

BRAND AWARENESS, QUALITY AWARENESS AND CONSUMER PERCEPTION AS
DETERMINANTS OF CONSUMER PURCHASING DECISION

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DECLARATION OF SUPERVISOR

I hereby confirm that I have examined this project paper entitled:

Brand Awareness, Quality Awareness and Consumer Perception as Determinants of
Consumer Purchasing Decision

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of Technology Management (High Technology Marketing)

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DECLARATION OF ORIGINAL WORK

I declare this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted and in candidates for any other degree.

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Date :

DEDICATION

Every challenging work needs self efforts as well guidance of elders especially those who were very close to our heart. My humble effort I dedicate to my sweet and loving father and mother, Mr. Abdul Jamal and Mdm. Zakiah Abidin also all my siblings. Whose affection, love, encouragement and prays of day and night make me able to finish my final year project.

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Last but not least, to all those who are involved directly or indirectly in helping the success of this research project. Hopefully this report will help those people and researchers in the future.

ABSTRACT

This study aims to know the elements of the consumer purchasing decision, the elements is stands from brand awareness and quality awareness of consumer towards the product while making the purchasing decision. Therefore, the consumer perception also plays the important determinant of purchasing decision. This study will be conducts in Malacca Raya's town where there is have so many background of respondents where it might be Malacca's citizen, tourists and students. This study would be use a survey method which involve 100 respondents in answering the questionnaires. For the data analyses, it would be using Statistical Package for Social Science (SPSS). Thus, hopefully this study would be achieves the three objectives and success.

Keywords: Brand Awareness, Quality Awareness, Consumer Perception

ABSTRAK

Tujuan kajian ini adalah untuk mengenal pasti elemen-elemen yang ada dalam keputusan pembelian pelanggan, antara elemen-elemen yang ada ialah kepedulian jenama and kepedulian kualiti di kalangan pengguna terhadap produk semasa melakukan keputusan pembelian. Selain itu, persepsi pengguna terhadap sesuatu produk juga memainkan peranan yang penting dalam melakukan keputusan pembelian. Kajian ini dilakukan di Malacca Freeport, Alor Gajah, Melaka di mana di sana terdapat latar belakang responden yang berlainan di mana ia terdiri daripada masyarakat Melaka, pelancong dan pelajar Kajian ini menggunakan kaedah kaji selidik di mana seramai 100 orang responden perlu menjawab soalan kaji selidik yang disediakan. Untuk menganalisis data, kaedah Statistical Package for Social Science (SPSS) telah digunakan. Diharapkan kajian ini berjaya dan mencapai objektif yang telah ditetapkan.

Kata kunci: Kepedulian Jenama, Kepedulian Kualiti, Persepsi Pengguna

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Chapter 1 is about the roughs ideas about the study that the researcher has conduct. Chapter 1 consist the background of research, the problem statement of research, research question, research objective and the scope of the research.

Background of the research is about the general information about this study, follow by the problem that the researcher want to cover and the last is the tools that the researcher use to solve the problem.

For problem statement of the research, the problem statement is the problem that what the researcher want to cover. For this study, the problem statement is about brand awareness, quality awareness and consumer perception as determinants of consumer purchasing decision.

Research question is about the most normally question that related with the problem statement and the research question might help to make the research more focus and not going too far with the research field.

Research objective is the reason to answer research question and the research objective must related with research question. The scope of this study is the problem that involved and the location of the research that will be conduct.

1.2 Background

Today markets are growth so fast and large because of the economic, technology changing, political issues, customer behavior and many more. According to the research conducted by Tasnuba Nasir (2010), brand is a combination of name, symbol and design also brand represent the customer's perceptions and opinion about the performance of products. The consumer's behavior always be the important issues to the companies would try to fulfill their needs and wants.

The demand from consumers and willingness of companies made the markets always change. The consumer demands toward of branded products also their purchasing power push the companies to produces the more and more products to made customers will their loyal consumers. According to the research study conducted by Prashant Raj Baniya (May 2013), brand knowledge is classified and defined in terms of brand awareness and brand image (will be discussed in coming section) and brand knowledge consists of thought, feelings, images, experiences, believes association with the brand.

Consumer response to marketing is defined in terms of consumer perceptions, preferences and behavior arising from marketing mix act such as brand choice, comprehension of copy points from an ad, reactions to a coupon promotion or evaluations of a proposed brand extension.

Thus, the branded company normally was established for very long time, the branded company have success because of their relationship with consumer was so strong and they know how to serve their customer well. Base on Baba (2014), the survival or success of companies is now dependent on the amount of information that is carefully gathered by the former with regards to the purchasing habits displayed by consumers.

Beside of brand, the quality is the major factor influence consumer's purchasing decision. The branded products do not mean come with high quality as consumer thought. Sometime, the quality of non-branded product can be same and might be more than branded product. Consumer need to be very careful while purchase the branded product and make sure about the quality and about the price.

Quality also include perceive quality. Base on research conduct by Mohamad Alamgir (2010), a perceived quality provides greater beneficial opportunity of charging a premium price. The premium raises profit and gives a resource to reinvest in the brand. Perceived quality will enable a strong brand to extend further and will get a greater success possibility than a weak brand.

For the other consumers, they are not really care about the product's brand as long as the product that they want to but have the good quality and value for their money. This consumer normally is a group whose not really care about fashion, status and lifestyle.

For this study, it more focused on brand awareness, quality awareness and consumer perception as determinants of consumer purchasing decision. It will involve the Malacca Raya's people to get their opinion and feedback from the questionnaire distribute and gathering or categorized the data.

1.3 Problem Statement

In this era, consumer nowadays have exposed with the really huge of market which offering a lots of variety of products and brands. Look at before, consumer has face with lack of product's choice offering and the problem already overcome with so many of companies entering the market.

The changing of market also change the consumer purchasing style since the customer have more knowledge and this is indirectly give the signal to the companies to produce only a good products. The consumers today already have the brand awareness, quality awareness and the consumer also have their own perception towards the products while making their purchasing decision.

A few research studies were held to investigate the influential of branding and quality toward consumer purchasing decision. As consumer behavior in making purchasing decision is unpredictable, the consumer need to make sure the product that they would buy have to be works with the price that they pay.

1.4 Research Questions

- 1.4.1 What is the effect of brand awareness to consumer purchasing decision?
- 1.4.2 What is the importance of quality awareness towards consumer purchasing decision?
- 1.4.3 What is consumer's perception about brand and quality of local's product?

1.5 Research Objectives

- 1.5.1 To identify the effect of brand awareness to consumer purchasing decision.
- 1.5.2 To investigate the importance of quality awareness towards consumer purchasing decision.
- 1.5.3 To understand the customer perception about brand and quality of local's product.

1.6 Scope and Limitation

1.6.1 Scope

The scope of this study is to study the brand awareness, quality awareness and consumer perception as determinants of consumer purchasing decision. This study is to understand the consumer awareness of brand and quality. Therefore, this study also including the consumer perception towards brand and quality of local's products.

1.6.2 Limitation

In the course of this study, there are several difficulties and problems faced by the researcher. Some problems could be solve and while some not. Yet, researcher needs to be patient and bold to get through all the difficulties and come out with this study. The limitations include:

1.6.2.1 Time Constraints

As of time constraints, the researcher could not give full concentration and could not explore more to get extensive and in depth information. Even if the researcher was given sufficient time, due to other obligation, some aspect that should have be position in this study were excluded.

1.6.2.2 Financial Problem

Money is undeniably crucial. Thus, in order to have a good research project, the researcher has to invest some money to the project. This is due that in conducting a research, certain allocation of money need to be use in order to travel for data gathering process.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

For this chapter, we discuss on the overview of the brand awareness, quality awareness and consumer perception as determinants of consumer purchasing decision. This chapter is evaluation from the previous research which has been summarizing in the same field with the study of mine.

2.2 Brand Equity and Brand Awareness

According to Maria Johansson (2010), the definitions of brand equity can be broadly classified into two categories; either as financial considerations and the value of the brand equity for the firm, or based on the customer perspective which looks as brand

Equity as the value of a brand for customer. Brand awareness passes on that how to aware current and potential customers towards your product and service (Gustafson & Chabot, 2007). If an organization has a successful brand awareness it means that the products and services of the organization have a good reputation in the market and simply acceptable (Gustafson & Chabot, 2007).

The study conducted by Muhammad Ehsan Malik (2013), the awareness of the brand plays a significant role while purchasing a product or service and may have control on perceived risk evaluation of consumers and their level of assurance about the buying decision due to awareness with the brand and its uniqueness.

Claimed by Manilall Dhurup (2013), brand awareness is an important indicator of consumers' knowledge about a brand, the strength of a brand's presence in the consumers' minds and how easily that knowledge can be retrieved from memory (O'Guinn, Allen & Semenik 2009). There are two main types of brand awareness, namely 'aided awareness' and 'top of the mind awareness' (Farris *et al.* 2010).

2.3 Product Quality

According to Anita Johari and Khin Than Myint (2012), product-based approach is based on its economical roots which the differences of the elements or attributes infatuated by the product are being considered as reflecting to the differences in quality and quality set at a high level off product or services, it expand reputation, increase customer retention, attracting new customer from the word of mouth, and also increasing the financial performance as well ask profitability (Julian and Ramaseshan, 1994; Zeithaml, 1996). Besides that, there are two types of low price product quality possibility

where firstly, low price is the indication to low quality. On the other hand, low price is indicating to good or very good quality. Although product price is set at low, to penetrate the market in high speed, product quality is actually high although the price is set low (Hilleke and Butscher, 1997).

The study conducted by Rodoula Triosou (2012), research has suggested that involvement affects the way quality cues operate. For example, low-involvement consumers are more inclined to adopt price as a cue whereas high-involvement consumers in addition to price, consider a variety of cues (Zaichkowsky 1988). However, there has been little to connect involvement and perceived quality directly. Tsiotsou (2006) found a direct relationship between these two constructs and reports product involvement is a significant predictor of perceived product quality.

Abdul Aziz Baba (2014), perceive quality is the consumer's mindset on the quality of a product or brand being able to fulfilling an expectation. This is usually based on the company's image or identity. This is the extent or degree to which a particular brand is recognized by consumers and this makes consumers to develop strong bonds with the related product and thus can make them purchase more frequently.

2.4 Consumer Purchasing Power

Clearly, according to Mark G and Malvasi (2003), Consumer purchasing power measures the value in money for which consumers may purchase goods or services. Alan M. Taylor and Mark P. Taylor (1992), Purchasing power parity (PPP) is a disarmingly simple theory that holds that the nominal exchange rate between two currencies should be equal to the ratio of aggregate price levels between the two countries, so that a unit of currency of one country will have the same purchasing power in a foreign country.

According to Hussein Al- Zyoud (2015), In addition, there are also known problems generated when the PPP model is applied to time-series data which has been sampled below the Nyquist-Shannon sampling frequency (Taylor, 2000; Wang & Jones, 2002). Issues of temporal aggregation can arise when data is sampled annually or monthly (Taylor, 2000). Low frequency sampling cannot possibly account for higher frequency parity adjustments (Taylor, 2000; Wang & Jones, 2002).

Joseph D. Alba (2015), Purchasing Power Parity (PPP) is usually studied as an “all or nothing” proposition. Either the unit root hypothesis is rejected and evidence of PPP is found, or the unit root hypothesis is not rejected and evidence of PPP is not found. While this perspective is appropriate for investigating PPP among developed countries with similar characteristics, it is not appropriate for studying PPP among a more diverse group of developed and developing countries.

2.5 Consumer Purchasing Decision

Reported by Ajao Ganiyu (2012), some theories argues that product choice can be explained by what is known as ‘the expectancy-value model.’ in this model, it is argued that consumers intuitively assign scores to two variables, one being the degree of expected pleasurable outcome, the other being the value they attach to a favorable outcome (Nowlis, 1995). When faced with competing products, this model postulates that consumers assign scores to these expectancy-value parameters and, following an informal mental computation, make a selection on the basis of highest overall score (Hawkins and Coney, 1992; McCarthy, 1996).

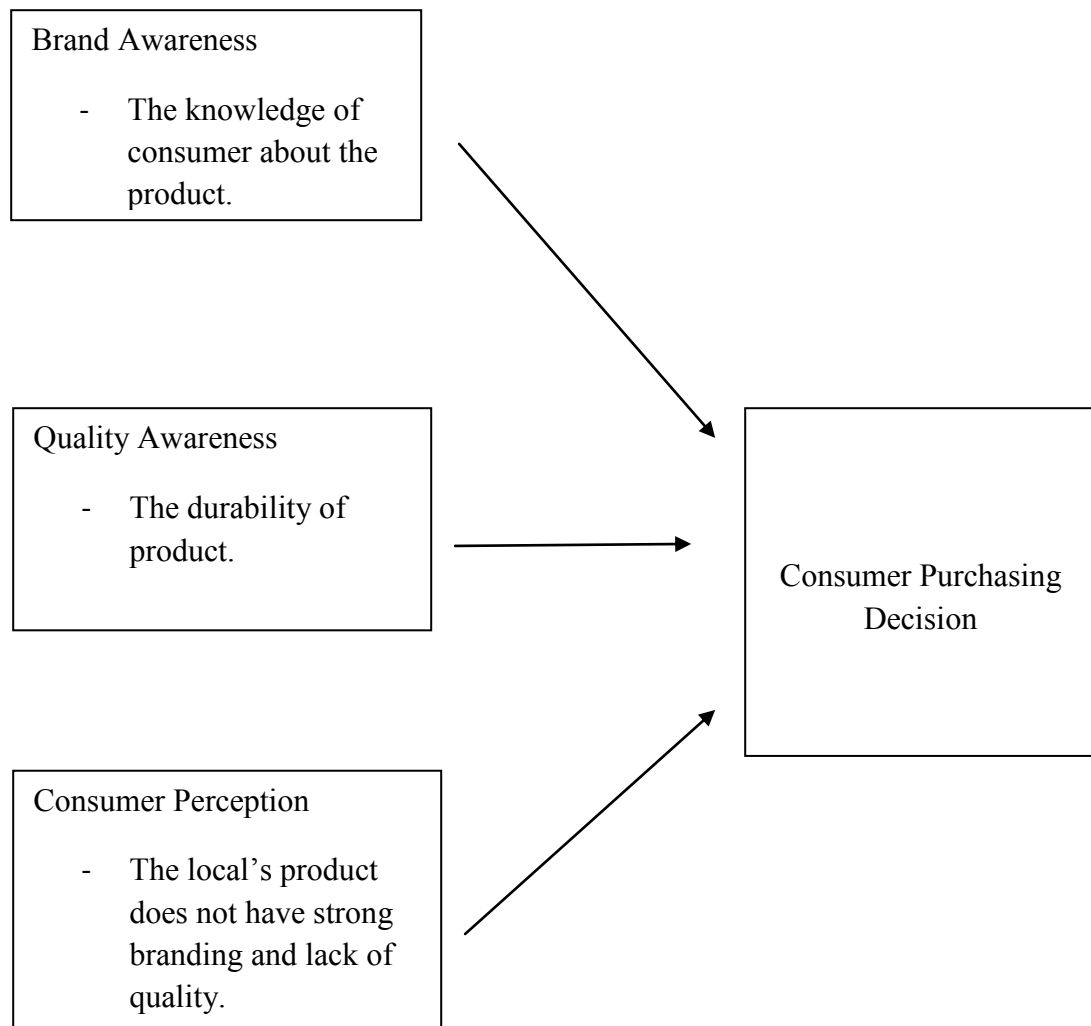
Moreover, Shahrzad Jeddi (2013), consumers can purchase different products and this difference because that different buying decisions buying process consists of

several, consumers to purchase some goods don't need to pass during all stages of the buying decision. Besides that, Nusnat Zahan Lopa (2014), there are many social and interpersonal factors that influence customers to decide about any product and so happen in mobile phone also. Consumer behavior is affected by a lots of variables, ranging from personal motivations, needs, attitudes and values, personality characteristics, socio-economic and cultural background, age, sex, professional status to social influences of various kinds exerted by family, friends, colleagues and society as a whole (Moschis, 1976).

2.6 Theoretical Framework

A theoretical framework is a collection of interrelated concepts, like a theory but not necessarily so well worked out (Stephen, 1999). The independent variable and dependent variable are the key roles in theoretical framework. In this study, the study want to figure out brand awareness, quality awareness and consumer perception as determinants of consumer purchasing decision.

Figure 2.1 Theoretical Framework of Brand Awareness, Quality Awareness and Consumer Perception as Determinants of Consumer Purchasing Decision.



2.7 Hypothesis

Based on the basic model, there are three independent variables which are brand awareness, quality awareness and consumer perception. Besides, the dependent variable