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PROFILING INNOVATORS IN KOTA KINABALU:
A STUDY OF SELF CONCEPT AND IMPULSE
BUYING BEHAVIOUR

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2007
DECLARATION

All the materials in this thesis are original except for quotations, summaries and reference which had been duly acknowledge.

LO CHANG CHIN
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ABSTRACT

This study aims to establish the profiles of the innovators in Kota Kinabalu from two perspectives, self-concept and buying impulsiveness. A mall intercept survey was conducted in April 2007 in the various shopping centres located in urban Kota Kinabalu. A total of 158 questionnaires were collected for this study. The analytical plan involves using independent t-tests, bivariate correlation, multiple regression and hierarchical regression. This study found that the self concepts of innovators and non-innovators are indeed different. In particular, innovators tend to think of themselves as delicate, unpleasant, unorganized and irrational. This study also found that consumer innovativeness does have a significant influence on buying innovativeness and that innovators tend to be impulsive buyers. In examining the moderating effect of the demographic factors on the relationship between consumer innovativeness and self concepts, this study found that age is a significant moderator for only a pair of self concept adjective pairs, i.e. pleasant-unpleasant, amongst the 15 pairs used. On the other hand, gender and age are found to have significant moderating effect over the relationship between consumer innovativeness and buying impulsiveness.
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CHAPTER 1

INTRODUCTION

1.0 Introduction

Innovator comprises a very unique and important segment of the markets. They are the first group of customer to any new innovation, providing crucial cash flow and positive feedback to later adopter of the product or services. They are also a reference point to later adopters. As more shopping complexes and retail outlets become operational in KK, any advantage one has over the rest will be greatly treasured especially if one deals with product or services that are at the cutting edge of their industry. This sound easy but the actual profiling of innovators are as elusive and difficult as ever.

One of the two very important personality theories that are used to establish the profiles of consumers are the self concept theory and the trait theory. Self concept is the totality of self and is said to be consistently expressed. Trait theory on the other hand refers to the personality that is composed of a set of measurable traits that describe general response predispositions, e.g. impulsiveness. However, it is said no one is born with a self concept and that it is a result of interaction with the environment. As many of the theories in consumer behaviour (e.g. self concept and impulsiveness) originated from scholars conducting the studies in industrialized and developed economy, and with the difference in the culture of the east and west and the developed and the underdeveloped so prevalent, the proposition that self concept is universal across culture and national boundary seem a tad far fetch but not impossible. Similarly, impulsive behaviour exhibited by individuals with certain
demographic profiles in the east and west may differ. For the existing theory on innovativeness, self concept and impulsive buying behaviour to be useful to the shopping complex and retail outlet managers in Asia, a study with an Asian context is needed.

1.1 Overview of this study

The purpose of this study is to investigate the relationship between innovativeness, self concept and impulsive buying behaviour. In-depth discussion of the three main constructs of this study will be covered in the literature review portion of this paper. Much has been written about the three main constructs of this study, albeit separately, by scholars both in the east and west. This study tries to replicate the study by Phau and Lo (2004) on the self concept and impulsive buying behaviour of the innovators and introduce an Asian perspective to the discussion. The findings of this study will contribute to the body of knowledge on self concept, innovativeness and impulsive buying behaviour. From a business practicality point of view, the findings will enable shopping complex manager and shop manager located within these shopping complexes to strategise for the future.

1.2 Problem Statement

Competition for the consumer dollar at all level is intensifying. More shopping centres are becoming operational and new product launches by Telco companies, mobile phone manufacturers, IT gadgets etc are becoming a daily feature in the local paper. As with any new products, the first group of customers (innovators) is vital as most often then not they become a reference point for later adopter. Although it is said that innovativeness is domain specific, however, at the highest level of abstraction for innovativeness, there must be a set of characteristics that distinguishes the
innovators from the non-innovators. From self-concept point of view, innovators and non-innovators must exhibit different characteristics. To formulate an effective marketing campaign, one needs to know how innovators see themselves and perhaps more significantly one need to grasp the key difference between innovators and non-innovators in their self-concept. However, in general, there is limited empirical research done on profiling of the shoppers in Malaysia. Many Western scholars have written on innovativeness, self concept and impulsive buying behaviour. Fewer were written on the relationship between innovativeness, self concept, and impulsive buying behaviour. Even fewer still were written with an Asian context. This research would help to provide an Asian’s perspective, Malaysian in Sabah in particular, on the inter-relatedness of the three constructs.

1.3 Objective of study

The purpose of this study is to examine:

a) the self concept of innovators in Sabah

b) the relationship between innovativeness and impulsive buying behaviour

c) the moderating effect of demographic factors on the relationship between innovativeness, self concept and impulsive buying behaviour

1.4 Significance of study

The significance of this study is two fold. Firstly, from a theoretical stand point, it will add to the pool of knowledge about innovativeness, self concept and impulsive behaviour of innovators. More significantly, it brings with it an Asian context to these pools of knowledge which so far has seen contribution coming mostly from industrialized, developed economy. Besides, it is hope that this study will spark a new wave of interest in the region to establish customer profiles within an Asian
context. Secondly, from practical point of view, this study will help the increasing number of shopping complex managers as well as managers of business at the forefront of their industry to grasp the characteristics of their innovative customer better. This is in line with the basic marketing concept of getting to know one's customer and develop a product/service that will fulfill his/her needs.

1.5 Key variables

The key variables in this studies are:

   a. Innate innovativeness
   b. Actual self image of the innovators
   c. Self-reported impulsive behaviour of the innovators
   d. Demographic characteristics of the innovators

Each of these key variables will be explained and discussed in the literature review part of this study.

1.6 Organisation of thesis

There are 3 main chapters for this paper: introduction, literature review and research methodology and framework.

Chapter One, Introduction, provides an overview of the growth of retailing spaces in Kota Kinabalu where possible causes of the growth and the implications are discussed. Subsequent headings under this chapter are: Problem Statements, Objective and Scope of Study, Significance of Study and Organization of Study.
Chapter Two, Literature Review, contains a review of the critical points of current knowledge on innovativeness, self-concept and impulsive buying behaviour. Key studies previously done by others and their findings will also be reported in this section. A brief description of the key variables of this study will also be included in this section.

Chapter Three, Research Methodology and Frameworks, discusses the Research Framework, Hypothesis, sampling design and the instrument used in this study.

Finally, findings of the studies will be presented in Chapter Four, Analysis of Result while the findings will be discussed and concluded in Chapter Five, Discussion and Conclusion.
CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

Following are literatures review from a number of academic journals, books and other sources that is relevant to the purpose of this study. The discussion would progress to describe each of the key concepts such as innovativeness, self concept and impulsive buying behaviour.

2.1 Definition of Key Concept

2.1.1 Innovativeness

Innovativeness is a term that has found uses across many disciplines. The fact that it is used to describe a trait / behaviour of an organization, a product and the individual consuming the products shows the ambiguity of the term. Numerous paper was written on these three main constructs of innovativeness: Firm innovativeness – the ability and speed of which a company is able to introduce new innovation (Hurley and Hult, 1998), Product innovativeness – the degree of newness of a product (Daneels and Kleinsmith, 2001) and Consumer innovativeness – “consumption of newness” or the tendency to consumer new products/services faster than others (Midgley and Dowling, 1978). This study has a sole focus on consumer innovativeness, thus, the word “innovativeness” will be used solely with reference to consumer innovativeness.
Midgley and Dowling (1978) suggested three levels of abstraction for innovativeness: innate innovativeness, domain-specific innovativeness and specific innovativeness for a single product. Midgley and Dowling propose the first level of innovativeness as a broad abstract personality trait that can be conceptually defined as the 'degree to which an individual makes innovation decision independently of the communicated experience of others'. The domain specific innovativeness refers to the multiple behaviours exhibited in a product category whereas the last level of innovativeness refers to the concrete behaviours of the consumer which is in constant interaction with situational variables.

Goldsmith et al. (1995) studied the role of personality (innate innovativeness) in shaping consumer innovativeness and found a weak correlation between the innate innovativeness and the concrete behaviours, as do many other studies. Goldsmith et al also found a strong correlation between domain specific innovativeness and concrete behaviours and when domain specific innovativeness was removed as a mediator, the correlation between innate innovativeness and concrete behaviours were reduced to almost zero. Goldsmith et al study suggest that
'using personality constructs as explanation of concrete behaviours is going to be most successful if the level of generality / specificity is correctly assessed and the variables measured at the correct levels'.

Roehrich's paper (2004) presented a very comprehensive report on the conceptualizations of the consumer innovativeness construct that was written by the scholars thus far. Using Steenkamp et al (1999) definition of innate innovativeness – "a predisposition to buy new and different products and brands rather than remain with previous choices and consumer pattern", Roehrich discussed the four predispositions for innate innovativeness: 1) need for stimulation, 2) novelty seeking nature of the consumer, 3) ability to make judgement independent of other's opinion and 4) need for uniqueness.

Needless to say, not all four predispositions received universal approval as being the antecedents to innovative behaviour. Some authors argued that need for stimulation (Raju, 1980) and uniqueness (Gatignon and Robertson, 1985) are synonymous with innovative behaviour. While others discounted the validity of novelty seeking and independent judgment making as antecedents to innovativeness behaviour. Roehrich (2004) proposed that novelty seeking pushes innovativeness beyond the realm of new product consumption as innovativeness within the scope of novelty seeking broadens the scope from interest in new products to interest in all kind of newness, i.e. information, ideas and behaviour. Roehrich also cited the lack of empirical evidence in support of autonomy in decision as antecedent to innovative behaviour.
Needless to say, as is case with many other less than precise social science discussion, other studies have poured favourable comments to attest to the validity of both novelty seeking and independent judgment making as antecedent to innovative behaviour (Midgley and Dowling, 1978; Hirschman, 1980 and Manning, Bearden and Madden, 1995). In general, although consensus for a universal definition of innovativeness is no where in sight, it is fair to say that the widely researched and discussed topic can be best at this stage described by the four propositions summarized by Roehrich (2004). For the purpose of this study, only two of the four main constructs of innate innovativeness are selected: consumer novelty seeking and consumer independent judgment making.

2.1.2 Consumer Novelty Seeking

Dictionary.com defined novel as an adjective that denotes: "of a new kind; different from anything seen or known before". Novelty as defined by Dictionary.com is the "state or quality of being novel". In the most simplistic sense, novelty seeking nature indicates a person's desire to seek out newness. Pearson (1970) and Manning, Bearden and Madden (1995) defined consumer novelty seeking (CNS) as an internal drive that motivates an individual to search for new information. Hirshman (1980) further added another dimension to the definition of novelty seeking by asserting novelty seeking as "conceptually indistinguishable from the willingness to adopt new products".

Some authors argued that novelty seeking pushed innovativeness beyond the realm of new product consumption, hence, is not valid as an antecedent to innovative behaviour (Roehrich, 2004). In addition to that, Mudd (1990) also critiqued that novelty seeking added more ambiguity to the innovativeness concept.
due to its overly expansive scope. However, it must be noted that information search is one of the five stages in a buyer decision process (figure 2.2). Kotler et al (2001, p.231) defined Information Search as 'the stage of the buyer decision process in which the consumer is aroused to search for more information; the consumer may simply have heightened attention or may go into active information search.'

Figure 2.2. Buyer Decision Process

(Kotler et al, 2001, p231)

As innovators are the very first customers for a new product / service, they should have completed the buying decision process before the later adopters and exert their influence on them in post-purchase behaviour. If an innovator does not seek out novelty in the first place, it is difficult to picture how an innovator is able to complete the process faster than later adopter. Therefore, one can assume that the buying process for innovators and non-innovators differ. Hence, for the purpose of this study, novelty seeking is used as the marker of an innovator.

2.1.3 Consumer independent judgment making

Manning, Bearden and Madden (1995) defined consumer independent judgment making (CJDM) as the degree to which an individual makes innovation decisions independently of communicated experience of others. This is in line with the
definition taken up in previous studies by Midgley and Dowling (1978) and Hirschman (1980).

Many studies were conducted with CIJM as the main focal point. Again, as usual, the plethora of research provided mixed support for CIJM. Carlson and Grossbart (1984) and Bearden et al (1986) obtained a positive but weak relationship between independence of judgment and innate tendency toward newness. Le Louarn’s study (cited in Roehrich, 2004) even showed a lack of relationship between ‘independence in innovative decision’ and ‘attraction to newness.’

Against this backdrop of lack of empirical evidence, one still must not overlook the significance of CIJM in the adoption of new products or services. There are two significant components in the construct of CIJM, the actualized behaviour of judgment making and the cognitive process of evaluating the alternatives independently. Cross-examining the buyer decision process (figure 2.2 with CIJM, one will realise judgment making incorporates two of the five stages of buying process: evaluation of alternatives and purchase decision.

Evaluation of alternatives is the third stage in which the customer uses information to evaluate alternative brands in the choice set whereas purchase decision stage is the next stage of the process in which customer actually buys the product (Kotler et al., 2001, p.214). Drawing on the assertion earlier that innovators and non-innovators’ buying processes differ (either in their behaviour in each of the five stages or the rate in which the pass through all the stages), one feel perhaps more empirical evidence is needed to completely negate the theory that CIJM is an
expression of innovative behaviour. Hence, for the purpose of this study, independent judgment making will be used as the marker of an innovator.

2.1.4 Domain specificity of innovativeness

Literature review covered thus far has proposed domain specific innovativeness to be the best predictor for concrete innovative behaviour (Gatignon and Robertson, 1985, Goldsmith et al, 1995; Grewal et al., 2000) Arguments are put forth that innovative behaviours are domain specific, i.e. people who are innovators in one product category (e.g. cars) may be a follower in another category (e.g. computer).

This study aims to help shopping complex managers or managers over a large area containing a variety of shops to better understand the self concept and impulsive behaviour of innovators, hence, the use of innate innovativeness which is the global construct of the innovativeness personality trait, is more appealing. Furthermore, this author proposes that innate innovativeness is more resistant to change unlike the variability exhibited in domain-specific innovativeness and concrete innovativeness because it is less subjected to the influence of situational variables. As such, it would be more appealing to tie in self concept with innate innovativeness. This study aims to investigate the two main components of innate innovativeness, i.e. consumer novelty seeking and consumer independent judgment making.

2.1.5 Diffusion of innovations

After identification of the key innovativeness constructs for the study, this study next focuses on the need to identify the innovators from the non-innovators. In analyzing the consumer-product relationship, it is important to realise that consumers differ in their willingness and timing to try new products. Customers can be classified based
REFERENCES


