DO MONEY ATTITUDE, FRUGALITY, BRAND AND PRICE CONSCIOUSNESS AFFECT DIFFERENTLY ON USER EXPERIENCE (UX) OF 1MALAYSIA STUDENT DISCOUNT CARD AND ITS CONSEQUENCES BETWEEN GENDER?

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ABSTRACT

This paper examines the effect of hypothesized predictors of user experience of 1Malaysia Higher Education Institution Student's Discount Card which are frugality, perceived value and price consciousness. The relationship between user experience (UX) of 1Malaysia Student Discount Card is hypothesized to influence the students' advocacy intention. A survey was conducted at 6 Public Higher Learning Institutions and 5 Private Higher Learning Institutions in Malaysia. The research model was tested and confirmed with the 1,000 users of the student's discount card, which were obtained via structured questionnaires. The data was analyzed using SPLS, which is the variance-based structural equation modeling. The results evoked from the survey indicate that perceived value and frugality are significance predictors of UX, however surprisingly price consciousness is not. UX with KADS1M has significance influence on students' intention to advocate the benefits of KADS1M to others. In light of the major finding, this study accentuates the importance of perceived value as the strongest predictor of user experience. The paper sets forth the management implications, specifically in delivering effective Higher Learning Institution's student's discount card.

Keywords: *Frugality, Price Consciousness, Perceived Value, User Experience*

INTRODUCTION

National Blue Ocean Strategy (NBOS) is the transformation of the government to explore new areas that could benefit the public in general without having to incur high cost to the government. This involved developing new initiatives and one of them is known as NBOS6 Discount Card Program-a Corporate Social Responsibility (CSR). This CSR program focused on selected few groups of Malaysians with the objective of reducing their cost of living example People With Disabilities (PWDs), pensioners, soldiers, police and students of the HEI. A program that is related to HEI students is known as 1Malaysia Student Discount Card (KADS1M).

KADS1M was launched by the Ministry of Domestic Trade, Cooperatives and Consumerism Ministry (Ministry) in July 2012. The card is provided free of charge except for a processing fee of RM2 for new card replacement if lost. With this card, students can enjoy discounts of up to 60% on 13 types of goods and services that are often used such as food, clothing, books, stationery, transport and other areas. This program is a smart cooperation led by the Ministry of Cooperation (KPDNKK) with Bank Rakyat Malaysia with 2895 companies registered as a partner/smart partnership nationwide and participated in this discount card program. KADS1M production costs are financed by the Bank, as part of the bank's CSR program. This study aims to model the relationship of attitude towards money factors and attitude towards usage of KADS1M among youth in the public university in Malaysia using Partial Least Squares (PLS) method.

LITERATURE REVIEW

When a consumer earns discounts, s/he actually spends less than what was originally planned. In this respect, discounts enhance the consumer's real income. Though the consumer does not "earn" any extra income, discounts precipitate a feeling of "savings" that invokes a perception of creating disposable income. Economists term this phenomenon of increase in "real" income as an "income effect" — a concept strongly grounded in the economics literature (Kreps, 1990; Mansfield & Yohe, 2000; McTaggart et al., 2012; Samuelson, 1986; Varian, 1992). Since "real income" represents the true purchasing power of the consumer with respect to goods and services (Samuelson et al., 1995), s/he acquires the ability to buy more of goods and services and this phenomenon creates an income effect. Hence, the researchers feel that there is a need to assess the effectiveness of KADS1M by linking money attitudes among the HEI students.

According to Collins (2011), Leisure Cards are a mechanism that can bring quasi-commercial provider benefits and social benefits to deprived groups while sharing common marketing and promotion mechanisms, which small businesses find difficult to organize individually. Collins and

Kennett (1999) defined such cards as a scheme available to all residents (and/or non-residents) with a concession tier that entitles cardholders to discount (and/or points for discounts) in using Council leisure services (and/or other council services) and the use of commercial leisure services (and/or other services such as retail).

The procedure of using KADS1M is such that students are required to produce the card along with their student's card at the checkout counter. While online purchasing is not allowed, this refrains students from using it since it consumes time and effort. A strong negative relationship has been shown between coupon redemption and perceived value of time and effort involved in coupon redemption (Babakus et al., 1988; Bonnici et al., 1996; Shimp & Kavas, 1984).

The literature also suggests that merely possessing (without actually redeeming) a coupon for the product enhances the consumer's preference for the promoted product within a consideration set (Sen & Johnson, 1997). Therefore, it can be proposed that the higher the perception of savings from KADS1M, the higher the level of arousal and greater the consumer's intention to spend the savings. Some consumers apparently feel that the savings (especially from cents-off coupons) are too trivial and as such coupons are not worth redeeming (Cheong, 1993).

Studies of financial issues revealed that attitude to money play an important role in determining a person's financial management and level of financial well-being (Joo & Grable, 2004; Porter & Garman, 1993; Shim et al., 2009). A number of research findings emphasized that, generally, persons with stronger perceptions and positive financial attitudes tend to be more satisfied with their financial appraisals (Joo & Grable, 2004) and have more efficient money management. Evidence suggests that attitudes precede the development of money behavior (Roberts & Jones, 2001). In other words, money attitude contributes to predicting financial practices (Shim et al., 2009; Dowling et al., 2009). The attitude has been defined as "a tendency to act in a favorable or an unfavorable way toward an object" (Eagly & Chaiken, 1993).

In a study of 924 undergraduates from 14 college campuses, Chen and Volpe (1998) found that students with higher financial knowledge were both more likely to keep financial records and more likely to select the correct choice when given a hypothetical scenario regarding a financial decision compared to students with less financial knowledge.

Various studies showed that there seem to have consistent gender differences in financial knowledge. For example, Markovich and DeVaney (1997) found that male college seniors reported more financial knowledge than female students. Danes and Hira (1987) found that male college students knew more about insurance and personal loans while female college students knew more about overall financial management. Volpe et al. (1996) found that male students were more knowledgeable about investment options compared to their female counterparts. Subsequently, Chen and Volpe (1998) found that female students in their sample were less knowledgeable about financial topics overall than male students.

There is mixed support as well for gender differences in financial behaviors/practices. For example, Hayhoe et al. (2000) found that compared to male students, female students were more likely to have a written budget, plan their spending, keep bills and receipts, and save regularly. It also found that female students were more likely to have a budget than male students, although the sample size for male students was much smaller than for female students.

Rudmin (1990) suggested that money means power for men, while women do not seem to value money or seek it in the same way as men. Frugality, according to Kasser and Ahuvia (2002) is the extent to which individuals practice self-restraint in their use of money. He also added that individuals with high in frugality are rather 'tight' with their money, trying to save resources and live what they have. In contrast, those who are "loose" show little restraint in their purchases. Past research on inter-relations of frugality, generosity and materialism found that significant negative correlation between frugality and materialism. A study by Lastovicka et al. (1999) did not report any gender differences and there is no reason to expect any. However, no past research has examined changes in frugality with the usage of the discount card. Studies in the United States revealed low levels of financial knowledge among youth (Charles Schwab and Company, 2011; Samuelson et al., 1995; Sen & Johnson, 1997). According to American Saving Education Council (1999), parents are the primary sources for how youth learn about money and can affect how their children's financial attitudes and behavior develop.

Money is a significant factor in the lives of all of us (Wernimont & Fitzpatrick, 1972). Based on a study by Lim and Teo (1996), understanding peoples' attitudes toward money may contribute significantly in the designing of compensation packages for employees and this interest the researchers. This study will test the following hypotheses:

H1: Money Attitude has positive effect on User Experience

H2: Frugality has a positive effect on User Experience

H3: Price Conscious has a positive effect on User Experience

H4: Brand Conscious has a positive effect on User Experience

H5: User Experience has a positive impact on Advocacy

H6: User Experience has a positive impact on Intention to Re-use

METHODOLOGY

Data Collection and Research Instrument

1000 students who own KADSIM were interviewed via structured questionnaires to gather information regarding their usage of KADSIM. The students were from twelve higher education institutions in Malaysia as listed in Table 1.

Data Analysis

To investigate the research model, we employed the PLS approach. Based on the two-stage analytical procedures by Anderson and Gerbing (1988), we tested the measurement model as well as the structural model. The Smart PLS 3.2.7 was used to analyse the data. Prior to that, Statistical Package for Social Sciences (SPSS) 22 version was considered for importing data and also to explain the descriptive statistics. Finally, multigroup analysis were done to see the differences between the two groups (male and female KADSIM users).

RESULTS AND DISCUSSION

The average age of the students in the study are 22, where most of the respondents are 18-24 (92.2%). In this study, the gender distribution is quite high for female, 601 and 399 male. The majority of the students are currently in their degree program (79.2%), Diploma (15.2%) and Master (5.6%). While, most of them Malays (68%), Chinese (11%), Indian (1%), Bumiputera Sabah and Sarawak (20%).

The data survey show shows that approximately the average monthly expenditure for students stands at RM569 and the estimated average spending per semester is RM2798. The highest average spending is for food segment exceeding RM1035, which is above RM1000 median, while average spending for books and reading materials is also greater than the median of RM231 from RM200.

Table 1. Participated HEIs in the study

HEIs	Frequency	%
Universiti Utara Malaysia	50	5.0
Universiti Teknologi MARA	245	24.5
Universiti Kebangsaan Malaysia	50	5.0
Universiti Malaysia Sabah	33	3.3
Politeknik Kota Kinabalu, Sabah	22	2.2
Universiti Malaysia Sarawak	100	10.0
SEGI College	158	15.8
UniRazak	115	11.5
Kolej Poly-Tech	87	8.7
Universiti Selangor	32	3.2
Management Science University	29	2.9
INTI College	79	7.9
Total	1000	100.0

MEASUREMENT MODEL

Convergent Validity

In analyzing the measurement model, researchers need to assess the convergent validity that is the degree to which multiple items to determine the same concept is in agreement. Hair et al. (2013) suggested to consider factor loadings, composite reliability (CR) and average variance extracted (AVE) to assess the convergent validity. For loadings, the recommended value is above 0.5 (Igbaria et al., 1995). In this study, the items loading ranges from 0.672 – 0.971 while the CR which represent the degree to which the construct indicators specify the latent construct, vary from 0.876 to 0.969. The AVE for frugality also was found to be 0.588 that is the lowest value among other construct in the model, but higher than the minimum cut-off value 0.5 (Hair et al., 2013). Therefore, the items are deemed to be reliable and are shown in Table 2.

Table 2. Result of measurement model

Constructs	Items	Loadings	CA	CR	AVE
Money Attitude	G2	0.854	0.866	0.915	0.783
	G3	0.898			
	G4	0.901			
Frugality	F3	0.672	0.842	0.876	0.588
	F4	0.691			
	F5	0.705			
	F6	0.878			
	F7	0.862			

Brand Consciousness	G11	0.863	0.819	0.893	0.735
	G12	0.907			
	G13	0.799			
Price Consciousness	G10	0.782	0.870	0.905	0.657
	G5	0.798			
	G6	0.751			
	G7	0.848			
	G8	0.867			
User Experience	H1	0.847	0.948	0.957	0.761
	H2	0.876			
	H3	0.881			
	H4	0.876			
	H5	0.876			
	H6	0.888			
	H7	0.863			
Advocacy	I2	0.971	0.936	0.969	0.940
	I3	0.968			
Intention to re-use	I1	0.825	0.863	0.903	0.699
	I4	0.839			
	I5	0.861			
	I6	0.820			

Discriminant Validity

Discriminant validity is the degree to which items distinguish among the constructs or measure distinct concepts (Cheung & Lee, 2010). Both tests of discriminant validity are done and shown in Table 3 and 4. Discriminant validity was measured by Fornell and Larcker (1981) as summarized Table 3 shows the square root of the AVE is higher than the correlations values in row and column. Next, in Table 4, the discriminant validity was tested using HTMT which are stricter where the value should not exceed 0.85 (Hair et al., 2013). Therefore, the measurement model is accepted as it fits all the criteria of convergent and discriminant validity.

Table 3. Discriminant validity of constructs (Fornell and Larcker, 1981)

	1	2	3	4	5	6	7
Advocacy	0.969						
Brand Consciousness	0.161	0.858					
Frugality	0.500	0.059	0.767				

Intention to re-use	0.789	0.155	0.526	0.836			
Money Attitude	0.114	0.396	0.173	0.177	0.885		
Price Consciousness	0.216	0.107	0.436	0.324	0.376	0.810	
User Experience	0.729	0.218	0.385	0.613	0.095	0.121	0.873

Note: Square root of the AVE on the diagonal.

Table 4. Discriminant validity of constructs (HTMT)

	1	2	3	4	5	6	7
Advocacy							
Brand Consciousness	0.179						
Frugality	0.499	0.107					
Intention to re-use	0.820	0.174	0.576				
Money Attitude	0.123	0.452	0.204	0.215			
Price Consciousness	0.239	0.151	0.542	0.388	0.447		
User Experience	0.772	0.244	0.374	0.631	0.098	0.127	

Structural Model

In Sang et al. (2010) added that structural model indicates the causal relationship among constructs in a model (path coefficient and the R² value). Both path coefficient (beta and significance) and the

R² value explain how the data supports the hypothesized causal relationship in the model (Hair et al., 2013). Figure 1 and 2 show the comparison path model between male and female. While, Table 5 summarized the structural analysis for both groups male and female. The results indicate that the structural model explains 19.2% of the variance of user experience towards KADS1M, 53.2% explain the advocacy while 37.6% explain the intention to re-use KADS1M.

Positive user experience of KADS1M will influence higher advocacy in male compared to female, but the effect of user experience of KADS1M towards intention to continue use the card in the future is found higher in female compared to male. As exemplified by the findings, surprisingly male are found to be more brand conscious compared to female but as predicted female showed higher value on frugality compared to male. Nevertheless, it was unexpected that money attitude and price consciousness are not significant predictors of user experience of KADS1M in both groups.

Figure 1. Structural model (male)

Figure 2. Structural model (female)

Table 5. Summary of the structural model

Hypothesis	Std. Beta (F)	Std. Beta (M)	t-Values (F)	t-Values (M)	F ²	R ²	Q ²	VIF	LL	UL	Decision s
H1 MA -> UE	-0.033	-0.037	0.686	0.706	0.00	0.192	0.135	1.368	-0.092	0.020	NS
H2 F -> UE	0.400	0.420	8.727	8.170	0.17			1.235	0.351	0.460	S
H3 BC -> UE	0.163	0.268	3.737	5.259	0.05			1.189	0.156	0.270	S

H4 PC -> UE	-0.094	0.000	1.491	0.003	0.00			1.399	-0.12 2	-0.00 7	NS
H5 UE -> A	0.718	0.750	27.230	28.739	1.14	0.532	0.477	1.000	0.697	0.760	S
H6 UE -> INT	0.598	0.652	23.214	22.080	0.60	0.376	0.225	1.000	0.580	0.644	S

Note: $p < 0.05$

CONCLUSION

In summary, this study was carried out rigorously and perseverance, as to achieve its objectives and the results obtained, were reliable and valid. The empirical analysis using SEM-PLS yields valuable insights on the important predictors and outcome of attitude towards KADS1M. The findings unlock that out of six hypotheses tested only four are substantiated. It is important to note that user experience of KADS1M plays an imperative role in influencing HEIs students to continue using the card in future. In addition, this study disentangles that frugality and brand consciousness are the significant predictors of attitude towards KADS1M. Surprisingly, the other two predictors, namely price consciousness and money attitude do not have significant effects on user experience of KADS1M. Evidently, the research findings imply that relevant government or private agency should emphasize and prioritize their efforts and channel the resources towards improving the students' experience towards KADS1M. Indeed, by strengthening the predictors' effect, it is logical to predict that the students will progressively develop a positive experience towards KADS1M, which in turn influence their intention to continue using KADS1M in future.

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