



**PURCHASE BEHAVIOR OF BRANDED CLOTHING
AMONG GEN Y GROUP**

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ABSTRACT

This study focuses on the purchase behavior of branding on Gen Y's choice of clothing as it is stated that they are brand conscious. This research looks specifically at public universities students aged between 18 – 25 years old located in Kota Samarahan. This study aims to determine if this group of Gen Y are brand conscious in their choice of clothing. Survey questionnaires were developed to obtain quantitative data from two hundred respondents for statistical analysis. The findings suggest that Gen Y are brand conscious as the right choice of clothing helps them create an image and identity for themselves. Peer influence plays a crucial role in their choice of brands as it aids in their socialization process.

In addition, advertising is an important variable in conferring brand values and establishing an image for the brand. Celebrity endorsements have a huge impact on branded clothing too as they promote certain attributes like image, quality and status. The results of this study are, however, limited as it was conducted within a single segment.

Furthermore, the research does not follow the individuals over time to see how brand choices change. The researcher recommends that to retain Gen Y's loyalty, brand managers need to build an emotional attachment to make the brand special and bring lasting competitive advantage. Additionally, advertising should be used to not only create awareness but influence brand image and preference. A buzz should be created through celebrity endorsement to reach out to this segment. Gen Y establishes their brand preferences between the ages of 18 and 25 and therefore targeting this consumer group is rewarding because with careful promotions marketers can create a pool of brand loyal customers for the future.

However, young people do not like being manipulated by marketers, have short attention spans and are media-savvy in choosing what messages they wish to receive. Therefore, marketers of branded clothing need to act ethically as brands should hold up a window, not a mirror, and let youth understand the brand and decide for themselves.

CHAPTER 1.0: INTRODUCTION

Branding is powerful tool in marketing today. A brand is a name, phrase, design, symbol or combination of these used to identify a product and distinguish it from those of its competitors (Kotler *et al.*, 2005). Brand gives a product an identity, a value and a meaning. To understand the full potential of branding to drive growth, marketers need to identify the sources of brand meaning, understand brand meaning and manage brand meaning in a changing environment (Joven *et al.*, 2006:316).

Bakewell *et al.* (2006) made an interesting study which revealed that young generation (18 – 25 years) generation Y have immense purchasing power and out of their total income they spend two-third on clothing. Clothing, as a matter of fact, is a kind of necessity that helps keep the bodies warm. Human beings cannot live without the protection from clothes in adverse conditions and this signifies how important clothing is. Nowadays, in additions to the basic functions, clothes can also serves as fashion items, which can tell how significant an individual is, express the status an individual has and what their personal image is like (O’Cass, 2000). This, clothing can help represent individual personal identity.

Marketers view generation Y (Gen Y) who is born between 1987 and 1994 as part of this changing environment. Most consumer companies target this segment as they are very market savvy when it comes to brands. They are viewed “as a generation with very high buying power” as they have annual incomes totaling US211 billion and spend USD39 billion per year (Nowak *et al.*, 2006:316).

In addition, Nowak *et al.*, (2006) reveal that the Gen Y population is much larger than their previous generation, the Gen X’ers. They affirm that the Gen Y market segment in the USA alone is estimated to be 46 million and is considered the largest consumer group in American history. The International Data Base of U.S. Census Bureau (2007) indicated that in 2005, out of a total population of approximately 24 million people in Malaysia, the Gen Y population stood at about 9 million. This represented almost 38% of the total population of Malaysia. The Census Bureau expects the Malaysian population to grow to about 33 million in 2025 and the Gen Y population to increase to 11 million. This will represent nearly 33% of the total population in 2025. Hence, Gen Y will be a lucrative and profitable target segment for Malaysian marketers as

CHAPTER 2.0: LITERATURE REVIEW

1. *Profile of Gen Y Consumer*

Generation Y, also known as “echo boomer”, refers to people who were born in the late-1970’s or later (Bakewell & Mitchell, 2003). Gen Y individuals were raised in a more nurturing environment during economic prosperity and are regarded as optimistic and entrepreneurial. They further state that this large and growing segment has an impact on business as they “love to shop” especially for clothing. However, they have greater diversity than any other lifestyle group and are therefore regarded by marketers as an exclusive group that is difficult to reach. In line with this, Martin and Turley (2004: 464) describe Gen Y as a “free spending but hard to reach generation.” They identify the 18 – 25 years old age group as the wealthiest members of the Gen Y who are either employed part-time or full-time and are also either part-time or full-time college students. Additionally, Gardyn (2002) asserts that this group is profitable to US retailers as their buying power exceeds USD200 billion annually (cited in Martin and Turley, 2004: 464).

The Gen Y generation has more economic clout than their predecessors the Gen X. This is supported by Grant and Stephen (2005) as they indicate that the Gen Y demographics are a rich target with economic power unlike anyone before them. They add that Gen Y is therefore viewed by retailers as an attractive growth market. In addition, Gen Y has an influence on their parents’ spending habits. This is supported by Grant and Stephen (2005) who highlight that this segment’s spending habits are a result of distinct social trends like couples having established careers, fewer children and more discretionary income to spend on the children. They emphasize further that with increasing divorce levels and a rising number of households where parents hold full time jobs, the guilt factor drives parents to indulge their children with designer clothes. This has definitely made the majority of Gen Y to be more self-indulgent and materialistic. Corresponding to this, Tan (1999: 370) adds that youth today are hedonistic and “live for the moment” and thus “have expectations of greater material wealth than their parents”.

Researcher chooses to study Generation Y’s consumer behavior for several reasons. First, Gen Y consumers have significant flexible purchase power. Secondly, Gen Y consumers are impressionable for brands and their brand loyalties are in the process of formation at this period. Meyer (2001) suggests that consumers establish their brand preferences between the ages of 15