 2010). This description is consistent to the relationship between EE and AP with the intervention from PQ and PP, where the direct effect EE → AP is not significant (β = .096, t = 1.617, p= .106, LL = -.021, UL = .214) but the indirect effects are significant; EE → PQ → AP(β = .141, t = 5.327, p<.001, LL = .093, UL = .199) and EE → PP → AP (β = .170, t = 6.363, p<.001, LL = .120, UL = .227). Therefore, H8: EE → PQ → AP and H9: EE→ PP → AP are categorised as full mediation.

Meanwhile, in complementary partial mediation both indirect and direct effects are significant and in the same direction (either positive or negative) (Zhao et al., 2010). It seems none of the hypothesised relationship complies with this situation. In contrast, competitive partial mediation occurs when both indirect and direct effects are significant but in opposite directions (one positive while the other one negative) (Zhao et al., 2010). This description perfectly reflects intervention of PP on AA and AP relationship. The direct effect AA → AP is significant negative (β = -.125, t = 1.999, p= .046, LL = -.251, UL = -.004), while the indirect effect AA → PP → AP is significant positive (β = .139, t = 5.639, p<.001, LL = .095, UL = .191). Thus, H10 is considered competitive partial mediation. Altogether, there are two full mediation effects and one competitive partial mediation in this study (see Table 4.14).

Table 4.14
Summary of mediation types

Relationships	β	t -value	p -value	Types of Mediation
H1: EE → AP	.096	1.617	.106	Full
H8: EE → PQ → AP	.141	5.327	<.001	Full
H9: EE → PP → AP	.170	6.363	<.001	Full
H2: AA → AP	-.125	1.999	.046	Competitive Partial
H10: AA → PP → AP	.139	5.639	<.001	Competitive Partial

4.8.3 Variance Explained and Effect Sizes

R^2 value or known as coefficient of determination interprets the proportion or percentage of variance in endogenous construct that is explained by exogenous constructs(Hair et al., 2017). Generally, R^2 values of .670, .330, and .190 are regarded as substantial, moderate, and weak respectively(Chin, 1998). AP has moderate level of coefficient of determination (R^2= .410) which indicate AA, PQ and PP have explained 41% of variance in AP. Similarly, PP has moderate level of variance explained (R^2= .531) and implying that EE and AA have explained 53.1% of variance in PP (see Figure 4.3). However, PQ has very weak variance explained (R^2= .113) as it has only one predictor, which is EE.

Tentatively, R^2 value increases as more predictors are connected to a construct (Ramayah et al., 2018). Therefore, it is logical to have small variance explained for PQ. In fact, PQ is included in the model as a mediator, not as the dependent variable. After all, amount of variance explained in the dependent variable is more important than the mediator to determine predictive accuracy of a path model (Cohen, 1988).
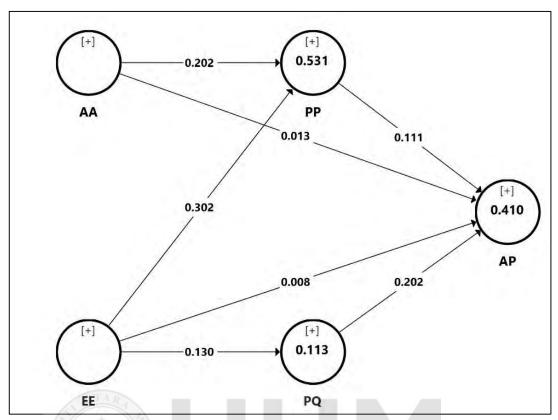
Figure 4.3
Path model with R² and f² values
Note. Values on arrows indicate f^2. Value within endogenous construct represent R^2.

In assessing structural model, Hair et al. (2014) also suggest that the change in the R^2 value when a specified exogenous construct is omitted from the model should be examined. The change in the R^2 value is called effect sizes (f^2). In this study, an effect size (f^2) is reported to evaluate whether the omitted construct has a substantive impact on the endogenous construct (see Table 4.15). As recommend by Hair et al. (2014), Jacob Cohen's guideline is used to determine the magnitudes of f^2. The magnitudes are .020, .150, and .350, representing small, medium, and large effects, respectively(Cohen, 1988).

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Table 4.15
Results of effect sizes (f^2)

Relationships	Effect Size (f^2)	Magnitude
H1: EE → AP	.008	None
H2: AA → AP	.013	None
H3: PQ → AP	.202	Medium
H4: PP → AP	.111	Small
H5: AA → PP	.202	Medium
H6: EE → PP	.302	Medium
H7: EE → PQ	.130	Small

Table 4.15 shows that EE and AA have no effect on AP ($f^2 < .020$). This is considered as normal, since EE has demonstrated non-significant relationship with AP. Although, AP does have significant relationship with AP, the relationship is not really strong with $t = 1.999$ and $p = .046$ which are slightly exceeded the threshold (i.e. critical t-value of 1.96 and p-value less than .05). On the other hand, PQ and PP demonstrate medium and small effect sizes respectively, on AP which are also relevant to the strength of their relationship with AP. Meanwhile, both AA and EE have medium effect size on PP. Lastly, EE shows small effect size on PQ.

4.8.4 Predictive Relevance of the Model

Further to that, predictive relevance (Q^2) of the model is also assessed to examine whether a model accurately predicts data not used in the estimation of model parameters. In PLS-SEM, Q^2 value is computed using the blindfolding procedure. Blind folding is a sample reuse technique that omits part of the data matrix and uses the model estimates to predict the omitted part. It indicates a model's out-of-sample predictive power(Chin, 1998; Hair et al., 2017; Henseler, Ringle, & Sinkovics, 2009).Q^2value larger than 0indicates the model has predictive relevance for a certain endogenous construct and otherwise (i.e. if the value is less

than 0) (Fornell & Cha, 1994; Hair et al., 2014). Overall, all endogenous constructs i.e. EE

$\rightarrow$ AP, AA $\rightarrow$ AP, PQ $\rightarrow$ AP and PP $\rightarrow$ AP in this structural model demonstrate Q^2 values

beyond 0 (see Table 4.16). Hence, these values are suggesting that this model has sufficient

predictive relevance.

Table 4.16
Results of predictive relevance (Q^2) and effect sizes (q^2)

Relationships	Effect Size		Predictive Relevance (Q^2)
	(q^2)	Magnitude	
H1: EE $\rightarrow$ AP	.001	None	
H2: AA $\rightarrow$ AP	.003	None	.193
H3: PQ $\rightarrow$ AP	.069	Small	
H4: PP $\rightarrow$ AP	.038	Small	
H5: AA $\rightarrow$ PP	.083	Small	.327
H6: EE $\rightarrow$ PP	.129	Small	
H7: EE $\rightarrow$ PQ	.083	Small	.077

Hair et al. (2014) also recommend that relative measures of predictive relevance known as

q^2 effect size to be reported along with predictive relevance value. Thus, q^2 effect size values

of .020, .150, and .350 indicate that an exogenous construct has a small, medium, or large

predictive relevance for a certain endogenous construct (Hair et al., 2017). As can be seen in

Table 4.16, majority of exogenous construct show q^2 values with only small magnitude

ranging from .038 to .129 except for EE and AA on AP. Both EE and AA have none q^2 effect

size due to non-significant and very low significant level with the endogenous construct.

Nevertheless, based on the Q^2 values, the entire model is still relevant. Hence, this result

concludes the finding section.

4.9   Chapter Summary

Data screening stage verifies that the dataset is free of missing value, outliers and common

method variance. Then, the measurement model analysis confirms that all constructs are valid

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and reliable. Furthermore, findings from the hypotheses testing reveal that all hypotheses relationships are statistically significant except for H1: direct relationship between ethnocentrism and actual purchase. Even so, perceived quality and price perception have fully mediated the relationship between ethnocentrism and actual purchase. The relationship between ethnocentrism and actual purchase has become significant with the intervention from perceived quality and price perception.

Meanwhile, price perception has competitively partial mediated the relationship between advertising appeal and actual purchase. Price perception has changed the negative relationship between Advertising appeal and Actual purchase into a positive relationship. In addition, all significant predictor variables (i.e. advertising appeal, perceived quality and price perception) have fairly explained the variance in the dependent variable (i.e. actual purchase) with R^2 of 41%. Lastly, this model also has sufficient predictive relevance with Q^2 of .193.

CHAPTER FIVE

DISCUSSIONS AND CONCLUSIONS

5.1   Introduction

This chapter begins with the recapitulation of the study, followed by the discussion of the findings. After that, the implications were discussed to highlight the contribution of this study to enhance the actual purchase of Proton cars among Malaysians. The final part of this chapter draws the conclusion for this research report.

5.2   Recapitulation of the Study

This study focused on the issue of Proton brands are no longer the preferred choice of buyers and are lagging behind other brands with a sustained decline in sales since 2013. Proton car sales have been declining from year to year until the latest annual sales statistics data in 2018 where Proton remains behind other competitors (MOT, 2018). Therefore, researcher tried to examine the relationship of the variables such as ethnocentrism, advertising appeal, perceived quality and price perception with actual purchase of Proton cars to find the answers to the above issue.

The literature gap in Chapter Two serves as the basis for developing the research questions to complete this study. Six research questions were developed to investigate factors that may influence the actual purchase of Proton cars. Later, all six questions in this study were interpreted as a research objective and adapted with Ajzen's Theory of Planned Behavior (2011) to analyse the actual purchase of Proton cars among Malaysians.

The data for the current study was collected from Proton car owners who visited Proton service centres in Penang, Perak, Selangor, Kuala Lumpur and Johor. In this study, the total number of responses was 400, and the total eligible sample number was also 400. The total of 400 eligible respondents was among 400 Proton car owners who visited its official service centre located in highly populated cities around Malaysia.

The result of all direct relationships in the structural model from the data analysis showed that there was a non-significant relationship between ethnocentrism and actual purchase, as shown in Hypothesis 1. There was a significant but negative relationship between advertising appeal and actual purchase, as shown in Hypothesis 2. Perceived quality and price perception had a positive influence on the actual purchase of Proton cars, as shown in hypotheses 3 and 4. Similarly, ethnocentrism and advertising appeal also demonstrated a positive influence on price perception, as shown in hypotheses 5 and 6. Ethnocentrism had a positive and significant relationship with perceived quality, as shown in Hypothesis 7.

For the mediation testing, the findings also showed indirect effects of perceived quality and price perception on ethnocentrism and price perception with actual purchase. Perceived quality did mediate the relationship between ethnocentrism and actual purchase, as shown in Hypothesis 8. Price perception has indirect effects on both relationships of ethnocentrism and advertising appeal with actual purchase of Proton cars, as shown in hypotheses 9 and 10.

In brief, the results of this study will be able to demonstrate the position of ethnocentrism and advertising appeal in influencing consumer buying habits on Proton cars. The results of this study also showed the role of mediators which were perceived quality and price

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perception between the two independent variables and the actual purchase of Proton cars. This study confirms the theory used (The Theory of Planned Behavior) which represented the consumer's action in purchasing decisions based on the selected variables. Eventually, the results of this study are expected to provide very useful information for the relevant parties to prioritize price and quality factors to attract customers to increase sales.

5.3 Discussion

Specifically, the discussion is based on the research objectives of the study as listed below;

5.3.1 To examine the relationship between Ethnocentrism and Advertising Appeal with Actual Purchase

The first research objective was to investigate whether ethnocentrism and advertising appeal have a relationship with the actual purchase of Proton cars. Therefore, the first hypothesis was set up to test whether there was a relationship between ethnocentrism and actual purchase of Proton cars. The second hypothesis was set to test whether there was a relationship between advertising appeal and actual purchase of Proton cars. The findings of this study revealed that there was an insignificant relationship between ethnocentrism and actual purchase of Proton cars. The finding also indicated that there was a significant effect but negative relationship between advertising appeal and actual purchase of Proton cars. This means that neither of the above hypotheses is accepted.

It was abnormal to see that ethnocentrism was not a significant factor in predicting consumers' actual purchase. This means that Malaysians do not feel guilty to buy foreign-made products. This shows that the people of this country do not prioritize caring more about

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local goods when making purchases but rather acted to satisfy their needs by buying foreign goods. Thus, we can say that, at least in the current case, the respondents had moderate degree of ethnocentrism, where other factors had stronger influence on their purchasing decision. This is in line with Vasella et al. (2010) who mentioned that consumer demographic and economic factors affect the degree of ethnocentrism. Multi-racial residents are detrimental to ethnocentric values because sometimes, only a specific group of people are interested in local goods that contribute to develop the country. Things may become worse if the income gap between the races is high and the purchasing power is dominated only by certain groups. Hence, future research should focus more on factors that contribute to the determination of consumers in selecting local or foreign made products amongst races in Malaysia for better study results.

The finding of the current study coincides with previous research concerning the relationship between ethnocentrism and actual purchase by Wel et al.(2015), who indicated that ethnocentrism has a negative relationship with the actual purchase national brand cars. Hoang (2017) also found that ethnocentrism had a negative effect on product quality and purchase behaviour in the study about the effects of country of origin and product features on customer purchase intention: a study of imported powder milk in Vietnam. On the contrary, many previous studies have shown different findings in which there were significant relationships between ethnocentrism and actual purchase such as the study by Shimp and Sharma (1987) in the US; Al Ekam et al. (2013) in Saudi Arabia; Vida (2017) in Bosnia; Pratminingsih (2017) in Indonesia; and Nik-Mat et al. (2013) in Malaysia which illustrated that consumers with ethnocentric tendencies tended to have positive effects towards locally made products.

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Even though the relationship is not accepted, it still contributes to the novelty of knowledge and enriched the literature. The contradiction could be explained by the inadequate efforts shown by the government in fostering the spirit of using local goods and applying the value of ethnocentrism when buying goods. The ministry also did not set a good example where they also do not use local goods in the official work of the country. For example, official government cars are no longer of the Proton brand as they prefer imported car brands. This bad example also affects the customer's purchasing decisions. If the country's authorities do not trust their own manufactured goods, how can the local customers be encouraged to buy Malaysian-made cars? The failure of showing ethnocentric value among ministries and MPs is the main indicator of the failure of Proton cars in the national market due to the absence of brand trust.

Moreover, during the launch of Proton's first X70 SUV in December 2018, Tun Dr Mahathir's reaction was surprising. He wept with joy during the ceremony, which was Proton's first model collaboration with China's company, Geely Corporation. He had previously opposed and regretted the sale of Proton shares to Chinese companies because he considered the action to erode nationalism. His excitement in launching the SUV clearly did not reflect his strong stand in ethnocentric containment among Malaysians. This raises the question on how this can be an example for Malaysians to prioritize local manufacturers and products when the Prime Minister himself does not set the right example.

Another factor that can explain the relationship between ethnocentrism and actual purchase is because the customer feels he is not free to make the buying decision. This is because the ethnocentric value will restrict their freedom to buy the car they love even though they are in

the open market where people are free to choose whatever they want. They feel bound to ethnocentrism when choosing a Proton car, even when it is not their first choice and they have many other options in the market.

The finding also reveals that advertising appeal supported the actual purchase of Proton cars but has a negative relationship, causing the hypothesis is not accepted. This shows that advertising appeal, whether emotional or rational, is not the main tool to attract customers. Swinging advertisements are no longer a customer-friendly tool as they place more emphasis on humorous and catchy advertising appeals, especially for young people. The findings of this study have shown that advertising appeal is inversely related to actual purchase behavior and has contributed a good literature review to subsequent studies. This is because the findings of this study contradict previous studies which found that various advertising appeals are significant with purchase intention and actual purchase. For example, Perera (2017) indicated that rational appeal and emotional appeal have a significant impact on purchase intention of mobile internet packages in Sri Lanka. He (2018) reported that advertising appeal has a significant positive impact on clothing consumers' purchase intention in the social media environment in China.

In previous studies, negative effects of advertising appeal and actual purchase were extremely rare. Almost all the studies showed significant positive relationships. The contradiction could be explained by the inadequate efforts shown by Proton in generating information about what the customers need and want from their desire cars. In addition, Proton seems to ignore highlighting the best features and promotions about their cars and felt comfortable being the golden son of the country's automotive industry by enjoying a wealth of government

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assistance. For instance, they do not provide the right medium and the right customer target, especially young people who are just starting work and are building a family. As a result, the lack of technology information and communication through advertisement led to a lower level of affective advertising appeal among the customers.

5.3.2 To Examine The Relationship between Perceived Quality and Price Perception with Actual Purchase of Proton Cars.

The second research objective was to examine the relationship between perceived quality and price perception with actual purchase of Proton cars. Therefore, the third hypothesis was set up to examine the relationship between perceived quality and the actual purchase of Proton cars. The findings indicate that perceived quality has a significant relationship with actual purchase. This shows that in the actual purchase of Proton cars, if the perceived quality level is increased, the actual purchase of Proton cars will also increase. Perceived quality has a huge influence on decision making. Customers will emphasize on the quality factor when buying a product, especially involving high costs such as buying a car. Therefore, the results of this study are very accurate in describing consumer behavior when purchasing products. When customers want to purchase a car, they look for the reliability and durability of the cars. This means that they believe that high quality cars which adopt advanced technology and have high performance may lead to a longer lifetime of the car. They also believe that high quality cars have good safety systems, are comfortable and help them save unnecessary repairing costs.

It is noteworthy that, Proton is a player in the national automotive industry that has been operating for over 30 years with its own R&D unit in determining the quality of Proton cars

offered in the market. In fact, over the years, Proton should already be mature to improve the quality of their cars in line with imported car brands. Customers will always learn from their experience on Proton car issues with some previous models. Without any adjustment, Proton will always be far behind and will not be appreciated by local customers. To move forward, Proton should look at the quality of their cars as being valued and wanted by customers that will increase their sales in the future as proved in this research finding. The finding of this study is in line with Tamimi and Sebastianelli (2016) which discovered that the more positive the consumer's perceived quality of a product, the greater the chance that consumers will decide to buy the product.

Durianto (2011) also revealed that the perception of the overall quality of a product or service can determine the value of the product or service and have an immediate effect on consumers' purchasing decisions and their loyalty to the brand in Indonesia. This is similar to the findings by Aaker (1991) who stated that perceived quality will influence purchasing decisions and brand loyalty directly. This study aims to discuss the effects of brand image, perceived price, perceived quality, and perceived value on purchase intentions towards sports, sightseeing, and tourism products of the 2016 Taichung International Travel Fair. Meanwhile Li (2017) also pointed out that perceived quality has a significant effect on purchase intention towards sports, sightseeing, and tourism products of the 2016 Taichung International Travel Fair in China. Therefore, based on the previous studies that is in line with the findings of this study, it is evident that perceived quality has a significant positive relationship with the actual purchase of Proton cars.

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The fourth hypothesis was set up to examine the relationship between price perception and the actual purchase of Proton cars. The findings indicate that price perception has a significant relationship with actual purchase. This shows that in the actual purchase of Proton cars, if the price perception level increased, the actual purchase of Proton cars will also increase. Commonly, customers will be attracted to cheaper prices that match their financial budget and the features of the product offered. Normally, cheap and popular items will sell out quickly, and customers always want to pay a low price for a car and other products. Despite being protected under the National Automotive Policy (NAP), customers find Proton's prices still at a high level compared to competitors' prices like Nissan and Honda for certain models. Hence, Proton should also reduce the price of their cars because as a local manufacturer, they should not be selling their product at a high price to local customers because Proton has many privileges from the government.

On top of that, their spare parts are also very costly and are almost the same price as foreign products such as Toyota, Honda and Mazda. Based on Yee's(2010) study, the results of decreasing car prices can increase the competitiveness of the Malaysian automobile industry, and this will become their challenge to compete effectively with foreign car makers among ASEAN countries. Therefore, Proton needs to build more cars for the middle-income group which has more purchasing power and with reasonable price.

The finding of the significant relationship between price perception and actual purchase in this study is in line with the findings of previous studies. For example, Oosthuizen (2015) reported that the perceived price of PLB wines influenced perceived value and suggested that there was a significant positive relationship between perceived value and consumers'

purchase intentions in South Africa. Musa and Nadzri (2014) found that price is the main factor when purchasing national cars in their study using the focused group method to explore brand experience and contextual factors in Malaysia. In Indonesia, Bnu (2018) pointed out that price perceptions have a positive and significant impact on the decision to purchase Oppo smartphones in Kendari City. Classically, Zeithaml (1988) revealed that consumer perceptions of price, quality, and value have a significant effect with purchasing decision.

In Malaysia, competition between car manufacturers is tough especially in the passenger car category. Manufacturers compete to build attractive cars at reasonable prices because they believe customers make purchasing decisions based on the price tag. Affordable car price and safety features are mostly appreciated by consumers. Proton as a car maker that has been in the market for over 30 years should consider cheaper prices for Malaysians but should also have high safety features. Proton's partnership with Geely is expected to build cars that are significantly cheaper for the economies of scale and R&D sustainability of the upcoming Geely cars. Proton can also offer cars at cheaper prices as they will only be rebranding Geely for the next models.

In particular, consumers perceived that the quality of Proton cars is lower than other brands. This never-ending issue has never been solved by Proton since the beginning. However, customers can accept this weakness and still be loyal to the Proton brand. The first Saga model launched over 30 years ago is still strongly driven on Malaysian roads. Customers believe that although the quality of the Proton car is often questionable, however, with overall improvement, Proton can compete with other brands. Additionally, Proton's spare parts are easily available with a wide selection and sold at a cheaper price. Proton needs to maintain

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these advantages even though it has merged with Geely because the difficulty in getting spare parts and expensive spare parts will undermine Proton consumers' confidence especially for the latest rebranding models.

5.3.3   To Examine the Relationship between Advertising Appeal and Ethnocentrism with Price Perception.

The third research objective is to examine the relationship between advertising appeal and ethnocentrism with price perception. Therefore, the fifth hypothesis was set up to examine the relationship between advertising appeal and price perception. The findings indicate that advertising appeal supports price perception. This shows that in the purchase of Proton cars, if the Proton management responds to generating advertisement by fulfilling the customers' needs and wants regarding technology, latest features, promotion activities, incentives, warranty and availability of service centres nearby; in return, it will lead to a higher level of price perception among customers.

Specifically, satisfied customers will buy Proton cars because a high level of advertising appeal will influence them that the price of cars offered are reasonable and low. Customers will easily believe that frequently advertised products have low prices as the advertisement often highlights promotions and incentives through the purchase of specific car variants. Therefore, advertising appeal is very important to help customers to compare Proton car prices with other brands. Moreover, there are many advertisements that highlight Proton as a national car by injecting patriotism into customers. Customers will be affected by this type of advertising and will assume that the car should be sold at a lower price. Advertising appeal (either rational appeal or emotional appeal) both positively impact the price perception of

customers on the actual purchase of Proton cars. This result is coherent with results of prior studies in related literature. For example, the research conducted by Hussain et al. (2015), Khan (2015), Kostic (2016), and Noor (2013) supported that advertising appeal has a positive impact on price perception as a whole.

The sixth hypothesis was set up to examine the relationship between ethnocentrism and price perception. The findings indicate that ethnocentrism has a positive relationship with price perception. The higher the ethnocentrism level increase among customers, the higher the price perception level. This shows that in the purchase of Proton cars, if the Proton management responds to cultivate ethnocentrism by fulfilling the customers' thoughts and actions regarding patriotism, beliefs, supports, incentives, campaign and good examples, in return, it will lead to a higher level of ethnocentric value among customers.

Increasing the level of ethnocentrism makes customers pay more attention to the price perception of the products they buy, especially for local manufactured products. Customers have a positive reaction to the price situation of the local goods so that they can get the most out of what they spend. The government's enthusiasm for ethnocentrism among Malaysians has caused consumers in the country to be concerned with the price perception of local goods, especially in relation to non-perishable products. Customers will consider the price of locally manufactured goods in this country to be cheaper than imported goods.

Thus, the higher the value of ethnocentrism, the more they consider Proton cars to be considerably cheaper than imported brand cars. This phenomenon contributes to the bad reputation of Proton car sales as customers will compare prices, car sizes, technology, spare

parts and popularity with local brands and other imported brands that may be worth more. Thus, Proton needs to improve their reputation from all angles to produce a decent car to bring back the glory of past sales. Consumers have the option to spend their money and consumers always want something cheap regardless whether it is a local or overseas product.

This finding is consistent with an earlier research on the relationship between ethnocentrism and perceived price, as proven by Julina (2012) who found that customer ethnocentrism to buy local products is dependent on the rates they are assigned to. Consumers will be more likely to buy local products than imported products if the price is cheaper or the same.

Yağci (2010) pointed out that consumer ethnocentrism has a significant effect on the price of purchase intention for high market products that contribute to actual purchase behavior when examining the effects of consumer ethnocentrism and price perceptions on the behavioral intentions of consumers when faced with price increases made by foreign or local firms in Turkey. Rahmayanti (2015) examined the level of ethnocentrism in Korea which showed a positive influence between ethnocentrism with consumer perceived quality, perceived price and purchase intention before making a real purchase.

If we look at the relationship between ethnocentrism and price perception, we need to refer to the prices of local goods themselves. With the development of communication and information technology, Malaysians can quickly compare the prices of imported goods. They will compare Proton's prices with other brands offered in the local market. Proton's prices are almost close and sometimes more expensive than imported models (i.e. Perdana), which undermines the Malaysian's ethnocentric spirit in favour of local brand cars.

Customers feel fooled when having to pay a high price to reflect their ethnocentrism to help develop the country's economy. Instead of gaining Malaysian sympathy to purchase domestic products, manufacturers and the government should first help Malaysians by offering local cars at a cheaper price to leverage both parties. These incentives can be widely disseminated through effective advertisement channels that will attract more customers. Advertisements that are served with the right information and content will have a good impact because customers feel they are worth the price they pay. However, Proton must be careful in publishing advertisements or promotions without highlighting too much on the collaboration with China because the consumer's perceptions of Chinese products are that they are generally poor in quality and less durable.

5.3.4 To Examine the Relationship between Ethnocentrism and Perceived Quality

The forth research objective was to examine whether ethnocentrism has a relationship with perceived quality. Therefore, the seventh hypothesis was set up to verify the relationship between ethnocentrism and perceived quality. The findings show that ethnocentrism has a positive and significant relationship with perceived quality. This finding indicates that in the actual purchase Proton cars, if the customers' level of ethnocentrism increases, the level of perceived quality also increases. When customers have a high ethnocentric value, they expect high quality local goods to match the price offered. In purchasing a product, consumers will pay attention to the price they pay by evaluating the quality of the product and the benefits they get after the purchase. Perceived quality in this study influenced actual purchase of Proton cars.

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The research which was conducted by Rahmawati and Muflikhati (2016) and the research conducted by Maina, et al. (2015), also support the results of this study. In their study, the researchers found that perceived quality influences the purchase decision of domestic products. The findings based on statistical analysis found that ethnocentrism and perceived quality of domestic food products are likely to affect the purchase of food products by the consumers. Consumer ethnocentrism has an effect on the selection of domestic and foreign products (Lajevardi et al., 2014). The results are consistent with the study of Sukmaningtyas and Hartayo (2013) which mentioned that the effect of ethnocentrism was against the purchase of fruit products.

High ethnocentrism makes it possible for the high purchase of domestic products (Guneren & Ozturen, 2008). This result is also in line with the study of Mansori (2014) which stated that perceived quality had a significant impact on the purchase. Koutroulou and Tsourgiannis' study (2011) also discovered that there were quality factors that affected the purchase of local products. Acharya and Elliott (2003) revealed that the correlations between consumer ethnocentrism, perceived quality and the choice of domestically assembled and designed products were positive. Hamin and Elliott (2006) pointed out that there was a relationship between consumer ethnocentrism and product quality perceptions for both tangible goods and intangible services in Indonesia. Parts and Vida (2013) found a directly and positively effect of consumer ethnocentrism on domestic product quality.

Ethnocentrism and perceived quality should be paired to provide satisfaction to both the producer and the buyer. Proton is obliged to produce quality cars to satisfy its customers especially Malaysians who are loyal to the Proton brand. Offering quality cars with

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improvements from year to year to appreciate the price paid by customers is Proton's sincere effort in building customer loyalty. Loyal customers will still choose Proton when they perceive their investment in purchasing Proton cars as worth it. Proton's quality must be able to compete with other brands especially in terms of technology and safety features to obtain more market shares for the passenger car category.

In addition, based on the results of this study, it is important for Proton to further improve the quality of their cars in terms of design, materials, and durability in order to compete with foreign made products. In addition, Proton and the government should also continue to promote to the public the importance of using local cars in order to improve the national economic growth and local automotive industries. Proton must try to increase emotional value and social value through their promotion strategy so that consumers will be proud to use local cars and to evaluate ethnocentrism even though both are local brands; Proton is losing to the more prominent Perodua with higher quality cars attracting more customers.

5.3.5 The Mediating Role of Perceived Quality and Price Perception

The fifth research objective deals with the mediating role of perceived quality and price perception. In particular, this objective seeks to clarify the mediating impact of perceived quality and price perception on the relationship between ethnocentrism and actual purchase Proton cars. Therefore, the eighth hypothesis was set up to determine whether perceived quality mediates the relationship between ethnocentrism and actual purchase.

In testing the mediating role of perceived quality on the relationship between ethnocentrism and actual purchase, the researcher found that perceived quality fully mediates the

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relationship between ethnocentrism and actual purchase. This shows that the effect of perceived quality is significant as when introduced into the hassle-free car, the impact of ethnocentrism to actual purchase is increased. This result suggests that the Proton management must satisfy the customers' needs and wants on their car variants, for instance, to upgrade technology, improve material quality, reduce system failure, install quality devices, and get cheap spare parts and better design setting in order to make sure customers will love and enjoy driving Proton cars.

The result of the current study implies that ethnocentrism has an indirect impact on actual purchase via perceived quality. In other words, this result suggests that if the customers' Proton cars are satisfied with Proton's response to the quality of their needs and wants for Proton cars will enhance their purchase of Proton cars. Therefore, customers who recognize Proton in improving quality by fulfilling their wants and needs will express a higher quality of Proton cars. In return, this will lead the customers to increase their purchase on Proton cars. The findings of this study show that the role of positive perceived quality as a mediator is coherent with the findings of Chi (2009) and Tuan (2017).

The ninth hypothesis was set up to determine whether price perception mediates the relationship between ethnocentrism and actual purchase. The findings of this study found that price perception mediates the relationship between ethnocentrism and actual purchase. This result suggests that the Proton management must satisfy the customers' needs and wants in order to increase the intention of customers to purchase the Proton cars. The result of the current study implies that ethnocentrism has an indirect impact on actual purchase via price perception. In other words, this result suggests that if the customers are satisfied with

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Proton's car price and suit their needs and wants, it will enhance customer purchase on Proton cars. Therefore, Proton should revise their price tag on certain variants of cars especially when targeting younger customers who are new to work to avoid being burdened by high monthly payments.

The financial institution that provides loan financing should also be fair to local car buyers. Unfortunately, local cars are treated poorly because they have to bear high interest rates and shorter years of repayment. The average local car only enjoys an interest rate of 3.5% annually while imported cars are given a lower interest rate of 2.9%. Indirectly this makes car prices more expensive, so how do we foster ethnocentric value among local customers to purchase the local car? The implementation of the 40:60 ratios of the 40% domestic brand and 60% imported brand is also very unfair in loan financing allocation. It clearly discriminates against local cars and undermines ethnocentrism among Malaysians.

The tenth hypothesis was set up to determine whether price perception mediates the relationship between advertising appeal and actual purchase of Proton cars. In testing for the mediating role of price perception on the relationship between advertising appeal and actual purchase, the researcher found that price perception fully mediates the relationship between advertising appeal and actual purchase. This shows that the effect of price perception is significant when introduced to value and price sensitivity, as the impact of advertising appeal to actual purchase is increased. This result suggests that the Proton management must highlight the latest technologies, special features, specification and benefits of Proton cars through road shows, networking commercials, rebate, low interest rate, high trade-in value,

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on-air advertisements and many other promotion channels in order to disseminate information and reach more buyers.

The result of the current study implies that advertising appeal has an indirect impact on actual purchase via price perception. In other words, this result suggests that if the customers are satisfied with Proton's response to the pricing factors of their needs and wants on Proton cars, it will enhance the customer purchase on Proton cars. The findings of this study show that the role of positive price perception as a mediator is coherent with the findings of Ferriera (2015) and Zeithaml (1988).

Many previous studies showed that there are significant positive relationships between advertising and price perception. Price is actually the most important factor in determining actual purchase behavior, and advertising is the medium to spread the information to customers through various channels. Although Proton's advertisement is submerged and less attractive compared to other brands, customers are still loyal to purchase Proton based on a number incentives given, including colour incentives, additional accessory options and discount on selected models. These special incentives offset the relatively high price of Proton cars even though they are manufactured locally. This explains why Proton's advertisements and promotions in the future should be more likely to highlight the latest features installed on the car as value added benefits to customer purchases. More promotions on sales activities including more discounts offered on car prices will attract more customers. Financial institutions can also help boost Proton's sales by promoting a convenience loan scheme for Malaysians by providing lower interest rates and longer repayment periods.

5.4   Research Implications

From the literature reviews and empirical findings of this study, various recommendations are directed to the body of literature, car manufacturers, the Malaysian Government, policy makers, and related institutions.

5.4.1   Theoretical Implications

From the academic point of view, this study made several contributions to the literature related to actual purchase of local products. It made a significant contribution to answer the research problem by using the Theory of Planned Behavior. To a certain extent, by contributing the knowledge to test the actual purchase of Proton cars, this study proved the appropriateness of TPB in translating customer behavior when buying Proton cars.

First, this study made an initial attempt to investigate the actual purchase of Proton cars in the Malaysian context across five different states. Unlike other researches that focus on a particular area or states by using convenient sampling, the generalized ability of the result could be expected in this study (Jayaraman, 2018; Lee, 2014; Wel et al., 2015; Kowang, 2018). In addition, with the weak justification of the superiority of convenience sampling, this study adopted the multi-stage random sampling to formulate clear guidelines to ensure reliability and randomness of the data for each stage of data collection.

Meanwhile, as opposed to studies focusing on the actual purchase of local products like motorcycles (Yeong et al, 2007; Shaharudin, 2011), cosmetics (San, 2012; Yin, 2017), and food **(**Quoquab, 2011; Periyayya, 6102), the investigation of the actual purchase of Proton cars filled the gap of a local automotive product that is durable and large in size. Therefore,

this study enriches the understanding of consumer behaviour on national car purchase by providing strong empirical evidence through a careful and detailed sampling method applied in this study.

To emulate the positive relationship between ethnocentrism and actual purchase that is largely found in the service and product marketing (Jamal, 2015), the research framework of this study was modified by assigning ethnocentrism as the independent variable to check the validity of ethnocentrism in the actual purchase of Proton cars. However, this study failed to receive sufficient support and validate the importance of ethnocentrism in actual purchase of Proton cars and the result is consistent with the previous studies on local cars (Proton and Perodua) by Wel et al. (2015). Despite of the insignificant direct effect between ethnocentrism and actual purchase, ethnocentrism has an indirect effect to actual purchase. In other words, ethnocentrism affects actual purchase through price perception and perceived quality as the mediator. The relation shows a significant linkage. In the study by Rahmayanti (6102) to investigate the purchase behavior of Korean food products, she proved the positive association between price perception and perceived quality with ethnocentrism. In conclusion, price perception and perceived quality really have a strong effect on the two variables especially related to purchasing decisions.

This study has produced similar results despite the different product contexts and the results of this study can fill the gap of the Malaysian automotive product study. To further establishing the indirect effect, the connection between price perception and perceived quality with actual purchase is significant. Previous studies prove the significant linkage between price perception and perceived quality with actual purchase (Diallo et al., 2013).

The positive price perception and perceived quality are often reflected in the product's performance and influence consumers' behavioral responses (Tamimi & Sebastianelli, 2016) and (Ahmad, 2017).

The findings above clearly show that perceived quality and price perception significantly influence the customers' ethnocentrism in making the actual purchase in line with the finding of this study. No doubt, both variables (perceived quality and price perception) have a very strong influence as an intervention between ethnocentrism and advertising appeal with actual purchase. Therefore, Proton must take these factors into account to increase their sales in the future especially to rebrand Geely's cars. This quality issue should not arise again, but unfortunately, after just a year of launching, the X70 has given some problems to its buyers such as gearbox issues, leaking petrol tanks, faulty door locks, air conditioner issues and faulty audio systems. These issues are very sensitive to consumers as they have paid huge sums of money but eventually got a low-quality car. In fact, what Malaysians have always wanted are good cars, lower car taxes and rebate discounts for models that do not meet the latest specifications. A good car is a car that rarely comes to workshops, has the best safety features, is cheap, has a good availability of spare parts and has better resale value.

In addition to that, the theoretical impact was drawn as the car manufacturers could manipulate ethnocentrism to enhance the actual purchase of Proton cars through price perception and perceived quality. The theoretical implications of this finding enrich references regarding a consumer's purchase behavior in marketing, especially on consumer perceptions in increasing the purchase of local products and strengthen and support the results of previous studies related to the actual purchase of various industries.

5.4.2 Managerial Implication

As there is a significant but negative relationship between advertising appeal and actual purchase on the final research framework, Proton need not to concentrate on advertising activities full of oneself because the higher the advertising campaigns from Proton, the lower the customers' purchasing of their cars. High financial allocation for advertising will be in vain as it will negatively impact Proton car sales. This is because consumers are no longer paying attention to the commercial value of advertisements but are more concerned with price and quality specifications as offered by other brands. Other than the rational appeal such as financial gain, affective and practical information such as durability and patriotism may not increase the positive reception of Proton cars. In addition, by portraying enhanced quality as being more relevant to the customer, the future marketing element for Proton cars should appeal to emotion, and thus evoking personal engagement. Hence, to enhance the rate of Proton car purchasing, more promotions with the latest technology information to potential consumers are required such as more incentives on rebate, discounts and lower tax rates imposed for local customers.

In other words, advertising appeal is still relevant in delivering the latest information and announcing Proton updates, but it needs to be improved and refined in terms of its delivery techniques and medium to convey the message to reach the right customers. Related messages on price and add-on quality must always be featured. Proton may need to reach out to younger customers by producing a smaller compact car yet is cheaper as done by their nearest competitor Perodua. They must also spread their promotion activities by advertising on Facebook and Instagram as well as other customer-driven channels, on top of placing

emphasis on the high income group by employing printed and broadcast advertisements on selective magazines and television channels that are associated with social status that may overlook the potential car buyers from other income groups as well.

The results of this study also indicate that ethnocentrism has no significant relationship with the actual purchase of Proton cars. The "Belilah Barangan Buatan Malaysia" campaign launched over 30 years ago does not seem to have an impact on the automotive industry in Malaysia. Although the findings of Noor (2016) suggest that there is a significant relationship between ethnocentrism and actual purchase of local products in Malaysia, the findings of this study contradict the findings of the previous study. This is because this study is more specific to the Proton cars whereas previous studies are just too general. As such, Proton has to build better cars, attractive design, cutting-edge technology and a more realistic price compared to other imported cars. This goal can be achieved by building partnerships with leading companies in the automotive field by sharing technology partnerships. Cooperation with Geely, a car company from China, would not affect the customer's ethnocentrism due to the non-significant relationship. Customers do not care about ethnocentrism as long as they have cheap but quality cars.

The positive and significant relationship between perceived quality and price perception with actual purchase should be explored further. Hence, Proton must focus on these two factors in increasing sales and finding new potential buyers from the middle-income youth. The price and variant of the car offered must match the soul of a young person who has just entered the realm of work. Proton should steal this market segment as it is the largest consumer of new cars as perceived price and perceived quality are two factors that determine sales (Diallo et

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al., 2013). Consumers will be attracted to cars that are affordable but have quality and are durable.

An understanding of what quality and price means to consumers offers the promise of improving brand positions through more precise market analysis and segmentation including product planning, promotion, and pricing strategy. To understand more on customers' perceived quality and price perception on specific product requires that the company views quality and price the way the consumer does. This way, the company will get the right information on how to place the price which is an indication of the quality of the goods

The analysis also contributes to international and global companies by understanding the Malaysian car market. Closer attention should be paid to the four important predictors of consumer actual purchase which are ethnocentrism, advertising appeal, price perception and perceived quality. The relevant ministry may also use the findings of this study to identify factors that influence consumer decision to buy Proton cars. By identifying the factors involved, they can strengthen and provide greater incentives in the areas of quality assurance and pricing so that Proton can be more competitive in the local and international markets. The results of this study can also give awareness to the Malaysian government to emphasize the ethnocentric value amongst cabinet ministers as well as the whole Malaysian community to prioritize the domestic car brand.

Finally, the Road and Transport Minister should emphasize the importance of lifting the dignity of the national car by imposing excellent specifications and built-in safety features instead of merely burdening the people with child car seats without considering the plight of

the purchaser. In addition to the quality improvement, Proton can provide additional, specially designed child seats that can be installed on other car brands as an alternative. This move will attract more buyers to respond to the enforcement by the government which will benefit both parties.

5.5   Research Limitations and Recommendations for Future Research

5.5.1   Research limitations

In general, this study has been progressing well and has achieved the objectives of the study. However, the exclusion of East Malaysia in the sampling frame due to time and budget limitation weakens the claim that the result of the study could represent the actual purchase of Proton cars among Malaysians. Based on the annual sales statistics, Sabah and Sarawak also have many buyers of Proton cars and may influence the results of the study.

There are also limitations to the measure of central tendency statistics. The mean cannot be calculated for the categorical data, as the values cannot be summed as the mean whereby every value in the distribution the mean is influenced by outliers and skewed distributions.For the limitation on variables chosen on the study, it was difficult to select variables that could truly represent the respondents in measuring the factors that influenced them to purchase a Proton car. Past research framework models need to be carefully addressed in order to obtain accurate findings with this study. Some limitations of this study that can be used as a basis for further research are the limited number of variables being observed, the number of respondents, focus group and many more.

5.5.2   Recommendations for Future Research

Apart from Proton, Malaysia has another national car brand, Perodua. The annual sales of Perodua have grown steadily and over the past few years and have outpaced Proton sales and other major import brands. For that, future research should focus on a similar study of ethnocentrism, advertising appeal, perceived quality and price perception with actual purchase to Perodua cars as well to investigate the influence of selected variables on Perodua sales. It is expected that, from the findings of the study of both brands, it could lead to a clear picture on the relationship that exists between the variables and actual purchase behavior. Eventually, a comparison can be made between the findings of both brands so that such constructible findings and conclusions can be made to the study and find out why Perodua is the priority of choice in Malaysia over Proton lately.

Analysis of consumer ethnocentrism and patriotism on Malaysian national car buying intention should be further explored especially after the collaboration with Geely. Proton's business model is now changing with many innovations introduced. Extensive exploration of the studies on consumer buying behavior in Malaysia may also be a beneficial application. The development of the country through the automobile industry should be appreciated by Malaysian citizens themselves. The support from local consumers will increase the development of the country's economy. Also, it is practically significant for Malaysian national car manufacturers promoting Malaysian made car.

For the next research, researchers may include the all elements of TPB as independent variables. In fact, perceived quality and price perception are triggered by the consumer's attitude when making a purchase. Attitude is a part of the Theory of Planned Behaviour that

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influences consumers to take action. As a consumer attitude's directly influences intention to purchase and actual purchase, the study suggests that researchers place attitude and two other factors, namely subjective norm and perceived behavioral control, as additional independent variables in the purchase of national car studies. These variables can provide more accurate research results and fit the user's behavior.

In terms of methodology, future researchers may use qualitative methods such as interview, case study, observation, or document analysis because qualitative research has its own form of data that differs from quantitative research. It may provide more accurate findings in different ways in approaching the respondents. Mixed methods can also be applied to make the next study more interesting with various data tailored to different approaches using different variables.

It is also important to extend the scope of the study to a wider location including East Malaysia where car sales also contribute a great deal of income to the manufacturers from a large and capable population. By doing so, the result can be more accurate with the increase in scope, sampling size and population of the study. With such a complete research, it is hoped that the findings could be used as a reference and benchmark to the motorcycle industry in Malaysia. Finally, the current study provides a starting point for future research especially, those investigating actual purchase behavior in the automotive industry and need of developing a third national car or an EV powered car that will be very important in the future and utilizing the TPB.

5.6   Conclusion

The purpose of this study is based onProton brands are no longer the preferred choice of buyers and are lagging behind other brands with a sustained decline in sales since 2013. In this study, there are six research objectives that generate ten hypotheses. Two out of seven direct relationships are not accepted, that is ethnocentrism and advertising appeal with the actual purchase of Proton cars. All three indirect relationships are accepted showing the effectiveness of the mediator's role of perceived quality and price perception between ethnocentrism and advertising appeal with the actual purchase of Proton cars. Therefore, it could be concluded that the government and Proton management must prioritize price and quality factors in each car they plan to introduce in the future. Quality upgrading and refinement of pricing strategies is a must for Proton. Proper strategic partnership selection is also one of the contributing factors to excellence as Perodua does. Proton should also discard their comfortable position as a national car because ethnocentrism is not the tendency of consumers to purchase as evidenced in the results of this study. The government and policy makers should pay close attention to raise more awareness on 'Belilah Barangan Buatan Malaysia' campaign as they should put continuous effort to make sure that the consumer degree of ethnocentrism are at the highest level possible. Proton should explore new contributing factors and become a more international brand to target overseas markets. The nature of advertising activities also needs to be reviewed to align with the needs and trends of young people with many other alternatives and as they are more mature in making purchasing decisions. The empirical evidence from this study is essential to solidify and improvise the sales of Proton cars in the future. Various parties, including the government, policy makers, Proton management, car manufacturers, parts suppliers and local communities can all benefit from different perspectives. Lastly, hopefully this study will

become a strong foundation for related studies to further expand the knowledge in this particular area.

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Appendix 1

Questionnaire
Soal Selidik
English dan BahasaMelayu

Universiti Utara Malaysia

THE EFFECT OF ETHNOCENTRISM, ADVERTISING APPEAL, PERCEIVED QUALITY AND PRICE PERCEPTION ON ACTUAL PURCHASE OF PROTON CARS

Dear Respondent,

Let me first congratulate you as you have been chosen to be one of our valuablerespondents. To introduce myself, I am Al Husain Amin, a Malaysian doctoral candidate from Universiti Utara Malaysia, Sintok, Kedah. Here, we kindly request you to spend around 30 minutes of your valuable time in order to fill out this questionnaire which is related to actual purchase of Proton cars in Malaysia. This questionnaire is the research instrument I am using in order to complete the doctoral requirement of my dissertation.

For your information, I have provided dual-language of the questionnaire in both English and Bahasa Malaysia versions. I am kindly requesting you to complete the one you prefer its language.

Once again we would like to express sincere appreciation for your cooperation.
Most cordially,

Al Husain bin Amin
Universiti Utara Malaysia,
06010 Sintok, Kedah

SURVEY QUESTIONNAIRE

THE IMPACT OF ETHNOCENTRISM AND ADVERTISING APPEAL AND THE MEDIATING EFFECT OF PERCEIVED QUALITY AND PRICE PERCEPTION ON ACTUAL PURCHASE OF PROTON CARS

SECTION 1: DEMOGRAPHIC

1. Gender   : ○Male   ○ Female
Jantina   : ○*Lelaki*   ○*Perempuan*

2. Age (years)   : ○ 22-30   ○ 31-40   ○ 41 and above
Umur (tahun)   : ○ *22-30*   ○ *31-40*   ○ *41 ke atas*

3. Race   : ○ Malay   ○ Chinese   ○ Indian   ○ Others
Bangsa   : ○*Melayu*   ○*Cina*   ○ *India*   ○ *Lain-lain*

4. Working status : ○ Students   ○ Own business ○ Government○ Private
Status kerja   : ○*Pelajar*   ○*Bekerja sendiri*○*Kerajaan*○*Swasta*

5. Marital status   : ○ Married   ○ Single   ○ Widow
Status perkahwinan : ○*Berkahwin* ○*Bujang* ○*Duda/Janda*

6. Current vehicle(s) owned: ○ 1 ○ 2   ○ 3○ 4 and more
Kenderaan dimiliki kini   :   ○ *1* ○ *2*   ○ *3*○ *4 dan lebih*

7. Highest education level :○High school ○ Diploma   ○Degree
                    ○ Master and above
Tahappendidikan   : ○*Sekolah Tinggi*   ○ *Diploma*   ○*Ijazah*
                    ○*Sarjana dan keatas*

8. Annual Income (RM)   ○<30,000
Pendapatan tahunan (RM)   ○ 31,000 - 50,000
                      ○ 51,000 - 70,000
                      ○ 71,000 - 90,000
                      ○> 91,000

For each statement below in Section 2 until Section 7, kindly tick **ONE** number only that represents your opinion the most. You are given 5 choices of answers ranging from **1 (Strongly Disagree)** to **5 (Strongly Agree)**.

Untuk setiap pernyataan di dalam Seksyen 2 sehingga Seksyen 7, sila tandakan SATU nombor sahaja yang paling banyak mewakili pendapat anda. Anda diberikan 5 pilihan jawapan dari **1 (Sangat Tidak Setuju)** *hingga* **5 (Sangat Setuju).**

SECTION 2: ACTUAL PURCHASE OF PROTON CARS

		1	2	3	4	5
1	I decided to buy Proton because the cars offered fit my needs and desires. *Saya memutuskan untuk membeli Proton kerana kereta yang ditawarkan sesuai dengan keperluan dan keinginan saya.*					
2	I evaluated the prices of other car brands before buying at Proton. *Saya menilai harga kereta jenama lain sebelum membeli di Proton.*					
3	I decided to buy Proton cars because of its quality products. *Saya memutuskan untuk membeli kereta Proton kerana produknya berkualiti.*					
4	I decided to buy a car at Proton because I was interested in their advertisement *Saya memutuskan untuk membeli kereta di Proton kerana tertarik dengan iklan mereka.*					
5	The design of the cars at Proton impressed me. *Rekabentuk kereta yang ditawarkan Proton memikat saya.*					
6	I decided to buy Proton car compared to other brands because the price was cheaper. *Saya memutuskan untuk membeli kereta Proton berbanding jenama lain kerana harganya lebih murah.*					
7	I decided to buy another Proton car *Saya memutuskan untuk membeli lagi kereta Proton*					
8	I decided to buy Proton car to support local products. *Saya memutuskan untuk membeli kereta Proton kerana menyokong produk tempatan.*					
9	I decided to buy Protoncar because there was a promotion. *Saya memutuskan untuk membeli kereta Proton kerana terdapat promosi.*					

SECTION 3: ETHNOCENTRISM (ETNOSENTRISME)

		1	2	3	4	5
1	Purchasing products from other countries is un-Malaysian. *Membeli produk dari negara lain menunjukkan tiada budaya sayangkan Malaysia.*					
2	It is not right to purchase productsfrom other countries because it puts Malaysian people out of jobs. *Membeli produk dari negara lainmenggugat peluang pekerjaan rakyat Malaysia.*					
3	We should purchase products manufactured in Malaysia instead of letting other countries get rich from us. *Kita patut membeli produk yang dihasilkan di Malaysia dan bukannya membiarkan negara-negara lain menjadi kaya dari kita.*					
4	Malaysian people should not buy products from other countries because it hurts Malaysian business and causes unemployment. *Rakyat Malaysia tidak patut membeli produk dari negara lain kerana ia menyukarkan peniaga tempatandan menyebabkan pengangguran.*					
5	I will buy only Malaysian products *Saya hanya akan membeli produk buatan Malaysia*					
6	Only those products not made in Malaysia should be imported. *Hanya produk yang tidak dibuat di Malaysia sepatutnya diimport.*					

SECTION 4: ADVERTISINGAPPEAL (RAYUAN PENGIKLANAN)

		1	2	3	4	5
1	Proton's advertisement provide a lot of information about the benefits and the advantages of the car. *Iklan Proton menyediakan banyak maklumat mengenai manfaat dan kelebihan kereta.*					
2	Proton's advertisement makes people have the hope and dreams to buy the advertised product. *Iklan Proton membuat orang mempunyai harapan dan impian untuk membeli produk yang diiklankan.*					
3	Proton's advertisement features a touching word and a lot of meaning can be conveyed. *Iklan Proton mempunyai kata yang menyentuh dan banyak makna dapat disampaikan.*					

4	Proton's advertisement displays different advantages from those shown in competitors' product advertisement. *Iklan Proton mempamerkan kelebihan yang berlainan daripada iklan pesaing-pesaing.*					
5	Proton's advertisementaremore entertaining and impactful. *Iklan Proton lebih menghiburkan dan memberikan kesan.*					
6	Proton's advertisement uses clear sentences and illustrations or descriptions, which are easy to understand, so much morereliable. *Iklan Proton menggunakan ayat dan ilustrasi atau deskripsi yang jelas, mudah difahami dan boleh dipercayai.*					
7	Proton's advertisement displays the technology used and highlight attractive designs. *Iklan Proton memaparkan teknologi yang digunakan dan menyerlahkan rekabentuk yang menarik.*					
8	Proton's advertisements are more rational and illustrate the identity of Malaysia. *Iklan Proton lebih rasional dan menggambarkan identiti Malaysia.*					

SECTION 5: PERCEIVED QUALITY (TANGGAPAN KUALITI)

		1	2	3	4	5
1	I am sure Proton cars have good quality. *Saya yakin kereta Proton mempunyai kualiti yang bagus.*					
2	I am very concerned about quality when buying goods. *Saya sangat mementingkan kualiti semasa membeli barangan.*					
3	The quality of the cars offered by Proton meets my requirements. *Kualiti kereta yang ditawarkan oleh Proton menepati kehendak saya.*					
4	I think material used by Proton in accordance with the price offered. *Saya rasa bahan yang digunakan oleh Proton sesuai dengan harga yang ditawarkan.*					

5	The quality of Proton cars over time has not changed. *Kualiti kereta Proton dari waktu ke waktu tidak berubah.*					
6	I found the quality of Proton cars is equivalent to competitors' car. *Saya dapati kualiti kereta Proton setaraf dengan kereta pesaing-pesaing.*					
7	Overall, I think the quality ofProton cars is reliable. *Saya rasa kualiti kereta Proton secara keseluruhan boleh dipercayai.*					

SECTION 6: PRICE PERCEPTION (PERSEPSI HARGA)

		1	2	3	4	5
1	I think the price of the cars at Proton is in line with its quality. *Saya rasa harga kereta di Proton sepadan dengan kualitinya.*					
2	I think Protoncars have an affordable price. *Saya rasa kereta Proton mempunyai harga yang berpatutan.*					
3	I compared Proton prices with other brands before making a purchase. *Saya membandingkan harga kereta Proton dengan jenama lain sebelum membeli.*					
4	I think the prices of Proton cars are not burdensome. *Saya rasa harga kereta Proton tidak membebankan.*					
5	I think the price of Proton cars is in line with its features offered. *Saya rasa harga kereta Proton sepadan dengan ciri-ciri yang ditawarkan.*					

THANK YOU

Appendix 2

Tables and Figures of Findings

Appendix 2
Tables and Figures of Findings

Data examination procedures

Dataset Issues	Procedures
Missing data	Self-review and frequency analysis
Suspicious response patterns	Standard deviation values
Outliers	Boxplot diagrams and Mahalanobis distance
Normality of data distribution	Skewness and kurtosis z-scores

Summary of outliers' detections

No	Case ID	D^2	$\chi^2 p$-value
1	47	23.961	<.001
2	160	23.768	<.001
3	310	23.678	<.001
4	189	18.988	.001
5	343	18.988	.001
6	374	18.987	.001

Note. *Sorted based on case D^2 values

Data normality results

Variables	Skewness		Kurtosis	
	Statistics	z-score	Statistics	z-score
Actual purchase (AP)	.2051368	1.699	-.23319354	-.951
Ethnocentrism (EE)	.2094837	1.704	-.67765346	-2.763
Advertisement Appeal (AA)	.7854299	6.389	.32738087	1.335
Perceived Quality (PQ)	.5357611	4.358	.04679049	.191
Price perception (PP)	.2945719	2.396	-.80940874	-3.300
Mardia's Multivariate Normality	2.409	158.163	36.449	1.719

Full collinearity test results

Latent Variables	VIF
Actual purchase (AP)	1.652
Ethnocentrism (EE)	1.883
Advertisement Appeal (AA)	1.958
Perceived Quality (PQ)	1.667
Price perception (PP)	2.398

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Background of the respondents
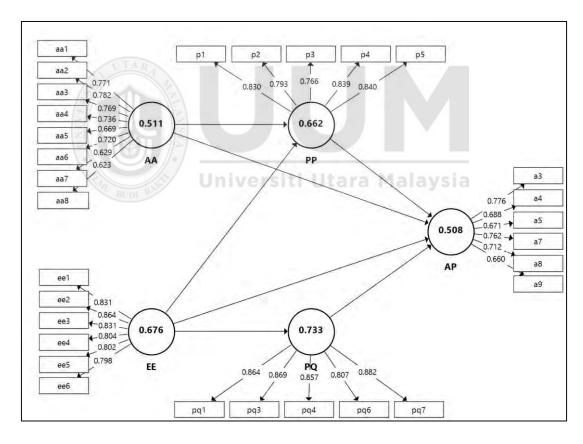
Information	Frequency	Percentage	Cumulative Percentage
i) Gender			
Male	245	62.2	62.2
Female	149	37.8	37.8
Total	394	100	
ii) Age (years)			
22 to 30	87	22.1	22.1
31 to 40	212	53.8	75.9
41 and above	95	24.1	100
Total	394	100	
iii) Marital Status			
Married	220	55.8	55.8
Single	137	34.8	90.6
Widow	37	9.4	100
Total	394	100	
iv) Race			
Malay	173	43.9	43.9
Chinese	129	32.7	76.6
India	61	15.5	92.1
Others	31	7.9	100
Total	394	100	
vi) Education Level			
High school	57	14.5	14.5
Diploma	140	35.5	50.0
Degree	163	41.4	91.4
Master and higher	34	8.6	100
Total	394	100	
v) Profession			
Student	12	3.0	3.0
Business owner	114	28.9	32.0
Government staff	145	36.8	68.8
Private company staff	123	31.2	100
Total	394	100	
vii) Annual Income (RM)			
Less than 30, 000	10	2.5	2.5
31, 000 to 50, 000	79	20.1	22.6
51, 000 to 70, 000	96	24.4	47.0
71, 000 to 90 ,000	116	29.4	76.4
91, 000 and above	93	23.6	100
Total	394	100	
viii) Number of cars owned (unit)			
1	122	31.0	31.0
2	201	51.0	82.0
3	66	16.8	98.7

	4	5	1.3	100
	Total	394	100	

Descriptive statistics of each variable

Variables	Mean	Std. Dev
Price perception (PP)	3.676	.652
Actual purchase (AP)	3.570	.484
Advertisement Appeal (AA)	3.315	.563
Ethnocentrism (EE)	3.014	.807
Perceived Quality (PQ)	2.949	.543

Note. Sort descending based on mean scores

Measurement model

Internal consistency reliability and convergent validity results

Constructs	Items	Loadings	CA	CR	AVE
Actual purchase (AP)	a3	.776	.806	.861	.508
	a4	.688			
	a5	.671			
	a7	.762			
	a8	.712			
	a9	.660			
Ethnocentrism (EE)	ee1	.831	.904	.905	.676
	ee2	.864			
	ee3	.831			
	ee4	.804			
	ee5	.802			
	ee6	.798			
Advertising appeal (AA)	aa1	.771	.864	.893	.511
	aa2	.782			
	aa3	.769			
	aa4	.736			
	aa5	.669			
	aa6	.720			
	aa7	.629			
	aa8	.623			
Perceived Quality (PQ)	pq1	.864	.909	.917	.733
	pq3	.869			
	pq4	.857			
	pq6	.807			
	pq7	.882			
Price perception (PP)	p1	.830	.879	.907	.662
	p2	.793			
	p3	.766			
	p4	.839			
	p5	.840			

Cross-loadings result

	AP	EE	AA	PP	PQ
a3	**0.776**	0.239	0.278	0.394	0.494
a4	**0.688**	0.312	0.258	0.332	0.314
a5	**0.671**	0.163	0.320	0.317	0.388
a7	**0.762**	0.276	0.310	0.378	0.426
a8	**0.712**	0.380	0.258	0.372	0.387
a9	**0.660**	0.400	0.275	0.491	0.274
ee1	0.370	**0.831**	0.473	0.562	0.233

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ee2	0.335	**0.864**	0.439	0.543	0.254
ee3	0.362	**0.831**	0.490	0.572	0.248
ee4	0.314	**0.804**	0.402	0.566	0.207
ee5	0.316	**0.802**	0.475	0.482	0.327
ee6	0.348	**0.798**	0.494	0.541	0.396
aa1	0.342	0.592	**0.771**	0.592	0.261
aa2	0.304	0.485	**0.782**	0.538	0.364
aa3	0.265	0.409	**0.769**	0.516	0.381
aa4	0.367	0.410	**0.736**	0.406	0.385
aa5	0.172	0.351	**0.669**	0.347	0.436
aa6	0.290	0.414	**0.720**	0.450	0.492
aa7	0.256	0.184	**0.629**	0.297	0.462
aa8	0.223	0.229	**0.623**	0.319	0.555
p1	0.516	0.538	0.566	**0.830**	0.384
p2	0.434	0.538	0.463	**0.793**	0.386
p3	0.304	0.474	0.472	**0.766**	0.248
p4	0.436	0.525	0.447	**0.839**	0.299
p5	0.468	0.609	0.584	**0.840**	0.389
pq1	0.516	0.252	0.523	0.387	**0.864**
pq3	0.513	0.319	0.483	0.419	**0.869**
pq4	0.453	0.326	0.439	0.357	**0.857**
pq6	0.343	0.237	0.462	0.265	**0.807**
pq7	0.451	0.307	0.475	0.366	**0.882**

Results of Fornell and Larcker criterion

Constructs	AP	EE	AA	PQ	PP
AP	**.713**				
EE	.415	**.822**			
AA	.396	.563	**.715**		
PQ	.539	.339	.556	**.856**	
PP	.537	.663	.627	.425	**.814**

Results of HTMT ratio

Constructs	AP	EE	AA	PQ	PP
AP					
EE	.485				
AA	.467	.606			
PQ	.616	.369	.658		
PP	.629	.742	.692	.464	

Structural model

Results of collinearity assessment

Constructs	Collinearity (VIF)		
	AP	PQ	PP
Ethnocentrism (EE)	1.908	1.000	1.464
Advertisement Appeal (AA)	2.103		1.464
Perceived Quality (PQ)	1.469		
Price perception (PP)	2.173		

Results of significance testing (direct relationships)

Relationships	β	t -value	p -value	Confidence Interval		Decision
				LL	UL	
H1: EE→ AP	.096	1.617	.106	-.021	.214	Not accepted
H2: AA→ AP	-.125	1.999	.046	-.251	-.004	Accepted
H3: PQ → AP	.416	8.259	<.001	.318	.516	Accepted
H4: PP → AP	.375	7.640	<.001	.278	.472	Accepted
H5: AA → PP	.371	8.831	<.001	.290	.452	Accepted
H6: EE → PP	.454	11.579	<.001	.377	.530	Accepted
H7: EE → PQ	.339	7.005	<.001	.244	.433	Accepted

Note. Two-tailed test
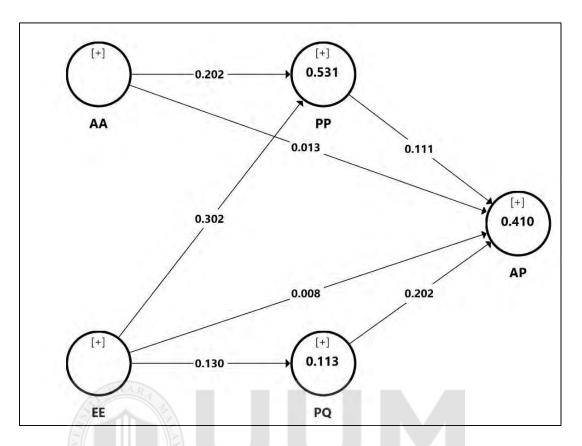
Results of hypotheses testing (mediating relationships)

Relationships	β	t - value	p - value	Confidence Interval (BC)		Decision
				LL	UL	
H8: EE → PQ → AP	.141	5.327	<.001	.093	.199	Accepted
H9: EE → PP → AP	.170	6.363	<.001	.120	.227	Accepted
H10: AA → PP → AP	.139	5.639	<.001	.095	.191	Accepted

Note. Two-tailed test, BC = Bias Corrected

Summary of mediation types

Relationships	β	t -value	p -value	Types of Mediation
H1: EE → AP	.096	1.617	.106	
H8: EE → PQ → AP	.141	5.327	<.001	Full
H9: EE → PP → AP	.170	6.363	<.001	
H2: AA → AP	-.125	1.999	.046	Competitive Partial
H10: AA → PP → AP	.139	5.639	<.001	

Path model with R² and f² values

Note. Values on arrows indicate *f²*. Value within endogenous construct represent R².

Results of effect sizes (f²)

Relationships	Effect Size (f^2)	Magnitude
H1: EE → AP	.008	None
H2: AA → AP	.013	None
H3: PQ → AP	.202	Medium
H4: PP → AP	.111	Small
H5: AA → PP	.202	Medium
H6: EE → PP	.302	Medium
H7: EE → PQ	.130	Small

Results of predictive relevance (Q²) and effect sizes (q²)

Relationships	Effect Size		Predictive Relevance (Q^2)
	(q^2)	Magnitude	
H1: EE → AP	.001	None	.193
H2: AA → AP	.003	None	
H3: PQ → AP	.069	Small	
H4: PP → AP	.038	Small	
H5: AA → PP	.083	Small	.327
H6: EE → PP	.129	Small	
H7: EE → PQ	.083	Small	.077