Consumption Patterns of Women Graduates in Perak Tengah

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Abstract

This research was undertaken to look at the spending patterns of women graduates who are residing in Perak Tengah. It has also focused on women graduates in the government sectors and took into consideration the similarities and differences of consumption patterns among single and married women. This study was completed in the year 2011 and it revealed similarities between the spending patterns of women graduates in Perak Tengah to the patterns at international level, as determined by the Household Expenditure Surveys conducted in Australia and New Zealand in the year 2010. The focus on spending still involves basic needs such as food, shelter and transportation. In addition, when deciding to purchase a household item, the respondents are often influenced by their family members as well as by the quality and price of the product. Although there were differences in the spending patterns between single and married women, both groups have their own purchasing power. Therefore, entrepreneurs should see this as an opportunity to set up new businesses or expand an existing business by collaborating with the state government to accelerate the growth of Perak Tengah. They should have a reciprocal relationship to ensure the economic and social development of the area. Further research is also recommended to determine the spending patterns of both men and women in Perak Tengah. Such an elaborate research will demonstrate more conclusive spending patterns. In addition, other researches can also be done on students’ spending patterns in specific places such as Bandar Seri Iskandar, Bandar Universiti and Bota.

Keywords: Spending patterns; women graduates; Perak Tengah

1.0 INTRODUCTION

Malaysia’s rapid economic growth since the mid-1980s, along with changes brought about by modernization and urbanization, have increased women’s literacy and economic participation. Malaysian women’s participation in the workforce has long been recognized as an important contributor to the country’s economic and social development. This is evident in the significant increase of female labor force participation. Overall, female employment accounted for 71.5 per cent of total employment in 2012 as compared to only 24.5 per cent in 1957 (Figure shown by World Bank Indicators-Malaysia-Economic Activity). According to The Women’s Development Research Centre (KANITA), women have more power in making decisions regarding corporate and public affairs. As we move into the new millennium, women are seen as the most significant indicator of social transformation and development in society.

Statistics in 2011 showed that the female to male ratio in Malaysian public universities was 65:35, meaning that 7 out of 10 students are female. This is a drastic increase compared to 1980 where female enrolment was only 35.5%. Their tertiary education has enabled these women to hold high-ranking positions with good income. This is the money they bring home to support themselves and their families. So, how do these women spend their money? Are they the decision-maker in purchasing major household products? Do they show a different consumption pattern with more money in dual-income families?

In line with the state government’s aspiration to develop the Perak Tengah district, many government offices, schools, colleges and universities are located here. As a developing district, it has attracted a lot of migrating workers. As new settlers, these people would require a lot of new items to satisfy their lifestyles. Therefore, this study has been conducted to assess the consumption pattern of women graduates in Perak Tengah, and to determine the relationship between their consumption patterns and their disposable income.

2.0 RESEARCH QUESTION & OBJECTIVES

1. How do women graduates in Perak Tengah spend their money?
2. Are there any similarities or differences in the consumption patterns of single and married women?

This study is focused on women graduates in the Government sectors in Perak Tengah and factors that may influence their spending. The time horizon used in this study is cross-sectional where the data for the consumption patterns came from the distributed questionnaires and interviews with the respondents. The results from this study may be used as guidelines by the State Economic Planning Unit when
upgrading facilities, in line with the growing demands of the Perak Tengah community. It can also simultaneously assist the Majlis Daerah in allocating the right types of shops/premises in specific areas in the district. Hopefully, this will accelerate the development and growth of Perak Tengah.

### 3.0 LITERATURE REVIEW

#### 3.1 Food Expenditure

According to Duke, G. E. A. (2010), surveys in U.S. showed that women accounted for 80 percent of all consumer-expenditure decisions, making 93 percent of food purchases. In Malaysia, Tey Yeong Sheng et al., (2008) conducted a study on the ‘Demand Analyses of Household Expenditure on Food’ using the data from the Household Expenditure Survey of 2004/05. This study showed that food consumption was undergoing transitional changes. Based on data from the survey, it became clear that there was a move towards high value foods (especially meats) and functional foods (fruits and vegetables) among Malaysians as the per capita income increases. Malaysians’ spending on food-away-from-home has risen from 4.6% in 1973 to 10.6% in 2009/2010 (Department of Statistics Malaysia, 2011). This reflects the changing lifestyle of Malaysian households, whereby, having home-cooked meal is becoming less often while eating out has become more frequent. According to Euromonitor International Market Research Reports 2013, Malaysia still witnessing a high demand for consumer foodservice due to frequent dining out by Malaysians.

#### 3.2 Expenditure on Luxury Products

Wang Yajin et al. (2014) from University of Minnesota conducted a research on luxury products and their finding reveals that purchasing designer goods is a means for women to express their style, show their status, boost self-esteem and also to prevent other women from stealing their man. The result shows that women’s designer products are bought by both married and single women to impress other women in order to protect their turf. As in Malaysia, Euromonitor International Market Research 2012 reports that the strong local economy is the primary driver for growth in the consumption of luxury goods. Strong Malaysian Ringgit increases the affordability and support the sales of luxury goods. Meanwhile in Singapore, Euromonitor International Market Research 2013 reveals that majority of consumers still purchased luxury goods to reflect their status and exclusivity. The luxury goods industry continues to have positive performance and growing female population benefits this industry.

- Commor (2000) discovered in his research regarding household consumption that women from higher social classes would often spend money on expensive food, appropriate clothes, jewelry, make up, hair styles and even cars. This finding was also supported Duke in her speech in May 2010 Duke, E. (2010). She said that working women engaged in more of the family shopping in U.S. and they are aware of price changes. In addition, these women making 65 percent of auto buys in U.S. and they just know how to stretch their budget in making purchasing decisions especially during inflation times.

#### 3.3 Medical Care and Health Expenses

In general, families with dual income would eventually find that their healthcare expenses have increased. A study in Singapore by Saroja Subrahmanyan and Peng Sim Cheng (2000) found that Singaporean women are more concerned with ethical and health aspects compared to men. In attaining healthy lifestyles, more women are involved in a wide range of fitness activities. A study conducted in Korea by Gong-Soog Hong and Soo Yeon Kim (2000) also shared the same findings. In addition, other significant factors affecting the household budget include insurance status, liquid assets, life cycle stage, household size, education and self-employment status. In Malaysia, there is also an increasing trend of private health care expenditure, including out-of-pocket payments. The Malaysian health care industry, which includes pharmaceuticals and medical devices was valued at US$2.25 billion in 2012 and is estimated to grow to US$3.65 billion within six years’ time. There are some health insurance plans specifically designed for women. For example, Zurich Insurance Malaysia Berhad has launched Zurich TrueLady and it is designed for women in recognition of the many roles a woman takes on in the course of her life.

#### 3.4 Factors Influencing Consumption Patterns

There are several reasons associated with the change in consumer spending patterns such as the rapid growth of middle income groups, advertisement influences, technological innovation, preferences regarding processed and packaged goods as well as the policy of public and private sectors. Associate Professor Dr. Laily Paim of the Faculty of Human Ecology, UPM said that factors such as income, price, taste and the availability of goods will determine one’s consumption. A recent study by Laily et al. (2013) discovered that companies in Malaysia need to stress the intrinsic attributes of online advertisement to attract consumers. Yelkur (2002) found out that consumers in the U.S. and France are also price-sensitive when purchasing products. These individuals seem to prefer products that give the best value for their money. However, they are not necessarily brand-loyal because they are still willing to try new products. According to the BERNAMA news, household income in Malaysia is projected to increase in 2014, especially with the introduction of the minimum wage and new salary schemes. This will increase household spending especially in the urban areas.

### 4.0 METHODOLOGY

Primary data were collected through structured questionnaires distributed to the respondents all over the District of Perak Tengah. The questionnaires were divided into three sections namely: demographic data, expenditure data and factors that may influence purchasing decisions. This study was completed in 2011 with 10 percent of the population selected as a sample size, which equals to 252 respondents. In order to achieve a comprehensive study, respondents were chosen among populations in seven towns; Bota 27.4%, Parit 31.7%,
Kampong Gajah 17.4%, Tanjung Tualang 3.6%, Teluk Intan 14.3%, Lambor Kiri & Kanan 5.6%, in the District of Perak Tengah. Collected data were analyzed using Statistical Package for Social Science (SPSS 20.0).

### 5.0 RESULTS AND DISCUSSION

The oldest age group (50 years and above) comprises 4.8% of the total number of respondents. The rest of the respondents were between 30-39 years old (46.8%), 20-29 years old (26.6%) and 40-49 years old (20.2%). 72% of the total respondents were married. Findings showed that most of the women graduates in Perak Tengah purchased their food at the town nearest to their homes such as Parit, Kampong Gajah, Batu Gajah and Seri Iskandar. Nevertheless, there are some who purchased food in towns outside the Perak Tengah area such as in Ipoh, Manjung/Sitiawan and Teluk Intan, as listed in Table 1. For purchasing other products (clothes, beauty/health care, vehicles and household furnishings), Ipoh and other towns; Manjung/Sitiawan and Teluk Intan, were their favorite destinations. These towns are nearest big towns to this area.

#### Table 1 Locations for purchasing major household items in Perak Tengah

<table>
<thead>
<tr>
<th>AREA</th>
<th>CATEGORIES</th>
<th>FOOD</th>
<th>CLOTHES</th>
<th>BEAUTY/HEALTH CARE</th>
<th>VEHICLES</th>
<th>HOUSEHOLD FURNISHING</th>
</tr>
</thead>
<tbody>
<tr>
<td>BATU GAJAH</td>
<td>Single</td>
<td>21</td>
<td>10</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>BOTA</td>
<td>Single</td>
<td>14</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>IPOH</td>
<td>Single</td>
<td>46</td>
<td>103</td>
<td>90</td>
<td>92</td>
<td>99</td>
</tr>
<tr>
<td>KAMPONG GAJAH</td>
<td>Single</td>
<td>36</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>PARIT</td>
<td>Single</td>
<td>40</td>
<td>5</td>
<td>14</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>SERI ISKANDAR</td>
<td>Single</td>
<td>20</td>
<td>5</td>
<td>10</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>OTHER TOWNS</td>
<td>Single</td>
<td>68</td>
<td>104</td>
<td>94</td>
<td>94</td>
<td>87</td>
</tr>
</tbody>
</table>

As for factors that may influence spending of food, three scales were used to measure the degree of influence; i) not influencing, ii) influencing and iii) very influencing. Based on the results, the respondents were mostly influenced by their families and by the quality when spending for food. Friends and promotions do not have much influence on their purchasing decisions.

From these 252 respondents, it has been determined that factors that are very influencing to them when purchasing health & beauty care products are quality, nutrient and price. Factors that did not have much influence on their purchasing decisions were their friends and families. As for purchasing clothing, the results revealed that price and quality are the two factors that are very influencing to the respondents.

This research had also used the t-test to determine if there were any differences between single and married women’s consumption patterns.

H0 : There is no difference between single and married women’s expenditure.

The calculated t-statistic is 0.000 which is lower than the alpha value (α = 0.05). Based on this result, the researchers rejected Ho.

#### Table 2 Differences in spending pattern between single and married women

<table>
<thead>
<tr>
<th>ITEM</th>
<th>STATUS</th>
<th>MEAN</th>
<th>SIGNIFICANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD AT HOME</td>
<td>Single</td>
<td>12.8</td>
<td>Not significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>13.5</td>
<td></td>
</tr>
<tr>
<td>FOOD OUTSIDE</td>
<td>Single</td>
<td>7.2</td>
<td>Not significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>HOUSEHOLD CLEANING</td>
<td>Single</td>
<td>3.7</td>
<td>Not significant</td>
</tr>
<tr>
<td>/TOOLS/ DETERGENT</td>
<td>Married</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>HOUSING LOAN</td>
<td>Single</td>
<td>17.8</td>
<td>Not significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>15.7</td>
<td></td>
</tr>
<tr>
<td>HOUSE RENTAL</td>
<td>Single</td>
<td>8.6</td>
<td>Not significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>HEALTH &amp; BEAUTY CARE (PERSONAL)</td>
<td>Single</td>
<td>4.0</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>HEALTH &amp; BEAUTY CARE (FAMILY)</td>
<td>Single</td>
<td>4.4</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>CLOTHING (PERSONAL)</td>
<td>Single</td>
<td>5.2</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>CLOTHING (FAMILY)</td>
<td>Single</td>
<td>5.7</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>3.3</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 lists the differences in spending pattern between single and married women. It showed that there were significant differences between single and married women’s expenditure in health & beauty care (personal & family usage), clothing (personal & family usage), shoes (personal & family usage), vehicles, parts & repairs, telephone, hobbies/entertainment/recreation/sport, books & magazines, insurance and contribution to their parents. Apparently, single women spent more than married women in all these items.

### 6.0 CONCLUSION

Findings from this study showed that households in Perak Tengah spent 72.1 percent of their average monthly expenditure on four main groups, namely savings, insurance and investment (22.8 percent), housing (20.5 percent), transport and communication (17.3 percent) and food (11.5 percent). The results also show that as the respondents’ income increases, the allocation for food seems to be decreasing. This result is parallel with the findings made by Australia’s Household Expenditure Survey (2010). For example, food and non-alcoholic beverages accounted for 19% of the expenditure on goods and services of households in the lowest quintile, compared to 15% for households in the highest quintile. As more women enter the workforce, they are more interested in improving their health, appearance and personal needs. This is cited by Walton (1986) and Enstad (1999) as well as being similar to a study conducted in Singapore. The analysis on food consumed outside (away-from-home category) reveals that as gross income earned by the respondents increases, more money will be spent on this category. This finding is similar to a survey conducted by New Zealand’s Household Economic Survey (HES, 2010). The HES reported a 12.7% increase in expenditure on ‘restaurant meals and ready-to-eat food’ since 2007.

From these findings, factors such as family, quality and price of a product have been proven to influence these women in purchasing household items. Based on the research findings, the researchers would like to provide several suggestions:

1. The findings have indicated that there are business opportunities for food. Even though there are some new fast-food restaurants in Bandar Baru Seri Iskandar, there is no organic or natural food business yet. The residents here need to travel to Bandar Baru Menglembu, Falim or Station 18 in Ipoh to buy organic products.
2. There are other potential businesses that can focus specifically on women in Perak Tengah. For example, businesses for personal grooming and development such as hair & beauty treatment salon as well as short courses in sewing & cooking.
3. Educational businesses (arts, mental arithmetic and music) are not available here but they are in demand by parents to develop children’s creativity. Both married and single women spent a certain portion of their salaries on tuition fees. Unfortunately, the nearest centre for mental arithmetic classes is in Pasir Puteh, Ipoh which is some 30 km away. International Language &
Translation Institute is also in Ipoh. Parents need to travel to Ipoh for such classes. Meanwhile the nearest music school is in Batu Gajah which is about a 20 minutes drive from Seri Iskandar. So, it would be more convenient to have these educational businesses in Seri Iskandar.

In conclusion, with higher education women have better chances at securing jobs with higher pay. As a result, they become more dominant in influencing their families’ spending. This study revealed that the focus on spending is still on the basic needs (food, shelter and transport). When deciding whether or not to purchase a household item, this study also indicates that the respondents were mostly influenced by their family members and by the quality and price of the product. U.S. Daily Mail reported in April 4, 2014 that many moms and daughters have a close relationship. This is supported by current research in U.S. Perhaps this explains why women purchasing decisions were influenced by their family members.

References


Euromonitor International Market Research Reports, 2013.


