

SUPERVISOR’S AND PANEL APPROVAL

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EXPLORING THE CONTRIBUTING FACTORS THAT AFFECT BRAND
KNOWLEDGE ON AGROMAS PRODUCT: A CASE STUDY

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DECLARATION

“I declare that 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 in candidature of any other degree”

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DEDICATION

This research paper is special dedicated to my parents, En. Jamari Bin Mahadi and Puan Yatimi Binti Mahat, who has been my main source of inspiration and encouragement during my studies. Not forgettable to all my siblings who are always giving me a moral support. Thank you for giving me the opportunity and a new experience in my life to complete the meaningful research. To all my family thank you for allowed and always give full support to me for further study.

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ABSTRACT

From day to day there is increasing number of local product appear in the market that will increase the competition among the product to remain in the market. The brand of each product is very important as it is one of the competitive advantages toward the brand when it's already present in consumer's mind. Brand knowledge is the most important factor towards the product brand especially in attracting more regular consumers. Therefore, the purpose of conducting this research is to explore the contributing factors that affect the brand knowledge on Agromas product and to determine whether the consumers of Agromas product have the brand knowledge of the product. There were two factors that affect the brand knowledge which are the brand awareness and the brand image. To achieve all the objectives, 170 respondent which are the consumers of Agromas product at Rengit FAMA Food Processing Centre (PMMFR) have been chosen to answer the questionnaire. The collected data was analysed using descriptive analysis and coded into SPSS 23.0. The finding shows that there is a significant relationship between brand images toward brand knowledge. Meanwhile, brand awareness do not have a significant relationship with brand knowledge.

Keywords: Brand Awareness, Brand Image, Brand Knowledge

ABSTRAK

Dari hari ke hari terdapat peningkatan jumlah produk tempatan yang muncul di pasaran yang akan meningkatkan persaingan di antara produk untuk tetap berada di pasaran. Jenama setiap produk adalah sangat penting kerana ia merupakan salah satu kelebihan daya saing terhadap jenama apabila ia sudah wujud dalam minda pengguna. Pengetahuan jenama adalah faktor terpenting terhadap jenama produk terutamanya dalam menarik pengguna yang lebih kerap. Oleh itu, tujuan menjalankan kajian ini adalah untuk meneroka faktor-faktor yang menyumbang yang mempengaruhi pengetahuan jenama produk Agromas dan menentukan sama ada pengguna produk Agromas mempunyai pengetahuan jenama produk tersebut. Terdapat dua faktor yang mempengaruhi pengetahuan jenama yang merupakan kesedaran jenama dan imej jenama. Untuk mencapai semua objektif, 170 responden yang merupakan pengguna produk Agromas di Pusat Memproses Makanan FAMA Rengit (PMMFR) telah dipilih untuk menjawab soal selidik. Data yang diperolehi dianalisis dengan menggunakan analisis deskriptif dan direkodkan ke dalam SPSS 23.0. dapatan kajian menunjukkan bahawa terdapat hubungan yang signifikan di antara imej jenama terhadap pengetahuan jenama. Manakala kesedaran jenama tidak mempunyai hubungan yang signifikan dengan pengetahuan jenama.

Kata kunci: Kesedaran Jenama, Imej Jenama, Pengetahuan Jenama

TABLE OF CONTENT

CHAPTER	TITLE	PAGE
	SUPERVISOR'S AND PANEL APPROVAL	
	TITLE PAGE	i
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	<i>ABSTRAK</i>	vi
	TABLE OF CONTENTS	vii
	LIST OF TABLES	xi
	LIST OF FIGURES	xii
CHAPTER 1	INTRODUCTION	
	1.1 Introduction	1
	1.2 Problem Statement	3
	1.3 Research Question	4
	1.4 Research Objective	4
	1.5 Scope	5
	1.6 Key Assumption of Study	5
	1.7 Importance of Study	5
	1.8 Summary	6
CHAPTER 2	LITERATURE REVIEW	
	2.1 Introduction	7
	2.2 Brand Knowledge	8

CHAPTER	TITLE	PAGE
2.3	Brand Awareness	11
	2.3.1 Brand Recall	14
	2.3.2 Brand Recognition	15
2.4	Brand Image	16
	2.4.1 Types of Brand Association	17
	2.4.2 Favourability of Brand Association	20
	2.4.3 Strength of Brand Association	21
	2.4.4 Uniqueness of Brand Association	22
2.5	Utilized Model	22
2.6	Theoretical Framework	24
2.7	Hypotheses	25
2.8	Summary	25
CHAPTER 3	RESEARCH METHODOLOGY	
3.1	Introduction	26
3.2	Research Design	27
3.3	Methodological Choice	28
3.4	Primary and Secondary Data Sources	29
	3.4.1 Primary Data Sources	29
	3.4.2 Secondary Data Sources	30
3.5	Sampling Technique	31
3.6	Population and sample size	31
3.7	Data analysis	32
3.8	Research Location	33
3.9	Time Horizon	33
3.10	Pilot Test	34
3.11	Scientific Canon	34
	3.11.1 Validity	34
	3.11.2 Reliability	35
3.12	Gantt Chart	37

CHAPTER	TITLE	PAGE
	3.13 Summary	39
CHAPTER 4	RESULT AND DATA ANALYSIS	
	4.1 Introduction	39
	4.2 Pilot test	40
	4.2.1 Validity Test	40
	4.2.2 Reliability Test	41
	4.3 Analysis of demographic factors	42
	4.3.1 Gender	42
	4.3.2 Age	43
	4.3.3 Occupation	44
	4.3.4 Income level	45
	4.3.5 Agromas product consumer	46
	4.3.6 Time scale on being Agromas product Consumer	47
	4.4 Validity and Reliability test	48
	4.4.1 Validity test	48
	4.4.2 Reliability test	50
	4.5 Descriptive analysis	51
	4.6 Inferential Analysis	54
	4.6.1 Pearson's correlation coefficient	55
	4.6.2 Hypothesis testing using multiple Regression analysis	57
	4.7 Summary	60
CHAPTER5	DISCUSSION AND CONCLUSION	
	5.1 Introduction	61
	5.2 Discussion for demographic	62
	5.3 Hypothesis testing	64
	5.3.1 Hypothesis 1	64
	5.3.2 Hypothesis 2	65
	5.4 Discussion for objective	67

CHAPTER	TITLE	PAGE
	5.4.1 Research objective 1	67
	5.4.2 Research objective 2	78
5.5	Recommendation	69
5.6	Conclusion	70
	REFERENCES	71
	APPENDIX A	76
	APPENDIX B	79

LIST OF TABLES

TABLE	TITLE	PAGE
3.1	Adapted from Krejcie and Morgan	32
3.2	Cronbach's Alpha Coefficient Range	36
3.3	Gantt Chart for PSM 1	37
3.4	Gantt Chart for PSM 2	38
4.1	Validity test for Pilot Test	40
4.2	Cronbach's Alpha for Pilot Test	41
4.3	Respondent's Gender	42
4.4	Respondent's Age	43
4.5	Respondent's occupation	44
4.6	Respondent's income level	45
4.7	Respondents of Agromas product consumer	46
4.8	Respondent's time scale of Agromas product consumer	47
4.9	Validity test result for Independent and Dependent Variables	48
4.10	Cronbach's Alpha for each variables	50
4.11	Descriptive statistics for brand awareness	51
4.12	Descriptive Statistics for brand image	52
4.13	Descriptive statistics for brand knowledge	53
4.14	Descriptive statistics for independent variables and dependent variable	54
4.15	Pearson Correlation Coefficient with 2-tailed	55
4.16	Pearson Correlation Coefficient between IV and DV	56
4.17	Model Summary	57
4.18	ANOVA	58
4.19	Coefficients ^a	58
5.1	Hypothesis 1 result	64
5.2	Hypothesis 2 result	65

LIST OF FIGURES

FIGURE	TITLE	PAGE
2.1	The Brand Knowledge Pyramid	9
2.2	The Awareness Pyramid Aaker (1991)	14
2.3	Aaker's Five Assets Brand Equity Model	23
2.4	Brand Knowledge	24
5.1	Perceived contribution of Brand Awareness	64
5.2	Perceived contribution of Brand Image	66

CHAPTER 1

INTRODUCTION

1.1 Introduction

Agromas product one of the brand that developed by Federal Agriculture Marketing Authority (FAMA). FAMA is marketing of agriculture produce coordinated, monitored and developed by FAMA, which was established in September 1965. There is important role that need to play from FAMA in making an efficient and effective agriculture marketing which in aligning agriculture marketing, improving market system, collaborating, develop and involved directly in selected sub sectors. There are four sub sectors that have been covered which are vegetables, fruits, grain and herbal and livestock and aquaculture. The programs that have been created by FAMA which is Agromas product in order to achieve their objectives. On the other hand, to improve the marketing information, FAMA has been securing the information of suppliers, demands, prices of agricultural products and educations on the travelling into manufacturing and marketing their agricultural product.

Brand for every product is very important as on our daily basis there are many product appears as demanding increases day by day as the consumers are receiving a growing amount of information that making them more informed. The competition for consumers among companies competing available to buy is growing increase because consumers promises that something will definitely work as described their development and growth. The main objective of the company is to build a new one and keep holding to existing consumers.

Agromas product brand that have been developed by FAMA is responsible for marketing the products. It is a marketing agency established under the Ministry of Agricultural and Agro-based Industry Malaysia which were also involved in the importation and exportation. The aims of FAMA developed the brand of Agromas is to enhance the product's image in terms of branding, packaging design, graphics, and labelling which enable the brand compete effectively in the market. On the other hand, it is responsible to increase the sales and differentiate the product brand from competitors. Lastly, it also help entrepreneurs to increase and expand the size of the product's market.

The Agromas product that been produce have potentially marketed not only in the local market but also foreign market said by Minister of Agriculture and Agro-based Industry Datuk Seri Ismail Sabri Yaakob (Star online, 2013). Furthermore, the ministry take an initiative by increasing the foreign trade mission to promote FAMA product to increase the brand of Agromas product not only in local market. So far, there are about 68 products of Agromas that have been marketed in Asean countries (Star online, 2013).

“The agricultural product that have been using Agromas brand must achieve the standard and features that have been set by FAMA and through a strict assessment process” said by Senior Director, Fama Process Product Marketing, Mansor Omar. Furthermore, it is one of the initiative to ensure the continuity of products in local and foreign market by using Agromas labels. There are about 34 agricultural products and SMEs using the Agromas brand. One of the specialities of Agromas product is free

from containing any preservatives and monosodium glutamate and the product get positive reaction among consumers (Harizamrry, 2008).

According to FAMA Operations Division Deputy Director-General, Sharifah Hashim (Kosmo online, 2015), FAMA only focus on two categories of marketing which are fresh products and agro-based industrial products produced by small and medium entrepreneurs. In the agro-based industrial product category, FAMA is responsible for developing any form of viable product to achieve high standards as well as labelling it under the Agromas brand either for local or overseas markets.

1.2 Problem Statement

As now people lives in modern world, consumers live more complicated and busy which product's brand have ability to simplify the decision making and reducing the risk becomes invaluable. The high number of companies in the same filed may lead to copying other firm's design, products or manufacturing process as the number of competitors also increase. For the Agromas product it may be difference with other product in the market as it is agriculture product.

The issue is focused on the factors that can contribute to the brand knowledge toward Agromas product. The product brand can be recognised by the familiarity as attitudes assures if the brand has a positive and negative image in the market. Meanwhile, the knowledge of the brand will be assures if consumers can associate the brand to correct products and what their knowledge about the brand.

Federal Agriculture and Marketing Authority (FAMA) must build more effective selling strategies that can attract and make people more aware towards the Agromas product. Lack of promotion and do not have strong advertising strategy make people do not aware about the product brand. Besides, they also do not have widespread promotion and do not specify to target customers will make customers do not know well known about the product brand. The knowledge of the product brand also can affect the consumer behaviour. As the brand knowledge is important towards

any product, this lead the researcher to explore the contributing factors that affect the brand knowledge on Agromas product.

1.3 Research Question

There are several research questions to be answered throughout the research study such as follow:

1. What are the contributing factors that affect brand knowledge on Agromas product?
2. Does the consumers of Agromas product have the brand knowledge of the product?

1.4 Research Objective

The objective of this study to explore the contributing factors of brand knowledge of Agromas product. It is also cover that the consumers are being well-known of the brand by discovering the brand knowledge.

The objectives of the study are stated as below:

1. To explore the contributing factors that affect brand knowledge on Agromas product.
2. To determine whether the consumers of Agromas product have the brand knowledge of the product.

1.5 Scope

The scope of this research is to explore the contributing factors that affect the brand knowledge on Agromas product and to determine the consumers brand knowledge towards Agromas product. Therefore, the respondents of this research would be 170 people who are the consumers of Agromas products of Rengit FAMA Food Processing Centre at Rengit, Batu Pahat, Johor.

1.6 Key Assumptions of Study

Based on the research study, there are few assumption that have been made by the researcher before conducting the research such all the respondents will answer the questionnaire honestly and based on their knowledge deeply about the brand. Secondly, does the consumers actually well known about the product brand.

1.7 Importance of the study

There are few main importance of the research study in this research which is the researcher want to explore the contributing factors that affect the brand knowledge on Agromas product. In addition, throughout the research study, the researcher aims to increase the understanding of the brand knowledge towards product existence in the market. On the other hand, the researcher want to recognize how far the consumers well-known about the product that have been purchase. Lastly, industry should respond to the findings.

1.8 Summary

This chapter is consists of few important elements which are background of study, problem statement, research questions and also research objectives. In this chapter is explaining about the contributing factors that affect the brand knowledge on Agromas product. In the next chapter, there will be further explanation regarding the factors that affect the brand knowledge which give a detail theories related to the research topic and hence will answer the research objectives.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher will discuss deeper regarding the contributing factors that affects the brand knowledge on Agromas product. This is including the brand knowledge of the product inside the consumer's mind which is the ability of a strong brand to simplify consumer decision-making. The technical knowledge of the brand knowledge is discussed which it is created according to an associative network memory model in terms of two parts which are brand awareness and brand image.

Branding has been around for centuries as a means to tell apart the product that have been bought and sold of one producer from those of another (Keller, 2013). In facts, the word brand is derived from the Old Norse word brand, which means "to burn", as brands were and still are the way by which owners of animal's farm mark their animals to identify them.

2.2 Brand Knowledge

The knowledge can be defined as ‘strategic sources which consists of the capabilities and skills that use by an individual, teams, and organization to solve the problem’ (Keller, 1998). While, brand can be defined as according to the American Marketing Association (AMA) as acknowledge in Keller (2013), a brand is a “name, term, sign, symbol, or design, or a combination of them, meant to identify the goods and services of one seller or group of sellers and to show the difference between them from those of competitors.” The knowledge of the brand not only refer to the product also to service. The product may be in a physical good, service, retail store, person, organization, place or idea that can be offered to a market for attention, purchases, use or consumption that might be satisfied the need and want of customers.

According to Alba, Hutchinson, and Lynch (1991), the importance of knowledge of consumer mind in making the decision has been well documented. The context and structure of brand knowledge is important to be understand as it will affect the consumers’ thinking when it comes to customers mind. Awareness of the brand and the favourability, strength, and uniqueness of the brand association are the relevant dimensions that distinguish the brand knowledge and affect consumer response (Keller, 2003). These dimension have been affected by any characteristics and other relationship that related with type of brand association and agreement among brand association that affected the favourability, strength and also the uniqueness of brand association.

Peter and Olson (2001) defines cognitive representation of the brand relates to consumer brand knowledge. Keller (2003) stated that the consumer brand knowledge is about the brand that keep in consumers’ mind, which all the descriptive and evaluative brand-related information in terms of personal meaning. Most of the earlier research more focus on tangible, product-related information for brands. The understanding of the abstract, intangible aspects of brand knowledge is one of the important thrust in recent branding that is not related to the actual service specifications or an actual product by itself.

According to Keller (2003), increasing number of branding is about the consideration which more abstract and intangible consideration, and the flow of the research help to illuminate those aspects of brand knowledge. At the same time, other aspects of brand knowledge may also be important suggesting a need for brand synthesis.

The brand knowledge had in different dimension that can be classified in pyramid which each of the lower-level element provides the basics element to the higher-level element (Keller, 2001). The brand attachment stems from the rational and emotional brand evaluations, which from functional and emotional brand association which require the brand awareness. Measuring the brand knowledge can also know as “customer mind-set” measures because its shows how the customer’s acceptance of the brand in their mind.

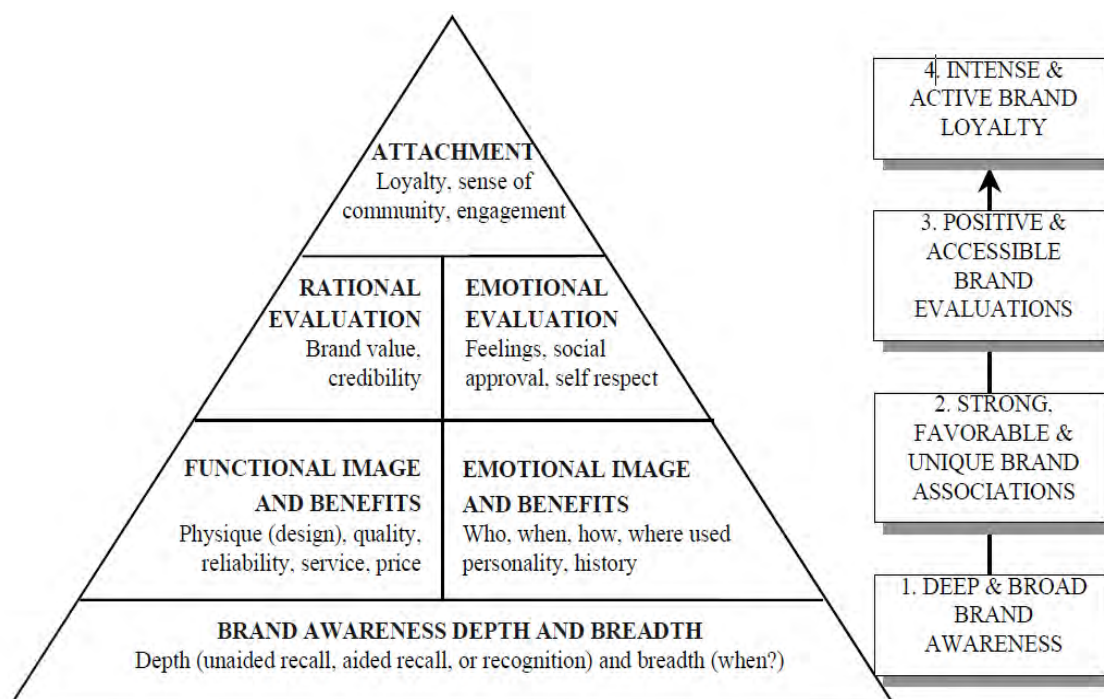


Figure 2.1: The Brand Knowledge Pyramid

Keller (1993) stated the difference between the brand equity in a general sense and customer-based brand equity as brand equity may be defined in terms of marketing discovered by the brand and customer-based brand equity as the affect that is different in brand knowledge on consumer response towards marketing of the brand. He explains that consumer's reaction to a little bit of the marketing mix for the brand involves in customer-based brand equity in comparison with the consumer's response to the same marketing mix elements attribute to a falsely named or unnamed variant of the product or service.

According to Keller (1993), there are two main component in brand knowledge which are brand awareness and brand image. There are two main point that related to performance of brand awareness which are brand recall and brand recognition. Brand image relates to the set of connections that related to the brand that consumers keep in their memory.

Keller (1993) defines that the brand awareness (brand recall and brand recognition), favourability, strength, and uniqueness of the brand associations in consumer's mind are the clearly connected from the brand knowledge. These dimensions are affected by other features of and relationships among the brand associations." Brand awareness makes up of brand recognition and brand recall performances. The consumer's ability to confirm toward the head exposure to the brand when given the brand as a signal is associate with brand recognition while the consumer's ability to recall the brand when the product category is given, the needs filled by the category, or some other type of probe as a signal is associate with the brand recall.

2.3 Brand Awareness

The first dimension that discern brand knowledge is brand awareness. The brand awareness is the probability to measure if the customers are familiar about the product or accessibility of the brand in their mind. According to Rossiter and Percy (1987), the brand awareness that reflected by the consumers is related to the strength or the brand note or trace in the memory which they are able to recognize the brand under different situations.

Aaker (1996) defines brand awareness as the capability of a consumer to differentiate and recall a brand in different situations. Furthermore, brand awareness can also be seen from the depth and width (Hoeffler and Keller, 2002). Width signifies the ways to recall or differentiate the brand easily, while depth may signify when consumers buy the product, the brand name will come to their mind. When consumers are intended to buy a specific brand, the product will have higher brand awareness when they want to buy the product when it has both brand depth and brand's width at the same time.

On the other hand, brand name is also an important element in brand awareness (Davis, Golicic & Marquardt, 2008). According to Keller (1993), purchase decisions affect brand awareness through brand association, and it will help marketing activities when a product has a positive brand image. A brand name provides a symbol that can attract consumers to identify service providers and to describe a possible future event or service result. (Herbig & Milewicz, 1993; Janiszewski & Van Osselaer, 2000; Turley & Moore, 1995).

Purchase intentions play an important role in brand awareness because consumers are more favourable to buy a product that has been well known and familiar to them (Keller, 1993; Sharp, 2000). Percy and Rossiter (1992) define brand awareness as enabling consumers to make decisions while making purchases and distinguish the brand from a product category. Besides, Hoyer and Brown (1990) distinguish that brand awareness has a great impact on selections and can be based on facts or conditions in a product category. In the consumer purchase intention, brand awareness also acts as a critical factor, and certain brands will roll up in