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CUSTOMER ATTITUDE AND THEIR BUYING POWER
AT THE BODY SHOP MELAKA

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“I hereby declare that this project paper is result of my independent work except the summary and excerpts that have been specifically acknowledgement”

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DEDICATION

I would like to dedicate the appreciation to my family, lecturers and friends.

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In completing this project, it really takes perseverance, determination, commitment, planning, and sacrifices and if I were to write, the list is endless with joys and stressful. It is a journey with a self-fulfilling. I would like to thank to those who have involved and be by my side on my way to complete this report. As a beginning of the great opportunity to express my respect to Mr Mukhiffun Bin Mukapit who has been an excellent supervisor. With his support, patience, time, energy and keep his eye on me to make sure I finished my project in a right flow.

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ABSTRAK

This paper reports were about the consumer attitude and their purchasing power towards The Body Shop Product. Contemporary evidence proposes that the size of buyer adoption of green products was much less that would be denoted by the committed opinion referendum evidence concerning about consumer attitudes and their purchasing power towards The Body Shop Product. The major issue was the awareness of customer in using The Body Shop Product. How well the customer can adapt to the new formulate strategy of utilizing the environmentally friendly product. We were also looking into the relationship between consumer attitude and their buying power. This analysis paper was conducted to grasp about the customer incisiveness toward The Body Shop Product. Throughout the questionnaire survey that was orchestrated with assorted category of customer, therefore we knew that the attitude plays a significant role in resolving the buying power of the customer towards The Body Shop Product. With supportive speculation of buyer behavior theory, we can perceive the trend and compliance of customer towards their preference.

ABSTRACT

Kertas kerja ini melaporkan kira-kira sikap pengguna dan kuasa membeli mereka terhadap The Body Shop Produk. Bukti kontemporari mencadangkan bahawa saiz pakai pembeli produk hijau adalah lebih kurang yang akan ditandakan oleh komited bukti pendapat referendum mengenai mengenai sikap pengguna dan kuasa membeli mereka terhadap The Body Shop Produk. Isu utama adalah kesedaran pelanggan dalam menggunakan The Body Shop Produk. Sejauh pelanggan boleh menyesuaikan diri dengan merangka strategi baru menggunakan produk mesra alam. Kami juga mengkaji hubungan antara sikap pengguna dan kuasa membeli mereka. Kertas analisis telah dijalankan untuk memahami mengenai ketajaman pelanggan ke arah The Body Shop Produk. Sepanjang kajian soal selidik yang dirancang dengan kategori aneka pelanggan oleh itu kita tahu bahawa sikap memainkan peranan penting dalam menyelesaikan kuasa membeli pelanggan ke arah The Body Shop Produk. Dengan spekulasi menyokong teori tingkah laku pembeli kita boleh melihat trend dan pematuhan pelanggan ke arah pilihan mereka.

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LIST OF ABBREVIATIONS

B = Beta

% = Percentage

R = Point of Estimate

R^2 = Point of Estimate Square

P = P value

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CHAPTER 1

INTRODUCTION

1.1 Background of study

It is not deniable anymore about the momentousness of the green product in this globalization era. A green product is best narrated as the applied science that causes the future to significantly boost environmental performance relative to other technology. Green Technology is the evolution and application of products, equipment and system used to conserve the Mother Nature and resources, which minimize and lessen the negative impact of mortal activities. Determination of various challenges in this issue had been highlighted on how pertinent to use the green technology product. This inquiry will conduct us to study the relationship between the variable (consumer attitude) and the result (buying power) towards green products. In the other way round, attitude is best identified as a mankind personal frame of mind and deportment reacting towards something that they like, dislike and sometimes from the influence of the other people, the trend, the comfort zone, the future sight and the result to purchase the green product.

Green Technology assigns to good, equipment or system which gratify the following benchmarks:

- 1) It cuts down the degradation of the air
- 2) It takes in zero or low greenhouse gas (GHG) emission. It is safe for use and promotes healthy and improved environment for all phases of animation
- 3) It conserves the economic consumption of energy and innate resources
- 4) It encourages the utilization of renewable resources
- 5) It Improve the quality of life for all
- 6) It Conserve and minimize the impact on the surroundings

Expanding awareness of the various environmental problems has led a move in the way consumer go about their life style. Consumer notice the huge atmosphere problem occurs and it ponders on their alterations in conduct. There has been an evolving trend in buyer attitudes towards green habits. People more actively try to reduce their ramifications on the surroundings. Nevertheless, this is not widespread and is even developing. When everyone sees the importance of using green product may be one day they may notice the world is a safer spot to be. Organizations and business however have seen this variety in consumer attitude and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. The current work demonstrates the analysis, consumer attitude and their buying power towards green products.

1.2 Problem statement

Green product plays a significant role not simply towards the human organism but also to the environment. The technology evolved from the modernize technology with the Eco friendly technology that is a green product. The revolution of technology is here, but who are responsible to make it relevant? The result is we have to change the human attitude first. After changing the person's position, green product will be borne by everybody. Therefore, changes into being a green lifestyle can be a reality.

The problem here is that not everyone is mindful of the existing and the importance of purchasing a green product. Yes, they see the benefits of practicing the green product not just to themselves but also to the environment. All the same, they nonetheless are not doing it due to several internal problems. Because they know green product is a good deal more expensive than the other product. Many factors contribute to failure of using greener products.

Consumerism can perhaps be distinguished as a movement which initially began as a process which was inserted to protect consumers against the practices of non ethical marketing. Over time this has extended and become more extensive in nature. When today's agenda with regards to consumer activism is needed into consideration, it can be observed that the protection of the environment is the most vital aspect. In that location is an accompanying increase in the concern expressed towards environmental protection, leading to "green consumerism".

There have been a number of different components which are instrumental in promoting green consumers to purchase green products. Extensive research over the years identify that heightened awareness of green issues increased level of data available on environmental sustenance, green advertising by corporations increased concern for the environment, increase in popularity of green products by social and environmental charities as some constituents. Today green development is identified as an opportunity need to be transported out by business firms as opportunities to better their marketing niche rather than just natural processes which require to be taken away.

1.3 Research Question

- 1) How does the consumer attitude towards The Body Shop products?
- 2) Will they use their buying power to purchased The Body Shop product?
- 3) What is the relationship between consumer attitude and buying power?

1.4 Research Objective

This analysis is conducted to recognize the awareness of the client towards the green product.

- 1) To identify the consumer attitude towards The Body Shop Product.
- 2) To observe consumer buying power when choosing The Body Shop Product.
- 3) To determine the consumer attitude factor towards buying power of customer at The Body Shop.

1.5 Scope, limitation and assumption

We will be focussing about the type of consumer attitude, The Body Shop Product and the element of consumer buying power. The restriction is the response time, place, and the seriousness of the respondent answer. A sum of 100 respondents of mix categories from female and male respondent throughout The Body Shop customer will be participating in answering a questionnaire study. In Melaka, there are three branches of The Body Shop. So, I assume that in every week there may be 300 customers who purchased at The Body Shop. So, I will take 10% from the value and make them as my respondent. Therefore, in every branch there will be 30-33

respondents. My assumption is that there are relationship between consumer attitude and buying power at The Body Shop Melaka.

1.6 Conclusion

The Body Shop Product (green product) is an initiative evolving various kinds of methodologies and material enhancement, from techniques for generating energy to non-toxic cleaning products. The main goal to achieve in this rapidly growing field includes sustainability of the economic development. With many scientific disciplines pertaining to the green technology pointing to global warming and climate changes caused by greenhouse gases, there is an ever increasing societal push for environmental friendly mechanisms to serve shorten the shock resulting from fossil fuel use, landfill and industrial sector wastages. Current researches by industry groups are pursuing and exploring the alternative for green energy sources and production.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

A literature review is a critical and in-depth evaluation of previous research. It is a summary and synopsis of a particular field of research, allowing anybody reading the paper to make the objective of the research subject or political program. It is likewise a vital analysis of a segment of the published body of knowledge through summary, classification, and comparison of prior research studies, reviews of literature, and theoretical articles. This chapter explains how understanding the psychology of attitudes, behaviour and perceptions can help us better with this survey.

2.2 Consumer

In microeconomics the definition of consumer choice relates preferences (for the consumption of both goods and services) to consumption expenditures ultimately, this relationship between preferences and consumption expenditures is used to relate preferences to consumer demand curves. The link between personal preferences, consumption, and the demand curve is one of the most closely studied relations in economics. The consumer is the one who pays to consume the goods and services produced. As such, consumers play a vital role in the economic system of a nation.

Consumer choices results from a process whereby data on several alternatives is evaluated by the consumer prior to the choice of one of these options. In the application of choice process it is often taken for granted that the information-processing strategy underlying choice is a simultaneous one in which all potential alternatives are assessed by an individual. A competing assumption, increasingly recognized in a spatial selection, is that individuals initially evaluate clusters of alternatives and then only evaluate alternatives within a chosen cluster.

It appears self-evident, that individual consumers react differently to clothing styles and indeed there is evidence for this in the literature. The early literature tends to-focus mainly on innovators and opinion leaders, but in a full-ranging review of fashion research Sproles (1981) suggests as many as nine market segments. In a more recent empirical study using classification variables from the fashion, literature Midgley (1983) found only four groups, namely 'high status', 'profession', 'singles' and 'uninvolved'. His study provides the impetus for the current report as it also relates market segments to patterns of information search.

The idea that influence and choice processes might vary across market segments would not appear to be controversial, however few of the influence or information search studies in the literature adopt such a position. A segment-based view would also raise the practical benefits of the research to the marketing decision-maker. The challenge, of course, is to make a useful theory of how different types of consumer make their purchase decisions.

2.3 Attitude

Attitudes help us determine how we examine situations, as well as define how we behave toward the situation or target as well as how we made decision on purchasing the good and service. As exemplified in the tri-component model, attitudes include feelings, ideas, and activities. Attitudes as well provide us with internal cognitions or beliefs and opinions about people and objects. Attitudes cause us to act in a special way toward an object or individual. Although the feeling and belief components of attitudes are internal to a mortal, we can catch a person's attitude from his or her resulting behaviour.

Allport (1935) defined an attitude as a mental or neural state of preparation, organized through experience, exerting a directive or dynamic influence on the individual's reaction to all targets and situations to which it is connected. A simpler definition of attitude is a mindset or a tendency to act in a particular way due to both an individual's experience and disposition. Typically, when we refer to a person's attitudes, we are seeking to excuse his or her behaviour. Positions are a complex combination of matters we tend to call personality, feelings, values, behaviours, and motivations.

An Attitude is lasting because it tends to run over time. It is general because it applies to more than a momentary effect, such as hearing a loud noise, do you might over time acquire a negative position towards all loud noises. Consumers have attitudes towards a spacious scope of attitude objects, from very productive-specific behaviours to more general, consumption-related behaviour.

2.3.1 Type of attitude

Psychologist Daniel Katz developed the operational theory of attitudes to explain how attitudes facilitate social behaviour. Agreeing to this pragmatic approach, attitudes exist because they attend some social occasion for the person. Consumers who expect that they will have to deal with like situations at a future time will be more likely to start to shape an attitude in anticipation.

- 1) Utilitarian function is connected to the basic rules of rewards and penalty. We develop just about attitudes toward products simply because they provide pleasure or annoyance
- 2) Value-expressive function is the attitude that performance a value – expressive function relate to the consumer's central values or self concepts. A person makes a productive attitude in this case because of what the products said about him as a mortal.
- 3) Ego defensive function is an attitude we form to protect our self either from outside threats or internal feeling perform an ego-defensive role.
- 4) Knowledge function forms, some attitudes because we need order, structure, or meaning and it applies when a soul is in an ambiguous situation or she confronting new products.

2.4 Formation of Attitudes

How are attitudes formed? Attitude formation is a result of learning, modelling others, and our direct experiences with people and situations. Attitudes influence our decisions, conduct our behaviour, and impact what we selectively remember (not always the same as what we learn). Attitudes come in different strengths, and like most things that are determined or influenced through experience, they can be valued and they can be altered.

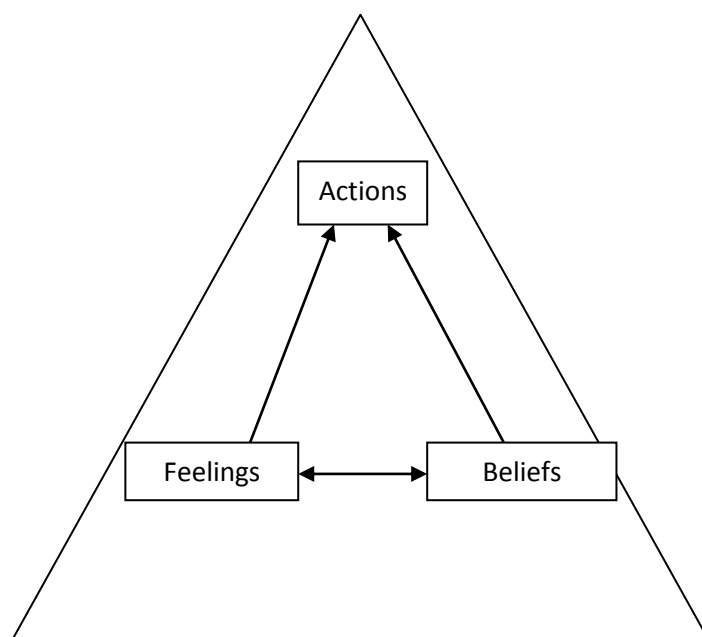


Figure 2.4 : Formation of Attitude