IDENTIFYING THE PERCEPTION OF CONSUMER BEHAVIOR TOWARDS
THE HYBRID CAR

NUR ADILAH BINTI ISMAIL

B060910161

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VERIFICATION BY SUPERVISOR

I hereby declare that have read this thesis and in my this thesis is sufficient in terms
of scope and quality for the award Bachelor of Technology Management
(High Technology Marketing)

Signature　　　　　　　:……………………..........

Name of Supervisor　　:…….……………………

Date　　　　　　　　　:…………………………..

DECLARATION OF ORIGINAL WORK

"I hereby declare that this thesis is the result of my own research except as cited in the references."

Signature   :

Name   : NUR ADILAH BTE ISMAIL

Date   : 19 JUNE 2013

DEDICATION

This research paper is lovingly dedicated

to my respective parents

who have been my constant sources of inspiration.

They have given me the drive and discipline to tackle any task with more

enthusiasm and determination.

Without their love and support, this project would not have been made possible.

I love you both!

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بِسْمِ اللَّهِ الرَّحْمَٰنِ الرَّحِيمِ

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ABSTRACT

Nowadays, a lot of green products are sold in the market. Retailer and manufacturer also sell the green products but the researcher does not know the perception of the consumers towards the green product. Perception of consumer behavior towards the green products in hybrid car is important so that the cars are well known among those consumers. Furthermore, in hybrid car it is not only good for the environment but have some problems may occur when use the hybrid car. The problems are through the cost and very risky in the accident. Not only that, the hybrid car is heavy because of the heavy batteries installed in the car and causes the acceleration of the car is much slower than the normal car. Next, the aim of this study is to investigate and analyze the perception of consumer behavior in decision making process towards the green product in hybrid car. Besides that, the objective that will be achieved is to study the consumer perception about the hibrid car. This study also will analyze variables affecting the students towards the hybrid car. Moreover, in this research, the researcher is study about the consumer perception in hybrid car by using the questionnaire. The survey will be conducted among the students in faculty of FPTT UTeM while the data is collected and analyzed in quantitatively. As a conclusion, the hybrid car is important to reduce the pollution and global warming. Hopefully through this research, the researcher will find out the perception of consumers towards the green product. This result also link to the manufacture for producing greener product to the market.

ABSTRAK

Pada masa kini, terdapat banyak produk hijau yang dijual di pasaran dunia. Peruncit dan pengilang juga menjual produk-produk tersebut tetapi para penyelidik tidak mengetahui tentang persepsi pengguna terhadap produk hijau tersebut. Persepsi dan gelagat pengguna terhadap kereta hibrid adalah penting supaya kereta hibrid tersebut menjadi terkenal di kalangan pengguna-pegguna kenderaan. Tambahan pula, kereta hibrid bukan sahaja baik untuk alam sekitar tetapi mempunyai beberapa masalah yang mungkin berlaku apabila menggunakan kereta hibrid tersebut. Masalah-masalah yang timbul adalah melalui kos dan ia sangat berisiko jika berlaku kemalangan. Bukan itu sahaja, kereta hibrid adalah berat kerana bateri yang dipasang di dalam kereta tersebut menyebabkan pecutan kereta itu menjadi lebih perlahan berbanding dengan kereta biasa. Tujuan kajian ini di lakukan adalah untuk menyiasat dan menganalisis persepsi serta tingkah laku pengguna dalam proses membuat keputusan terhadap kereta hibrid. Selain itu, objektif yang akan dicapai adalah untuk mengkaji persepsi pengguna tentang kereta hibrid tersebut. Kajian ini juga akan menganalisis pembolehubah yang mempengaruhi pelajar terhadap kereta hibrid. Dalam kajian ini, pengkaji akan mengkaji mengenai persepsi pengguna terhadap kereta hibrid dengan menggunakan soal selidik. Kajian ini akan dijalankan di kalangan pelajar-pelajar di fakulti FPTT UTeM manakala data yang dikumpul akan dianalisis secara kuantitatif. Kesimpulannya, kereta hibrid adalah penting untuk mengurangkan pencemaran dan pemanasan global. Diharapkan melalui kajian ini, penyelidik akan mengetahui persepsi pengguna terhadap kereta hibrid.

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UTeM	Universiti Teknikal Malaysia Melaka
FPTT	Faculty of Technology Management and Technopreneurship
%	Percent
n	Number of responses
N	Total number of respondents
f	Weight given to each response
x	Number of responses
Xt	Total number of responses
SPSS	Statistical Package for Social Sciences

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CHAPTER 1

INTRODUCTION

1.1   Background

This research is mainly to identify the perception of consumer behavior in decision making towards the green product. According to the Hoyer & Macinnis (2010), Consumer behavior reflects the totality of consumers' decision with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people and ideas by human decision making units. It is reflected more than the way that a product is acquired by a single person at any one point in time to influence one or more of the dimension of consumer behavior using the marketing strategies and tactics. Furthermore, there are four factors that affect the consumer behavior. There are cultural, social, personal and psychological but the researcher only focus on the fourth factors that is psychological and review on the perception of the consumer towards the green product. **Consumer Behavior reflects:**

| The totality | about the | of an offering | by decision- | over time |
| of decision | consumption | | making units | |

Whether		Products	Information-	Hours
What	Acquisition	Services	gatherer	Days
Why		Activities	Influencer	Weeks
How	Usage	Experiences	Decider	Months
When		People	Purchaser	Years
Where	Disposition	Ideas	User	
How much/				
How often/				

Marketing Strategies and Tactics
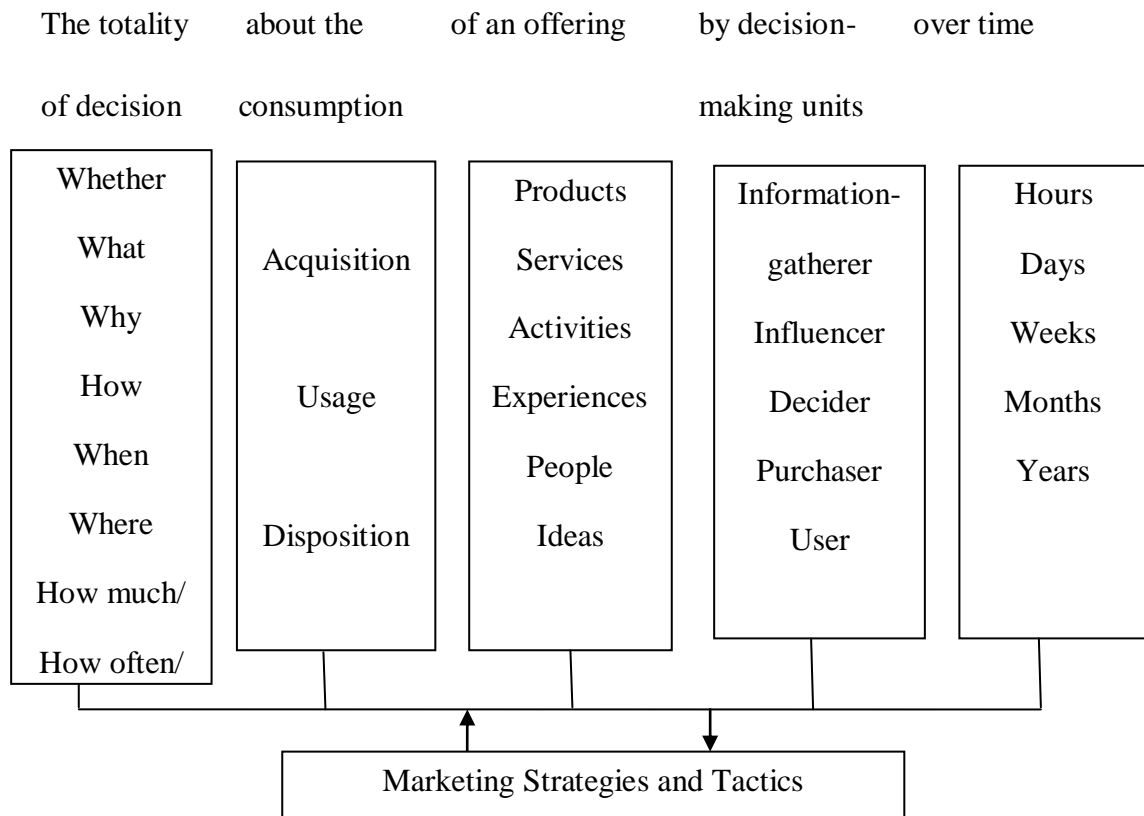
Figure 1.1: Consumer Behavior reflects by Hoyer & Macinnis (2010)

Meanwhile, perception is important in making decision. According to the Schiffman & Kanuk (2007) perception can be defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world. For example two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes and interprets these stimuli is a highly individual process based on each person needs, values, and expectations. In the perception, there are four elements that influence in the perception. Firstly element is sensation. Sensation is the direct response towards the stimuli of the sensory organ such as brand names, advertisements and others. Sensory receptors that involved are the human organ such as ears, nose, mouth and others. Second element is the absolute threshold. According to Schiffman & Knuk (2007) the absolute threshold is the lowest level which an individual can experience a sensation. It is the point which a person can detect a difference between 'something' and 'nothing' is that person's absolute threshold for the stimulus. To illustrate, the distance at which a driver can note a specific billboard on a highway is that individual's absolute threshold. Next element is the differential threshold. It is the minimal difference that can be

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detected between two similar stimuli but also known as just noticeable difference. And last element is subliminal perception. According to Schiffman & Kanuk (2007), the people are being motivated below their level of conscious awareness. People are also stimulated below their level of conscious awareness that is they can perceive stimuli without being consciously aware that they are doing so. Stimuli that are too weak or too brief to be consciously seen or heard may nevertheless be strong enough to be perceived by one or more receptor cells. Besides that, a green product is a product that gives less impact towards the environment or the human being. The green product must have the quality to protect the environment from being polluted. The natural ingredient is use for making the green product. For example in automotive. The cars are being manufactured to hybrid in order to reduce the air pollution that can causes the depletion of ozone layer and skin diseases to the human being.

Moreover, the green product also being marketed through the green marketing so that the consumer may know about the existing of the green product. According to the American Marketing Association, the green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. In green marketing also, it contains of 4P's and that are price, product, place and promotion. Not only that, there have the additional social marketing used in the process such as publics, partnerships, policy and purse strings. The below table is the example of green marketing activities occur in the market.

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	Tactical greening	Quasi-strategic greening	Strategic greening
Targeting	Ads mentioning green features are run in green-focused media.	A firm develops a green brand in addition to its other brands.	A firm launches a new Strategic Business Unit (SBU) aimed at the green market.
Green design	A firm switches from one raw material supplier to another with more eco-friendly processes.	Life-cycle analysis is incorporated into the eco-design process to minimize eco-harm.	E.g. **FUJI XEROX** develops its Green Wrap paper to be more eco-friendly from the ground up.
Green positioning	E.g. a mining company runs a Public Relations (PR) campaign to highlight its green aspects and practices.	E.g. **British Petroleum (BP) AMOCO** redesigns its logo to a sun-based emblem to reflect its view to a hydrogen/solar-based future of the energy industry.	E.g. the BODY SHOP pursues environmental and social change improvements and encourages its consumers to do so as well.
Green pricing	Cost-savings due to existing energy-efficiency features are highlighted for a product.	E.g. a water company switches its pricing policy from a flat monthly rate to a per-unit-of-water-used basis.	A company rents its products rather than selling; consumers now pay only for use of the product.
Green logistics	A firm changes to a more concentrated detergent, which.	Packaging minimization is incorporated as a part of a firm's manufacturing review process.	A reverse logistics system is put into place by FUJI XEROX to reprocess and remanufacture copiers.
Marketing waste	A firm improves the efficiency of its manufacturing process, which lowers its waste output.	E.g. **TELSTRA** (a phone company) has internal processes so that old telephone directories (waste) are collected and turned into cat litter products by other companies.	E.g. a Queensland sugar-cane facility is rebuilt to be cogeneration based, using sugar-cane waste to power the operation.
Green promotion	An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage.	A company sets a policy that realistic product eco-benefits should always be mentioned in promotional materials.	As a part of its philosophy the **BODY SHOP** co-promotes one or more social/eco campaigns each year with in-shop and promotional materials.
Green alliance	A company funds a competition (one-off basis) run by an environmental group to heighten community awareness on storm water quality issues.	E.g. **SOUTHCORP** (a wine producer forms a long-term alliance with the Australian Conservation Foundation to help combat land-salinity issues.	A company invites a representative of an environmental group to join its board of directors.

Figure 1.2: Green marketing activities

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1.2   Statement of the problem

In automotive, hybrid car is produce and manufactured to reduce fuel consumption and emissions reductions. Not only that, the price of hybrid car is rather higher than the local car. This is because the costs of the raw material in producing the hybrid car are increased in the market. Furthermore, it supported by Paul Eng (2004) said hybrid car also very risky in the accidents. This is because hybrid cars stores high amount of battery voltage. This means that there is a high chance to get electrocuted when they are involved in an accident. It is relatively difficult for rescuers to get the driver and passengers out of the hybrid car because of the danger of high voltage in the car. Next is the hybrid car also is heavy because of the heavy batteries installed in the car and causes the acceleration of the car is much slower than the normal car. Therefore, the issues that occur in this research is the perception of consumer behavior towards the green product in automotive. This perception also correlates with the decision making of the consumer. If the perception of the green product is narrow, then the consumer will not be interested and purchase the product for their usage. This may cause the green product has limited user in the market. The consumers also perceive that the green is not as good as the regular stuff.

1.3   Objectives

The main objectives of this research are:

- To study the consumer perception about the hybrid car
- To analyze variables affecting the students towards the hybrid car

1.4   Scope of the project

This research focuses more on perception of the consumer behavior towards the hybrid car in UTeM Melaka. In this research, the researcher using the questionnaire to survey about the perception of the students towards the hybrid car. The questionnaire will be distributed among the students in Universiti Teknikal

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Malaysia Melaka from the FPTT students. This research focus on the perception that will affect the students about the hybrid car.

1.5 Importance of the project

This research aims to investigate and analyze the perception of consumer behavior towards the hybrid car. Nowadays green marketing is familiar in the market but user of the green product is limited. Not only that, many campaign has been made to promote the awareness of the green products such as go green campaign but consumer still do not care about the environmental that has been contaminated. So by doing this research, researcher will analyze and investigate their perception towards the hybrid car using the survey by distributing the questionnaire among the FPTT students.

1.6 Theoretical Framework

The theoretical framework that has in my research is between the perception and the hybrid car. From the theoretical framework also, the researcher can derived the hypothesis. The hypotheses are:

Perception on Sensation

- H0: There is no relationship between the perception on sensation and hybrid car.
- H1: There is the relationship between the perception on sensation and hybrid car.

Perception on Absolute Threshold

- H0: There is no relationship between the perception on absolute threshold and hybrid car.
- H1: There is the relationship between the perception on absolute threshold and hybrid car.

Perception on Differential Threshold

- H0: There is no relationship between the perception on differential threshold and hybrid car
- H1: There is the relationship between the perception on differential threshold and hybrid car.

Perception on Submininal

- H0: There is no relationship between the perception on submininal and hybrid car.
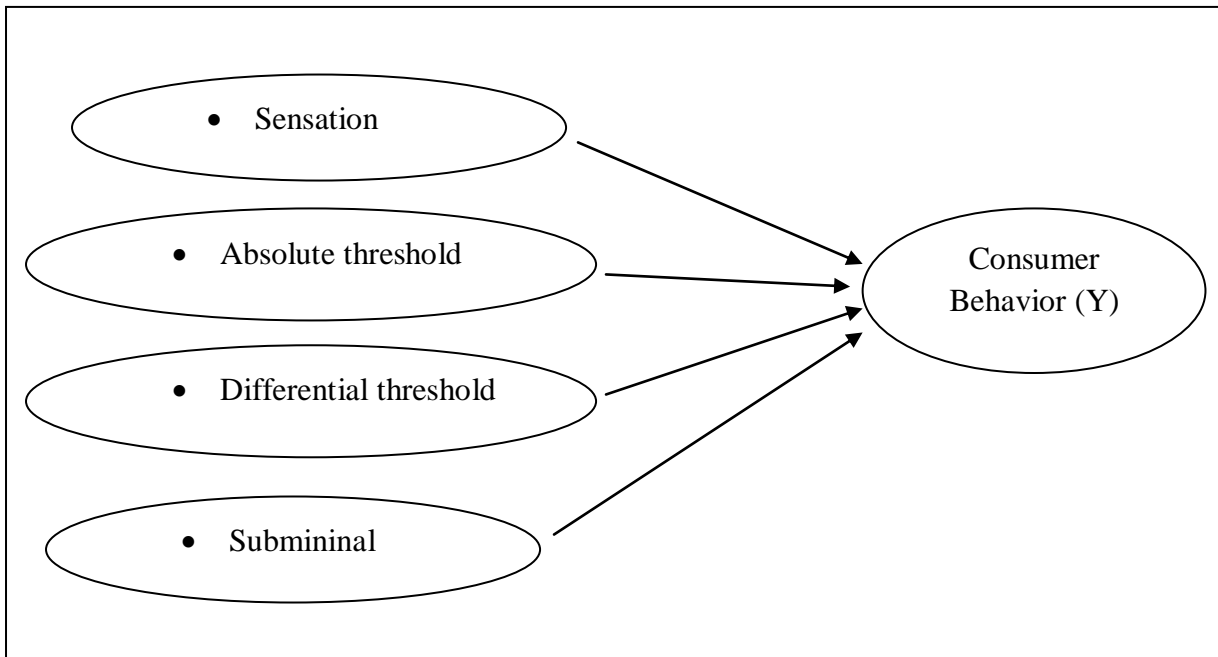- H1: There is the relationship between the perception on submininal and hybrid car.

Figure 1.3: Theoritical Framework by Schiffman & Kanuk (2007)

1.7 Summary

In the chapter 1, the researcher explained about the background of the research so that the objective and the problem of statement can be made to facilitate the researcher works. The explanation also must be specific, compact and can be understand what all is about. Moreover, the researcher also explained about the scope limitation and the key assumption of the project is mainly about. This is because the topic that has been discussed can easily be understood by everyone who read the research. Lastly is the importance of the project. The researcher also stated what is going on in the research and what is the researcher do to know about the perception of the consumer behavior towards the hybrid car in UTeM Melaka.