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UTeM

THE PROMOTION MIX AND ITS IMPACT ON
CONSUMER'S PURCHASE OF FROZEN HALAL
PRODUCT

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DECLARATION BY SUPERVISOR

I hereby declare that I have read this thesis and
in my opinion this thesis is sufficient in terms of scope and quality for the award
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THE PROMOTION MIX AND ITS IMPACT ON CONSUMER'S PURCHASE OF
FROZEN HALAL PRODUCT

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DECLARATION OF ORIGINAL WORK

“I hereby declare that the work of this project paper is mine except for the quotations and summaries that have been duly acknowledge.”

Signature :

Name :

Date :

DEDICATION

This research paper is lovingly dedicated to my parents, Encik Hassan Bin Hj Kasim and Maimunah Binti Endot, who have been my constant source of inspiration, they have given unconditional support with my studies. I am honoured to have them as my parents. Thank you for giving me a chance to prove and improve myself through all my walk of life. To all my family thank you for believing me for allowing me to further my studies.

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ABSTRACT

This research paper aims to study the impact of promotion mix consist advertising, sales promotions, public relation, personal selling, and direct marketing in influence consumer's purchase of frozen halal products. As outline in the Third National Agricultural Policy (NAP3), there is need to enhance competitiveness and to increase value-added to the whole supply chain as well as the position Malaysia as an international halal food hub. Halal products is not confined to just Muslim anymore because with an estimated halal food market worth anywhere between US\$500 billion to US\$2.3 trillion anually. With an estimated two billion Muslims scattered around the world, Malaysia as a Muslim country, has all the elements and is well positioned to be the centre for the promotion, distribution and production of halal food, non-food products and other services. The research used a quantitative research method. Data were collected through questionnaires. The sample of this research comprises entrepreneur's involved frozen halal product in Melaka especially in Melaka Halal Hub Sdn. Bhd, Serkam. The data collected will be analyzed using Statistical Package for the Social Sciences (SPSS) version 20. The findings will assist marketer in determining the factors that can enhance consumer's purchase of frozen halal products. It provides the impacts of promotion mix strategy in influencing consumer's purchase of frozen halal products and executing the promotion mix strategy that contributes to consumer's purchase of frozen halal products. This research was founded the elements of advertising and personal selling only was contributed to the consumer purchase frozen halal product in Melaka.

ABSTRAK

Kertas penyelidikan bertujuan untuk mengkaji kesan campuran promosi terdiri pengiklanan, promosi jualan, perhubungan awam, jualan peribadi, dan pemasaran langsung dalam pembelian pengaruh pengguna produk-produk halal beku. Menggariskan dalam Dasar Pertanian Negara Ketiga (DPN3), terdapat keperluan untuk meningkatkan daya saing dan meningkatkan nilai ditambah kepada rangkaian bekalan keseluruhan serta kedudukan Malaysia sebagai hab makanan halal antarabangsa. Produk halal tidak terhad kepada hanya Islam lagi kerana dengan anggaran pasaran makanan halal bernilai mana-mana sahaja di antara AS \$ 500 bilion kepada AS \$ 2.3 trilion setiap tahun. Dengan anggaran dua bilion umat Islam yang bertaburan di seluruh dunia, Malaysia sebagai sebuah negara Islam, mempunyai semua unsur-unsur dan kedudukan yang baik untuk menjadi pusat untuk promosi, pengedaran dan pengeluaran makanan halal, produk bukan makanan dan perkhidmatan lain. Kajian ini menggunakan kaedah penyelidikan kuantitatif. Data dikumpulkan melalui soal selidik. Sampel kajian ini terdiri daripada terlibat produk sejuk beku halal usahawan di Melaka terutamanya di Melaka Halal Hub Sdn. Bhd, Serkam. Data yang dikumpul akan dianalisis dengan menggunakan Pakej Statistik untuk Sains Sosial (SPSS) versi 20. Hasil kajian akan membantu pemasar dalam menentukan faktor-faktor yang boleh meningkatkan pembelian pengguna terhadap produk halal beku. Ia menyediakan impak promosi strategi campuran dalam mempengaruhi pembelian pengguna terhadap produk halal beku dan melaksanakan strategi campuran promosi yang menyumbang kepada pembelian pengguna terhadap produk halal beku. Kajian ini telah mengasaskan hanya pengiklanan dan jualan peribadi telah menyumbang kepada pembelian pengguna dibekukan produk halal di Melaka.

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CHAPTER 1

INTRODUCTION

1.1 Background of the Research

As the Malaysian Government is focusing on increasing food production in the country as well as making Malaysia an international halal hub, food-processing companies can leverage on Malaysia's strength in halal certification and government's promotional efforts to capture the halal market abroad (HDC, 2008). As consumers play the pivotal role to bring the success of any business, there is a need to study the consumers buying behavior in organized retail market (Prasad, 2012). From a consumer behavior perspective, reference groups are important because they inform and make individuals aware of specific products and brands, provide individuals with opportunities to compare their own thinking with the attitudes and behavior of the group, and influence individuals to adopt attitudes and behavior that are consistent with the norms of the group (Makgosa and Mohube, 2007). Thus it will cause related marketing can increase the sales of the company by increasing trial purchase, repeat purchase and / or promoting multiple unit purchase (Shabbir et al, 2009). Consumers either purchase ready frozen food or prepare their own frozen products in various forms at home, in line with their needs and the tastes of family members (Bekta et al, 2011).

1.2 Problem Statement

The research aim to investigating consumer's purchasing on frozen food product, as it has ways to promotion their product in promotion mix strategy. Promotion costs, too, are a source of friction. The marketing group needs to spend money to generate customer's awareness of, interest in, preference for, and desire of product. But the sales force often view the large sums spent on promotion (Kotler et al, 2006). Consumers now have stronger purchasing power and more choice when purchasing and consuming food. Therefore, more people demand healthier, safer, hygienic, environmentally friendly and higher quality foods (Rezai et al, 2011). Nowadays, customers seek an experience, which is more than product variety and or quality a synthesis of multi attributes which create a favorable retailer and store image (Prasad, 2012). Frozen foods are especially appropriate for preparing meals quickly and are an important source of food for people with limited time due to work or other commitments (Bekta et al, 2011).

1.3 Research Question

In this research, the focus is to determine the relationship between the promotion mix strategy and how it influences the consumer's purchase in frozen halal products. So, this research explored the following key questions:

- 1.3.1 What are the factors that can enhance consumer's purchase of frozen halal products?
- 1.3.2 What are the impacts of promotion mix strategy in influence consumer's purchase of frozen halal products?
- 1.3.3 How does the promotion mix strategy that contributes to consumer's purchase of frozen halal products?

1.4 Research Objective

The objective of the study basically is to investigate the relationship between the elements of advertising, sales promotion, public relation, personal selling and direct marketing support towards the influences the consumer's purchase. Researcher also identifies the element of advertising, sales promotion, public relation, personal selling and direct marketing which will be the most significant to influences the consumer's purchase in frozen halal products. The objectives of study are state as below

- 1.4.1 To indentify the factors can enhance consumer's purchase products of frozen halal.
- 1.4.2 To examine the impacts of promotion mix strategy in influencing consumer's purchase of frozen halal products.
- 1.4.3 To determine the promotion mix strategy that contributes to consumer's purchase of frozen halal products.

1.5 Scope of the Research

This research only focused on to identifying the promotion mix and its impact on consumer's purchase of frozen halal product. This study primarily conducted at Melaka Halal Hub in Serkam, Melaka examining the firm's promotion strategy, their relation toward consumer purchasing, especially in frozen halal product. It scope on examining the advertising, sales promotions, public relation, personal selling, and direct marketing in influence consumer's purchase of frozen halal products.

1.6 Limitation of the Research

The sample of survey is chosen among the frozen halal product only from Melaka Halal Hub. The result and finding may not be generalized to other frozen halal product especially other food and beverage industry in Melaka Halal Hub. This research is based on quantitative analysis and used questionnaire as a survey method. Study subjects responded only based on the answers provided. The measurement tool in this study also consisted of items adapted from previous researchers. Although previous studies have highly reliable, but it is limited to the context of this study. To what extent honesty study subjects answered questions given handled are beyond the control of the researcher. Based on constrains of time and costs, the researcher will only conducted in Melaka Halal Hub.

1.7 Important of the Research

The main reason researcher want to do this research is to exploring the reviewing the promotion mix that influencing consumer's purchase of frozen halal products. Besides that, researcher wants to empirically indentify the critical promotion factors to success.

1.8 Summary

This chapter is discussing the background of the research. Next, discuss the problem statement that leads the researcher to achieve the objective of this research. In this chapter also discuss the research question, research objective, scope of the research and importance of the research. The problem that researcher will face in this research is the limit of time to complete this report.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

A literature review is an account of what has been published on a topic by accredited scholars and researchers. Literature review is a description critical analysis of what authors have written and need focus on research question and objective (Saunders et al, 2012). By using literature review it can understand some insights he shared with readers the results of other studies related to the interests of the researcher ongoing investigation. This can help the researcher to introduction of relevant theories related to the promotion mix and its impact on consumer's purchase of frozen halal product.

2.2 Definition of promotion mix

The promotion mix is essential part of the marketing mix 'Four Ps' which include element of product, price, promotion and place (Hughes and Fill, 2008). Promotion includes issues such as advertising, personal selling, sales promotion, public relations and direct marketing. Distribution channels are the most important questions about how an organization can optimize a connection between inner and outer channels (Pour, 2012). "Promotion mix is the marketer's bag of tools for communicating with

customer and other stakeholder. All of these many tools must be carefully coordinate under the concept of integrated marketing communications on order to deliver a clear and compelling message (Kotler and Armstrong, 2007)”. “Marketing communication is just part of the marketing mix and its role is to communicate information of various kinds about company, and its role is to communicate information of various kinds about the company, and its products and services to target audiences (Hughes and Fill, 2008)”.

According to Fill, 2011 notes that the ultimate role of promotion is to engage audiences. In general, marketing communications have to fulfill the following tasks: informing target audiences of the company’s products, persuading them of the mutual values, reinforcing experiences by reminding the assurance of benefits and differentiating the company’s products and brands from other competitors. Promotion mix is a combination of three important elements namely tools, media and messages. The tools are the methods of communicating with customers while the media are the means of communicating. These traditional promotion tools are advertising, sales promotion, personal selling, public relations and direct marketing (Fill, 2011).

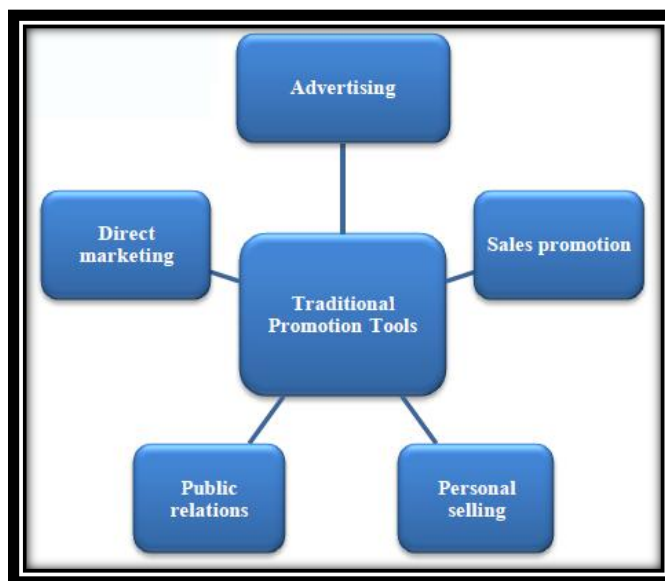


Figure 2.1: Traditional marketing communication tools (adapted from Fill, 2011)

2.3 Overview of Study

Halal has become the buzz word with regards to food, although its relevancy in fact extends to non-food areas such as personal care & cosmetics products, pharmaceuticals, other consumer goods, finance and services. Halalan Toyibban simply means permissible and wholesome, and this concept is founded on Syariah laws. Toyibban denotes food that is safe, clean, nutritious and of good quality. The general principle concerning food according to Islamic teachings is that everything is halal except impurities, and that which is harmful and intoxicating (HDC, 2008).

2.3.1 Melaka Halal Hub

By 15 January 2012, Melaka Halal Hub Sdn. Bhd (MHHSB) establishes and wholly owned by Melaka State Development Corporation (PKNM). MHHSB are more focusing on development of Halal concept and certification by Jabatan Kemajuan Islam Malaysia (JAKIM). MHHSB has 42 entrepreneurs which produce a hundred product of halal industry and sets the Halal best practices in food processing and manufacturing to enrich the development of halal standards globally. Others, MHHSB provide a single platform for the ease of worldwide muslim to source and promote for quality halal product and services. MHHSB to be a one stop centre to dealing with agency, manufacturers, distributors, retailers, entrepreneurs, researchers and investors as part of halal business profits. Recent research on meningitis (HDC, 2008) has shown The roles and responsibilities of MHHSB are as One Stop Centre for certification HALAL, MeSTI, GMP, HACCP consultation in dealing with globalization market industry to develop, promote and market the Melaka Halal Hub brand. MHHSB also direct and coordinate the development of Melaka Halal parks industry linkages to government agency, private and public sectors and access market for business matching with dealing among trading company, Multi level marketing (MLM), and related it.

2.3.2 Frozen Halal Product

Frozen foods, products of the food preservation process of freezing. The frozen food industry has expanded rapidly because of the labor-saving and space-saving advantages of frozen foods and because the freezing process generally involves less loss of taste, flavor, and appearance than do other methods it has been paralleled by the development of suitable containers and of specialized methods of transportation, storage, and retailing (Hanzaee and Ramezani, 2011). Frozen Food is food that has been prepared and cooked then packaged and rapidly frozen. Such food is sold in shops from freezer cabinets from where people take it home and put it in their freezers. The frozen product process from raw material to final product must according to producer in certification HALAL (HDC, 2008).

2.4 Advertising

Advertising is an educated observer, however, looks at advertising as something more than a sales message that occupies the space in and around news stories, magazine features, and TV programs (Wells et al, 2007). “Advertising is a paid form of non-formal communication that is transmitted through mass media such as television, radio, newspaper, magazines, direct mail, public transport vehicles, outdoor display and the internet. Advertising is the main communication tool used by organizations in the difference market sectors and is the one on which most budget is spent (Hughes and Fill, 2008)”. “Advertising has become one of the most important commercial activities in the modern competitive environment. Companies hope that consumers will purchase their products due to the advertisements, which deliver messages about a certain brand and its products. An advertising objective is a specific communication task to be accomplished with a specific target audience during a specific period of time (Kotler and Armstrong, 2006)”.

2.4.1 Magazines

“For a long time, television and magazines dominated in the media mixes of national advertisers, with other often neglected. Magazines has high geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership (Kotler and Armstrong, 2006)”. “Ads in newspapers and magazine can carry out coupon, an order form, an address, or a toll-free or 900 telephone number. The response may be either to purchase something or to ask for more information (Wells et al, 2007)”. “Magazine designed to appeal to nearly every type of consumer in terms of demographics, lifestyle, activities, interests, or fascination. Magazines have a number of characteristics that make them attractive as an advertising medium. Strengths of magazines include their selectivity, excellent reproduction quality, creative flexibility, permanence, prestige, readers’ high receptivity and involvement, and services they offer to advertisers (Belch et al, 2007).

2.4.2 Newspapers

Newspapers advantages are flexibility; timeliness; good local market coverage; broad acceptability and high believability (Kotler and Armstrong, 2006). Newspapers have four basic functions to inform, to interpret the news, to provide a service to readers, and to entertain. These functions explain what the newspaper does, and they are why people read it. “The traditional role of newspapers has been to deliver prompt, detailed coverage of news as well as to supply other information and features that appeal to readers. The vast majority of newspapers are daily publications serving a local community. Newspaper ads can be written, laid out, and prepared in a matter of hours. For most dailies, the closing time by which the ad must be received is usually only 24 hours before publication (Belch et al, 2007)”.