


SUPERVISOR APPROVAL

I hereby declared this report entitled “The Factors Influencing Consumers Purchase Decision Toward Innovation Packaging Products” and found that it has comply the partial fulfilment for awarding the degree of Bachelor of Technology Management (Innovation Technology) with Honour

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Supervisor's Name : PN ROJA HUDA BT RAJA SEHAR

Date : 14 JUNE 2017

THE FACTORS INFLUENCING CONSUMERS PURCHASE DECISION
TOWARD INNOVATION PACKAGING PRODUCTS


ANA MARDIA BINTI AHMAD

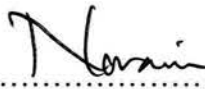
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Fakulti Pengurusan Teknologi dan Teknousahawanan
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
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RESEARCHER DECLARATION

I declared that this report entitle “The Factors Influencing Consumers Purchase Decision Toward Innovation Packaging Products” is the result of my own research except as cited in the references.

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DEDICATION

Alhamdulillah, all praise and gratitude to the Almighty for giving me the opportunity and permission to complete this Final Year Project successfully. This dedication special for my beloved father, Ahmad Bin Yahaya and dear mother, Salamiah Binti Ismail also my family members. Millions of thanks for all advice, support and encouragement along the way of my struggle in seeking knowledge. Thanks for the blessings in pray that never dropped out from mother and father has become reality and fulfilled by His permission. I also would like to thank my older sisters who became a source of strength and always giving me encouragement to continue focus and strive in this field.

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ABSTRACT

This paper is study on innovation packaging products which can be known as INNOPACK. Innovations packaging aimed to reduce the impact of packaging on the environment and it was one of the initiative that directly reduce the amount or variety of materials used and generally reduce waste. Decision of green purchase toward the packaged product offer a chance to reduce the negative environmental impact through adopt the environmentally friendly packaged products. The use of goods among consumers creates toxic waste which becomes the pollutant to the land especially household consumption mainly due to the packaging material.

Therefore, this study tries to identify the awareness and understanding of young consumers toward innovation packaging and study the most factors of their determinants purchase decision toward INNOPACK. It scopes on examining the factor of social influence, attitude, environmental concern, personal norms and willingness to pay. In this case study of innovation packaging products, this research explored the relationship between two variables which are factors influence of consumers' purchase decision and the effectiveness of innovation packaging products. After conducting this research, it was found out that to achieve and enhance young consumer's awareness toward the innovation packaging, some of efforts should be focused on specific events, activities, and functions that related to INNOPACK products. Young consumers should support and loyal to the company which take initiative to produce better innovation packaging products for the environmental safe.

ABSTRAK

Kertas kajian ini membentangkan tentang penyelidikan terhadap produk pembungkusan inovasi yang dikenali sebagai INNOPACK. Pembungkusan inovasi bertujuan mengurangkan kesan jumlah pembungkusan terhadap alam sekitar dan ia merupakan salah satu inisiatif yang secara terus meminimakan jumlah dan variasi bahan yang digunakan dan secara umumnya untuk mengurangkan pencemaran. Keputusan pembelian hijau terhadap pembungkusan produk menawarkan peluang untuk mengurangkan kesan negatif terhadap alam sekitar melalui penggunaan produk pembungkusan secara mesra alam. Penggunaan barangan di kalangan pengguna membentuk pencemaran toksik yang mengakibatkan pencemaran kepada tanah terutama penggunaan barangan dapur akibat daripada bahan pembungkusan.

Oleh itu, kajian ini berusaha untuk mengenal pasti tahap kesedaran dan kefahaman oleh pengguna generasi muda terhadap pembungkusan inovasi dan kajian berkenaan faktor utama yang menyumbang kepada keputusan pembelian terhadap pembungkusan inovasi. Skop kajian ini adalah mengenal pasti faktor pengaruh sosial, sikap, keprihatinan alam sekitar, norma peribadi dan kesanggupan untuk membayar. Dalam kajian produk pembungkusan inovasi ini, penyelidikan ini menyelami hubungkait antara dua pembolehubah iaitu faktor yang mempengaruhi keputusan pembelian pengguna dan keberkesanan produk pembungkusan inovasi. Setelah mengendalikan penyelidikan ini, pengkaji menemui bahawa untuk mencapai dan meningkatkan kesedaran pengguna terhadap pembungkusan inovasi, langkah proaktif perlu diambil seperti mengadakan acara tertentu, aktiviti dan program yang melibatkan produk INNOPACK. Pengguna belia juga seharusnya menyokong dan setia kepada pengusaha yang mengambil inisiatif untuk mengeluarkan produk pembungkusan inovasi yang lebih baik demi kesejahteraan alam sekitar.

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CHAPTER 1

1.0 INTRODUCTION

1.1 Background of the Research

The term green is alternatively known as ‘eco-friendly’, ‘environment friendly’ or ‘sustainable’ (Kim et al, 2013). While, the term of innovation packaging can be known as eco-friendly packaged or INNOPACK (Sirim, 2016). Innovation packaging was designed to be effective and safe throughout its life cycle and promote economic and environmental health. Specifically, innovations aimed to reduce the impact of packaging on the environment and it was one of the initiative that directly reduce the amount or variety of materials used and generally reduce waste (Vernuccio and Cozzolino, 2010).

In order to cater the rising need and importance of green technology towards sustainability advancement, the government has formed the Ministry of Energy, Green Technology and Water. Malaysian government has involved in stimulating green purchasing behaviour among the consumers. The government has taken a holistic approach for the sustainability of the environment which is known as AFFIRM. AFFIRM that stands for Awareness, Finance, Faculty, Infrastructure, Research, development and commercialization and Marketing has obtained commitment for all stakeholders in committing toward the environment protection in Malaysia (Malaysia Green Forum, 2010).

In addition, consumers are more concern to be motivated to make a contribution toward the environmental protection through the sustainable development (Moser, 2015). Decision making of green purchase toward the packaged product offer a chance to reduce the negative environmental impact through adopt the environmentally friendly packaged products (Leonidou, et al, 2013).

1.2 Problem Statements

High consumption and exploitation of the nature have cause environmental deterioration. The higher of their contribution to the environment because of the more things people purchase. This is because, the use of goods among consumers creates toxic waste which becomes the pollutant to the land (Nurul Zarirah Nizam et al, 2014). The household consumption like groceries is a substantial share to the environment impact which is mainly due to the packaging material (Koenig-Lewis et al., 2014). The solution of the problem must be understanding because all environmental problem has sources, effects and a holistic resolution to be aware and understand to respond the environmental problem without delay.

It can be considered that packaging is capable of creating eco-friendly perception of consumers. But, there are few studies that have traced the influence of eco-friendly packaging and purchase intention of consumers (Larceneux et al., 2012). Most studies have been done in the developed countries and have analysed the antecedents of consumers' purchase of ecologically packaged products (Koenig-Lewis et al, 2014). Therefore, the present paper tries to identify the awareness and understanding consumers toward innovation packaging and studying the most factors of their determinants purchase decision toward the innovation packaging.

1.3 Research Questions

This existing propensity, interesting research questions emerge:

- 1) What are the level of young consumers' awareness toward innovation packaging products?
- 2) What are the level of young consumers' understanding toward innovation packaging products?
- 3) What are the factors that will influence young consumer purchase decision toward innovation packaging products?

1.4 Research Objectives

According to Saunders at.al. (2012) research objective is a clear, specific statements that identify what the researcher wishes to accomplish as a result of doing the research. The objective of this research is:

- 1) To know the level of young consumers' awareness toward innovation packaging products.
- 2) To determine the level of young consumers' understanding toward innovation packaging products.
- 3) To identify the factors that will influence young consumer purchase decision toward innovation packaging products.

1.5 The Scope of Research

The scope of this study involves getting feedback from the young consumers purchase decision as observer from the implement of innovation packaging method. This study primarily conducted at Melaka Tengah among young generation consumers. It scopes on examining the factor of social influence, attitude, environment concern, personal norms and willingness to pay in influence consumer's purchase decision toward innovation packaging products.

1.6 Limitation of the Research

The samples of survey are only chosen around Melaka Tengah among the young generation consumers. This research is use questionnaire as a survey method and based on quantitative analysis to analyse the result data of survey. The total sample chosen is because of limitation of cost and time to run the data. Researcher do not have enough time to reach all respondents because limited time duration of research. Study subjects responded is only based on the answers provided by the respondents. The researcher assume that respondents will provide honest answers. The researcher also assume that respondents have adequate knowledge to be the part of respondent for primary data collection. The researcher assume that respondent have more experience to handling this topic when she/he can provide justifiable answers.

1.7 Importance of the Research

This research will show the insight into the phenomenon of innovation packaging products awareness among young consumers in Melaka. The objective of this research is to examine how innovation packaging namely green packaged is structured through the factors that will influence young consumers in purchase decision. From this research, the researcher aims of achieving the goal by giving detailed variable of factors that influence in purchase decision of innovation packaging product by young consumers understanding using academic data research and empirical part of the study. Theoretical part contains the background of factors consumers' purchase decision and the description of the state research concept with emphasis on innovation packaging products.

1.8 Summary

This chapter is explaining the background of the research which is about the theory of innovation packaging products and the latest scenario among consumers. 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 limitation and importance of the research.

CHAPTER 2

2.0 LITERATURE REVIEW

2.1 Packaging

From the previous research in the choice of packaging, a choice made when a desired product comes in alternative packages like functional package characteristics such as convenience of use, design and aesthetics have been in the forefront. Only recently have the environmental consequences of packaging and the amount of household waste become a focus. The importance of the waste problem suggests that environmental friendliness of product packaging should be added into consumer choice models as a relevant product attribute now a day. The finding of the study indicate that product packaging was an important product attribute in the consumer choice. All respondents expressed their concerns for the environment and they willing to contribute by recycling and choosing environmental-friendly products (Rokka & Uusitalo, 2008).

From the online lecture videos by Jason Richea (2012), packaging is done for every product that helps to convey identify and image of the product. Packaging can be describing as the design, science, art and technology of enclosing or protecting products for distribution, storage, sale and use. The raw material of packaging includes large bags, sacks, and others. Consumer products packaging include boxes, bottles and others. Reason for packaging include consolidation, protection, information, brand identification and sales promotion.