



**THE FACTORS INFLUENCING THE PLANT
NURSERIES OWNER INTENTION TO PURCHASE
AGRICULTURE INSURANCE IN SHAH ALAM,
SELANGOR.**

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DECLARATION OF ORIGINALITY

We hereby declare that:

1. This DPB 6043 Business Project is the end result of our own work and due to the acknowledgement has been given in the references. ALL resources are in printed, electronic or personal.
2. No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
3. Equal contribution has been made by each group members in completing the research project.

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ABSTRACT

Agriculture is an economic sector that is exposed to an array of risk such as climate change, pest attack, diseases and others. In order to protect this sector, Malaysian Government has initiated an insurance plan to reduce losses resulting from natural causes. Hence, this research aims to investigate the influence of attitude, subjective norm, perceived behavior control, perceived monetary value and consumer knowledge on purchase intention of agriculture insurance among plant nursery owners in Shah Alam. 200 questionnaires have been distributed to the respondents using convenient sampling technique. Statistical Package for Social Sciences (SPSS) was used to analyze the data collected through the survey. Regression analysis is used to measure the influence of attitude, subjective norm, perceived behavior control, perceived monetary value and consumer knowledge on purchase intention. The results indicate that only consumer knowledge and subjective norms have influenced the plant nursery owners' intention to purchase agriculture insurance. Therefore, this paper will provide marketers with a clear understanding of agriculture insurance. Findings from the study would be beneficial to plant nursery owners and farmers in purchasing an agriculture insurance. A recommendation is presented to propose beneficial suggestions and call for further studies.

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

The agricultural sector continues to play a crucial role for development, especially in low-income countries where the sector is large both in terms of aggregate income and total labor force. The World Bank's 2008 World Development Report, Agriculture for Development, explained why the decline in the support of agriculture by international donors was so damaging for the progress of growth, development and poverty reduction in poor countries. The report was a landmark document that described masterfully the various dimensions of the challenge and helped rekindle interest in agricultural policy. But with the food, financial, and climate crises of the past three years, much has changed since the report was released in late 2007.

Malaysia, whose agriculture sector led the economy for decades into the 1970s, is falling behind Indonesia, Thailand, Vietnam, and other regional players like China, Taiwan, and Korea in terms of innovation, technology, know how and methodology and product and value chain development. The country's long neglect of the sector and narrow focus on plantation crops at the cost of encouraging crop diversity has left the country with serious issues and challenges. Despite the fact that the sector contributes 7.3 percent to national GDP, it employs 1.5 million workers, fully 10 percent of the workforce.

Agriculture's dominance of the economy ended in 1981, when then-Prime Minister Mahathir Mohamed's massive push towards industrialization left the Ministry of Agriculture without sufficient budget to operate the office air-conditioning system fulltime during working hours. While the sector was rejuvenated somewhat by Mahathir's successor, Abdullah Ahmad Badawi, through massive fund increases, it has never really recovered. The plantation sector is operated by primarily government linked companies (GLCs) and large publicly listed estate companies. Utilizing around 5 million hectares, palm oil production contributed RM40.2 billion to GDP in 2018. The high profitability of palm oil as a crop over the years has deterred the development of alternative crops.

Historically, Malaysia's rice production has only produced 60-70 percent of the country's consumption. Approximately 200,000 aging paddy farmers on plots ranging between 1 and 5 hectares cultivate paddy in the country. Paddy farming only produces marginal income, even with the subsidies provided by the government to farmers. Unlike paddy farmers of the past, farmers today usually don't multi-crop paddy, vegetables, fruits, coconuts, and raise fish, poultry, and livestock. Paddy production lacks standardization and doesn't have Good Agricultural Practice (GAP) or HACCP certification. Often unregistered pesticides are used, leaving chemical residuals. Thus, food safety and traceability are issues. Although Malaysian paddy yields are on a par with Thailand, they are behind Philippine, Indonesian, and Vietnamese yields.

Farmers mostly don't own mechanical equipment, so must hire an array of contractors through the production process. Due to Shariah law on inheritance, land holdings continue to be broken up between families, making paddy farming even more difficult. Large belts of idle land, estimated at 119, 273 hectares, can be seen across the country partly due to family land disputes. Farmers have no involvement through the supply chain, so opportunities to add value to rice are non-existent. Under the present paddy farming system, there is no way farmers will be able to improve their incomes. The only future for paddy farming to benefit farmers is to develop cooperatives that manage economically viable estates made up of a group of farmers holdings. These cooperatives should be for the benefit for the farmers, run by the farmers, and owned by the farmers. These cooperatives could plant, cultivate, harvest, brand and package value-added products like red and brown rice varieties that have higher market end opportunities. Contract farming initiatives creating paddy estates have shown to reduce costs by 50 percent and increase yields up to 30 percent.

Malaysian agriculture is at a crossroads. The whole sector needs rethinking. People with experience and knowledge of the issues are in the country. Before committing to smart farming, which does have a place in some niches, the potential future directions of the sector need to be discussed openly, so a new thought out direction can be set in Malaysian agriculture. The government needs to work on transforming what already is, help rural communities that are in need, rather than look after its own with one more white elephant.

1.2 RESEARCH PROBLEM

Nurseries owner in Shah Alam are not known about the existence of Agriculture insurance. The demand for agriculture insurance will be affected because of the lack of awareness on the importance of purchasing an Agriculture insurance. Without Agriculture insurance, plant nursery owner may have to faced several financial losses due to unknown perils and hinder the business growth. According to previous research, high risk requires higher amount of premium which would be a burden for some farmers with low income. (Nurul Aien et al, 2015). This study will help in identifying the factors that would influence the nursery owner intention to purchase Agriculture insurance and improve the stability of their Horticulture businesses.

1.3 RESEARCH OBJECTIVES

- 1.3.1 To investigate the influence of attitude, subjective norm, perceived behavior control, perceived monetary value and consumer knowledge on the purchase intention of agriculture insurance.
- 1.3.2 To explore the nurseries owner intention to purchase towards agriculture insurance.

1.4 RESEARCH QUESTIONS

- 1.4.1 Does attitude, subjective norm, perceived behavior control, perceived monetary value and consumer knowledge affect the nurseries owner purchase intention of agriculture insurance?
- 1.4.2 How can the nursery owner purchase intention in agriculture insurance be improved?

1.5 SIGNIFICANCE OF STUDY

The study contributes to further research, organizational perspective and individual perspective. The certainty and readability of the results are able to act as a guideline for future research in Malaysia insurance industry. In organizational perspective, this study helps to foster better knowledge on the relationship of attitude, subjective norms, consumer knowledge, perceived behavioral control and perceived monetary value towards the nursery owner purchase intention of agriculture insurance. Besides, this study also helps to determine the contributing variable which has the most significant relationship to the purchase intention. It also helps insurance company to identify the real needs and wants of the customers in putting effort to improve the services. Furthermore, this helps the insurance company by providing useful information to set appropriate policy in making sure that the customer experience maximum level of satisfaction.

1.6 SCOPE OF STUDY

In the present study, an attempt is made to analyze the influence of purchase intention among the nursery owner in Shah Alam, Selangor. The research focuses on the plant nursery owner in Shah Alam. The selection areas will be at an urban areas. The state of Selangor is the most urbanized (91.4%) and populous (5.46 million) in Malaysia.

1.7 LIMITATIONS OF STUDY

The research is focused only to the final year students in Polytechnic Sultan Salahuddin Abdul Aziz Shah. Department of commerce which is limited to our scope of research for this study. For the future research this study can be expanded to other polytechnic or University students. Other limitation is time constraints and transportation difficulty in meeting the nursery owner in Shah Alam, Selangor. Researchers also need to make assignments, case studies, journals and others in order to complete the study.

1.8 OPERATIONALIZED DEFINITION

1.8.1 PURCHASE INTENTION

The willingness of a customer to buy a certain product or services is known as purchase intention. Purchase intention is a dependent variables that depends on several internal or external factors. Purchase intentions are a measure of the respondent's attitude towards purchasing a product or availing a services.

1.8.2 AGRICULTURE

The science and art of cultivating plants and livestock. Agriculture was the key development in the rise of human civilization, whereby farming of domesticated species created food surpluses that enabled people to live cities.

1.8.3 INSURANCE

A means of protection from financial losses. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss. An entity which provides insurance is known as an insurer, underwriter etc. A person who buys the insurance is known as an insured or a policyholder. The transaction involves the insured assuming a guaranteed and known relatively small loss in the form of payment to the insurer in exchange for the insurer's promise to compensate the insured in the event of a covered loss. The loss may or may not be financial, but it must be reducible to financial terms, and usually something in which the insured has an insurable interest established by ownership.

1.8.4 AGRICULTURE INSURANCE

Agriculture insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops . However, in practice its effectiveness has often been constrained by the difficulty of designing good products and by demand constraint.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Agriculture production is naturally a risky venture. As a result, gardener / farmers face variety of risk such as adverse climate conditions, instability in input and output of prices, livestock disease occurrence, locust and pest outbreaks. The impact of these risk are more pronounced to most smallholder gardener in developing communities (Makaudze 2005).

Since the agriculture sector deal with the various types of risks, most countries have been practices such as crop insurance as a mechanism to deal with certain risk. The earlier model of demand for crop insurance attempted to analyse producer decision of whether to take part in crop insurance and then select among alternate insurance products. Sherrick et al (2004) found the impact of factors such as risk aversion, risk management, production, and financial elements on these choices. Moreover, Boyd et al., (2011) showed that in their study, the amount of risk taken on by the gardener / farmer show a positive relationship with the attitude to purchase crop insurance. The positive coefficient shows that as gardeners / farmers take on more risk, they are more likely to purchase crop insurance. Thus, identifying the type of impact on each crop is important and can help improve the quality. (Agahi & Bahrami, 2008).

2.2 CONCEPT THEORY

Agriculture is an evolutionary model from foraging to agriculture, in which the transitions to cultivation, domestication, and agriculture are separated and potential archaeological indicators are suggested. (Harris and Fuller, 1989;2007). A research done by Elsevier B.V. (2015), stated that the intention to purchase is related to the variables such as attitude, perceived behavioral control, subjective norms and etc. However, we can determine the factors that influence the purchase intention of a person by

distributing a set of questionnaire where we can identify the needed information or we can do a face to face interviewing which is the easiest way to acquire information regarding the intention more percisely.

2.3 INDEPENDENT VARIABLES

2.3.1 ATTITUDE

Ajzen and Fishbein (1980) stated that attitude towards behavior is determined by a person evaluation of those outcomes as either negative or positive. Attitude is a thoughts, beliefs and ideas about something. Human being is the object of an attitude, the cognitive component is frequently a stereotype. An individual is more probable to assume a certain behavior if she or he has a positive attitude toward undertaking the behavior. (Ajzen, 1985). Daniel Katz (1980) proposed that an attitude are determined by the function they served for. People hold given attitudes because these attitudes help them achieve their basic goals. This point was supported by Blackwell, Paul and James (2006) indicating that the performance a particular behavior connecting is connected to the individuals' attitude in the object.

2.3.2 SUBJECTIVE NORMS

The second determinant of intention is subjective norm. Subjective norm can be explained as social pressures that a person perceives directly to the individual to engage in a specific behavior. The more social pressure a person perceives to connect in a behavior, the more possible it is that the individual will perform the behavior. Subjective norms are frequently evaluated by assessing the social pressure a person perceives from a specific individual such as parents, friends, relatives or influential people. (Ajzen, 1985;1991). In addition to this, the subjective norms refers to how the social pressure influence to the person's perception to perform the behavior. (Ajzen, 1987). In summary, Subjective norms refer to the influence of others towards the behavior of an individual. Furthermore, subjective norms is a function of beliefs in the Theory of planned behavior. If a person believe that the people around will influence he or she to perform the behavior, then the subjective norms should influence the intention of the person to perform a behavior.

2.3.3 PERCEIVED BEHAVIORAL CONTROL

The final major predictor in Theory of Planned behavior is perceived behavior control. Perceived behavior control is another determinant added in the Theory. Perceived behavioral refers to the degree of control that an individual perceives over performing the behavior. (Chen, 2007; Kang,Hahn,Fortin, Hyun and Eom, 2006). Ajzen (2001) reiterated that perceived behavioral control is the degree to which a person feels able to connect in the behavior. It has been divided in two aspects, which is how a person has control over behavior, and how confident a person feels about being able to perform or not to perform the behavior. According to Ajzen (2002) perceived behavioral control can report for considerable variance in behavioral intention and actions. Furthermore, factors such as time, money, skills can help to increase and control the people perception and increase the behavioral intention. (Kim and Chung, 2011).

2.3.4 PERCEIVED MONETARY VALUE

As defined by Zeithaml (1988) that perceived value is “ the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given ”. The receive components can be referred to the benefits get from using the product while the given component can be referred to the customer sacrifice in acquiring the product including monetary and non-monetary aspect. In this regard, Zeithaml (1988) described value in four different ways: value as low price, value as whatever the consumer wants in a product, value as the quality get from the price the customer pay, and value as what is get for what is given.

The lack of agreement related to the definition and conceptualization of perceived value among the scholars have indicated that perceived value can be described as the complex construct (Lapierre, 2000). The differences of opinions can be seen from two major perspective or view of perceived value; those are as unidimensional construct and multi-dimensional construct (Sanchez-Fernandez and Iniesta-Bonillo, 2007).

2.3.5 CONSUMER KNOWLEDGE

Consumer knowledge which is the first point of reference in information search prior to decision making has not received as much attention as is required. Consumer knowledge, often termed “product related knowledge” represents the extent of experiences, expertise and familiarity consumers have with a product. It refers to internalized information that consumers’ resort to, when making decisions (Kolyesnikova, Laverie, Duhan, Wilcox, & Dodd, 2010). Put differently, consumer knowledge describes the product related knowledge that consumers accumulate over time from exposure through advertising, salespeople or from using the product (Alba & Hutchinson, 2000), and on which they rely to aid their purchase decision-making. It is common knowledge in consumer behaviour studies that the information-search-stage of the decision making process starts with internal search. It is only where internal search fails to throw up a solution to an identified need that consumers resort to external information search.

Consumer knowledge is therefore a cogent driver of purchase intention; and requires increased research attention. Consumer knowledge is a multidimensional construct consisting of experience, expertise and familiarity (Kolyesnikova et al 2010; Kerstetter & Cho, 2004; Alba & Hutchinson, 1987). Consumer experience represents accumulated skills that enable individuals to acquire and process information (Kerstetter & Cho, 2004). The basic level of consumer knowledge is knowledge retained from consumption experiences (Clarkson, Janiszewski, & Cinelli, 2013). Consumption knowledge is extensive; and consists of coarsely defined pleasant or unpleasant consumption experiences (Clarkson et al, 2013); and also forms the basis for brand preference for food, entertainment and other service-dominant products.

2.4 DEPENDENT VARIABLES

2.4.1 INTENTION TO PURCHASE

Intention can be defined as a person's position on a subjective probability dimension linking with a relation between himself and several actions. (Ajzen and Fishbein, 1975). Another definition by Armitage and Conner (2000), on the other hand defines intention as the motivation for individuals to engage in certain behavior. Based on the Theory of Planned Behavior model, intention is the immediate determinant of an individual behavior either to perform or not perform it. According to Ajzen and Fishbein (1975), behavioral intention is define as the individual's subjective likelihood that he or she will connect in that behavior. The Theory of Reasoned action, the intention of a person is the determining basis of two functions which is personal in nature and other reflecting social influence. The personal aspects is the individual's positive or negative evaluation of performing the behavior. This factor is termed attitude toward the behavior. (Ajzen and Fishbein, 1980). These two theories have been used widely to predict the person's behavioral intention as a combination of three basic variable attitude towards the behavior, subjective norm, and perceived behavioral control. (Gibson and Randall, 1991).

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This topic included on how the research is carried out in terms of research design, data collection methods, sampling design and construct measurement, data processing and data analysis. The most suitable research design has been used in order to ensure the reliability and validity of the given information.

3.2 RESEARCH DESIGN

Research design of this research using quantitative approach which is survey method. The data of this research will be collected using questionnaire which uses convenience sampling method to make it easier to generalize and make decision about the study.

This research will be a descriptive research employing the survey method through the distribution of questionnaires. Questionnaire were personally administered to ensure a high response rate. Information also obtain from the study of secondary data available. Conversely, casual research is the seeking to identifying cause and effect relationship among variables when the research problem has already been narrowly defined. (Zikmund et al, 2010) Secondary data was much easier because it was made in advance by others for other users. This study will be conducted from the plant nursery owner in Shah Alam to determine the factors influencing the owner intention to purchase agriculture insurance. Besides, there are four basic categories of techniques for obtaining insights and gaining a clearer picture of the factors; secondary data analysis, pilot studies, case studies and questionnaire. The survey questionnaire is chosen to examine the factors influencing the plant nursery owner intention to purchase agriculture insurance.

3.3 POPULATION AND SAMPLING

3.3.1 POPULATION

Target population is defined as the entire group that researcher is interested in and wishes to draw a conclusion. (Hitziq, 2009). Plant nursery owner in Shah Alam will be the target population. This particular population is chosen because they have been in the horticulture business and have better understanding and evaluation on the intention to purchase Agriculture insurance.

3.3.2 SAMPLING TECHNIQUE

Sampling technique can be divided into two types which are probability and non-probability sampling. It is impossible for researchers to collect data from all nursery owner, thus non-probability technique is chosen in which the respondents are selected from the population in some non-random manners. (Saunders, Lewis & Thornhill, 2009).

Convenience sampling method is used in this research as a non-probability sampling. Convenience sampling involves the sample being drawn from that part of the population that is close to hand. This type of sampling is most useful for pilot testing. (Henry, Gary T, 1990).

3.3.3 SAMPLING SIZE

The larger of the samples' size , the lower the likely errors to generalize the population of study. (Saunders, Lewis, Thornhill, 2009). 200 questionnaire were distributed to plant nursery owner in Shah Alam, Selangor in order to identify the factors influencing the purchase intention of agriculture insurance. Due to time and resources constraints, this number of sample size is appropriate in generalizing targeted population. A total of 30 copies of pre-test sample have been distributed and carried out before conducting formal survey to ensure the correctness and quality of the survey questionnaire.

3.4 RESEARCH INSTRUMENTS

Data will be collected using primary data and secondary data. Primary data is the data that has been collected from first hand-experience. Hence, it is more reliable, authentic and objective in data collection. (Gulnazahmad, 2011). Secondary data is known as data that has been collected by previous researchers and readily available. The purpose of collecting secondary data helps to make primary data collection more specific and allow researchers to figure out what are the deficiencies and what additional information which is needed to be collected for study. (“Secondary Data”, 2012).

The questionnaire serve as a very important tool for this study. Questionnaire is inexpensive to collect data and the results can be consistently used to compare and contrast. Besides, it can be distributed to a large number of potential respondents, increase the speed and accuracy, facilitating data processing. (William, 2006). However, extra caution must be taken in designing the questionnaire for better clarification of each question. Evaluation is done upon gathering of data from the questionnaires. Basically, the question in the questionnaire were adopted from previous researchers and modified based upon the necessity to fit into this study. (O’Brien, 1997).

The structure of the questionnaire is carried out in simple English for better understanding of question descriptions to prompt critical thinking and analytical behavior of the respondents. This encourages higher degree of accuracy in the respondents’ answer due to the prevention of confusion in answering the questions. Brief introduction and the purpose for the study are stated in the cover page of the questionnaire. Generally, the questionnaire are divided into three sections which are Section A for demographic profile, Section B for the independent variables general opinion and Section C for the dependent variables general opinion.

In section A, it consists of five questions which are closely related to the demographic data namely gender, age, race, marital status and monthly income of the respondents. It is recorded to classify the group of plant nursery owner for the results.

In section B and C, the general opinion relates to the construct measurement of the study on the independent variables and dependent variables such as attitude, subjective norms, perceived behavioral control, perceived monetary value, consumer knowledge and intention to purchase, These variables are used to investigate the relationship between each of the independent variables with the dependent variables upon data collection from the answer given from the respondents.

Lastly, the 200 questionnaire was distributed to the targeted respondents. To increase the validity and reliability of the information gathered, the respondents are asked on their willingness to participate in the questionnaire prior to the questionnaire.

The questionnaire was distributed and collected in two weeks time. The date was from the 20th of February to the 5th of March 2020. The questionnaire was carried out smoothly, thus researches able to collect it on time.

3.5 DATA COLLECTION METHOD

Data collection is a process of collecting information from all the relevant sources to find an answer to the research problem, hypothesis and evaluate the outcomes. Data collection method used in this research is primary data collection. We are using quantitative as our data collection method. Quantitative data collection methods are based in mathematical calculations in various formats. Methods of quantitative data collection and analysis include questionnaires with closed-ended question, methods of correlation and regression, mean, mode and median and others. Quantitative methods are cheaper to apply and they can be applied within shorter duration of time. Due to high level of standardization of quantitative methods, it is easy to make comparisons of findings.

3.6 INFERENCE ANALYSIS

Inferential analysis is a group of statistical techniques and procedures used in confirmatory data conclusion about from quantitative data collected from a sample. (Collis & Hussey, 2003). SPSS version 17 was employed to conduct the following inferential analysis.

- I. Pearson Correlation Coefficient Analysis.
- II. Multiple Regression Analysis.

3.6.1 PEARSON CORRELATION

According to Zikmund (2003), the Pearson Correlation Coefficient Analysis is a statistical measure to test the correlation of two or more variables. Two-tailed significant level is used to test null hypothesis. According to Hair et al. (2006), the coefficient ranges from -1 to 1. A value of 1 shows a perfect positive linear relationship, a value of -1 shows a perfect negative linear relationship and a value of 0 shows no linear relationship. Therefore, variables that have been tested on attitude, subjective norms, perceived behavioral control, perceived monetary value, consumer knowledge towards intention to purchase. The purpose of this test is to determine whether there are positive, negative or no relationship between the independent and dependent variable in this study.

3.6.1 MULTIPLE REGRESSION ANALYSIS

A multiple regression is a statistical technique used to derive an equation that relates a single continuous dependent variable to two or more independent variables. (Churchill & Brown, 2004). According to Bush and Burns (2006), multiple regression are expansion of bivariate regressions analysis in that more than one independent variable is used in the regression equation.

3.7 DATA ANALYSIS

According to Sekaran (2003), the objectives of data analysis include checking on the central tendency and the dispersion of the respondents, test the reliability and validity of the measures and testing the hypothesis developed for the research. The data analysis process, consisting of interrelated procedures, would transform data into useful information. (Zikmund, 2003). Thus, SPSS software was utilized for obtaining the tested results by completely analyzing the data.

3.8 DESCRIPTIVE ANALYSIS

Descriptive analysis refers to the information of raw data into form that will make researchers easy to understand and interpret. Descriptive statistics are provided by frequencies. Frequency procedure provides statistical and graphical displays which are useful in presenting many types of variables. The purpose of frequencies is to demonstrate the values such as the numbers and percentages for different categories of a single categorical variable. Its measurement involves only 1 categorical variable, which is nominal or ordinal scale. (Zikmund, 2003).

Frequencies are generally obtained from nominal variables such as gender and marital status. In the questionnaire of study, frequencies were used in Section A. Finally, a frequency division for a variable would generate a table of frequency counts, percentages and cumulative percentages for all the values allied with that variables. (Malhotra & Peterson, 2006).

According to Zikmund (2003), mean is a measure of central tendency which was used to analyze data collected in section B and C of the questionnaire because mean is commonly used to estimate the average when the data are collected using an interval scale.

3.9 RELIABILITY TEST

Reliability test is used to determine whether the measurement items in the questionnaire are highly related to each other. Reliability refers to the extent to which a scale produces consistent results if repeated measurement are free from random. (Malhotra & Peterson, 2006).

In order to test the reliability test, Cronbach's Coefficient Alpha was adopted. According to Malhotra (2007), Cronbach's alpha coefficient provides most is ranging from 0 to 1. The higher the coefficient, the more reliable are the items in measuring the constructs. A value of 0.6 or less generally indicates unsatisfactory internal consistency and reliability.

3.10 PILOT TEST

Before the conduct of the actual questionnaire, a pilot test has been done to find out the possible errors done in the questionnaires such as the ambiguous questions. Meanwhile, pilot testing provides the opportunities for the researchers to find out an remedies a wide range of the potential problems that will occur in preparing the questionnaire and correct it before the actual questionnaire is conducted. (Pratt, 2008).

For the pilot test, 30 questionnaire was distributed and the feedback gathered was used to improve the clarity of the questions. After questionnaires were collected, the realibility test was conducted by using SPSS version 17.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter represents the pattern and analysis of results which are relevant to the research questions and hypothesis. This chapter will further elaborate the output of study based on the SPSS software. All the questionnaire that has been collected from the research sample, will be analyze to obtain information from the various aspects of the respondents. The 200 questionnaires and all the information will be presented by tables and pie chart. The findings was made based on the section in the questionnaires. In conclusion, findings and analysis of data is important to obtain the result of the researches.

4.2 RESEARCH FINDINGS

4.2.1 RESPONDENT'S DEMOGRAPHIC PROFILE

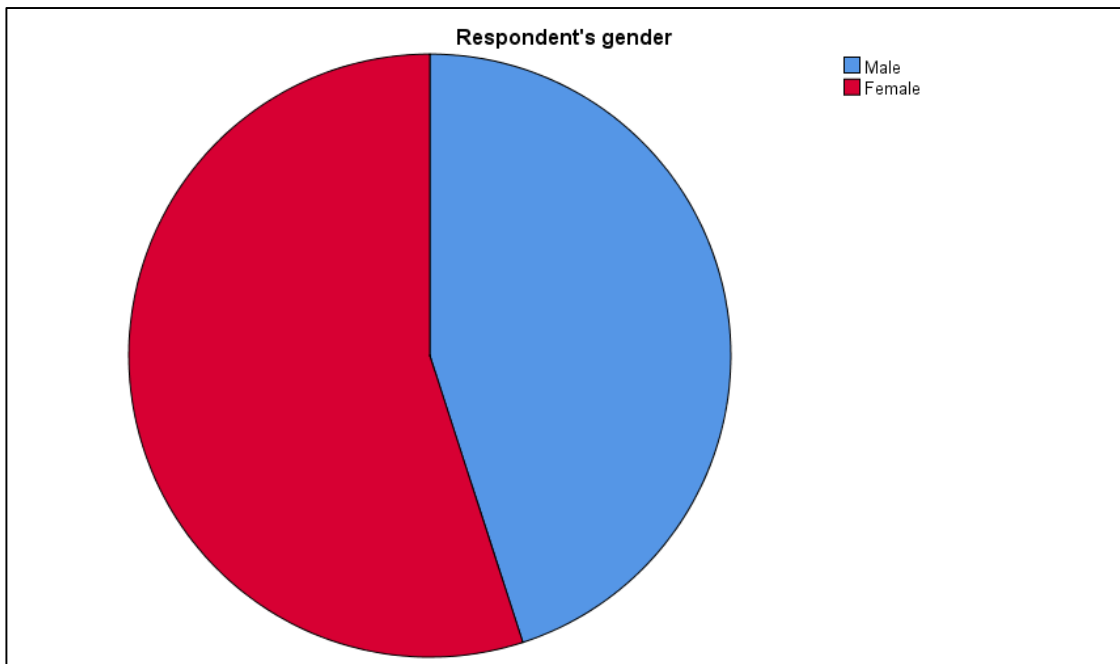
The demographic profile has been identified in section A of the questionnaire. A total of five questions were asked to collect data regarding to the respondents' gender, age, marital status, race and monthly income.

Table 4.1 Gender of Respondents

		Respondent's gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	90	45.0	45.0	45.0
	Female	110	55.0	55.0	100.0
	Total	200	100.0	100.0	

Source :Developed for study

Figure 4.1 Gender Of Respondents



Source: Developed for study

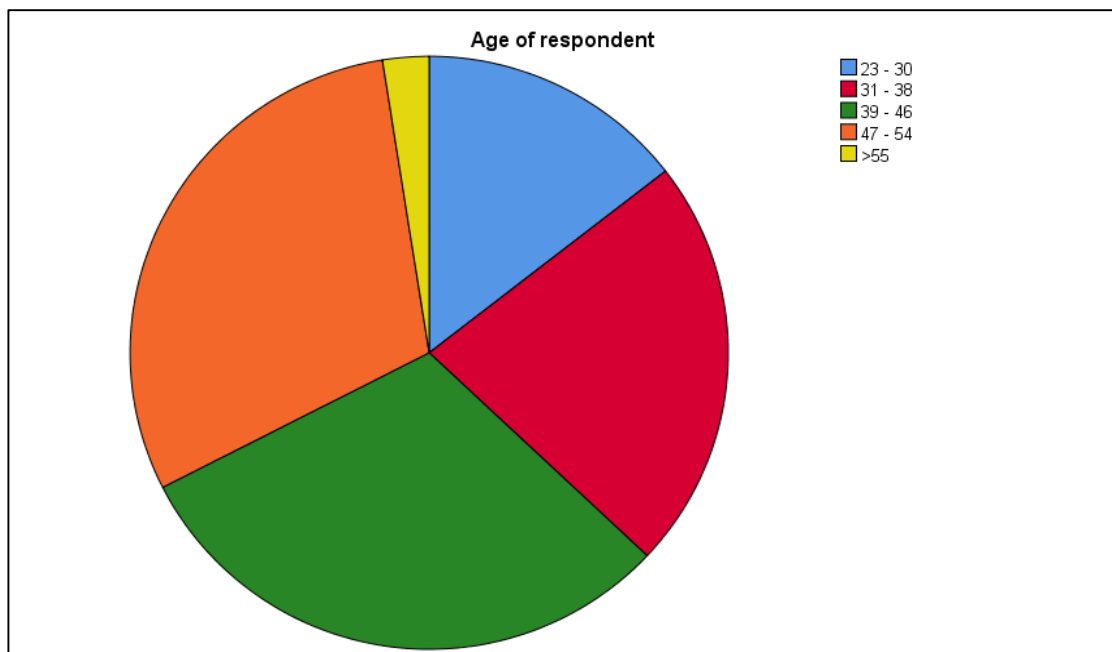
As shown in figure in Table 4.1 and Figure 4.1, the analysis of respondents' gender have revealed that 45% of the respondents were male while female consisted of 55% of the total sample size.

Table 4.2 Age of Respondents

		Age of respondent			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	23 - 30	29	14.5	14.5	14.5
	31 - 38	45	22.5	22.5	37.0
	39 - 46	61	30.5	30.5	67.5
	47 - 54	60	30.0	30.0	97.5
	>55	5	2.5	2.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the study

Figure 4.2 Age of Respondents



Source :Developed for the study.

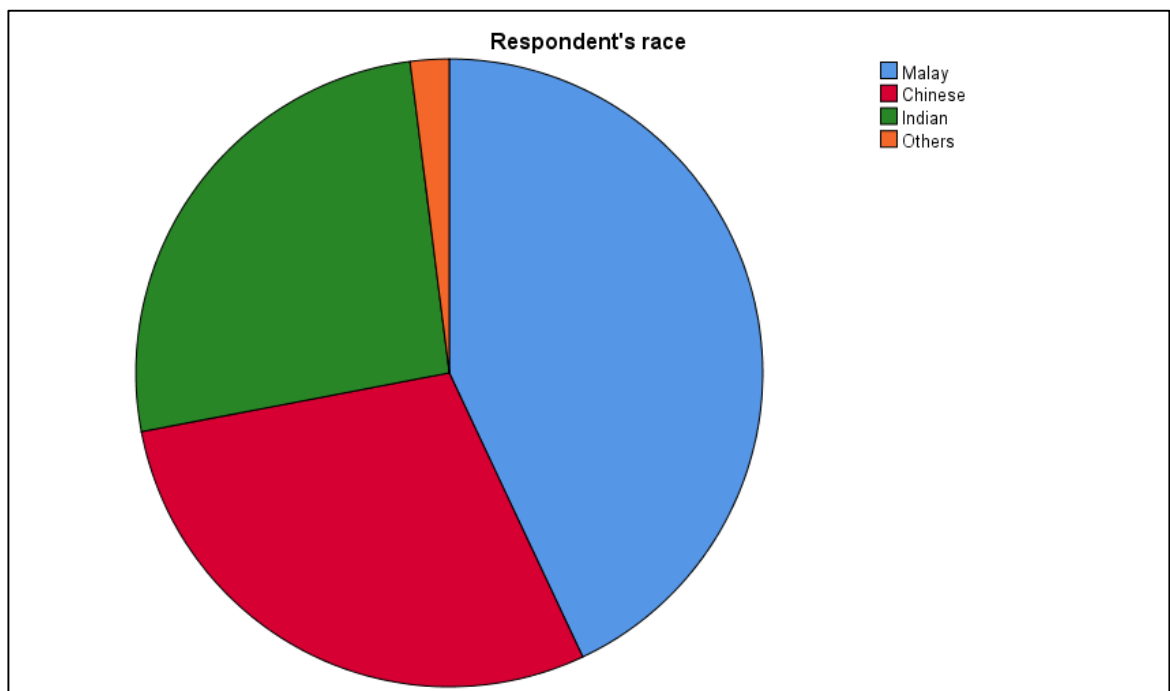
Based on Figure 4.2 and Table 4.2, there were 14.5% of the respondents falling into category of between 23-30 years old and below, 22.5% for between 31-38 years old, 30.5% for between 39-46 years old, 30.0% for between 47-54 years old and 2.50% of respondents for above 55 years old.

Table 4.3 Race of Respondents

		Respondent's race			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	86	43.0	43.0	43.0
	Chinese	58	29.0	29.0	72.0
	Indian	52	26.0	26.0	98.0
	Others	4	2.0	2.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the study

Figure 4.3 Race of respondents



Source :Developed for the study

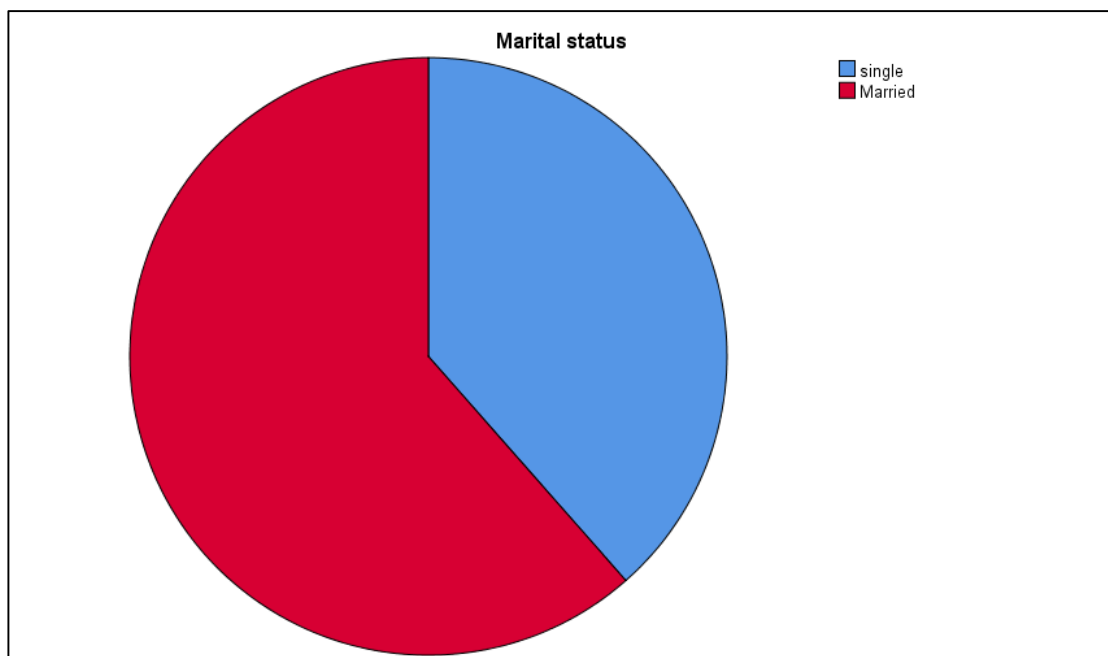
Based on Table 4.3 and Figure 4.3, majority of the respondents were Malay which represented 43.0% of the sample size. Meanwhile, Chinese respondents represented 29.0% and Indian respondents represented 26%. Lastly, other races represented 2.0%.

Table 4.4 Marital Status of Respondents.

		Marital status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	77	38.5	38.5	38.5
	Married	123	61.5	61.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the study.

Figure 4.4 Marital Status of Respondents



Source :Developed for the study.

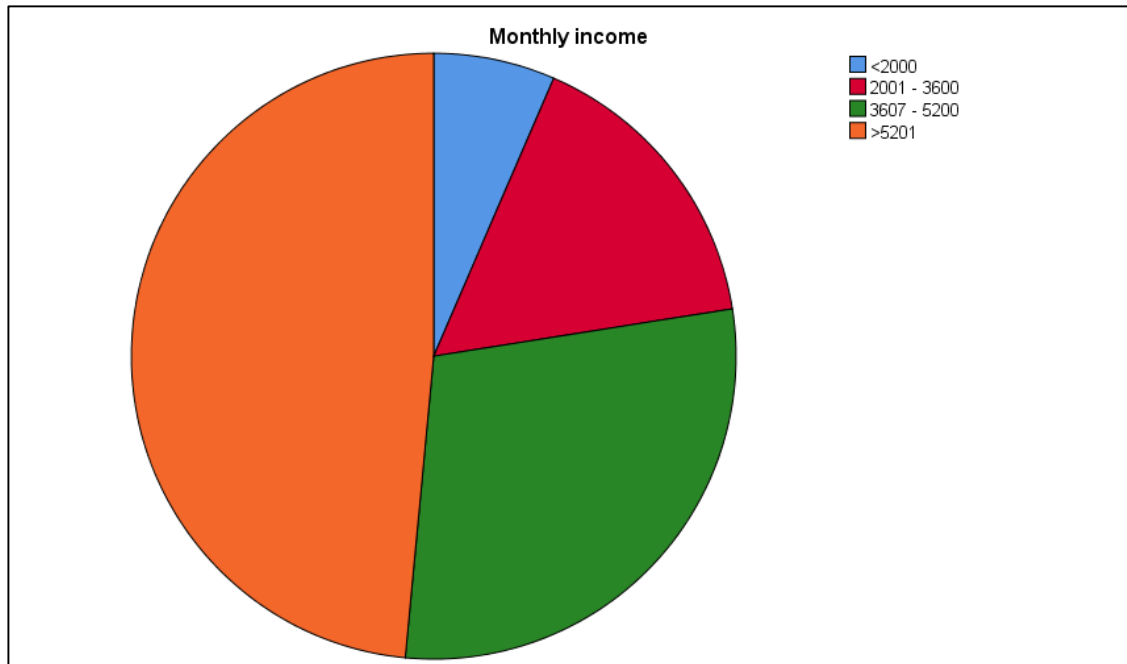
As shown in Table 4.4 and Figure 4.4, there are 61.5% of the respondents were married and 38.5% of the respondents were single.

Table 4.5 Monthly Income of Respondents.

		Monthly income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<2000	13	6.5	6.5	6.5
	2001 - 3600	32	16.0	16.0	22.5
	3601 - 5200	58	29.0	29.0	51.5
	>5201	97	48.5	48.5	100.0
	Total	200	100.0	100.0	

Source: Developed for the study.

Figure 4.5 Monthly Income of Respondents



Source :Developed for the study.

From Figure 4.5 and Table 4.5, the analysis has shown that the respondents' income of below RM 2000 is 6.5%, RM 2001-RM 3600 was 16.0%, RM 3601-RM 5200 was 29.0% and 48.5% for income above RM 5201.

4.4 INFERENCE ANALYSIS

4.4.1 PEARSON CORRELATION ANALYSIS

Table 4.6 Pearson Correlation.

	Attitude	Subjecti. norms	Perc. Behavi. Control	Cons. Knowldg.	Perc. Mon. Value	Purchase Intention
Attitude	1					
Subjective norms	-.257**	1				
Perceived Behavioral Control	-.213**	-.367**	1			
Consumer Knowledge	-.128	-.072	.240*	1		
Perceive Monetary Value	.189**	-.385**	.119	-.287**	1	
Purchase Intention	.009	.217**	.118	.180*	.058	1

Source :Developed for the study.

Based on Table 4.6 , it has shown that the correlation matrix for the six examined construct which were the independent variables, Attitude, Subjective norms, Perceived behavioral control, Consumer knowledge and Perceive monetary value and the dependent variable, Purchase intention. According to the Table 4.6, all the constructs were different and did not overlap with each other.

In this study, Subjective norms shown positive relationship with $r=0.217$, significant at 0.01 level. Next, it was followed by Consumer knowledge with $r=0.180$, Perceived behavioral control with $r=0.118$, Perceived Monetary Value with $r=0.58$ and Attitude with $r=0.009$, all correlation were significant at 0.01 level. Thus, the results show that there

is a significant relationship between purchase intention towards all the independent variables.

4.4.2 MULTIPLE REGRESSION ANALYSIS

Table 4.7 Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.492*	.242	.223	.38839

Table 4.8 has shown that the R Square is 0.242 for the regression of intention to purchase of 0.492*. This means that 24.20% of the variation in the purchase intention can be explained by the five variables which attitude, subjective norms, perceived behavioral control, perceived monetary value and consumer knowledge. The others 76.80% remain unexplained.

Table 4.8 ANOVA Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.353	5	1.871	12.401	.000 ^b
Residual	29.264	195	.151		
Total	38.167	200			

^a. Dependent Variable : Purchase intention

^b. Predictors : Attitude, Subjective norms, Perceived behavioral control, Perceived monetary value, Consumer Knowledge.

4.4.3 TEST OF SIGNIFICANT

Table 4.9 Coefficient.

	Unstdz. Coefficients B	Unstdz Coefficients Std. Error	Standardized Coefficients Beta	T	Sig
(Constant)	.980	.789		-1.179	.240
Attitude	.045	.074	.040	.612	.541
Subj.Norm	.361	.070	.350	5.154	.000

PBC	.403	.102	.270	3.961	.000
Con. Knowledge	.179	.031	.376	5.827	.000
PMV	.242	.099	.158	2.435	.016

a. Dependent Variable : Purchase Intention

Regression analysis of coefficient is used to test the coefficient between the independent variables and dependent variable. The results from Table 4.10 shows that Beta of Consumer knowledge is 0.376 followed by Subjective norms (0.350), Perceived behavioral control (0.270), Perceived monetary value (0.158) and Attitude (0.040). The results suggest that Consumer knowledge has the highest impact on the intention to purchase agriculture insurance.

In addition to this, only three variables which are Subjective norms ($p=0.000$), Perceived behavioral control ($p=0.000$), and Consumer knowledge ($p=0.000$) are significant predictors on the intention to purchase of Agriculture insurance. The other variables which is Attitude ($p=0.541$) and Perceived monetary value ($p=0.016$) are not predictors of the intention to purchase of Agriculture insurance.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

In the previous chapter, the researcher have obtained results from the data collected. This chapter will discuss on the findings from previous chapter and also provides recommendation for the future research that can effect the Insurance industry.

5.2 DISCUSSION

From the respondents' descriptive study, the personal details are classified as gender, age, marital status, race and monthly income. Majority of the respondents were female which have constituted 55.0% of the sample size, aged category between 39-46 years old which have constituted 30.5% of the respondents and most of them were Malay and married which constituted 43.0% and 61.5% respectively of the respondents. In this study, most of the respondents have a monthly income above RM 5201 which constituted 48.5% of the sample size.

5.2.1 INFERENTIAL ANALYSIS

Pearson Correlation Coefficient analysis is used to measure the association among the six variables. Based on the result, Subjective norms shown positive relationship with $r=0.217$, significant at 0.01 level. Next, it was followed by Consumer knowledge with $r=0.180$, Perceived behavioral control with $r=0.118$, Perceived Monetary Value with $r=0.58$ and Attitude with $r=0.009$, all correlation were significant at 0.01 level. Thus, the results show that there is a significant relationship between purchase intention towards all the independent variables.

For Multiple Regression Analysis, the R^2 regression of purchase intention is 0.492. The regression coefficient for Consumer knowledge is 0.376 followed by Subjective norms (0.350), Perceived behavioral control (0.270), Perceived monetary value (0.158) and Attitude (0.040).

5.3 RECOMMENDATION

Since the study is being conducted in Polytechnic Sultan Salahuddin Abdul Aziz Shah, future research can be carried out by improving the selection samples for their studies which I other places. The accuracy and reliability of the results can be improved by expanding the sample size, specifically more than 200 questionnaire. Besides, the time frame of conducting survey should be extended in order for the researchers to get sufficient time to distribute and collect data from large number of respondents.

For future research, researchers can also conduct a qualitative research so that they can obtain more reliable and precise information. Other than that, the future research can provide this research to any insurance company that they can improve the products services and increase plant nursery owner awareness of agriculture insurance and ensure that the owner implemented the intention to purchase Agriculture insurance.

5.4 CONCLUSION

As a conclusion, this portion summarize the entire chapter of this study. There are several implication that have helped the plant nursery owner to aware about the importance of purchasing Agriculture insurance and maximize its business performance. Besides, this study has included several limitations that have been faced by researchers. However those limitations have been supported by recommendation in order to enhance the insurance industry and horticulture business in the future.

Throughout this study, the researchers have discovered some important factors that have impacted the purchase intention of plant nursery owner on Agriculture insurance. Hence, this study has help the insurance industry to keep track of the five independent variables and continuously monitor the nursery owner purchase intention to ensure maximum satisfaction among the customers. Thus, it also definitely helps to create customer loyalty towards insurance industry.

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